

CITY OF VALLEY CENTER

FINAL AGENDA

March 29, 2012

THE CITY COUNCIL SHALL HOLD ITS REGULAR MEETINGS IN THE COUNCIL CHAMBER IN THE CITY HALL, LOCATED AT 121 S. MERIDIAN, BEGINNING AT 7:00 P.M.

April 3, 2012

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **INVOCATION: MINISTERIAL ALLIANCE**
4. **PLEDGE OF ALLEGIANCE**
5. **APPROVAL OF AGENDA** p 3
6. **CLERK'S AGENDA** p 4
 - A. Minutes p 4
 - March 20, 2012 Council Meeting p 5
 - B. Appropriation Ordinance p 8
 - C. Treasurer's Report – February 2011 p 21
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 - Planning Commission, March 27, 2012 Meeting p 27
11. **OLD BUSINESS** p 29
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12. **NEW BUSINESS** p 30
 - A. Resolution 593-12, Authorizing the Offering for Sale of General Obligation Bonds p 31
 - B. Resolution 594-12- Tax Exempt Compliance Procedure p 39
 - C. Ordinance 1241-12, Re-zoning 500 N Park, 1st reading p 61
13. **CONSENT AGENDA** p 67
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14. **STAFF REPORTS** p 82
15. **GOVERNING BODY REPORTS** p 109
16. **ADJOURN**

All items listed on this agenda are potential action items unless otherwise noted. The agenda may be modified or changed at the meeting without prior notice.

At anytime during the regular City Council meeting, the City Council may meet in executive session for consultation concerning several matters (real estate, litigation, non-elected personnel and security).

This is an open meeting, open to the public, subject to the Kansas Open Meetings Act (KOMA). The City of Valley Center is committed to providing reasonable accommodations for persons with disabilities upon request of the individual. Individuals with disabilities requiring an accommodation to attend the meeting should contact the City Clerk in a timely manner, at cityclerk@valleycenter-ks.gov or by phone at (316)755-7310.

For additional information on any item on the agenda, please visit www.valleycenter-ks.gov or call (316) 755-7310.

APPROVAL OF AGENDA

RECOMMENDED ACTION:

Staff recommends motion to approve the agenda as presented / amended.

CLERK'S AGENDA

A. MINUTES:

Attached are the Minutes from the meeting of March 20, 2012 Regular Council Meeting as prepared by the City Clerk.

RECOMMENDED ACTION:

Staff recommends motion to approve the March 20, 2012 Regular Council Meeting Minutes as presented / amended

REGULAR COUNCIL MEETING
MARCH 20, 2012
CITY HALL
121 S. MERIDIAN

Mayor McNown called the meeting to order at 7:00 p.m. with the following members present: Judith Leftoff, Lou Cicirello, Dan Smith, Harrison Gerling, Marci Maschino, Lionel Jackson, Kate Jackson, and Al Hobson.

Members Absent:

Staff Present: Joel Pile, City Administrator
 Kristine Polian, City Clerk
 Robert Tormey, Fire Captain
 Mark Hephner, Police Chief
 Neal Owings, Parks and Public Buildings Superintendent
 Warren Utecht, Community Development Director
 Barry Arbuckle, City Attorney

Press present: The Ark Valley News

APPROVAL OF THE AGENDA

Cicirello moved, second by L. Jackson, to approve the Agenda as presented. Vote yea: unanimous. Motion carried.

CLERK'S AGENDA

MINUTES- MARCH 6, 2012 REGULAR COUNCIL MEETING

Hobson moved, second by Cicirello, to approve the Minutes from the March 6, 2012 Regular Council Meeting as presented. Vote yea: unanimous. Motion carried.

APPROPRIATION ORDINANCE- 03/20/2012

Hobson moved, second by Cicirello, to approve Appropriation Ordinance No. 03/20/2012 as presented. Vote yea: unanimous. Motion carried.

TREASURER'S REPORT, JANUARY 2012

Maschino moved, second by Hobson, to receive and file the January 2012 Treasurer's report as presented.

PUBLIC FORUM

COMMITTEES AND COMMISSIONS

Councilmember Maschino reminded Staff that she would like to receive financial statements from the Library on a monthly basis; as of yet she has not received any statements since making the original request.

APPOINTMENTS**OLD BUSINESS**ORDINANCE 1240-12- 135 N. PARK REZONING FROM R-1B, ONE FAMILY RESIDENTIAL TO C-1: P-O DOWNTOWN BUSINESS DISTRICT AND PROTECTIVE OVERLAY, 2ND READING

Cicirello moved, second by K. Jackson, to adopt Ordinance 1240-12, changing the Zoning District Classification of certain property located in the City of Valley Center, Kansas, under the authority granted by the Zoning Regulations of Valley Center, KS, for second reading. Vote yea: unanimous. Motion carried.

NEW BUSINESSPRESENTATION FROM VALLEY CENTER RECREATION COMMISSION RE: PROPOSED RECREATION COMPLEX.

Steve Geddes and Mark Detter presented information on the proposed recreation complex, which included a citizen survey, proposed design and financing options. Geddes and Detter stated they hoped to get Council approval to put a 1% sales tax question on the election ballot in November 2012 that would allow the citizens to vote on sales tax to finance the new recreation complex. In addition to putting the sales tax question on the ballot, they hoped to get the Council's initial support to convene the Public Building Commission in order to issue the debt necessary to finance the proposed complex.

Several Council members expressed concern regarding the survey and the questions it asked.

Councilmember Gerling asked if the operating budget was going to be increased since the complex was going to require far more labor than is currently needed.

Geddes stated the operating budget would increase and the Recreation Commission had a large sum of money in the bank to assist in paying for operations in the future; stated further that no hard operating numbers had been figured but would be immediately provided to the Council.

Other Council concerns included the length of the sales tax and whether or not this project would hinder plans to fix the drainage in the City, since there had been discussion of possibly financing the drainage project partially with sales tax.

Councilmember Smith stated he is concerned the complex is too big for the community and not enough thought has gone into paying for operations of the complex.

PUBLIC COMMENT

Kyle Lang, 714 Gatewood, believes the Council should be questioning whether the new recreation complex will draw enough people to the City to justify the cost. Said he thinks bringing people to the City is one of the most important issues to deal with currently.

Moving forward, Pile stated he would like to meet with Bond counsel to get more information on the questions that would go on the ballot, and further discuss the Public Building Commission and its responsibilities.

Council consensus was made to have Staff move forward with getting additional information on financing and the ballot question to be presented as soon as possible.

EXECUTIVE SESSION

Cicirello moved, second by L. Jackson, to move into Executive Session for twenty minutes to discuss non-elected personnel with City Administrator Pile at 8:25. Vote yea: unanimous. Motion carried.

After Executive Session, Cicirello stated the Council met in Executive Session to discuss non-elected personnel, and no official action was taken.

CONSENT AGENDA**STAFF REPORTS**POLICE CHIEF HEPHNER

Invited everyone to an Open House at the Public Safety Building on Tuesday, March 27 at 7:00 pm to view the new police cars and CAD system.

COMMUNITY DEVELOPMENT DIRECTOR

Said he is working with the Economic Development Task Force to put together a survey to question citizens on what they thought would draw people to the community. Said he hopes to provide feedback from the survey to the Council at the first meeting in June.

CITY ADMINISTRATOR PILE

Stated the directional signs for the City are being redesigned and will be presented to the Economic Development Task Force to get recommendations on placement of the signs; recommendations will then be presented to the Council for approval. Said he worked with the Recreation Commission in going over swimming pool rates; they compared Valley Center rates to similar city pools in the area and found that the City's rates were low. Asked for a motion of approval for the recommended increase in swimming pool rates as presented.

Maschino moved, second by Hobson, to approve the increased swimming pool rates as presented by City Administrator Pile. Vote yea: unanimous. Motion carried.

GOVERNING BODY REPORTSMAYOR MCNOWN

Said there will be a SCAC meeting at City Hall in Valley Center on the 2nd Saturday in April.

Hobson moved, second by Cicirello, to adjourn the meeting. Vote yea: unanimous. Motion carried.

Meeting adjourned at 8:52 p.m.

Kristine A. Polian, City Clerk

CLERK'S AGENDA**B. APPROPRIATION ORDINANCE:**

Below is the proposed Appropriation Ordinance for April 3, 2012 as prepared by City Staff.

April 3, 2012 Appropriation

Packet #1	\$ 104,647.75
Packet #2	22.20
Packet #3	<u>\$ 29.25</u>
Total	\$ 104,699.20

RECOMMENDED ACTION:

Staff recommends motion to approve the April 3, 2012 Appropriation Ordinance as presented / amended.

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COUNCIL MTG PACKET # 1, April 3, 2012

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VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
A T & T KANSAS	3/9 - 4/8/2012 PH &	GENERAL FUND	ADMINISTRATION	297.97
	3/9 - 4/8/2012 PH & INTER	GENERAL FUND	LEGAL & MUNICIPAL COUR	35.48
	3/9 - 4/8/2012 PH & INTER	GENERAL FUND	POLICE	214.16
	3/9 - 4/8/2012 PH & INTER	GENERAL FUND	FIRE	37.80
	3/9 - 4/8/2012 PH & INTER	GENERAL FUND	EMERGENCY COMMUNICATIO	189.10
	3/9 - 4/8/2012 PH & INTER	GENERAL FUND	PARKS AND PUBLIC GROUN	54.34
	3/9 - 4/8/2012 PH & INTER	WATER OPERATING	NON-DEPARTMENTAL	141.80
	VALLEY CREEK PUMP STATION	SEWER OPERATING	NON-DEPARTMENTAL	42.25
	3/9 - 4/8/2012 PH & INTER	SEWER OPERATING	NON-DEPARTMENTAL	195.95
	DES SUBSTATION	SEWER OPERATING	NON-DEPARTMENTAL	41.95
			TOTAL:	1,250.80
AFLAC	PZ868180 ACC H COE	GENERAL FUND	NON-DEPARTMENTAL	21.58
	POA5B176 ACC G JACKS	GENERAL FUND	NON-DEPARTMENTAL	50.31
	PZ838464 ACC K POLIA	GENERAL FUND	NON-DEPARTMENTAL	21.58
	PJ720568 ACC D ROGER	GENERAL FUND	NON-DEPARTMENTAL	24.10
	PZ868181 STD H COE	GENERAL FUND	NON-DEPARTMENTAL	28.08
	POA5B178 STD G JACKS	GENERAL FUND	NON-DEPARTMENTAL	38.22
	PZ838465 CAN K POLIA	GENERAL FUND	NON-DEPARTMENTAL	21.58
	PJ720569 CAN D ROGER	GENERAL FUND	NON-DEPARTMENTAL	22.70
	PV184034 STD C SEXTO	GENERAL FUND	NON-DEPARTMENTAL	39.40
	PU342670 STD P TENNI	GENERAL FUND	NON-DEPARTMENTAL	37.96
	P6996300 ACC R DUNN	SEWER OPERATING	NON-DEPARTMENTAL	20.30
				TOTAL:	325.81
AMERICAN EXTERIORS	REFUND PERMIT #120017	GENERAL FUND	COMMUNITY DEVELOPMENT	118.00
			TOTAL:	118.00
B & B KLASSEN ENTERPRISES	17.15 AMS TOP SOIL	SPECIAL HIGHWAY	SPECIAL HIGHWAY	293.61
			TOTAL:	293.61
BURKHOLDER ENTERPRISE INC	2HRS MILL SHAFT	SEWER OPERATING	NON-DEPARTMENTAL	100.00
			TOTAL:	100.00
CIVIC PLUS	MARCH 2012 WEBSITE FEE	GENERAL FUND	ADMINISTRATION	80.69
	MARCH 2012 WEBSITE FEE	GENERAL FUND	LEGAL & MUNICIPAL COUR	10.09
	MARCH 2012 WEBSITE FEE	GENERAL FUND	COMMUNITY DEVELOPMENT	10.09
	MARCH 2012 WEBSITE FEE	GENERAL FUND	POLICE	90.76
	MARCH 2012 WEBSITE FEE	GENERAL FUND	FIRE	15.13
	MARCH 2012 WEBSITE FEE	GENERAL FUND	EMERGENCY COMMUNICATIO	40.34
	MARCH 2012 WEBSITE FEE	GENERAL FUND	PARKS AND PUBLIC GROUN	30.26
	MARCH 2012 WEBSITE FEE	GENERAL FUND	ENVIRONMENTAL SERVICES	5.04
	MARCH 2012 WEBSITE FEE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	25.21
	MARCH 2012 WEBSITE FEE	WATER OPERATING	NON-DEPARTMENTAL	35.30
	MARCH 2012 WEBSITE FEE	SEWER OPERATING	NON-DEPARTMENTAL	10.09
				TOTAL:	353.00
COX COMMUNICATIONS	COX COMMUNICATIONS	GENERAL FUND	ADMINISTRATION	17.41
	COX COMMUNICATIONS	GENERAL FUND	ADMINISTRATION	111.37
	COX COMMUNICATIONS	GENERAL FUND	LEGAL & MUNICIPAL COUR	15.99
	COX COMMUNICATIONS	GENERAL FUND	COMMUNITY DEVELOPMENT	17.40
	COX COMMUNICATIONS	GENERAL FUND	COMMUNITY DEVELOPMENT	18.58
	COX COMMUNICATIONS	GENERAL FUND	POLICE	15.99
	COX COMMUNICATIONS	GENERAL FUND	FIRE	15.99
	COX COMMUNICATIONS	GENERAL FUND	EMERGENCY COMMUNICATIO	15.99
	COX COMMUNICATIONS	GENERAL FUND	ENVIRONMENTAL SERVICES	15.99

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COUNCIL MTG PACKET # 1, April 3, 2012

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VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
			TOTAL:	244.71
CRAIN CHEMICAL	2 50# OIL BASE FLOOR SWEE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	142.62
			TOTAL:	142.62
DELTA DENTAL OF KANSAS	MARCH 2012 PREMIUMS	GENERAL FUND	NON-DEPARTMENTAL	1,786.36
	MARCH 2012 PREMIUMS	GENERAL FUND	NON-DEPARTMENTAL	189.42
	MARCH 2012 PREMIUMS	SPECIAL HIGHWAY	NON-DEPARTMENTAL	197.50
	MARCH 2012 PREMIUMS	WATER OPERATING	NON-DEPARTMENTAL	226.07
	MARCH 2012 PREMIUMS	SEWER OPERATING	NON-DEPARTMENTAL	189.42
			TOTAL:	2,588.77
FAMILY SUPPORT PAYMENT CENTER	CASE # 11LWAD00059	SPECIAL HIGHWAY	NON-DEPARTMENTAL	83.75
			TOTAL:	83.75
H & H ADMINISTRATORS	APRIL 2012 MONTHLY FEES	GENERAL FUND	ADMINISTRATION	240.12
			TOTAL:	240.12
ING LIFE INSURANCE & ANNUITY	457 DEFERRED COMP	GENERAL FUND	NON-DEPARTMENTAL	887.00
	457 DEFERRED COMP	SPECIAL HIGHWAY	NON-DEPARTMENTAL	25.00
	457 DEFERRED COMP	WATER OPERATING	NON-DEPARTMENTAL	212.50
			TOTAL:	1,124.50
INTRUST BANK NA	FEDL WITHHOLDING TAX	GENERAL FUND	NON-DEPARTMENTAL	5,061.84
	FICA TAX	GENERAL FUND	NON-DEPARTMENTAL	2,042.53
	MEDICARE	GENERAL FUND	NON-DEPARTMENTAL	705.16
	FICA TAX	GENERAL FUND	ADMINISTRATION	578.41
	MEDICARE	GENERAL FUND	ADMINISTRATION	135.28
	FICA TAX	GENERAL FUND	LEGAL & MUNICIPAL COUR	84.16
	MEDICARE	GENERAL FUND	LEGAL & MUNICIPAL COUR	19.69
	FICA TAX	GENERAL FUND	COMMUNITY DEVELOPMENT	175.06
	MEDICARE	GENERAL FUND	COMMUNITY DEVELOPMENT	40.94
	FICA TAX	GENERAL FUND	POLICE	1,218.80
	MEDICARE	GENERAL FUND	POLICE	285.03
	FICA TAX	GENERAL FUND	FIRE	232.58
	MEDICARE	GENERAL FUND	FIRE	54.39
	FICA TAX	GENERAL FUND	EMERGENCY COMMUNICATIO	295.75
	MEDICARE	GENERAL FUND	EMERGENCY COMMUNICATIO	69.17
	FICA TAX	GENERAL FUND	PARKS AND PUBLIC GROUN	342.39
	MEDICARE	GENERAL FUND	PARKS AND PUBLIC GROUN	80.07
	FICA TAX	GENERAL FUND	ENVIRONMENTAL SERVICES	88.05
	MEDICARE	GENERAL FUND	ENVIRONMENTAL SERVICES	20.59
	FEDL WITHHOLDING TAX	SPECIAL HIGHWAY	NON-DEPARTMENTAL	362.41
	FICA TAX	SPECIAL HIGHWAY	NON-DEPARTMENTAL	200.36
	MEDICARE	SPECIAL HIGHWAY	NON-DEPARTMENTAL	69.18
	FICA TAX	SPECIAL HIGHWAY	SPECIAL HIGHWAY	295.78
	MEDICARE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	69.18
	FEDL WITHHOLDING TAX	WATER OPERATING	NON-DEPARTMENTAL	841.57
	FICA TAX	WATER OPERATING	NON-DEPARTMENTAL	395.54
	MEDICARE	WATER OPERATING	NON-DEPARTMENTAL	136.55
	FICA TAX	WATER OPERATING	NON-DEPARTMENTAL	583.91
	MEDICARE	WATER OPERATING	NON-DEPARTMENTAL	136.55
	FEDL WITHHOLDING TAX	SEWER OPERATING	NON-DEPARTMENTAL	253.86
	FICA TAX	SEWER OPERATING	NON-DEPARTMENTAL	126.22
	MEDICARE	SEWER OPERATING	NON-DEPARTMENTAL	43.58
	FICA TAX	SEWER OPERATING	NON-DEPARTMENTAL	186.33

