

OSAWATOMIE CITY COUNCIL

AGENDA

April 12, 2012

7:00 p.m., Memorial Hall

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Consent Agenda
 - Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action*
 - A. Approve Minutes of March 8 and 22 Council Meetings
 - B. Approve April 12 Agenda
 - C. Appropriation Ordinances 12-5 & 12-6
5. Comments from the Public; Presentations
 - Citizen participation will be limited to 5 minutes. Please stand & be recognized by the Mayor.*
6. Public Hearing – none
7. Unfinished Business
 - A. Approve Invoice(s) for Pacific, 14th, Brown Streets Project – Request No. 19
 - B. Post Issuance Compliance Policy
 - C. Ordinance Authorizing the Issuance of G.O. Bonds Series 2012A
 - D. Resolution Prescribing the Form and Details of the G.O. Bonds Series 2012A
8. New Business
 - A. Election Results – Administer Oath of Office
 - B. Elect Council President and Vice President
 - C. Appointments
 - D. Proclamation – Fair Housing Month
 - E. Proclamation – Arbor Day
 - F. Proclamation - Occupational Therapy Month
 - G. Ordinance Authorizing the Sunday Sales of Cereal Malt and Alcoholic Beverages
 - H. Ordinance Authorizing A Special Use Permit for the Operation of a Day Care Center
 - I. Discussion of the Hours of City Hall Operations
 - J. Presentation of the 2012 Street Assessment
9. Council Reports
10. Mayor’s Report
11. City Manager’s Report
12. Executive Session - none
13. Adjournment

MEETING/WORK SESSION – April 26, 2012

REGULAR MEETING – May 10, 2012

Osawatome, Kansas. **March 8, 2012.** The Council meeting was held in Memorial Hall. Mayor Dudley called the meeting to order at 7:00 p.m. Council members present were Dickinson, Farley, Hunter, LaDuex, and Moon. Absent were Govea, Klein, and Moon. Also present were City Manager Cawby, City Attorney Wetzler, and City Clerk Elmquist. Visitors were Robert Kerr, Webster Hawkins, Dan Macek, Kirk & Shelagh Wright, Cinda Govea, and Travis Perry.

Govea arrived at 7:01 p.m.

CONSENT AGENDA. Approval of the minutes of February 9 and February 23 Council Meetings, approval of March 8 Agenda, and approval of Appropriation Ordinances 12-3 & 12-4. Motion made by Hunter, seconded by Maichel to approve the February 9 Agenda and Appropriation Ordinances 12-3 & 12-4. Yeas: All. Motion made by Hunter, seconded by Dickinson to approve the minutes of February 9 and February 23 Council Meetings as amended. Yeas: All

Public Participation; Presentations: none

Public Hearing: none

Unfinished Business:

APPROVE INVOICE(S) FOR PACIFIC, 14TH, BROWN STREETS PROJECT – REQUEST No. 18. Motion made by Hunter, seconded by LaDuex to approve Pay Request No. 18. Yeas: All.

LETTER OF ENGAGEMENT FOR UNDERWRITER SERVICES WITH GEORGE K. BAUM & CO. Motion made by Hunter, seconded by Maichel to authorize the Mayor to sign the Letter of Engagement with George K. Baum & Co. at a fee of 0.85% of par of bonds. Yeas: All.

ORDINANCE AUTHORIZING SALE OF BONDS. The debt refinancing would help achieve some long-term savings. The sewer revolving loans with KDHE can be refinanced without a referendum. Issues have been worked out to refinance the USDA Rural Development Loans from 2008. Also included is the match portion of the Brown and Pacific project and the City can forego the Rural Development Loan. Including the Water system loans, the total financing would be an estimated \$4,225,000. Motion made by LaDuex, seconded by Govea to approve the ordinance authorizing the sale of bonds not to exceed \$4,834,310.38. Yeas: All. Motion passed. The Ordinance was assigned No 3694.

RESOLUTION AUTHORIZING SALE OF BONDS. Motion made by Hunter, seconded by Maichel to approve the resolution authorizing and providing for the sale of bonds not to exceed \$4,225,000. Yeas: All. Motion passed. The Resolution was assigned No 648.

New Business:

APPOINTMENTS. none

TREE CITY RECOGNITION. For the 7th straight year the City has been designated as a Tree City USA.

COMMUNITY FISHERIES PROGRAM. Andrew Jansen, Kansas City District Fisheries Biologist, explained the Kansas Department of Wildlife, Parks and Tourism's Communities Fisheries Assistance Program. The City currently participates in the basic level which allows the City to charge for fishing permits. The enhanced level requires a city to remove their local permitting but KDWP would pay the City an annual lease payment of \$1,030, give more priority in fisheries management activities, and more priority in their grant funding. Motion made by Maichel, seconded by Govea directing staff to draft the necessary documents for inclusion in the program. Yeas: All. Motion passed.