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VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	MEDICARE	SEWER OPERATING	NON-DEPARTMENTAL	43.58
			TOTAL:	15,274.49
INTRUST CARD CENTER	PARTNERSHIP IN EDUCA	GENERAL FUND	ADMINISTRATION	250.00
	2012 PAYROLL GUIDE	GENERAL FUND	ADMINISTRATION	402.38
	#10 PRINTED WINDOW E	GENERAL FUND	ADMINISTRATION	232.20
	DEC PRINTING OVERAGE	GENERAL FUND	ADMINISTRATION	152.84
	APPLICATIONS	GENERAL FUND	ADMINISTRATION	168.49
	WELLNESS	GENERAL FUND	ADMINISTRATION	196.04
	WELLNESS	GENERAL FUND	ADMINISTRATION	300.00
	MISC OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATION	18.15
	TORNADO SIREN FIDDLE	GENERAL FUND	ADMINISTRATION	359.00
	COURT POSTAGE	GENERAL FUND	LEGAL & MUNICIPAL COUR	1.10
	COURT POSTAGE	GENERAL FUND	LEGAL & MUNICIPAL COUR	1.30
	SEDCO PERMITS	GENERAL FUND	COMMUNITY DEVELOPMENT	959.82
	DIVIDERS	GENERAL FUND	COMMUNITY DEVELOPMENT	11.97
	EASEL PADS	GENERAL FUND	COMMUNITY DEVELOPMENT	59.99
	HEATER	GENERAL FUND	COMMUNITY DEVELOPMENT	45.44
	BOOKS FOR CAD TRAINI	GENERAL FUND	POLICE	19.18
	BUSINESS CARS & LETT	GENERAL FUND	POLICE	136.00
	CAR #11 REPAIR	GENERAL FUND	POLICE	94.79
	CAR #2 & #8 REPAIRS	GENERAL FUND	POLICE	122.70
	REPAIR TO RADIO	GENERAL FUND	POLICE	119.70
	REPLACEMENT EAR PIEC	GENERAL FUND	POLICE	18.98
	NEW DUTY BOOTS	GENERAL FUND	POLICE	101.99
	FLOWERS HIPPS MOTHER	GENERAL FUND	POLICE	16.23
	KDHE FUEL LICENSE CO	GENERAL FUND	POLICE	9.00
	FUEL TIGHTNESS TEST	GENERAL FUND	POLICE	70.72
	3 TRAFFIC WANDS	GENERAL FUND	POLICE	29.91
	DIGITAL VIDEO RECORD	GENERAL FUND	POLICE	1,937.00
	NEW CAR ANTENNA	GENERAL FUND	POLICE	189.80
	NEW CAR GPS ANTENNA	GENERAL FUND	POLICE	33.06
	GPS ANTENNAS	GENERAL FUND	POLICE	66.12
	NEW CAR DECALS	GENERAL FUND	POLICE	150.00
	UPS SHIPPING	GENERAL FUND	FIRE	19.52
	BOOKS FOR CLASS	GENERAL FUND	FIRE	56.53
	BOOKS FOR CLASS	GENERAL FUND	FIRE	61.03
	SQ-41 ENGINE SENSOR	GENERAL FUND	FIRE	123.50
	SQ-41 TURBO HOSE	GENERAL FUND	FIRE	99.91
	TOW & REPAIR SQ-41 E	GENERAL FUND	FIRE	986.87
	SQ-41 PARTS	GENERAL FUND	FIRE	45.37
	FLASH LIGHT REPAIR P	GENERAL FUND	FIRE	139.10
	FUEL TIGHTNESS TEST	GENERAL FUND	FIRE	70.71
	CLIPBOARD & STRETCH	GENERAL FUND	FIRE	109.88
	BRASS O2 REGULATOR	GENERAL FUND	FIRE	355.72
	LEEKER UNIFORMS	GENERAL FUND	EMERGENCY COMMUNICATIO	99.98
	RUBBER STAMP REPLACE	GENERAL FUND	EMERGENCY COMMUNICATIO	56.65
	MONITOR MOUNT & PRIN	GENERAL FUND	EMERGENCY COMMUNICATIO	262.97
	USB PRINTER CABLE	GENERAL FUND	EMERGENCY COMMUNICATIO	27.95
	TOKENS FOR MDT/CAD	GENERAL FUND	EMERGENCY COMMUNICATIO	711.76
	PWB ADD PHONE JACK &	GENERAL FUND	PARKS AND PUBLIC GROUN	264.35
	SERVIC SENIOR VAN	GENERAL FUND	PARKS AND PUBLIC GROUN	154.16
	KIOTI TRACTOR TIRES	GENERAL FUND	PARKS AND PUBLIC GROUN	435.71
	ANNUAL SERV AGREEMT	GENERAL FUND	PARKS AND PUBLIC GROUN	4,709.08
	SRVC BLDG FIRE EXTIN	GENERAL FUND	PARKS AND PUBLIC GROUN	578.15
	SRVC BLDG FIRE EXTIN	GENERAL FUND	PARKS AND PUBLIC GROUN	259.20

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VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	REPLACE BROKEN WINDO	GENERAL FUND	PARKS AND PUBLIC GROUN	710.34
	JAN 2012 UNIFORM CLE	GENERAL FUND	PARKS AND PUBLIC GROUN	107.20
	ELECT SUPPLY & KEYS	GENERAL FUND	PARKS AND PUBLIC GROUN	10.97
	GLOVES CB CAMERA MEM	GENERAL FUND	PARKS AND PUBLIC GROUN	110.59
	COOKIE SHEET	GENERAL FUND	PARKS AND PUBLIC GROUN	2.06
	PSB FRONT CAMERA MOU	GENERAL FUND	PARKS AND PUBLIC GROUN	85.32
	MISC HARDWARE	GENERAL FUND	PARKS AND PUBLIC GROUN	2.29
	MISC HDWR EXT CORD F	GENERAL FUND	PARKS AND PUBLIC GROUN	17.27
	TAPE	GENERAL FUND	PARKS AND PUBLIC GROUN	3.99
	2 PK BATTERIES DEWAL	GENERAL FUND	PARKS AND PUBLIC GROUN	99.00
	ROUTER SURGE OUTLETS	GENERAL FUND	PARKS AND PUBLIC GROUN	151.96
	CAT5 CABLE	GENERAL FUND	PARKS AND PUBLIC GROUN	8.99
	CB LADDER	GENERAL FUND	PARKS AND PUBLIC GROUN	63.79
	PSB SCREW	GENERAL FUND	PARKS AND PUBLIC GROUN	1.32
	GAZEBO SCREW BITS	GENERAL FUND	PARKS AND PUBLIC GROUN	3.98
	LUMBER PARK BENCH GA	GENERAL FUND	PARKS AND PUBLIC GROUN	75.42
	STICK ON LETTERS	GENERAL FUND	PARKS AND PUBLIC GROUN	4.59
	PWB SAFETY SIGN	GENERAL FUND	PARKS AND PUBLIC GROUN	20.00
	BULB & DOWEL ROD	GENERAL FUND	PARKS AND PUBLIC GROUN	5.38
	CEMETRY SAND	GENERAL FUND	PARKS AND PUBLIC GROUN	30.00
	FUEL TIGHTNESS TEST	GENERAL FUND	PARKS AND PUBLIC GROUN	70.71
	CB INSTALL 7GFCI OUT	GENERAL FUND	PARKS AND PUBLIC GROUN	522.00
	PSB INSTALL PWR TO D	GENERAL FUND	PARKS AND PUBLIC GROUN	1,508.00
	ADD GAS SUPPLY LINE	GENERAL FUND	PARKS AND PUBLIC GROUN	298.12
	PSB INSTALL CAMERA I	GENERAL FUND	PARKS AND PUBLIC GROUN	557.00
	RABIES TITER	GENERAL FUND	ENVIRONMENTAL SERVICES	58.00
	DOG LICENSES	GENERAL FUND	ENVIRONMENTAL SERVICES	147.75
	UNIFORM GLOVES	GENERAL FUND	ENVIRONMENTAL SERVICES	37.95
	FUEL TIGHTNESS TEST	GENERAL FUND	ENVIRONMENTAL SERVICES	70.71
	WIRING CAD/RMS GRANT	EQUIPMENT RESERVE	NON-DEPARTMENTAL	299.40
	HOTEL REIMBURSEMENT	EQUIPMENT RESERVE	NON-DEPARTMENTAL	814.36
	SCAN TOOL	SPECIAL HIGHWAY	SPECIAL HIGHWAY	238.99
	10 24 VOLT LIGHT BUL	SPECIAL HIGHWAY	SPECIAL HIGHWAY	59.60
	1 QT OIL ADDITIVES	SPECIAL HIGHWAY	SPECIAL HIGHWAY	5.49
	PVC ELBOW #28 FORD T	SPECIAL HIGHWAY	SPECIAL HIGHWAY	17.99
	OIL & AIR FILTERS	SPECIAL HIGHWAY	SPECIAL HIGHWAY	39.31
	RPLC TRCK HOE WINDOW	SPECIAL HIGHWAY	SPECIAL HIGHWAY	275.73
	REPAIR CABLE ON SALT	SPECIAL HIGHWAY	SPECIAL HIGHWAY	274.75
	JAN 2012 UNIFORM CLE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	141.17
	18' X 30" CORRUGATED	SPECIAL HIGHWAY	SPECIAL HIGHWAY	449.10
	SUPPLIES	SPECIAL HIGHWAY	SPECIAL HIGHWAY	13.12
	BRACKETS POSTS & STR	SPECIAL HIGHWAY	SPECIAL HIGHWAY	1,970.03
	CHAPS & HELMET CHAIN	SPECIAL HIGHWAY	SPECIAL HIGHWAY	267.96
	10 JERSEY GLOVES	SPECIAL HIGHWAY	SPECIAL HIGHWAY	9.90
	DEWALT CHARGER	SPECIAL HIGHWAY	SPECIAL HIGHWAY	79.99
	10 EMER SNOW ROUTE S	SPECIAL HIGHWAY	SPECIAL HIGHWAY	828.50
	HOSE WIRE FOR SHOP	SPECIAL HIGHWAY	SPECIAL HIGHWAY	5.39
	HANDHELD RADIO BATTE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	310.00
	SOCKETS EMERG ROAD K	SPECIAL HIGHWAY	SPECIAL HIGHWAY	51.15
	KEY CUTTING WHEEL	SPECIAL HIGHWAY	SPECIAL HIGHWAY	19.52
	BROOM	SPECIAL HIGHWAY	SPECIAL HIGHWAY	10.99
	5 BAGS QUIKRETE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	19.95
	DRILL BITS	SPECIAL HIGHWAY	SPECIAL HIGHWAY	26.78
	TOOL BOX	SPECIAL HIGHWAY	SPECIAL HIGHWAY	5.99
	BARRICADES MISC SUPP	SPECIAL HIGHWAY	SPECIAL HIGHWAY	109.29
	FIRE EXTINGUISHER TE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	245.43

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COUNCIL MTG PACKET # 1, April 3, 2012

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VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	6" CLEAT FLAG POLE	SPECIAL HIGHWAY	SPECIAL HIGHWAY	5.92
	FUEL TIGHTNESS TEST	SPECIAL HIGHWAY	SPECIAL HIGHWAY	70.72
	DIESEL FUEL 97 INTER	SPECIAL HIGHWAY	SPECIAL HIGHWAY	100.00
	2 TIRES	SPECIAL HIGHWAY	SPECIAL HIGHWAY	287.04
	60 BAGS HP POTHOLE P	SPECIAL HIGHWAY	SPECIAL HIGHWAY	537.00
	FEB STATE SAMPLES	WATER OPERATING	NON-DEPARTMENTAL	5.20
	FEB STATE SAMPLES	WATER OPERATING	NON-DEPARTMENTAL	5.20
	FEB STATE SAMPLES	WATER OPERATING	NON-DEPARTMENTAL	5.20
	2011 STATE USE REPOR	WATER OPERATING	NON-DEPARTMENTAL	12.95
	2011 NPDES REPORT ST	WATER OPERATING	NON-DEPARTMENTAL	12.95
	R DUNN 2012 MEMBERSH	WATER OPERATING	NON-DEPARTMENTAL	200.00
	MEMBERSHIP DUES	WATER OPERATING	NON-DEPARTMENTAL	170.00
	MEMBERSHIP DUES	WATER OPERATING	NON-DEPARTMENTAL	98.00
	EXHAUST ON 97 FORD	WATER OPERATING	NON-DEPARTMENTAL	315.55
	REPAIR TO VAC TRAILLE	WATER OPERATING	NON-DEPARTMENTAL	494.57
	BLACK HOSE & FITTING	WATER OPERATING	NON-DEPARTMENTAL	44.84
	CALCIUM HYPOCHLORITE	WATER OPERATING	NON-DEPARTMENTAL	349.20
	JAN 2012 UNIFORM CLE	WATER OPERATING	NON-DEPARTMENTAL	141.17
	MISC OFFICE SUPPLIES	WATER OPERATING	NON-DEPARTMENTAL	472.86
	3 6" RECIPRO BLADES	WATER OPERATING	NON-DEPARTMENTAL	12.87
	200 RUBBER METER GAS	WATER OPERATING	NON-DEPARTMENTAL	22.00
	FIRE EXTINGUISHER TE	WATER OPERATING	NON-DEPARTMENTAL	245.41
	FUEL TIGHTNESS TEST	WATER OPERATING	NON-DEPARTMENTAL	70.72
	4 TIRES # 26	WATER OPERATING	NON-DEPARTMENTAL	607.64
	REPAIR CLAMPS	WATER OPERATING	NON-DEPARTMENTAL	605.81
	SPRAY PAINT	STORMWATER UTILITY	INVALID DEPARTMENT	12.66
	12/19/11 - 1/18/12 D	SEWER OPERATING	NON-DEPARTMENTAL	91.79
	JAN 2012 SWR LAB TES	SEWER OPERATING	NON-DEPARTMENTAL	473.60
	FEB 2012 SWR LAB TES	SEWER OPERATING	NON-DEPARTMENTAL	473.60
	MAINTENANCE AGREEMEN	SEWER OPERATING	NON-DEPARTMENTAL	58.83
	FUSE	SEWER OPERATING	NON-DEPARTMENTAL	2.40
	#26 BRAKE FLUID	SEWER OPERATING	NON-DEPARTMENTAL	7.39
	PARTS BATTERY REPAIR	SEWER OPERATING	NON-DEPARTMENTAL	11.02
	ELECTRIC VALVE ACTUA	SEWER OPERATING	NON-DEPARTMENTAL	860.20
	OIL SEWER HOLDING TA	SEWER OPERATING	NON-DEPARTMENTAL	101.45
	LDO PROBE AERATION B	SEWER OPERATING	NON-DEPARTMENTAL	174.95
	OIL MIXING BUCKET	SEWER OPERATING	NON-DEPARTMENTAL	2.19
	JAN 2012 UNIFORM CLE	SEWER OPERATING	NON-DEPARTMENTAL	141.17
	FIRE EXTINGUISHER MO	SEWER OPERATING	NON-DEPARTMENTAL	16.49
	CAUTION SWR LINE SIG	SEWER OPERATING	NON-DEPARTMENTAL	60.00
	FIRST AID SUPPLIES	SEWER OPERATING	NON-DEPARTMENTAL	70.06
	FIRE EXTINGUISHER TE	SEWER OPERATING	NON-DEPARTMENTAL	245.41
	FILTER SEWER PLANT	SEWER OPERATING	NON-DEPARTMENTAL	58.04
	REPAIR UV MODULE	SEWER OPERATING	NON-DEPARTMENTAL	42.79
	WORK LIGHT WHITE GLO	SEWER OPERATING	NON-DEPARTMENTAL	26.56
	LIQUID TAPE REPAIR U	SEWER OPERATING	NON-DEPARTMENTAL	5.78
	TORCH KIT & TOOL BOX	SEWER OPERATING	NON-DEPARTMENTAL	41.78
	REPAIR TO UV BULB	SEWER OPERATING	NON-DEPARTMENTAL	38.77
	MISC REPLACEMENT TOO	SEWER OPERATING	NON-DEPARTMENTAL	105.05
	HEATER/THERMO KIT SE	SEWER OPERATING	NON-DEPARTMENTAL	100.00
	TERMINAL WRENCH BATT	SEWER OPERATING	NON-DEPARTMENTAL	6.43
	REAGENT REFILL NITRA	SEWER OPERATING	NON-DEPARTMENTAL	192.83
	FUEL TIGHTNESS TEST	SEWER OPERATING	NON-DEPARTMENTAL	70.71
	258 GAL DIESEL FUEL	SEWER OPERATING	NON-DEPARTMENTAL	1,034.30
	REPLENISH PRTS UV SY	SEWER OPERATING	NON-DEPARTMENTAL	3,566.24
	TOTAL:			40,261.89

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COUNCIL MTG PACKET # 1, April 3, 2012

PAGE: 6

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
KANSAS DEPT OF REVENUE	STATE WITHHOLDING	GENERAL FUND	NON-DEPARTMENTAL	2,126.77
	STATE WITHHOLDING	SPECIAL HIGHWAY	NON-DEPARTMENTAL	158.59
	STATE WITHHOLDING	WATER OPERATING	NON-DEPARTMENTAL	452.22
	STATE WITHHOLDING	SEWER OPERATING	NON-DEPARTMENTAL	<u>96.80</u>
		TOTAL:		2,834.38
KANSAS PAYMENT CENTER	CASE # SG 06DM000961	GENERAL FUND	NON-DEPARTMENTAL	150.00
	CASE # SG98D*002573	GENERAL FUND	NON-DEPARTMENTAL	110.31
	CASE # SG 06DM00734	GENERAL FUND	NON-DEPARTMENTAL	224.00
	CASE # SG 07DM00222	GENERAL FUND	NON-DEPARTMENTAL	247.00
	CASE # SG 07DM00222 ADDL C	GENERAL FUND	NON-DEPARTMENTAL	68.00
	CASE # SG 05DM06422	WATER OPERATING	NON-DEPARTMENTAL	<u>204.50</u>
		TOTAL:		1,003.81
KPEERS	KPEERS TIER 2	GENERAL FUND	NON-DEPARTMENTAL	457.20
	KPEERS TIER 1	GENERAL FUND	NON-DEPARTMENTAL	1,542.13
	KPEERS TIER 2	EMPLOYEE BENEFITS	NON-DEPARTMENTAL	1,036.84
	KPEERS TIER 1	EMPLOYEE BENEFITS	NON-DEPARTMENTAL	4,264.00
	KPEERS TIER 2	SPECIAL HIGHWAY	NON-DEPARTMENTAL	110.05
	KPEERS TIER 1	SPECIAL HIGHWAY	NON-DEPARTMENTAL	126.40
	KPEERS TIER 2	WATER OPERATING	NON-DEPARTMENTAL	173.12
	KPEERS TIER 1	WATER OPERATING	NON-DEPARTMENTAL	281.68
	KPEERS TIER 2	SEWER OPERATING	NON-DEPARTMENTAL	5.56
	KPEERS TIER 1	SEWER OPERATING	NON-DEPARTMENTAL	<u>94.90</u>
		TOTAL:		8,091.88
LAURIE B WILLIAMS	CASE # 09-14039	GENERAL FUND	NON-DEPARTMENTAL	55.00
	CASE # 11-13654	GENERAL FUND	NON-DEPARTMENTAL	172.00
	CASE #08-12231-13	WATER OPERATING	NON-DEPARTMENTAL	100.00
	CASE # 08-10028-13	WATER OPERATING	NON-DEPARTMENTAL	<u>84.00</u>
	TOTAL:		411.00	
MAYER SPECIALTY SERVICES	MANHOLE EMERG SERVICE	SEWER OPERATING	NON-DEPARTMENTAL	<u>300.00</u>
		TOTAL:		300.00
PITNEY BOWES	FEES	GENERAL FUND	ADMINISTRATION	<u>8.45</u>
		TOTAL:		8.45
REYNOLDS INLINER LLC	PAYMENT 4 SANITARY SEWE	CAPITAL PROJECTS F	SEWER REHAB-2010 CIP	<u>14,278.27</u>
		TOTAL:		14,278.27
SECURITY BENEFIT	DEFERRED COMPENSATION	GENERAL FUND	NON-DEPARTMENTAL	<u>50.00</u>
		TOTAL:		50.00
SEDGWICK COUNTY	FEB 2012 PRISONER HOUSING	GENERAL FUND	LEGAL & MUNICIPAL COUR	<u>236.17</u>
		TOTAL:		236.17
TYLER TECHNOLOGIES INC	MARCH 2012 MONTHLY FEES	GENERAL FUND	ADMINISTRATION	25.00
	MARCH 2012 MONTHLY FEES	GENERAL FUND	LEGAL & MUNICIPAL COUR	75.00
	MARCH 2012 MONTHLY FEES	GENERAL FUND	LEGAL & MUNICIPAL COUR	25.00
	MARCH 2012 MONTHLY FEES	WATER OPERATING	NON-DEPARTMENTAL	20.00
	MARCH 2012 MONTHLY FEES	STORMWATER UTILITY	INVALID DEPARTMENT	20.00
	MARCH 2012 MONTHLY FEES	SOLID WASTE UTILIT	INVALID DEPARTMENT	20.00
	MARCH 2012 MONTHLY FEES	SEWER OPERATING	NON-DEPARTMENTAL	<u>20.00</u>
	TOTAL:		205.00	

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COUNCIL MTG PACKET # 1, April 3, 2012

PAGE: 7

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
U S DEPT OF EDUCATION	CASE #- S447705160	GENERAL FUND	NON-DEPARTMENTAL	<u>168.72</u>
			TOTAL:	168.72
VANTAGEPOINT TRANS AGENTS	RETIREMENT	GENERAL FUND	NON-DEPARTMENTAL	<u>90.00</u>
			TOTAL:	90.00
WATERWISE ENTERPRISES LLC	AQUA MAG 55 GALLON	WATER OPERATING	NON-DEPARTMENTAL	<u>862.50</u>
			TOTAL:	862.50
WESTAR ENERGY	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	ADMINISTRATION	1,183.56
	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	ADMINISTRATION	3,343.29
	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	ADMINISTRATION	38.80
	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	POLICE	370.35
	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	FIRE	176.77
	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	EMERGENCY COMMUNICATIO	353.55
	2/3-3/5/2012 CITY ELEC SR	GENERAL FUND	PARKS AND PUBLIC GROUN	503.56
	2/3-3/5/2012 CITY ELEC SR	SPECIAL HIGHWAY	SPECIAL HIGHWAY	370.01
	2/3-3/5/2012 CITY ELEC SR	WATER OPERATING	NON-DEPARTMENTAL	2,704.37
	2/3-3/5/2012 CITY ELEC SR	SEWER OPERATING	NON-DEPARTMENTAL	<u>4,641.39</u>
			TOTAL:	13,685.65
WICHITA EAGLE	MARCH 2012 SR CENTER	GENERAL FUND	PARKS AND PUBLIC GROUN	<u>19.85</u>
			TOTAL:	19.85

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

010	GENERAL FUND	48,919.44
110	EMPLOYEE BENEFITS	5,300.84
127	EQUIPMENT RESERVE	1,113.76
150	SPECIAL HIGHWAY	9,006.45
350	CAPITAL PROJECTS FUND	14,278.27
610	WATER OPERATING	11,484.32
612	STORMWATER UTILITY FUND	32.66
613	SOLID WASTE UTILITY	20.00
620	SEWER OPERATING	14,492.01

 GRAND TOTAL: 104,647.75

TOTAL PAGES: 7

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COUNCIL MTG PACKET # 1, April 3, 2012

PAGE: 8

SELECTION CRITERIA

SELECTION OPTIONS

VENDOR SET: 02-CVC - VENDOR ACCOUNTS
VENDOR: All
CLASSIFICATION: All
BANK CODE: All
ITEM DATE: 3/10/2012 THRU 3/23/2012
ITEM AMOUNT: 9,999,999.00CR THRU 9,999,999.00
GL POST DATE: 0/00/0000 THRU 99/99/9999
CHECK DATE: 0/00/0000 THRU 99/99/9999

PAYROLL SELECTION

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

PRINT OPTIONS

PRINT DATE: None
SEQUENCE: By Vendor Name
DESCRIPTION: Distribution
GL ACCTS: NO
REPORT TITLE: COUNCIL MTG PACKET # 1, April 3, 2012
SIGNATURE LINES: 0

PACKET OPTIONS

INCLUDE REFUNDS: YES
INCLUDE OPEN ITEM:NO

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COUNCIL MTG PACKET # 2, April 3, 2012

PAGE: 1

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
WARREN UTECHT	MARCH 2012 MILEAGE REIMBU	GENERAL FUND	COMMUNITY DEVELOPMENT	22.20
			TOTAL:	22.20

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===== FUND TOTALS =====
010 GENERAL FUND                22.20
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GRAND TOTAL:                    22.20
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TOTAL PAGES: 1

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COUNCIL MTG PACKET # 2, April 3, 2012

PAGE: 2

SELECTION CRITERIA

SELECTION OPTIONS

VENDOR SET: 03-CVC - EMPLOYEE A/P ACCOUN
VENDOR: All
CLASSIFICATION: All
BANK CODE: All
ITEM DATE: 3/10/2012 THRU 3/23/2012
ITEM AMOUNT: 9,999,999.00CR THRU 9,999,999.00
GL POST DATE: 0/00/0000 THRU 99/99/9999
CHECK DATE: 0/00/0000 THRU 99/99/9999

PAYROLL SELECTION

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

PRINT OPTIONS

PRINT DATE: None
SEQUENCE: By Vendor Name
DESCRIPTION: Distribution
GL ACCTS: NO
REPORT TITLE: COUNCIL MTG PACKET # 2, April 3, 2012
SIGNATURE LINES: 0

PACKET OPTIONS

INCLUDE REFUNDS: YES
INCLUDE OPEN ITEM:NO

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COUNCIL MTG PACKET # 3, April 3, 2012

PAGE: 1

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
DECKER ELECTRIC	RERUND PRMT #120026	GENERAL FUND	COMMUNITY DEVELOPMENT	29.25
			TOTAL:	29.25

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===== FUND TOTALS =====
010 GENERAL FUND                29.25
-----
GRAND TOTAL:                    29.25
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TOTAL PAGES: 1

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COUNCIL MTG PACKET # 3, April 3, 2012

PAGE: 2

SELECTION CRITERIA

SELECTION OPTIONS

VENDOR SET: 04-CVC - REIMBURSEMENTS
VENDOR: All
CLASSIFICATION: All
BANK CODE: All
ITEM DATE: 3/10/2012 THRU 3/23/2012
ITEM AMOUNT: 9,999,999.00CR THRU 9,999,999.00
GL POST DATE: 0/00/0000 THRU 99/99/9999
CHECK DATE: 0/00/0000 THRU 99/99/9999

PAYROLL SELECTION

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

PRINT OPTIONS

PRINT DATE: None
SEQUENCE: By Vendor Name
DESCRIPTION: Distribution
GL ACCTS: NO
REPORT TITLE: COUNCIL MTG PACKET # 3, April 3, 2012
SIGNATURE LINES: 0

PACKET OPTIONS

INCLUDE REFUNDS: YES
INCLUDE OPEN ITEM:NO

CLERK'S AGENDA

C. TREASURER'S REPORT for FEBRUARY 2012:

RECOMMENDED ACTION:

Staff recommends motion to receive and file the February 2012 Treasurer's Report.

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CITY OF VALLEY CENTER
 MONTHLY TREASURERS REPORT
 AS OF: FEBRUARY 29TH, 2012

PAGE: 1

FUND	BEGINNING CASH BALANCE	MONTH TO DATE REVENUES	MONTH TO DATE EXPENDITURES	PENDING PAYABLES	ENDING CASH BALANCE
010-GENERAL FUND	707,225.60	120,351.27	169,628.49 (	6,536.20)	651,412.18
020-SPECIAL PARKS AND REC	14,056.54	0.00	0.00	0.00	14,056.54
030-SPECIAL ALCOHOL AND DRUGS	14,056.50	0.00	0.00	0.00	14,056.50
110-EMPLOYEE BENEFITS	376,414.81	0.00	71,225.12	0.00	305,189.69
111-FLEXIBLE SPENDING ACCT	0.00	0.00	0.00	0.00	0.00
125-FIRE VEHICLE REPLACEMENT	640.30	0.00	0.00	0.00	640.30
126-BUILDING EQUIP RESERVE	111,177.90	0.00	0.00	0.00	111,177.90
127-EQUIPMENT RESERVE	207,293.61	27,117.33	1,025.00 (	409.70)	232,976.24
128-PUBLIC WORKS BUILDING	8,627.24	0.00	0.00	0.00	8,627.24
140-LIBRARY	126,605.94	0.00	110,148.46	0.00	16,457.48
150-SPECIAL HIGHWAY	421,612.45	47,585.96	30,909.03 (	3,789.58)	434,499.80
160-EMERGENCY EQUIPMENT	136,479.67	0.00	42,629.70	0.00	93,849.97
210-PAYROLL CLEARING	37.62	0.00	0.00	0.00	37.62
220-ACTIVE AGING	3,875.00	0.00	1,125.00	0.00	2,750.00
225-PARK BEAUTIFICATION FUND	3,152.23	0.00	0.00	0.00	3,152.23
230-BUSINESS IMPROVEMENT DIST	1,143.50	0.00	0.00	0.00	1,143.50
240-D.A.R.E.	3,378.64	131.43	0.00	0.00	3,510.07
245-VETERANS FLAG REWARD FUND	0.00	0.00	0.00	0.00	0.00
250-DRUG TAX DISTRIBUTION	5,346.73	0.00	0.00	0.00	5,346.73
260-LAW ENFORCE BLOCK GRANT	2,500.00	0.00	0.00	0.00	2,500.00
280-ADSAP	2,559.80	0.00	0.00	0.00	2,559.80
340-CAPITAL IMPROVEMENT FUND	3,354.07	0.00	0.00	0.00	3,354.07
350-CAPITAL PROJECTS FUND	402,096.16	15.84	26,820.98	0.00	375,291.02
410-BOND & INTEREST	1,121,910.07	47.36	0.00	0.00	1,121,957.43
610-WATER OPERATING	436,653.06	103,820.39	71,399.02 (	771.31)	468,303.12
611-METER DEPOSIT	0.00	0.00	0.00	0.00	0.00
612-STORMWATER UTILITY FUND	24,191.78	669.00	0.00 (	1,000.00)	23,860.78
613-SOLID WASTE UTILITY	47,163.16	30,498.16	27,466.21 (	178.25)	50,016.86
614-WATER MAINTENANCE RESERVE	7,780.37	0.00	0.00	0.00	7,780.37
615-WATER IMPROVEMENT FUND	146,497.48	0.00	0.00	0.00	146,497.48
616-WATER LOAN PRIN & INT	33,054.82	0.00	0.00	0.00	33,054.82
617-07 WATER LOAN P & I	2,325.71	0.00	0.00	0.00	2,325.71
619-WATER SURPLUS RESERVE	536,872.25	22.66	0.00	0.00	536,894.91
620-SEWER OPERATING	133,656.54	83,610.55	142,687.57 (	29,671.19)	44,908.33
621-SEWER OPERATION & MAINT	14,795.22	0.00	0.00	0.00	14,795.22
623-07 SEWER LOAN P & I	20,216.71	114,250.00	104,323.57	0.00	30,143.14
625-1993 SEWER BOND RESERVE	0.00	0.00	0.00	0.00	0.00
626-1993 SEWER BOND P & I	0.00	0.00	0.00	0.00	0.00
627-1993 SEWER DEPRECIATION	0.00	0.00	0.00	0.00	0.00
628-SEWER SURPLUS RESERVE	202,414.67	8.55	0.00	0.00	202,423.22
629-1997 SEWER BOND P & I	0.00	0.00	0.00	0.00	0.00
630-1997 SW BOND DEPR	0.00	0.00	0.00	0.00	0.00
631-1997 SW BOND RESERVE	0.00	0.00	0.00	0.00	0.00
633-2001 SW BOND P & I	138,753.31	0.00	0.00	0.00	138,753.31
634-2001 SW REV BOND DEPR	0.00	0.00	0.00	0.00	0.00

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CITY OF VALLEY CENTER
 MONTHLY TREASURERS REPORT
 AS OF: FEBRUARY 29TH, 2012

PAGE: 2

FUND	BEGINNING CASH BALANCE	MONTH TO DATE REVENUES	MONTH TO DATE EXPENDITURES	PENDING PAYABLES	ENDING CASH BALANCE
635-2001 SW BOND RESERVE	0.00	0.00	0.00	0.00	0.00
BALANCES	5,417,919.46	528,128.50	799,388.15	(42,356.23)	5,104,303.58
	=====	=====	=====	=====	=====

*** END OF REPORT ***

PRESENTATIONS / PROCLAMATIONS

PUBLIC FORUM

APPOINTMENTS

COMMITTEES, COMMISSIONS

A. MINUTES FOR COUNCIL REVIEW:

- Site Plan Committee, March 12, 2012 Meeting Minutes
- Planning Commission, March 27, 2012 Meeting Minutes

DRAFT
SITE PLAN COMMITTEE MINUTES
 7:00 P.M. March 12, 2012

CALL MEETING TO ORDER

Chairman Gene Sharp called the meeting to order at 7:00 p.m., with the following members present: John Dailey, Jim Detwiler, Brian Maschino, and Gene Sharp
 Members Absent: Adam Dunn
 Staff Present: Warren Utecht, Community Development Director
 Those present in the audience: Ben Wilson and

SET/AMEND AGENDA

Motion was made and seconded to set the agenda. Vote Yea: Unanimous.