Council Reports:

Maichel: Thanked the Chamber of Commerce for the Business Expo.

Hunter: April 21 is Railroad Days.

Govea: The first meeting of the Parks & Recreation Committee was held. They will be meeting monthly. The next meeting is March 15 in the Library at 5:30.

Mayor's Report:

The City hosted a Legislative breakfast February 18 with the legislators. Along with Chamber President Donna Darner led the question and answer session.

The Republican caucus for the Presidential election will be this Saturday at Paola.

City Manager's Report:

Projects:

Mold Abatement. A proposal was received from American Metropolitan Environmental, Inc. and currently evaluating the proposal and price. If it is reasonable, staff will move forward.

Street Rating. The street rating is completed and will start CIP and street discussion in April.

Grass and Leaves Disposal and Recycling Changes. Will be notifying the public about the changes in the grass and leaves disposal and the move to Monday only recycling.

Storm Water. Attended a conference hosted by BG Consultants. Discussion was about the current storm water regulations and the changes that may be coming.

Issues:

CIP Plan/2013 Budget. A budget calendar will be presented at the next meeting.

Auditors. The auditors will be in next week.

Reorganization. Significant strides have been made in trying to reorganize to accommodate the planned operational changes. Dennis Davey, Sewer Plant Operator, will be having his retirement reception next Thursday. A Water Plant operator will move over to the Sewer Plant three days a week and the Water Distribution and Sewer Distribution Department will handle the other two days. Staff will be looking at what automation can be implemented at the Water Plant to eliminate some on-site staffing. The Golf Course Superintendent has become the Parks Supervisor and will operate a large mowing crew this summer taking care of most of the mowing. There will be 8-10 temporary positions for mowing and some street work to maximize the workload during the busiest time of year.

Key Account-Energy Consulting Agreement. Electric utilities have three primary responsibilities to their customers. They are: 1) reliable, affordable and efficient power, 2) minimize expenses and maximize efficiency to be competitive in the market place, and 3) help customers to reduce their energy usage and to reduce the amount of power bought by the City and the customers. EMG, Inc. will be at the next meeting to discuss the benefits of their consulting services.

Motion made by Hunter, seconded by Dickinson to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Osawatome, Kansas. **March 22, 2012.** The Council meeting was held in Memorial Hall. Mayor Dudley called the meeting to order at 7:30 p.m. Council members present were Dickinson, Farley, Govea, Hunter, Klein, Maichel, and Moon. Absent was LaDuex. Also present were City Manager Cawby and City Clerk Elmquist. Visitors were Dan Macek and Travis Perry.

APPROVAL OF AGENDA. Motion made by Hunter, seconded by Dickinson to approve the agenda as amended. Yeas: All.

REFINANCING OF GOLF COURSE LEASE/PURCHASE LOAN. The current lease rate is 5.75%. The refinanced amount would be \$147,514.11 at rate of 3.25% with the same maturity date. Motion made by Moon, seconded by Hunter to approve the ordinance authorizing execution of the lease purchase agreement. Yeas: All. Motion passed. The Ordinance was assigned No 3695.

City Manager Updates:

Projects:

Grass and Leaves Disposal. The City hosted a joint meeting with KDHE, Miami County, Louisburg, and Paola to discuss each other's plans on disposal of grass and leaves. They agreed that they needed to get through this year to see what are the real costs are and then later in the year discuss what cost savings can be generated.

Brown & Pacific. Today a meeting was held with the engineer, contractor, subcontractor and the City on the asphalt job. The contractor's proposal on how to resolve the asphalt issue is expected before the April 12 meeting.

Cemetery. There are only a couple of blocks available for sale at the Osawatome Cemetery. It will cost about \$10,000 to finish the road around the new section.

Issues:

Mosquito Spraying. At the beginning of the season there will only be one notice in the newspaper about the mosquito spraying, Then advance notices will be posted on Facebook and the City website throughout the summer.

Auditors. The auditors were here last week. Things went very well for the first year and will be some changes made to accommodate some of the finds.

Planning Commission. The first part of the two-part training was held.

Legislative Issues. The House passed a concealed carry change that would keep local governments from prohibiting guns at City facilities or at City meetings. An exemption on sales tax on food was passed which could reduce revenues as much as 15%. A property tax lid was passed, but approved LAVTR funding to offset it. However, a local government would only be eligible for the funding if the taxes levied went down. The Governor is expected to pass a bill that allows for summary publication of ordinances.

Motion made by Farley, seconded by Govea to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Record of Ordinances

ORDINANCE NO. 12-5

DATE WARRANTS ISSUED:
March 31, 2012

Page No. 1

AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

Be it ordained by the Governing Body of the City of Osawatomie, Kansas

Section 1. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the city treasury the sum required for each claim.