APPROVAL OF MINUTES

It was noted that the minutes did not get sent with the packet. However, John Dailey did pick up a copy of the minutes prior to the meeting and felt that they were written correctly. John Dailey made a motion to approve the September 12, 2011 minutes, seconded by Gene Sharp. Yote Yea: Unanimous.

COMMUNICATIONS

None

SITE PLANS

Warren Utecht reviewed the highlights of the staff review for Ash 1 Property Group L.L.C. petition to build a tri-plex at 500 N. Park. After some discussion and questions, the following motion was made: Having considered the recommendation of the Community Development Director, and other factors discussed during the Site Plan Committee meeting, I, John Dailey, move to recommend approval of SP 1-2012. Motion was seconded by Jim Detwiler. Vote was unanimous.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

ITEMS BY SITE PLAN REVIEW COMMITTEE

Gene Sharp, Chairperson-No comments

John Dailey-No comments

Jim Detwiler-No comments

Brian Maschino-Just curious whether the developer of the triplex had a "safe room" designed into his units. The petitioner said that he did have the laundry Mechanical room poured with 8" concrete walls and ceiling.

ADJURNMENT

Motion was made by John Dailey and seconded by Jim Detwiler to adjourn the meeting. Vote Yea: Unanimous. The meeting was adjourned at 7:23 p.m.

Respectfully submitted,

/Warren Utecht/

Warren Utecht, Recording Secretary

Approved by the Site Plan Review Committee on _____, 2012.

 Gene Sharp, Chairperson

DRAFT
SITE PLAN COMMITTEE MINUTES
 7:00 P.M. March 12, 2012

CALL MEETING TO ORDER

Chairman Gene Sharp called the meeting to order at 7:00 p.m., with the following members present: John Dailey, Jim Detwiler, Brian Maschino, and Gene Sharp
 Members Absent: Adam Dunn
 Staff Present: Warren Utecht, Community Development Director
 Those present in the audience: Ben Wilson and

SET/AMEND AGENDA

Motion was made and seconded to set the agenda. Vote Yea: Unanimous.

APPROVAL OF MINUTES

It was noted that the minutes did not get sent with the packet. However, John Dailey did pick up a copy of the minutes prior to the meeting and felt that they were written correctly. John Dailey made a motion to approve the September 12, 2011 minutes, seconded by Gene Sharp. Yote Yea: Unanimous.

COMMUNICATIONS

None

SITE PLANS

Warren Utecht reviewed the highlights of the staff review for Ash 1 Property Group L.L.C. petition to build a tri-plex at 500 N. Park. After some discussion and questions, the following motion was made: Having considered the recommendation of the Community Development Director, and other factors discussed during the Site Plan Committee meeting, I, John Dailey, move to recommend approval of SP 1-2012. Motion was seconded by Jim Detwiler. Vote was unanimous.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

ITEMS BY SITE PLAN REVIEW COMMITTEE

Gene Sharp, Chairperson-No comments

John Dailey-No comments

Jim Detwiler-No comments

Brian Maschino-Just curious whether the developer of the triplex had a "safe room" designed into his units. The petitioner said that he did have the laundry Mechanical room poured with 8" concrete walls and ceiling.

ADJURNMENT

Motion was made by John Dailey and seconded by Jim Detwiler to adjourn the meeting. Vote Yea: Unanimous. The meeting was adjourned at 7:23 p.m.

Respectfully submitted,

/Warren Utecht/

Warren Utecht, Recording Secretary

Approved by the Site Plan Review Committee on _____, 2012.

 Gene Sharp, Chairperson

VALLEY CENTER PLANNING COMMISSION DRAFT MINUTES

7:00 P.M., Tuesday, March 27, 2012
Valley Center City Hall at 121 S. Meridian Avenue
Jaque Davis, Chairperson Presiding

Chairperson Davis called the meeting to order at 7:00 p.m. with the following members present: Jaque Davis, John Dailey, Dee Wretberg, Steve Jackson and Don Bosken. Others present were Kate Jackson, City Council member, Ben Wilson the petitioner of rezoning application 2-2012 and Dora May Mooberry property owner in the rezoning area. Staff Present: Warren Utecht and Deby Taylor, Community Development Department.

Planning Commission members absent: Gary Janzen, Ricky Shellenbarger, Kathryn Schroeder, Danny Park

SET/AMEND AGENDA

Warren Utecht commented that #10 New Business was approved by the Site Plan and would not need to be voted upon. This information was for the Planning Commission's information only. John Dailey stated that it was important that the Commission be informed on these decisions and that the Site Plan and Planning Commission were in agreement. Don Bosken made the motion to accept the amended agenda and Jaque Davis seconded. The motion passed.

MINUTES OF FEBRUARY 28, 2012 MEETINGS

The minutes of the February 28, 2012 meeting were reviewed by members of the Planning Commission. John Dailey identified an error with Warren Utecht's title. The amended title should be "Planning Commission Secretary". Motion was made by Jaque Davis to accept the February 28th minutes with the one correction and Dee Wretberg seconded. Motion passed.

COMMUNICATIONS: None

PUBLIC COMMENT: None

PUBLIC HEARING

- A. Rezoning Application 2-2012: Ash 1 Property Group L.L.C. petition to rezone 500 N. Park Avenue from R-1B One Family Residential to R-3 Multi-Family Residential to allow a Tri-plex rental structure.
 - Warren Utecht explained details of the rezoning application 2-2012.
 - Chairperson Davis opened the Public Hearing for open comments from the public. No comments were made.
 - Having considered the evidence at the hearing and the Community Development staff review, Jaque Davis moved to recommend to the Governing Body that Case Z 2-2012 be approved to change the zoning district classification from the "R-1B" Single Family Residential District to the "R-3" Multiple-Family Residential District based on the findings of the Planning Staff Report. Motion seconded by Steve Jackson. Motion was approved unanimously.

B. Amendments to the Subdivision Regulations (Article 16)

- Due to the absences of several commissioners it was felt that this item should be tabled until the next meeting.
- John Dailey called attention to 16.03.03 regarding deleted language referencing any amendments that previously were added at the end of the regulations. Mr. Utecht said this wording was no longer relevant since the regulations are now in "Word" format and can be inserted directly into the text. John asked if there would be copies available of future revisions. Warren stated that each commissioner would get revised pages.
- Also discussed was the topic of copyrights. Warren pointed out that the proper information to address the Foster and Associates copyright was listed on the cover page of the regulations.
- Having considered the recommendation, Don Bosken made a motion to table this discussion until the next Planning Commission meeting. Motion was seconded by Dee Wretberg and the motion passed.

UNFINISHED BUSINESS

- A. Disband the Subdivision Committee based on elimination of the duties in the Subdivision Regulations and other factors.
- Due to the absences of four commissioners it was felt that this item should be tabled to a future meeting.
 - Having considered the recommendation, John Dailey made a motion to table this discussion until a future meeting. Motion was seconded by Jaque Davis and the motion carried.

NEW BUSINESS

- A. Warren shared the Site Plan's approval of the tri-plex rental structure at 500 N. Park Avenue. He stated this was for their information only. The Planning Commission was in general agreement with the Site Plan Committee's decision.

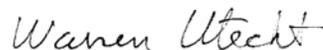
ITEMS BY PLANNING COMMISSIONERS

Jaque Davis - none
 Steve Jackson - none
 John Dailey - none
 Don Bosken - none
 Dee Wretberg - none

ADJOURNMENT

A motion was made by Jaque Davis and seconded by Don Bosken to adjourn the meeting.
 Motion passed
 Time of Adjournment 7:24 p.m.

Respectfully submitted,



Warren Utecht,
 Planning Commission Secretary

Approved by the Valley Center Planning Commission on April 24, 2012.

Jaque Davis, Chairperson

WU/dt

OLD BUSINESS**A. CLARIFICATION RE: CHAMBER OF COMMERCE REQUEST,
MARCH 6, 2012**

- Valley Center Chamber of Commerce would like clarification on the Council approval of upcoming Chamber events presented at the March 6, 2012 Council meeting, specifically the proposed event associated with Spring Fling (June 1-2, 2012).

Should Council choose to proceed,

RECOMMENDED ACTION:

Staff recommends motion to APPROVE or DENY Chamber's request to establish an event district June 1, 2012 allowing consumption of alcoholic beverages within a designated area including portions of public-right-of-way.

NEW BUSINESS**A. RESOLUTION 593-12, AUTHORIZING THE OFFERING FOR SALE of G.O.BONDS 2012-1, 2012-2 AND 2012-3:**

A Resolution authorizing the offering for sale of General Obligation Refunding and Improvement Bonds, Series 2012-1, General Obligation Bonds, Series 2012-2 and General Obligation Bonds, Series 2012-3, of the City of Valley Center, Kansas.

- Exhibit A – Certificate Deeming Preliminary Official Statement Final
- GS Authorization Letter

Should Council choose to proceed,

RECOMMENDED ACTION:

Staff recommends motion to adopt Resolution 593-12, Authorizing the Offering for Sale of General Obligation Refunding and Improvement Bonds, Series 2012-1, General Obligation Bonds, Series 2012-2 and General Obligation Bonds, Series 2012-3, of the City of Valley Center, Kansas.

Gilmore & Bell, P.C.
03/20/2012

RESOLUTION NO. 593-12

RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012-1, GENERAL OBLIGATION BONDS, SERIES 2012-2 AND GENERAL OBLIGATION BONDS, SERIES 2012-3, OF THE CITY OF VALLEY CENTER, KANSAS.

WHEREAS, the City of Valley Center, Kansas (the “Issuer”), has heretofore authorized certain internal improvements described as follows (the “Water System Improvements”):

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority</u>	<u>Amount¹</u>
Public Water System Improvements	590-12	K.S.A. 12-101 <i>et seq.</i> / K.S.A. 65-163d <i>et seq.</i>	\$4,065,470.44

¹plus associated costs of issuance and interim financing

; and

WHEREAS, the Issuer desires to issue its general obligation bonds in order to permanently finance the costs of such Improvements and to retire the obligations of the Issuer which were issued to temporarily finance a portion of the costs of the Water System Improvements (collectively the “Loans”):

<u>Obligation</u>	<u>Loan No.</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Date²</u>
KDHE – KPWSLF	2174	04/06/98	08/01/19	\$3,200,000.00	\$1,243,992.69	05/01/2012
KDHE – KPWSLF	2406	06/16/06	02/01/28	1,173,069.44	964,508.19	05/01/2012

²or as soon thereafter as possible

; and

WHEREAS, due to the current interest rate environment, the Issuer has the opportunity to issue its general obligation refunding bonds in order to achieve an interest cost savings on all or a portion of the debt represented by such general obligation bonds described as follows (collectively the “Refunded Bonds”):

<u>Description</u>	<u>Series</u>	<u>Dated Date</u>	<u>Years</u>	<u>Amount</u>
General Obligation Bonds	2006-1	June 1, 2006	2015 to 2026	\$1,255,000
General Obligation Bonds	2006-2	December 1, 2006	2015 to 2027	1,145,000

; and

WHEREAS, the Issuer proposes to issue its General Obligation Refunding and Improvement Bonds, Series 2012-1 to pay the costs of the Water System Improvements, retire the Loans and refund the Refunded Bonds; and

WHEREAS, the Issuer by proceedings duly had, pursuant to the provisions of the laws of the State of Kansas applicable thereto, specifically including K.S.A. 12-101 *et seq.* and K.S.A. 14-570 and K.S.A. 14-571, as amended by Charter Ordinance No. 27-2009 of the Issuer, has also heretofore pursuant to Resolution No. 591-12 authorized certain internal improvements described as follows (the “Projects”):

<u>Project Description</u>	<u>Amount³</u>
<i>Streets</i>	
Meridian – North (5 th – Goff)	\$ 566,750.00
Meridian – Patch & Seal (Main-5 th)	86,250.00
5 th St. Bridge ⁴	1,200,000.00
⁴ portion of this project is anticipated to be paid from the proceeds of a Federal grant in the amount of \$744,000	
<i>Buildings</i>	
Public Safety Building Remodel	110,000.00
Public Safety Technology	50,200.00
<i>Sanitary Sewer</i>	
Sewer Rehabilitation	75,000.00
<i>Water System</i>	
Meridian Line Replacement	<u>213,800.00</u>
Total:	\$2,302,000.00
³ plus associated financing costs	

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Issuer has also heretofore authorized, pursuant to K.S.A. 12-6a01 *et seq.*, certain internal improvements (the “Special Assessment Improvements”) to be made in the City, to-wit:

<u>Description</u>	<u>Res No.</u>	<u>Amount</u>
Valley Creek Estates 2 nd Addition – Paving and Drainage	567-09	\$236,456.96
Valley Creek Estates 2 nd Addition – Water Main	568-09	61,575.40
Industrial Park 2 nd Addition – Sanitary Sewer	569-10	36,039.00
Prairie Lakes Addition, Phase 3 – Water Main	539-2008	10,399.63
Prairie Lakes Addition, Phase 3 – Sanitary Sewer	540-2008	11,608.89
Prairie Lakes Addition, Phase 3 – Paving and Drainage	541-2008	34,463.89
Prairie Lakes Addition, Phase 3 – Storm Water Drainage	542-2008	42,928.71
P.C.A. Addition – Water Main Improvements	552-2009	41,317.17
Prairie Lakes Addition, Phase 4 – Storm Water Drain	551-2008	<u>85,791.23</u>
Total:		\$560,580.88

; and

WHEREAS, the Issuer has heretofore issued the following temporary notes to temporarily finance a portion of the costs of the Special Assessment Improvements (collectively the “Special Assessment Notes”):

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
2010-1	06/15/2010	08/01/2012	\$445,000	\$445,000	\$445,000	05/01/2012
2011-1	06/23/2011	08/01/2012	175,000	175,000	175,000	05/01/2012

; and

WHEREAS, the Issuer proposes to issue its General Obligation Bonds, Series 2012-2 to pay the costs of the Projects and Special Assessment Improvements and to retire the Special Assessment Notes; and

WHEREAS, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Issuer has also heretofore authorized, pursuant to K.S.A. 12-6a01 *et seq.*, certain internal improvements (the “Ridgefield Improvements”) to be made in the City, to-wit:

<u>Description</u>	<u>Res No.</u>	<u>Amount*</u>
Ridgefield Addition PUD - Water Line Improvements	535-2008	\$ 367,671.49
Ridgefield Addition PUD - Sanitary Sewer Improvements	534-2008	537,914.60
Ridgefield Addition PUD - Street Improvements	537-2008	1,643,039.98
Ridgefield Addition PUD – Storm Water Drain Improvements	536-2008/ 544-2008	<u>378,489.68</u>
Total:		\$2,927,115.75

; and

WHEREAS, the Issuer has heretofore issued the following temporary notes to temporarily finance a portion of the costs of the Ridgefield Improvements (the “2008-1 Notes”):

<u>Series</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Redemption Amount</u>	<u>Redemption Date</u>
2008-1	08/21/2008	08/01/2012	\$2,080,000	\$1,740,000	\$1,740,000	05/01/2012

; and

WHEREAS, the Issuer proposes to issue its General Obligation Bonds, Series 2012-3 to pay the costs of the Ridgefield Improvements and to retire the 2008-1 Notes; and

WHEREAS, the Loans and the Refunded Bonds are collectively defined as the “Refunded Obligations” and the Special Assessment Notes and the 2008-1 Notes are collectively defined as the “Notes;” and

WHEREAS, the Issuer hereby selects the firm of Piper Jaffray & Co., Leawood, Kansas (the “Purchaser”), as underwriter for one or more series of general obligation bonds of the Issuer in order to provide funds to permanently finance the Water System Improvements, the Projects, the Special Assessment Improvements and the Ridgefield Improvements and also to refund the Refunded Bonds and retire the Loans, the Special Assessment Notes and the 2008-1 Notes; and

WHEREAS, the Issuer desires to authorize the Purchaser to proceed with the offering for sale of said general obligation bonds and related activities; and

WHEREAS, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said general obligation bonds; and

WHEREAS, the Issuer desires to authorize the Purchaser, in conjunction with the Clerk and Gilmore & Bell, P.C., (“Bond Counsel”) to proceed with the preparation and distribution of a preliminary official statement and all other preliminary action necessary to sell said general obligation bonds; and

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

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

Section 1. The Purchaser is hereby authorized to proceed with the offering for sale of the Issuer’s General Obligation Bonds, Series 2012-1 (the “Series 2012-1 Bonds”), General Obligation Bonds, Series 2012-2 (the “Series 2012-2 Bonds”) and General Obligation Bonds, Series 2012-3 (the “Series 2012-3 Bonds,” and together with the Series 2012-1 Bonds and Series 2012-2 Bonds, collectively, the “Bonds”) in accordance with the presentation made by the Purchaser this date. The offering for sale of the Bonds shall be accomplished in consultation with the Clerk, Bond Counsel and the Purchaser. The offering for sale of the Bonds, the pricing of the Bonds and the structuring of the repayment terms of the Bonds shall be determined by the Issuer’s Administrator and Clerk. The confirmation of the sale of the Bonds shall be subject to the execution of a bond purchase agreement between the Purchaser and the Issuer (the “Bond Purchase Agreement”) in a form approved by Bond Counsel and the Issuer’s legal counsel, the passage of an ordinance and adoption of resolutions by the governing body of the Issuer authorizing the issuance of the Bonds and the execution of various documents necessary to deliver the Bonds. The Mayor is hereby authorized to execute the Bond Purchase Agreement subject to the following parameters: (a) **Series 2012-1 Bonds:** (i) the principal amount shall not exceed \$5,000,000; (ii) the true interest cost (“TIC”) shall not exceed 3.25%; and (iii) the present value savings associated with refunding the Refunded Obligations shall be not less than 3.00% of the outstanding principal of the Refunded Obligations; (b) **Series 2012-2 Bonds:** (i) the principal amount shall not exceed \$2,150,000; and (ii) the TIC shall not exceed 4.00%; and (c) **Series 2012-3 Bonds:** (i) the principal amount shall not exceed \$2,600,000; and (ii) the TIC shall not exceed 4.00%.

Section 2. The Preliminary Official Statement, dated April 3, 2012, is hereby approved in substantially the form presented to the governing body this date, with such changes or additions as the Mayor and Clerk shall deem necessary and appropriate. The Issuer hereby consents to the use and public distribution by the Purchaser of the Preliminary Official Statement in connection with the offering for sale of the Bonds.

Section 3. The Mayor and Clerk are each hereby authorized to approve the form of said Preliminary Official Statement and to execute the “Certificate Regarding Preliminary Official Statement” in substantially the form attached hereto as **Exhibit A** as approval of the Preliminary Official Statement, such official’s signature thereon being conclusive evidence of such official’s and the Issuer’s approval thereof.

Section 4. For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Mayor and Clerk or other appropriate officers of the Issuer are hereby authorized: (a) to approve the form of said Preliminary

Official Statement, and to execute the “Certificate Deeming Preliminary Official Statement Final” in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official Statement, such official’s signature thereon being conclusive evidence of such official’s and the Issuer’s approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to certain national repositories and the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

Section 5. The Issuer agrees to provide to the Purchaser within seven business days of the date of the purchase contract for the Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 6. The Mayor, City Administrator, Clerk, and the other officers and representatives of the Issuer, the Purchaser and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds, including the subscription for United States Treasury Securities to be purchased and deposited in the escrow for the Refunded Bonds and to provide for notice of redemption of the Refunded Obligations and Notes.

Section 7. This Resolution shall be in full force and effect from and after its adoption.

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ADOPTED by the governing body on April 3, 2012.

(SEAL)

Mayor

ATTEST:

Clerk

Gilmore & Bell, P.C.
03/20/2012

EXHIBIT A

CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL

April 3, 2012

To: Piper Jaffray & Co.
Leawood, Kansas

Re: City of Valley Center, Kansas, General Obligation Refunding and Improvement Bonds,
Series 2012-1, General Obligation Bonds, Series 2012-2 and General Obligation Bonds,
Series 2012-3

The undersigneds are the duly acting Mayor and Clerk of the City of Valley Center, Kansas (the "Issuer"), and are authorized to deliver this Certificate to the addressee (the "Purchaser") on behalf of the Issuer. The Issuer has heretofore caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the above-referenced bonds (the "Bonds").

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be final as of its date, except for the omission of such information as is permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters.

CITY OF VALLEY CENTER, KANSAS

By: _____
Title: Mayor

By: _____
Title: Clerk

CITY OF VALLEY CENTER, KANSAS

City Hall
121 S. Meridian
Valley Center, Kansas 67147

April 3, 2012

Gilmore & Bell, P.C.
100 N. Main, Suite 800
Wichita, Kansas 67202

Re: Subscription for Purchase of United States Treasury Time Deposit Securities – State and Local Government Series

Issuer: City of Valley Center, Kansas

Tax I.D. No: 48-6004786

Bonds: General Obligation Refunding and Improvement Bonds, Series 2012-1 (the “Bonds”)

Underwriter: Piper Jaffray & Co., Leawood, Kansas

Escrow Agent: Security Bank of Kansas City, Kansas City, Kansas - ABA No. 1010-0092-5

Bond Counsel: Gilmore & Bell, P.C., Wichita, Kansas

In connection with the issuance of the Bonds, the Issuer authorizes Bond Counsel to submit an initial subscription on its behalf for the purchase of United States Treasury Time Deposit Securities - State and Local Government Series (the “SLGS”), to be issued as entries on the books of the Bureau of the Public Debt, Department of the Treasury. The total amount of the subscription and the issue date will be determined at a later date.

The Issuer certifies that the SLGS will be purchased solely from proceeds of the Bonds, and not from any amounts received from either: (a) the sale or redemption before maturity of any marketable security, or (b) the redemption before maturity of a time deposit SLGS (other than a zero-interest SLG).

The Issuer agrees that the final subscription and payment for the SLGS will be submitted to the U.S. Treasury on or before the issue date. The Issuer further authorizes Bond Counsel, Escrow Agent, and Underwriter to file the final subscription for SLGS, to amend or cancel such subscription, and to re-subscribe for SLGS, all on behalf of the Issuer. The Issuer understands that, if it fails to settle on the subscription for the SLGS or makes an untimely or unauthorized change to the subscription, the Bureau of Public Debt may bar the Issuer from subscribing for SLGS for six months beginning on the earlier of (a) the date the subscription is withdrawn, or (b) the proposed issue date of the SLGS.

CITY OF VALLEY CENTER, KANSAS

By: _____
Name: Kristine A. Polian, Clerk

NEW BUSINESS**B. RESOLUTION 594-12- TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE:**

A Resolution adopting a Tax-Exempt Financing Compliance Procedure for Bond Issuances.

- Memo- Gilmore and Bell
- Resolution 594-12
- Compliance Procedure
- Exhibit A - List of City of Valley Center Outstanding Debt
- Exhibit B – Example of Annual Compliance Checklist

Should Council choose to proceed,

RECOMMENDED ACTION:

Staff recommends motion to adopt Resolution 594-12, adopting a Tax-exempt Financing Compliance Procedure relating to Obligations Issued and to be issued by the City of Valley Center, Kansas.

GILMORE & BELL

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

ONE MAIN PLACE

100 NORTH MAIN, SUITE 800

WICHITA, KANSAS 67202-1398

316-267-2091
 FAX: 316-262-6523
 WWW.GILMOREBELL.COM

KANSAS CITY, MISSOURI
 ST. LOUIS, MISSOURI
 LINCOLN, NEBRASKA

March 21, 2012

Ms. Kristine A. Polian, Clerk
 City of Valley Center, Kansas
 City Hall
 121 S. Meridian
 Valley Center, Kansas 67147

Re: City of Valley Center, Kansas – Tax-Exempt Financing Compliance Procedure

Dear Kristine:

Background.

For several years IRS officials have expressed concern that state and local government bond issuers do not have adequate written procedures to ensure that the ongoing tax requirements are met after the financing has closed. The IRS had been much less forthcoming when asked specifically what topics should be covered in these “written procedures” and whether those procedures should go beyond the provisions already contained in the federal tax certificate. The IRS has now published an article that clarifies its expectations and describes minimum post-issuance tax compliance standards for all issuers of tax-exempt debt and other “tax-advantaged” debt, such as build America bonds. In the article, the IRS strongly suggests that issuers adopt a comprehensive set of tax compliance procedures that will govern all of the issuer’s tax-exempt debt, rather than attempting to follow the tax compliance procedures mandated by the federal tax certificate or tax compliance agreement relating to each specific bond issue. The article also outlines *key characteristics* that should be included in an issuer’s written tax compliance procedures:

- Due diligence review at regular intervals;
- Identifying the official or employee of the issuer responsible for review;
- Training of the responsible official/employee of the issuer;
- Retention of adequate records to substantiate compliance (e.g., records relating to expenditure of proceeds);
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance

For many years, Gilmore & Bell’s tax compliance agreements and federal tax certificates have contained provisions that require issuers to arrange for arbitrage rebate calculations, to obtain an opinion of bond counsel prior to entering into typical private-use transactions involving bond-financed assets (such as management agreements or leases) and to retain copies of records to substantiate the investment and expenditure of bond proceeds and the use of financed property. These provisions, if followed, should cover the concerns raised by IRS auditors and tax administrators regarding post-issuance tax compliance.

Ms. Kristine A. Polian
 Tax-Exempt Financing Compliance Procedure
 Page 2

However, as administrator of the tax laws, the IRS has wide latitude to decide the type of documentation and procedures local government issuers should follow when they issue tax-exempt debt. This includes setting reasonable standards for written substantiation to support the position that interest on a particular debt is tax-exempt. The IRS, through the above-referenced article, new audit and settlement policies, changes to informational tax returns filed by governmental issuers and tax-exempt organizations, and informational seminars, has stated a strong clear preference for a stand-alone tax compliance procedure that incorporates the *key characteristics* outlined above.

Although the IRS has not adopted any specific sanctions if an issuer does not implement written tax compliance procedures (such as loss of tax-exempt status or denial of the right to issue tax-exempt debt), it has adopted policies that provide more favorable settlement terms for issuers that have written tax compliance procedures in place. We believe governmental issuers that attempt to “get by with less” are likely to be at a significant disadvantage in the event of an IRS audit of a bond issue. In addition, because the tax-exempt status of a refunding issue depends on whether the refunded tax-exempt issue satisfied the post-issuance tax compliance requirements, issuers that lack proper substantiation documentation and records could find it difficult or even impossible to refinance their debt on a tax-exempt basis in the future.

What is changing?

1. ***Separate Written Compliance Procedure.*** Gilmore & Bell will require that each governmental issuer adopt a written procedure for post-issuance tax compliance and record-keeping that will apply to all tax-exempt debt. The written procedure will contain a list of documents and records that must be prepared and retained as part of a tax-exempt bond compliance file. The written compliance procedure will not replace the tax compliance agreement or federal tax certificate that is part of each financing, but instead will provide a framework that issuers will use to monitor and document tax compliance.

2. ***Identified Bond Compliance Officer.*** The written compliance procedure and the tax documents for each financing will designate a “bond compliance officer” who will be responsible for post-issuance bond compliance. For traditional government financings this will be an issuer employee or official -- usually the person with overall responsibility for administering the bond funds.

3. ***Final Written Allocation of Bond Proceeds.*** For each new money governmental purpose financing Gilmore & Bell will require issuers to prepare a “final written allocation” of proceeds to expenditures. This final written allocation must be prepared promptly after all proceeds have been spent, and must be reviewed by bond counsel or other legal counsel selected by the issuer. Refunding transactions will incorporate similar documentation as part of the tax closing documents to specify how refunded issue proceeds were spent.

4. ***Annual Compliance Checklist.*** For all financings we will require issuers to complete a short tax compliance checklist on an annual basis. A form of the checklist tailored to each issue will be included in the tax documentation for each financing.

The final written allocation and the annual checklists, along with related documents identified in the written compliance procedure, will comprise the “tax-exempt bond file” for the financing. The bond compliance officer will be responsible for assembling and maintaining the tax-exempt bond file. A special post-issuance tax compliance call or meeting with the bond compliance officer to discuss and answer questions regarding tax compliance for the specific financing as part of the issuance process can be arranged at the request of the issuer.

Ms. Kristine A. Polian
 Tax-Exempt Financing Compliance Procedure
 Page 3

Gilmore & Bell recognizes that no two governmental issuers or financings are alike, and that imposing an inflexible set of documents or procedures that fails to take unique aspects of the issuer or the financing into account will not result in better tax compliance. Unique factors will be taken into account for each issue, and, when appropriate, modifications to the documentation or procedures described above may be necessary so long as the financing will continue to meet the compliance and documentation standards outlined by the IRS. Your comments on ways to improve tax documentation or compliance procedures are always welcome.

Continuing Disclosure.

The Securities and Exchange Commission (the "SEC") has promulgated rules and regulations relating to continuing disclosure requirements that effect obligations issued by governmental units. In conjunction with issuance of certain of its obligations, the Issuer has entered into or anticipates entering into continuing disclosure undertakings to provide for submission of annual reports and notices of certain material events relating to such obligations. Such reports and notices are required to be filed with the SEC via the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the Municipal Securities Rulemaking Board, which can be accessed at www.emma.msrb.org.

Procedure Documentation.

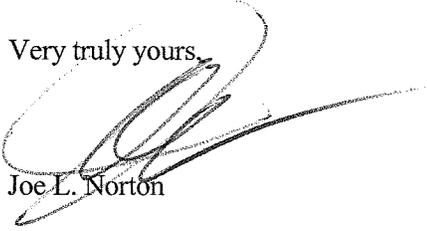
Attached hereto is a form of Tax-Exempt Financing Compliance Procedure (the "Compliance Procedure") for governmental issues which meets the *key characteristics* suggested by the IRS and the SEC with respect to governmental purpose issues, together with a form of Excerpt of Minutes and Resolution adopting the Compliance Procedure. A separate form of compliance procedures will need to be adopted by issuers to cover conduit issues, such as industrial revenue bonds.

We can arrange a special post-issuance tax compliance call or meeting to discuss and answer questions regarding the Compliance Procedure if that would be helpful to you and other issuer representatives.

Adoption Procedure.

After your review of these attachments, if there are no questions or comments, comments, **the Resolution and Procedure should be presented to the governing body on April 3, 2012**. Once adopted, please retain a signed a copy of the Excerpt of Minutes, the Resolution and the Compliance Procedure (including Clerk's Certification) in your permanent records and furnish a copy of each to the undersigned for our records. Should you have any questions, please feel free to contact Ms. Robyn R. Dunlap or the undersigned.

Very truly yours,



Joe L. Norton

JLN:rrd

Enclosures

cc Distribution List

JLN\600910.048\TAX COMPLIANCE PROCEDURE\COVER LETTER (03-21-12)

GILMORE & BELL, P.C.

RESOLUTION NO. 594-12

A RESOLUTION PROVIDING FOR THE ADOPTION OF A TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE RELATING TO OBLIGATIONS ISSUED AND TO BE ISSUED BY THE CITY OF VALLEY CENTER, KANSAS.

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

WHEREAS, the Issuer is authorized, pursuant to the Constitution and statutes of the State to issue bonds, notes, leases, certificates and other instruments that evidence indebtedness (collectively, the “Obligations”) to finance certain improvements, projects and programs of the Issuer (collectively, the “Project Facilities”); and

WHEREAS, the Issuer has heretofore issued certain Obligations and anticipates future issuances of additional Obligations, the interest on which is intended to be excluded from gross income for federal income tax purposes or which is subsidized by the federal government (*e.g.* build America bonds) (the “Tax-Exempt Obligations”); and

WHEREAS, the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder (collectively, the “Code”), impose ongoing requirements related to the investment, use and expenditure of proceeds of Tax-Exempt Obligations and related funds and restrictions on use of the Project Facilities financed by such Tax-Exempt Obligations; and

WHEREAS, pursuant to rules promulgated by the Securities and Exchange Commission (the “SEC”), the Issuer has entered into or anticipates entering into continuing disclosure undertakings to provide for the submission of annual reports and notices of certain material events relating to the Tax-Exempt Obligations for Project Facilities; and

WHEREAS, the Issuer is committed to full compliance with all such requirements with respect to the Issuer’s Tax-Exempt Obligations.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF VALLEY CENTER, KANSAS:

Section 1. Compliance Procedure. In order to comply with the requirements of the Code and directives of the Internal Revenue Service and SEC and to improve tax compliance and documentation, the governing body of the Issuer hereby adopts the Tax-Exempt Financing Compliance Procedure, dated as April 3, 2012 (the “Compliance Procedure”).

Section 2. Permanent Record. A copy of the Compliance Procedure shall be placed in the permanent records of the Issuer and shall be available for public inspection during regular business hours of the Issuer.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

ADOPTED AND APPROVED by the governing body of the City of Valley Center, Kansas, on April 3, 2012.

(Seal)

Mayor

ATTEST:

Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. __-12 of the City of Valley Center, Kansas adopted by the governing body on April 3, 2012 as the same appears of record in my office.

DATED: April 3, 2012.

Clerk

Gilmore & Bell, P.C.
03/21/2012

CITY OF VALLEY CENTER, KANSAS

TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

Dated as of April 3, 2012

TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

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Exhibit A – List of Tax-Exempt Bonds Covered by this Compliance Procedure
Exhibit B – Form of Annual Compliance Checklist

* * *

TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Annual Compliance Checklist**” means a questionnaire and/or checklist described in *Section 6.1* that is completed each year for each of the Tax-Exempt Bonds.

“**Annual Report**” means the Issuer’s audited financial statements (or unaudited financial statements as permitted by the Continuing Disclosure Undertaking for the Tax-Exempt Bonds) and certain other financial information and operating data required to be filed annually with the MSRB for the Tax-Exempt Bonds.

“**Bond Compliance Officer**” means the Issuer’s Clerk or, if said position is vacant, the person appointed or elected to fill the responsibilities of said position for the Issuer.

“**Bond Counsel**” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel, selected by the Issuer to provide a legal opinion regarding the tax status of interest on Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Issuer regarding matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of Tax-Exempt Bonds.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compliance Procedure**” means this Tax-Exempt Financing Compliance Procedure.

“**Continuing Disclosure Undertaking**” means the Continuing Disclosure Agreement(s), Continuing Disclosure Undertaking(s), Continuing Disclosure Instructions or other written certification(s) of the Issuer setting out covenants for satisfying the Issuer’s requirements for providing information to the MSRB pursuant to SEC Rule 15c2-12 on an ongoing basis for one or more Tax-Exempt Bond issues.

“**Cost**” or “**Costs**” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Final Written Allocation**” means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to *Section 5.4* of this Compliance Procedure.

“Financed Assets” means that part of a Project Facility treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Governing Body” means the City Council of the Issuer.

“Intent Resolution” means a resolution of the Governing Body stating: (a) the intent of the Issuer to finance all or a portion of the Project Facility; (b) the expected maximum size of the financing; and (c) the intent of the Issuer to reimburse the Costs of the Project Facility paid by the Issuer from proceeds of the Tax-Exempt Bonds.

“IRS” means the Internal Revenue Service.

“Issuer” means the City of Valley Center, Kansas, and its successors and assigns, or any body, agency or instrumentality of the State succeeding to or charged with the powers, duties and functions of the Issuer.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Placed In Service” means that date (as determined by the Bond Compliance Officer) when the Project Facility is substantially complete and in operation at substantially its design level.

“Project Facility” means all tangible or intangible property financed in whole or in part with Tax-Exempt Bonds that are: (a) functionally related or integrated in use; (b) located on the same physical site or proximate sites; and (c) expected to be Placed In Service within a one-year period of each other.

“Rebate Analyst” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“SEC” means the Securities and Exchange Commission.

“Tax Compliance Agreement” means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“Tax-Exempt Bond(s)” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of the which are to be loaned or otherwise made available to the Issuer, and the interest on which is: (a) excludable from gross income for federal income tax purposes; or (b) taxable for federal income purposes, but is payable at a lower rate as a result of federal subsidy payments or other assistance. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of April 3, 2012, is attached as *Exhibit A*.

“**Tax-Exempt Bond File**” means documents and records which may consist of paper and electronic medium, maintained for each of the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.
- (c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Tax-Exempt Bonds and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculation.
- (e) IRS Forms 8038-T (Arbitrage Rebate, Yield Reduction Payment and Penalty in Lieu of Arbitrage Rebate) together with proof of filing and payment of rebate.
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript.
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit or examination by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP).
- (k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) The Issuer uses Tax-Exempt Bonds to fund Costs of a Project Facility. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have *separate* written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) The Issuer is required under the Continuing Disclosure Undertaking to provide disclosures of certain financial information and operating data and to file notices of certain material events to the marketplace to facilitate informed secondary market trading in Tax-Exempt Bonds issued by the Issuer. The Issuer is committed to full compliance with the tax and securities law requirements for all of its outstanding and future Tax-Exempt Bonds. This Compliance Procedure is adopted by the Governing Body to comply with the IRS and SEC directives and to improve tax compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to *all* Tax-Exempt Bonds currently outstanding and *all* Tax-Exempt Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement, the Continuing Disclosure Undertaking or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement, a Continuing Disclosure Undertaking or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist. The Issuer acknowledges that the Continuing Disclosure Undertaking may also apply to one or more issues of taxable securities issued by the Issuer.

Section 2.3. Amendments to the Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding tax-exempt financing that are relevant to the Issuer. At the time the individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing Bond Compliance Officer will be, or make arrangement for another Issuer employee to be, responsible for training the incoming individual acting as Bond Compliance Officer to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures. This *Article IV* applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on *Exhibit A*.

Section 4.2. Tax-Exempt Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on *Exhibit A*.

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in *Article VI* to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File. A sample form of an Annual Compliance Checklist for the issues described on *Exhibit A* is attached hereto as *Exhibit B*.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on *Exhibit A*, the Bond Compliance Officer will follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

Section 5.1. Application. This *Article V* applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Exempt Bonds.

(a) ***Intent Resolution.*** The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of this authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) ***Directions to Bond Counsel.*** The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) ***Tax Compliance Agreement.*** For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance Agreement will: (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) ***Preliminary Cost Allocations.*** For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and, when necessary, will break-out the portions of Costs that the Issuer expects to finance with Tax-Exempt Bonds (i.e. the Financed Assets) from the portions expected to be financed from other sources.

(e) ***Tax Review with Bond Counsel.*** Prior to the sale of the Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 5.3. Accounting and Recordkeeping.

(a) ***Accounting for New Money Projects.*** The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) ***Accounting for Refunded Bonds and Related Refunded Bond Accounts.*** For Tax-Exempt Bonds that refund prior issues, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced debt.

(c) ***Tax-Exempt Bond File.*** The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File. The Annual Reports, other reports and notices of certain material events filed by the Issuer with the MSRB will be publicly available on EMMA and need not be separately maintained in the Tax-Exempt Bond File.

Section 5.4. Final Allocation of Bond Proceeds.

(a) ***Preparation of Final Written Allocation; Timing.*** The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) ***Contents and Procedure.*** The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Issuer to the Costs of the Project Facility. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Exempt Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Exempt Bonds (which includes sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) ***Finalize Annual Compliance Checklist.*** As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) ***Review of Final Written Allocation and Annual Compliance Checklist.*** Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel of the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax

Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ARTICLE VII

CONTINUING DISCLOSURE

Section 7.1. Annual Disclosure Filings. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the financial information and operating data required to be included in the Annual Report to be filed by the Issuer with the MSRB on EMMA. The Bond Compliance Officer will cause the Annual Report to be filed with the MSRB on EMMA within the timeframe provided in the Continuing Disclosure Undertaking for the Tax-Exempt Bonds.

Section 7.2. Material Event Disclosure Filings. For each outstanding issue of Tax-Exempt Bonds, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the “material events” that require prompt notice to be filed with the MSRB. Generally, the occurrence of any of the following events with respect to the Tax-Exempt Bonds represents a “material event:”

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

After obtaining actual knowledge of the occurrence of any event that the Bond Compliance Officer believes may constitute an event requiring disclosure, the Bond Compliance Officer will contact Bond Counsel to determine if notice of the event is required to be given to the MSRB under the Continuing Disclosure Undertaking. If it is determined that notice should be provided to the MSRB or is required to be provided to the MSRB by the Continuing Disclosure Undertaking, the Bond Compliance Officer will cause the appropriate notice to be filed with the MSRB on EMMA within 10 business days after the occurrence of the event or as otherwise directed by Bond Counsel.

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CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Tax-Exempt Financing Compliance Procedure adopted by the governing body of the City of Valley Center, Kansas on April 3, 2012 as the same appears of record in my office.

DATED: April 3, 2012.

Clerk

EXHIBIT A

**LIST OF OUTSTANDING TAX-EXEMPT BONDS
COVERED BY THIS COMPLIANCE PROCEDURE
(as of April 3, 2012)**

GENERAL OBLIGATION BONDS

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Bonds, Series 1997-1	06/01/1997	12/01/2012	\$ 643,000	\$ 65,000
General Obligation Bonds, Series 1997-2	10/01/1997	12/01/2012	468,000	45,000
General Obligation Refunding & Improvement Bonds, Series 2002-1	08/01/2002	12/01/2012	6,240,000	445,000
General Obligation Refunding and Improvement Bonds, Series 2003-1	12/01/2003	12/01/2019	1,610,000	1,330,000
General Obligation Bonds, Series 2006-1 ⁽¹⁾	06/01/2006	12/01/2026	1,885,000	280,000
General Obligation Bonds, Series 2006-2	12/01/2006	12/01/2027	1,615,000	245,000
General Obligation Bonds, Series 2007-1	11/15/2007	12/01/2028	710,000	660,000
General Obligation Bonds, Series 2009-1	09/10/2009	12/01/2024	1,395,000	1,395,000
General Obligation Refunding & Improvement Bonds, Series 2010-1	06/15/2010	12/01/2025	2,005,000	1,670,000
General Obligation Refunding & Improvement Bonds, Series 2012-1 ⁽²⁾	05/01/2012	12/01/2028	4,745,000	4,745,000
General Obligation Bonds, Series 2012-2	05/01/2012	12/01/2032	2,025,000	2,025,000
General Obligation Bonds, Series 2012-3	05/01/2012	12/01/2032	2,520,000	<u>2,520,000</u>
	Total			<u>\$15,425,000</u>

(1) Refunded from the proceeds of the Series 2012-1 Bonds

(2) Subject to change

UTILITY SUPPORTED GENERAL OBLIGATION BONDS

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Sewer Utility System Refunding Bonds, Series 2009-2	09/10/2009	12/01/2015	\$1,005,000	<u>\$535,000</u>

GOVERNMENTAL REVENUE BONDS

(NONE)

TEMPORARY NOTES

<u>Description of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Temporary Note, Series 2008-1	08/21/2008	08/01/2012	\$2,080,000	\$1,740,000
Temporary Note, Series 2010-1	06/15/2010	08/01/2012	445,000	445,000
Temporary Note, Series 2011-1	06/23/2011	08/01/2012	175,000	<u>175,000</u>
	Total			<u>\$2,360,000</u>

LEASE OBLIGATIONS

<u>Description of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Road Grader	_____	____ 2012	\$107,607	\$24,657

EXHIBIT B

FORM OF ANNUAL COMPLIANCE CHECKLIST

[\$[Amount of Issue]
CITY OF VALLEY CENTER, KANSAS
[BOND DESCRIPTION] BONDS
SERIES [_____]
DATED [DATED DATE]
ISSUE DATE: [CLOSING DATE]

The Bond Compliance Officer is the person that the Issuer has identified in the Tax Compliance Procedure who is primarily responsible for working with other Issuer officials, departments and administrators and for consulting with Bond Counsel, other legal counsel and outside experts to the extent necessary to carry out the Post-Issuance Tax Requirements for the Bonds. On the Issue Date, the Issuer identified certain assets financed in whole or in part by the Bonds (the “Financed Improvements”), as evidenced on *Exhibit D* to the Federal Tax Certificate. Please complete this checklist within 90 days after the conclusion of the Issuer’s Fiscal Year. Should you have questions or need assistance in completing the checklist, please contact Bond Counsel at the address below. A completed copy of this annual checklist should be placed in the Tax-Exempt Bond File and retained in the Issuer’s permanent records for at least 3 years after the final maturity of (1) the Bonds or (2) any obligation issued to refund the Bonds.

Bond Compliance Officer Name: [_____]

Bond Compliance Officer Signature: [_____]

Date of Report: [_____]

Annual Period Covered by Report: [_____]

****If the answers to any of the following questions identify any compliance deficiencies, the Bond Compliance Officer should immediately contact Bond Counsel and take actions required in the Tax Compliance Procedure.****

Item	Question	Response
1 Ownership	Were all of the Financed Improvements owned by the Issuer during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Improvements leased at any time pursuant to a lease or similar agreement for more than 50 days?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Improvements (e.g., cafeteria, gift shop, etc.) been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the management agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Improvements?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Proceeds & Investments	Have any Gross Proceeds of the Bonds been invested in a Guaranteed Investment Contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has the Issuer entered into an Interest Rate Swap Agreement with respect to the Bonds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has any sinking or reserve fund for the payment of the Bonds been established (other than funds and accounts created in the Bond Resolution)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Have any of the Bonds been redeemed or refunded in advance of their scheduled maturities?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer to any of the above questions was "Yes," notify Bond Counsel with such information and place a copy of documentation in the Tax-Exempt Bond File.	

6 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Federal Tax Certificate or Compliance Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Counsel: Gilmore & Bell, P.C.
 100 N. Main, Suite 800
 Wichita, Kansas 67202
 Phone: (316) 267-2091
 Fax: (316) 262-6523
Attn: Joe L. Norton
Email: jnorton@gilmorebell.com

NEW BUSINESS

C. ORDINANCE 1241-12, REZONING 500 N PARK, 1ST READING

- Ordinance 1241-12
- 500 N. Park Rezoning Staff Review

Should Council choose to proceed,

RECOMMENDED ACTION:

Staff recommends motion to adopt Ordinance 1241-12 rezoning 500 N. Park, for first reading.

ORDINANCE NO. 1241-12**AN ORDINANCE CHANGING THE ZONING DISTRICT CLASSIFICATION OF CERTAIN PROPERTY LOCATED IN THE CITY OF VALLEY CENTER, KANSAS, UNDER THE AUTHORITY GRANTED BY THE ZONING REGULATIONS OF THE CITY.**

BE IT ORDAINED, by the Governing Body of Valley Center, Kansas:

Section 1. Having received a recommendation from the Valley Center City Planning Commission on Case No. Z-2-2012, and proper notice having been given and hearing held as provided by law and under authority and subject to the provisions of the Zoning Regulations of the City as amended, the zoning district classification of the property legally described herein changed as follows:

Change of zoning district classification from R-1B Single Family Residential to R-3 Multi-Family Residential.

Legal description: Lot 12 on Park Avenue, Carpenter's Addition to Valley Center, Sedgwick County, Kansas

General location: 500 N Park Avenue

Section 2. Upon the taking effect of this Ordinance, the above zoning change shall be entered and shown on the Official Zoning Map(s) as previously adopted by reference and said map(s) is hereby reincorporated as a part of the Zoning Regulations as amended.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The council hereby declares that it would have passed this ordinance and each section subsection, sentence, clause, phrase, and words thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or words have been declared invalid or unconstitutional, and if for any reason this ordinance should be declared invalid or unconstitutional, then the remaining ordinance provisions will be in full force and effect.

Section 3. Applicability and Effective Date This ordinance shall be in full force and effect from and after its passage and after publication according to law.

PASSED AND APPROVED by the **Governing Body of the City of Valley Center, Kansas**, this ____ day of April 2012.

First Reading	April 3, 2012
Second Reading	_____

{SEAL}

Michael McNown, Mayor

ATTEST:

Kristine A. Polian, City Clerk

Date: March 27, 2012

Present Zoning: R-1B One-Family Residential

Proposed Zoning: R-3 Multi-Family Residential

Applicant: Ash 1 Property Group LLC

Property Address: 500 N. Park

Applicant's reasons for Rezoning: Existing home that was condemned by the City but was demolished by Ash 1 Property Group LLC to facilitate the construction of a tri-plex housing unit.

Background:

1. 500 N. Park was previously occupied by a home that had been vacant for a number of years and was actually condemned by the city.
2. The same applicant constructed an "infill" four-plex on First Street, just north of the Library, which is well designed, has been well maintained, and provides new housing in an older neighborhood.

Review Criteria for a Zoning Amendment per 17.11.01.H (*criteria in italics*)

1. *What is the character of the subject property and the surrounding neighborhood in relation to existing uses and their condition?*
 - a. The building would occupy a mixed use block, mostly occupied by the First United Methodist Church and school. The rest of the block is occupied by 4 single-family homes along Meridian and 1 duplex unit immediately east of the proposed triplex. The school playground is immediately north of the proposed triplex.
 - b. The triplex will be a single story structure and attached garage, which is similar to the duplex to the east and similar in height to surrounding homes (refer to site plan that accompanies this staff review, which will be considered later in the agenda).
2. *What is the current zoning of the subject property and that of the surrounding neighborhood in relationship to the requested change?*
 - a. The current property is zoned R-1B.
 - b. The surrounding neighborhood is as follows:
 - South: Single-family homes zoned as R-1B.
 - North: A church/school property that is allowed as a permitted use in the R-1B District.
 - East: Although the use is a two-family residential structure, it is zoned R-1B.
 - West: Single-family homes zoned as R-1B
3. *Is the length of time that the subject property has remained undeveloped or vacant as zoned a factor in the consideration?*

The previous home had been empty for several years. The City installed plywood to keep out vandals. The garage on the lot was condemned and removed by the City over a year ago. The property has been an eyesore for a long time.

4. *Would the request correct an error in the application of these regulations?*

No

5. *Is the request caused by changed or changing conditions in the area of the subject property and, if so, what is the nature and significance of such changed or changing conditions?*

The land uses in the area have been stable. This rezoning will add more density to the neighborhood than what would exist if it were left single family, but it is not much different in density to the duplex that is immediately adjacent to the site on a smaller "footprint".

6. *Do adequate sewage disposal and water supply and all other necessary public facilities including street access exist or can they be provided to serve the uses that would be permitted on the subject property?*

Yes, the site plan shows how water, sewer, and other utilities will serve the triplex in the adjoining right-of-way.

7. *Would the subject property need to be platted or replatted or in lieu of dedications made for rights-of-way, easements, access control or building setback lines?*

No, platting will not be required. The triplex will fit on an existing platted lot.

8. *Would a screening plan be necessary for existing and/or potential uses of the subject property?*

No, the property will have more than adequate setbacks from the front and side yards, and the back yard of the triplex will have a 6 foot privacy fence that will act as a screen.

9. *Is the suitable vacant land or buildings available or not available for development that currently has the same zoning?*

There are no vacant lots or zoning in the neighborhood to build a similar structure.

10. *If the request is for business or industrial uses, are such uses needed to provide more services or employment opportunities?*

This question is not applicable for this rezoning.

11. *Is the subject property suitable for the uses in the current zoning to which it has been restricted?*

The previous dilapidated home was not suitable for habitation and would have been demolished regardless of its future use. A single family home would have been consistent with the existing zoning. However no one came forward to purchase the lot for a use permitted in the R-1B zone. The site would be more difficult to market as a new single family home in the middle of an older neighborhood, which is why a rental unit is proposed.

12. *To what extent would the removal of the restrictions, i.e., the approval of the zoning request detrimentally affect other property in the neighborhood?*

The new triplex should not have a detrimental effect on other property in that it will not abut single family homes within its own city block and the appearance across the streets from neighboring residential properties is much improved from its previous use.

13. *Would the request be consistent with the purpose of the zoning district classification and the intent and purpose of these regulations?*

The triplex would be consistent with the R-3 Zoning standards and because of its location in a mixed use block, should benefit a segment of the population that is looking for a rental unit that can meet the basic housing needs of someone that cannot afford to own a home.

Ash 1 Property Group LLC Rezoning Petition 2-2012

14. Is the request in conformance with the Comprehensive Plan and does it further enhance the implementation of the Plan?

The Comprehensive Plan shows a generic residential land use for this property, and does not take into account the more densely developed properties in the city. The Future Land Use Plan in the Comprehensive Plan will need to be a topic of discussion in the fall of 2012.

15. What is the nature of the support or opposition of the request?

A notice was placed in "The Ark" newspaper, neighborhood letters were sent out, and a rezoning yard sign was installed on the lot. As of March 21st, no one has contacted the City in support or in opposition to the zoning change.

16. Is there any information or are there recommendations on this request available from professional persons or persons with related expertise which would be helpful in its evaluation?

Based on past experience with this type of "infill" housing by this same developer, it is recommended that the City support this rezoning, given its location in the block and the site plan that has been recommended for approval by the site plan committee.

17. By comparison, does the relative gain to the public health, safety and general welfare outweigh the loss in value or the hardship imposed upon the applicant by not approving the request?

The City, and in particular this neighborhood, has much to gain from this kind of investment and the impact of a slightly higher density should be minimal. The petitioner has already done a great service to the city by demolishing a home that had been condemned.

CONSENT AGENDA

**A. REVENUE / EXPENSE FINANCIAL STATEMENTS for
FEBRUARY 2012**

CONSENT AGENDA

A. REVENUE and EXPENSE FINANCIAL SUMMARIES for FEBRUARY 2012:

- *GENERAL FUND*
- *EMPLOYEE BENEFITS FUND*
- *LIBRARY*
- *SPECIAL HIGHWAY*
- *EMERGENCY EQUIPMENT RESERVE*
- *BOND AND INTEREST*
- *WATER OPERATING*
- *STORMWATER UTILITY FUND*
- *SOLID WASTE UTILITY*
- *SEWER OPERATING*

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CITY OF VALLEY CENTER
REVENUE & EXPENSE REPORT (UNAUDITED)
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010-GENERAL FUND
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	841,580.00	0.00	0.00	400,335.35	0.00	441,244.65	47.57
INTERGOVERNMENTAL	464,000.00	47,585.96	0.00	89,360.06	0.00	374,639.94	19.26
LICENSES & PERMITS	495,900.00	62,515.33	0.00	91,547.55	0.00	404,352.45	18.46
CHARGES FOR SERVICES	7,100.00	1,455.00	0.00	1,460.00	0.00	5,640.00	20.56
FINES & FORFEITURES	65,000.00	4,375.88	0.00	8,782.17	0.00	56,217.83	13.51
USE OF MONEY & PROPERTY	11,200.00	367.54	0.00	1,122.31	0.00	10,077.69	10.02
OTHER REVENUES	100,000.00	3,666.56	0.00	14,808.89	0.00	85,191.11	14.81
MISCELLANEOUS	145,000.00	385.00	0.00	525.00	0.00	144,475.00	0.36
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,129,780.00	120,351.27	0.00	607,941.33	0.00	1,521,838.67	28.54
<u>EXPENDITURE SUMMARY</u>							
<u>ADMINISTRATION</u>							
PERSONNEL SERV. & BENEF.	233,000.00	21,602.37	0.00	40,777.85	0.00	192,222.15	17.50
CONTRACTUAL SERVICES	138,700.00	11,354.90	0.00	13,032.37	176.90	125,490.73	9.52
COMMODITIES	10,000.00	2,005.91	0.00	2,005.91	0.00	7,994.09	20.06
CAPITAL OUTLAY	12,500.00	0.00	0.00	0.00	0.00	12,500.00	0.00
OTHER COSTS/MISC.	135,000.00	39.69	0.00	39.69	0.00	134,960.31	0.03
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	529,200.00	35,002.87	0.00	55,855.82	176.90	473,167.28	10.59
<u>LEGAL & MUNICIPAL COURT</u>							
PERSONNEL SERV. & BENEF.	95,500.00	7,615.54	0.00	10,414.39	0.00	85,085.61	10.91
CONTRACTUAL SERVICES	26,400.00	781.23	0.00	812.36	16.14	25,571.50	3.14
COMMODITIES	850.00	15.99	0.00	15.99	0.00	834.01	1.88
CAPITAL OUTLAY	1,000.00	0.00	0.00	0.00	0.00	1,000.00	0.00
OTHER COSTS/MISC.	25,000.00	1,086.83	0.00	1,086.83	0.00	23,913.17	4.35
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LEGAL & MUNICIPAL COURT	148,750.00	9,499.59	0.00	12,329.57	16.14	136,404.29	8.30
<u>COMMUNITY DEVELOPMENT</u>							
PERSONNEL SERV. & BENEF.	81,500.00	6,119.64	0.00	11,726.30	0.00	69,773.70	14.39
CONTRACTUAL SERVICES	11,500.00	1,469.90	0.00	2,912.90	140.66	8,446.44	26.55
COMMODITIES	1,200.00	815.90	0.00	815.90	0.00	384.10	67.99
CAPITAL OUTLAY	6,200.00	992.75	0.00	992.75	0.00	5,207.25	16.01
OTHER COSTS/MISC.	10,000.00	2,789.67	0.00	3,579.34	0.00	6,420.66	35.79
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL COMMUNITY DEVELOPMENT	110,400.00	12,187.86	0.00	20,027.19	140.66	90,232.15	18.27

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CITY OF VALLEY CENTER
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010-GENERAL FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<hr/>							
<u>PUBLIC WKS STORAGE BLDG</u>							
PERSONNEL SERV. & BENEF.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMODITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL PUBLIC WKS STORAGE BLDG	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<hr/>							
TOTAL EXPENDITURES	2,297,500.00	169,628.49	0.00	269,951.76	7,782.00	2,019,766.24	12.09
** REVENUE OVER (UNDER) EXPENDITURES *	(167,720.00)	(49,277.22)	0.00	337,989.57	(7,782.00)	(497,927.57)	196.88-
OTHER FINANCING (USES)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
NET OTHER SOURCES/(USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<hr/>							
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	(167,720.00)	(49,277.22)	0.00	337,989.57	(7,782.00)	(497,927.57)	196.88-

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CITY OF VALLEY CENTER
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110-EMPLOYEE BENEFITS
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	629,830.00	0.00	0.00	300,872.13	0.00	328,957.87	47.77
USE OF MONEY & PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER REVENUES	15,000.00	0.00	0.00	0.00	0.00	15,000.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	644,830.00	0.00	0.00	300,872.13	0.00	343,957.87	46.66
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
PERSONNEL SERV. & BENEF.	637,000.00	71,225.12	0.00	117,335.62	0.00	519,664.38	18.42
CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMODITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	20,000.00	0.00	0.00	0.00	0.00	20,000.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	657,000.00	71,225.12	0.00	117,335.62	0.00	539,664.38	17.86
<u>ADMINISTRATION</u>							
PERSONNEL SERV. & BENEF.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMODITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	657,000.00	71,225.12	0.00	117,335.62	0.00	539,664.38	17.86
** REVENUE OVER (UNDER) EXPENDITURES *(	12,170.00)	(71,225.12)	0.00	183,536.51	0.00	(195,706.51)	1,508.11-
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES) (12,170.00)	(71,225.12)	0.00	183,536.51	0.00	(195,706.51)	1,508.11-

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CITY OF VALLEY CENTER
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140-LIBRARY
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	229,840.00	0.00	0.00	110,148.46	0.00	119,691.54	47.92
USE OF MONEY & PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	229,840.00	0.00	0.00	110,148.46	0.00	119,691.54	47.92
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
OTHER COSTS/MISC.	229,300.00	110,148.46	0.00	110,148.46	0.00	119,151.54	48.04
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	229,300.00	110,148.46	0.00	110,148.46	0.00	119,151.54	48.04
<u>ADMINISTRATION</u>							
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	229,300.00	110,148.46	0.00	110,148.46	0.00	119,151.54	48.04
** REVENUE OVER (UNDER) EXPENDITURES **	540.00	(110,148.46)	0.00	0.00	0.00	540.00	0.00
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	540.00	(110,148.46)	0.00	0.00	0.00	540.00	0.00

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CITY OF VALLEY CENTER
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150-SPECIAL HIGHWAY
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTERGOVERNMENTAL	713,860.00	47,585.96	0.00	134,068.07	0.00	579,791.93	18.78
USE OF MONEY & PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER REVENUES	0.00	0.00	0.00	110.00	0.00	110.00	0.00
MISCELLANEOUS	101,000.00	0.00	0.00	0.00	0.00	101,000.00	0.00
TOTAL REVENUES	814,860.00	47,585.96	0.00	134,178.07	0.00	680,681.93	16.47
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
PERSONNEL SERV. & BENEF.	221,500.00	22,081.85	0.00	34,611.04	0.00	186,888.96	15.63
CONTRACTUAL SERVICES	45,600.00	3,513.11	0.00	3,564.22	457.79	41,577.99	8.82
COMMODITIES	79,800.00	5,314.07	0.00	5,314.07	0.00	74,485.93	6.66
CAPITAL OUTLAY	443,500.00	0.00	0.00	0.00	0.00	443,500.00	0.00
OTHER COSTS/MISC.	26,000.00	0.00	0.00	0.00	0.00	26,000.00	0.00
DEBT SERVICE	10,000.00	0.00	0.00	0.00	0.00	10,000.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	826,400.00	30,909.03	0.00	43,489.33	457.79	782,452.88	5.32
TOTAL EXPENDITURES	826,400.00	30,909.03	0.00	43,489.33	457.79	782,452.88	5.32
** REVENUE OVER (UNDER) EXPENDITURES *	(11,540.00)	16,676.93	0.00	90,688.74	(457.79)	(101,770.95)	781.90-
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	(11,540.00)	16,676.93	0.00	90,688.74	(457.79)	(101,770.95)	781.90-

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CITY OF VALLEY CENTER
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160-EMERGENCY EQUIPMENT
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	49,580.00	0.00	0.00	23,734.74	0.00	25,845.26	47.87
OTHER REVENUES	0.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00
TOTAL REVENUES	49,580.00	0.00	0.00	24,734.74	0.00	24,845.26	49.89
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
CAPITAL OUTLAY	72,000.00	42,629.70	0.00	42,629.70	0.00	29,370.30	59.21
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	72,000.00	42,629.70	0.00	42,629.70	0.00	29,370.30	59.21
TOTAL EXPENDITURES	72,000.00	42,629.70	0.00	42,629.70	0.00	29,370.30	59.21
** REVENUE OVER (UNDER) EXPENDITURES *	22,420.00	(42,629.70)	0.00	(17,894.96)	0.00	(4,525.04)	79.82
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	(22,420.00)	(42,629.70)	0.00	(17,894.96)	0.00	(4,525.04)	79.82

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CITY OF VALLEY CENTER
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410-BOND & INTEREST
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	839,390.00	0.00	0.00	416,648.94	0.00	422,741.06	49.64
USE OF MONEY & PROPERTY	2,500.00	47.36	0.00	81.22	0.00	2,418.78	3.25
OTHER REVENUES	796,000.00	0.00	0.00	396,049.40	0.00	399,950.60	49.75
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISC TRANSFERS	30,000.00	0.00	0.00	0.00	0.00	30,000.00	0.00
MISC TRANSFERS	180,500.00	0.00	0.00	0.00	0.00	180,500.00	0.00
TOTAL REVENUES	1,848,390.00	47.36	0.00	812,779.56	0.00	1,035,610.44	43.97
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
CONTRACTUAL SERVICES	5,000.00	0.00	0.00	0.00	0.00	5,000.00	0.00
COMMODITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY	111,300.00	0.00	0.00	0.00	0.00	111,300.00	0.00
OTHER COSTS/MISC.	60,000.00	0.00	0.00	0.00	0.00	60,000.00	0.00
DEBT SERVICE	1,655,300.00	0.00	0.00	0.00	0.00	1,655,300.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	1,831,600.00	0.00	0.00	0.00	0.00	1,831,600.00	0.00
<u>ADMINISTRATION</u>							
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	1,831,600.00	0.00	0.00	0.00	0.00	1,831,600.00	0.00
** REVENUE OVER (UNDER) EXPENDITURES **	16,790.00	47.36	0.00	812,779.56	0.00	(795,989.56)	4,840.86
OTHER FINANCING SOURCES	180,500.00	0.00	0.00	0.00	0.00	180,500.00	0.00
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	180,500.00		0.00	0.00	0.00	180,500.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	197,290.00	47.36	0.00	812,779.56	0.00	(615,489.56)	411.97

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CITY OF VALLEY CENTER
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610-WATER OPERATING
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHARGES FOR SERVICES	1,100,000.00	103,550.40	0.00	204,680.95	0.00	895,319.05	18.61
USE OF MONEY & PROPERTY	1,000.00	0.00	0.00	0.00	0.00	1,000.00	0.00
OTHER REVENUES	0.00	269.99	0.00	27,435.75	0.00	(27,435.75)	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,101,000.00	103,820.39	0.00	232,116.70	0.00	868,883.30	21.08
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
PERSONNEL SERV. & BENEF.	298,700.00	34,889.30	0.00	58,443.54	0.00	240,256.46	19.57
CONTRACTUAL SERVICES	564,500.00	35,303.77	0.00	39,095.51	66.20	525,338.29	6.94
COMMODITIES	39,000.00	1,345.39	0.00	1,345.39	0.00	37,654.61	3.45
CAPITAL OUTLAY	49,000.00	0.00	0.00	0.00	0.00	49,000.00	0.00
OTHER COSTS/MISC.	294,230.00	0.00	0.00	0.00	0.00	294,230.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	1,245,430.00	71,538.46	0.00	98,884.44	66.20	1,146,479.36	7.95
<u>ADMINISTRATION</u>							
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	1,245,430.00	71,538.46	0.00	98,884.44	66.20	1,146,479.36	7.95
** REVENUE OVER (UNDER) EXPENDITURES *	(144,430.00)	32,281.93	0.00	133,232.26	(66.20)	(277,596.06)	92.20-
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	(144,430.00)	32,281.93	0.00	133,232.26	(66.20)	(277,596.06)	92.20-

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CITY OF VALLEY CENTER
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612-STORMWATER UTILITY FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
USE OF MONEY & PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER REVENUES	56,000.00	669.00	0.00	667.00	0.00	55,333.00	1.19
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	56,000.00	669.00	0.00	667.00	0.00	55,333.00	1.19
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
PERSONNEL SERV. & BENEF.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACTUAL SERVICES	25,000.00	0.00	0.00	1,031.13	0.00	23,968.87	4.12
COMMODITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	22,500.00	0.00	0.00	0.00	0.00	22,500.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	47,500.00	0.00	0.00	1,031.13	0.00	46,468.87	2.17
TOTAL EXPENDITURES	47,500.00	0.00	0.00	1,031.13	0.00	46,468.87	2.17
** REVENUE OVER(UNDER) EXPENDITURES **	8,500.00	669.00	0.00	(364.13)	0.00	8,864.13	4.28-
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	8,500.00	669.00	0.00	(364.13)	0.00	8,864.13	4.28-

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613-SOLID WASTE UTILITY
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
CHARGES FOR SERVICES	337,000.00	30,466.16	0.00	61,047.86	0.00	275,952.14	18.12
OTHER REVENUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	32.00	0.00	68.00	0.00	(68.00)	0.00
TOTAL REVENUES	337,000.00	30,498.16	0.00	61,115.86	0.00	275,884.14	18.14
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
PERSONNEL SERV. & BENEF.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACTUAL SERVICES	290,900.00	27,466.21	0.00	55,070.45	0.00	235,829.55	18.93
COMMODITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL OUTLAY	9,000.00	0.00	0.00	0.00	0.00	9,000.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	299,900.00	27,466.21	0.00	55,070.45	0.00	244,829.55	18.36
TOTAL EXPENDITURES	299,900.00	27,466.21	0.00	55,070.45	0.00	244,829.55	18.36
** REVENUE OVER(UNDER) EXPENDITURES **	37,100.00	3,031.95	0.00	6,045.41	0.00	31,054.59	16.29
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	37,100.00	3,031.95	0.00	6,045.41	0.00	31,054.59	16.29

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620-SEWER OPERATING
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHARGES FOR SERVICES	1,008,000.00	83,410.55	0.00	164,512.91	0.00	843,487.09	16.32
USE OF MONEY & PROPERTY	200.00	0.00	0.00	0.00	0.00	200.00	0.00
OTHER REVENUES	3,500.00	200.00	0.00	200.00	0.00	3,300.00	5.71
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,011,700.00	83,610.55	0.00	164,712.91	0.00	846,987.09	16.28
<u>EXPENDITURE SUMMARY</u>							
<u>NON-DEPARTMENTAL</u>							
PERSONNEL SERV. & BENEF.	239,800.00	17,552.22	0.00	31,557.08	0.00	208,242.92	13.16
CONTRACTUAL SERVICES	304,100.00	9,863.54	0.00	12,093.26	6,130.71	285,876.03	5.99
COMMODITIES	27,200.00	1,021.81	0.00	1,021.81	0.00	26,178.19	3.76
CAPITAL OUTLAY	19,000.00	0.00	0.00	0.00	0.00	19,000.00	0.00
OTHER COSTS/MISC.	449,500.00	114,250.00	0.00	114,250.00	0.00	335,250.00	25.42
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	1,039,600.00	142,687.57	0.00	158,922.15	6,130.71	874,547.14	15.88
<u>ADMINISTRATION</u>							
CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER COSTS/MISC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	1,039,600.00	142,687.57	0.00	158,922.15	6,130.71	874,547.14	15.88
** REVENUE OVER (UNDER) EXPENDITURES *	(27,900.00)	(59,077.02)	0.00	5,790.76	(6,130.71)	(27,560.05)	1.22
OTHER FINANCING (USES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OTHER SOURCES/(USES)	0.00		0.00	0.00	0.00	0.00	0.00
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	(27,900.00)	(59,077.02)	0.00	5,790.76	(6,130.71)	(27,560.05)	1.22

STAFF REPORTS

A. City Clerk Polian

B. Chief of Police Hephner

- Customer Service Awards
 - Virginia Crice
 - Detective Grayson
 - Officer Gordon

C. Fire Chief Tormey

D. Community Development Director Utecht

E. City Superintendent Dunn

F. Parks & Public Buildings Superintendent Owings

G. City Engineer Kelsey

H. City Attorney Arbuckle

I. City Administrator Pile

- Valley Center, Series 2012-1 Rating Letter
- Valley Center, Series 2012-2 Rating Letter
- Valley Center, Series 2012-3 Rating Letter
- Standard & Poor's Global Credit Portal



CUSTOMER SERVICE AWARD

Employee/Employees' Being Recognized: Virginia Crice

Reason for Recommendation: EMS Call. 3/02/12

I received a phone call from Allison who is a Sedgwick County Paramedic assigned to Medic 38. They ran a call in V.C. earlier today on an unconscious person. Allison advised they were in a tight space and had a lot of work to do. She advised that Crice must have had some prior training because she was getting everything they needed, making their jobs easier.

Person Making Recommendation: Sgt. Loyal Newman II

Supervisor Comments: Thank you for work you do and the way you carry yourself. You project a positive image of this department to other agencies and the citizens in our community.

Signatures—Employee Virginia Crice

Supervisor [Signature]

Chief [Signature]
GREAT JOB JEN!

Copies to: Employee
Employees' File



CUSTOMER SERVICE AWARD

Employee/Employees' Being Recognized: Det. Grayson / Officer Gordon

Reason for Recommendation: Both Officers participated in a class project for Patty Child, a teacher at Valley Center Intermediate School. Officer Gordon finger printed each student while Det. Grayson spoke and answered questions about fingerprints. Both officers received a thank you letter signed by the teacher and the class.

Person Making Recommendation: Sgt. Lloyd Newman II

Supervisor Comments: Thank you both for the work you do with the children in our community. It is important to everyone that we as law enforcement establish positive relationships with our youth.

Signatures—Employee Michael Clark

Supervisor [Signature]

Chief [Signature]

GREAT JOB!

Copies to: Employee
Employees' File

Thank you for
time to visit
I think
the class.
my really enjoyed it!
all really enjoyed it!
they really enjoyed it!

Thank You

for speaking to our class about fingerprints.



Kallie Richardson
thank you for
coming to our
class.
Lily Wiedeman
Dafod Wiedeman

Thank you
for
Legend Prints
Tjara
Tjara
Tjara

Thank you
for
Joanna
Joanna
Joanna

Reyton Leinen

Kathryn
Carter

John Stamp

Emily
Carter

Chase Ramirez

Thank you
for
coming to our
class.

Chase Ramirez
Emily
Carter

Delton
Scoble

Chandler
Hartnett

Not Kelly
Lynn

Thank you
for
coming to our
class.

Thanks,
Georgia

Thanks
4
yours
K.C. Miller

Thank you
for
coming

Stiles Wilson

Thank
you



500 North Akard Street
 Lincoln Plaza, Suite 3200
 Dallas, TX 75201
 tel (214) 871-1400
 reference no.: 1209358

March 28, 2012

City of Valley Center
 121 S. Meridian
 P.O. Box 188
 Valley Center, KS 67147--0188
 Attention: Mr. Joel Pile, City Administrator

Re: ***US\$4,745,000 Valley Center, Kansas, General Obligation Refunding Bonds, Series 2012-1, dated: May 1, 2012, due: December 1, 2028***

Dear Mr. Pile:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "A+". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

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facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,



Standard & Poor's Ratings Services
a Standard & Poor's Financial Services LLC business.

ar
enclosures

cc: Mr. Dustin J. Avey
Ms. Kelli Manson
Ms. Kristine A. Polian
Ms. Linda Setser-Maus
Mr. Mike Kelsey



Standard & Poor's Ratings Services Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors

to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services

may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.



500 North Akard Street
 Lincoln Plaza, Suite 3200
 Dallas, TX 75201
 tel (214) 871-1400
 reference no.: 1209363

March 28, 2012

City of Valley Center
 121 S. Meridian
 P.O. Box 188
 Valley Center, KS 67147--0188
 Attention: Mr. Joel Pile, City Administrator

Re: ***US\$2,025,000 Valley Center, Kansas, General Obligation Bonds, Series 2012-2, dated: May 1, 2012, due: December 1, 2032***

Dear Mr. Pile:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "A+". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

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Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,



Standard & Poor's Ratings Services
a Standard & Poor's Financial Services LLC business.

ar
enclosures

cc: Mr. Dustin J. Avey
Ms. Kelli Manson
Ms. Kristine A. Polian
Ms. Linda Setser-Maus
Mr. Mike Kelsey



Standard & Poor's Ratings Services Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors

to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services

may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.



500 North Akard Street
 Lincoln Plaza, Suite 3200
 Dallas, TX 75201
 tel (214) 871-1400
 reference no.: 1209364

March 28, 2012

City of Valley Center
 121 S. Meridian
 P.O. Box 188
 Valley Center, KS 67147--0188
 Attention: Mr. Joel Pile, City Administrator

Re: ***US\$2,520,000 Valley Center, Kansas, General Obligation Bonds, Series 2012-3, dated: May 1, 2012, due: December 1, 2027***

Dear Mr. Pile:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "A+". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

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Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

Page | 2

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Standard & Poor's Ratings Services
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cc: Mr. Dustin J. Avey
Ms. Kelli Manson
Ms. Kristine A. Polian
Ms. Linda Setser-Maus
Mr. Mike Kelsey



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Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

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March 28, 2012

Summary:

Valley Center, Kansas; General Obligation; Note

Primary Credit Analyst:

Apple Lo, Dallas (1) 214-765-5861; apple_lo@standardandpoors.com

Secondary Contact:

Jennifer Garza, Dallas (1) 214-871-1422; jennifer_garza@standardandpoors.com

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Summary:

Valley Center, Kansas; General Obligation; Note

Credit Profile		
US\$4.745 mil GO rfdg bnds ser 2012-1 dtd 05/01/2012 due 12/01/2028		
<i>Long Term Rating</i>	A+/Stable	New
US\$2.52 mil GO bnds ser 2012-3 dtd 05/01/2012 due 12/01/2027		
<i>Long Term Rating</i>	A+/Stable	New
US\$2.025 mil GO bnds ser 2012-2 dtd 05/01/2012 due 12/01/2032		
<i>Long Term Rating</i>	A+/Stable	New
Valley Center GO		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Valley Center GO		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Valley Center GO		
<i>Short Term Rating</i>	SP-1+	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'A+' long-term rating, and stable outlook, to Valley Center, Kan.'s series 2012-1 general obligation (GO) refunding and improvement bonds, and the city's series 2012-2 and series 2012-3 GO bonds. At the same time, Standard & Poor's affirmed its 'A+' long-term rating, with a stable outlook, on the city's existing parity debt. Finally, Standard & Poor's affirmed its 'SP-1+' short-term rating on the city's temporary notes outstanding.

The underlying credit factors supporting the ratings include what we view as the city's:

- Participation in the Wichita, Kan., metropolitan statistical area (MSA);
- Good financial management and performance; and
- Strong wealth and income levels.

In our opinion, these credit strengths are offset in part by Valley Center's high overall net debt burden and debt service carrying charge.

A special assessment levied on the property benefited by the construction of improvements financed with the respective issuance, and if not so paid, an unlimited ad valorem property tax pledge on all taxable tangible property within the territorial limits of the issuer secures the series 2012 GO bonds. We understand that the city will use bond proceeds to finance various capital improvements in conjunction with refunding the city's temporary notes outstanding and a portion of its long-term debt.

Valley Center, with a population estimate of 6,800, is in northeast Kansas, 15 miles north of Wichita ('AA+' GO rating), in Sedgwick County ('AAA' GO debt rating). Residents benefit from the city's participation in the Wichita

Summary: Valley Center, Kansas; General Obligation; Note

MSA. City income levels are strong, in our opinion, with median effective buying income at 110% of the national average. The regional economic base is centered on aircraft manufacturing with Cessna Aircraft Co. (estimated 5,994 employees), Spirit AeroSystems (10,300), and Hawker Beechcraft (5,300). The largest local employers include the All Saints Home Health Care (480), Unified School District 262 (450), and National Plastic Colors (110). The city has not experienced a significant amount of layoffs in its employment base, resulting in a January 2012 unemployment rate at 7.7%, which is well below the national rate.

Total assessed value (AV) has increased by an average of 6% annually in the past six years to \$51.5 million, or an adequate, in our opinion, \$47,192 market value per capita for fiscal 2012. City officials are projecting modest increases in AV for the next two years due to continued residential and commercial development. The tax base is very diverse in our opinion, with the 10 leading taxpayers accounting for 7.4% of total AV.

Valley Center's financial position has historically remained very strong in our view, as evidenced by good reserves in the general fund. The city has maintained reserves ranging from 29%-33% from fiscal years 2005 to 2008. Management budgeted for a balanced operation for 2012 without major changes in revenue and expenditures assumptions from the previous calendar year. The unaudited 2011 results showed a general fund drawdown of \$35,000 due to one-time capital expenditures on technology upgrade. The city increased its fiscal 2010 unreserved general fund by close to \$141,000, to \$415,000, due to increased fiscal efficiency and reduced expenditures. The fund balance is low on a nominal basis, but equates to what we consider a very strong 20% of operating expenditures on a percent basis. Under Kansas statute, cities have the flexibility to use capital improvement and equipment reserve funds for operating purposes. These two funds provide an additional liquidity of \$236,000 to the county. Together, all three funds provide a very strong 32% of operating expenditures. In fiscal 2010, property tax accounted for the majority (50%) of the county's general revenue followed by sales tax (20%). City officials have no plans to increase the current property tax rate at 51.17 mills per \$1,000 of AV.

The city's management practices are considered "good" under Standard & Poor's Financial Management Assessment (FMA) methodology. An FMA of good indicates financial management practices exist in most areas, though not all might be formalized or regularly monitored by governance officials. Valley Center has policies in place regarding budgeting practices, investments, long-term financial and capital planning, reserves, and debt management. These include minimum reserve levels, and multiyear financial and capital budget plans included in the annual operating budget, as well as adopted investment policies and regular monitoring and reporting of financial results.

In our opinion, the city's overall net debt burden is high, in our opinion, at \$5,965 per capita, or 12.6% of 2012 market value. We view debt amortization as rapid, with officials retiring 76% of GO debt principal in 10 years. The debt service carrying charge is high at an estimated 37% of 2010 government expenditures. The reason for the high carrying charges was related to the refunding of a portion of Valley Center's debt and rapid amortization. The city does not have plans to issue additional debt within the next two years.

Valley Center provides pension benefits for all of its full-time employees through the statewide Kansas Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan. The required contribution is determined by actuarial valuation and may be amended by state legislature. For fiscal 2010, the city's annual pension contribution was \$116,113, or 6% of general fund expenditures. Valley Center has met the required annual contribution amounts for the past three years and management is confident that it will be able to continue meeting its commitment in the future. The city does not offer any other postemployment benefits to its retirees.

Summary: Valley Center, Kansas; General Obligation; Note

Outlook

The stable outlook reflects Standard & Poor's expectation that the local economy and property tax base will continue to benefit from Valley Center's access to Wichita. The stable outlook also reflects our expectation that the city's financial performance will likely remain what we consider strong and that future capital needs will remain manageable. We do not expect to change the rating within the two-year outlook time frame, as we expect the city will likely make necessary budget adjustments to maintain consistently strong reserve levels and the regional economy will remain stable.

Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008
- USPF Criteria: Financial Management Assessment, June 27, 2006

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A. Mayor McNown

B. Councilmember Leftoff

C. Councilmember Cicirello

D. Councilmember Smith

E. Councilmember Gerling

F. Councilmember Maschino

G. Councilmember L. Jackson

H. Councilmember K. Jackson

I. Councilmember Hobson

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