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Payroll 03/09/12			88,184.16
Payroll 03/23/12			106,598.38
FICA 03/09/12			6,428.67
FICA 03/23/12			7,855.71
KPERS			15,097.17
Postmaster	pre-sort fee	39212	190.00
Suddenlink	internet	39213	119.90
City of Osawatomie	petty cash reimbursement	1272	4,300.54
Jeff Boyle	plan review for Penwell Gabel	39299	150.00
City of Osawatomie	utilities	39300	15,443.42
Donna & Viola's Shirts	soccer shirts	39301	1,007.00
GCSAA	membership - Draper	39302	80.00
Kansas City Wilbert	grave openings	39303	2,000.00
Suddenlink	internet	39304	59.95
Aerial FX	fireworks	39305	4,119.50
Crawford Sales	Budweiser	39306	148.80
JCCC Continuing Education	class - survival for dispatchers	39307	109.00
Midwest Distributors	Miller, Coors	39308	118.40
Beachner Grain	fill propane bottles, grass seed	39309	270.75
Correct Care Solutions	inmate medical repricing	39310	17.50
Dish Network	Golf Course	39311	88.51
KMEA EMP	electricity, transmission	39312	41,000.04
L & K Services, Inc.	refuse	39313	31,397.02
Landmark National Bank	golf cart lease	39314	2,178.24
Suddenlink	internet	39315	79.15
WinWholesale	wire	39316	201.25
AT&T	RTU's	39317	223.69
Kansas Dept of Revenue	compensating use tax	39318	204.98
Kansas Dept of Revenue	sales tax	39319	10,521.02
Kansas Gas Service	power plant	39320	41.86
KMEA Nearman	electricity	39321	34,749.21
Visa	books, supplies, lodging	39322	1,880.87
Kansas City Power & Light	service	39323	987.01
KDHE	sewer revolving loan	39324	125,356.73
Kansas Gas Service	services	39325	4,817.69
Ricoh Americas Corp.	copier lease	39326	289.00
Ricoh Americas Corp.	copier lease P.D.	39327	183.90
Sprint	service	39328	18.26
Suddenlink	internet	39329	59.95
Brad Waggoner	pro shop	39330	244.34

Record of Ordinances

ORDINANCE NO. 12-6

DATE WARRANTS ISSUED:
April 12, 2012

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AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

Be it ordained by the Governing Body of the City of Osawatomie, Kansas

Section 1. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the city treasury the sum required for each claim.

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Airgas USA, LLC	oxygen cylinder	39352	85.10
American Safety Utility Corp.	trousers, jacket, supplies	39353	348.60
Baker & Taylor	books	39354	652.60
Batteries Plus	battery backups	39355	65.98
BG Consultants	St. improvements, WWTF	39356	1,414.50
Bollings Bargain Bonanza	cable ties, tape, screws	39357	50.25
Brewer's Automotive Repair	tires, ignition coil	39358	384.91
BSN Sports	first aid kit, whistles, shin guards	39359	342.68
C & G Merchants	paper goods, candy bars	39360	396.32
California Contractors Suppliers, Inc.	grip lock pliers	39361	259.94
Champion Brands, LLC	sweeping compound, oil	39362	462.40
Coleman Equipment, Inc.	thermostat	39363	35.54
Conrad Fire Equipment, Inc.	boots	39364	134.87
DEMCO	non glare protectors, letters	39365	127.30
Donna & Viola's Shirts	t-shirts	39366	72.28
Electric Shop, Inc.	repaired broken light fixture	39367	148.75
Elliott Insurance, Inc.	treasurer's bond	39368	100.00
Employee Screening Services	drug screening	39369	355.00
Entersect Police Online	police online - Feb. March	39370	158.00
Environmental Laboratories, Inc.	analytical services	39371	217.00
Evco Wholesale Food Corp.	gatorade, meat	39372	435.64
Void		39373	-
Family Center	power washer, supplies	39374	1,334.08
G. Farney & Associates, Inc.	registration fee	39375	275.00
Farwest Line Specialties, LLC	shirts, pole graffs	39376	283.20
First Place Trophies	plaques - Planning members	39377	20.00
Fisher Scientific	manual, filters	39378	496.18
Richard M. Fisher, Jr. LLC	court appointed attorney	39379	750.00
Gall's	trousers, holster, supplies	39380	656.05
Gerken Rental	portable restrooms	39381	100.00
Goodyear Wholesale Tire Centers	tires	39382	167.02
Graybar	electric line supplies	39383	1,562.84
Hanes Florist & Greenhouse	plant - Davey	39384	40.00
HD Waterworks	water meters	39385	2,736.17
ICC	residential inspection institute	39386	808.00
John Deere Landscapes	pesticides	39387	1,345.02
Kansas One Call Concepts	locates	39388	50.40
Kansas State Treasurer	training funds	39389	1,955.50
KelCon Technologies	computer troubleshooting	39390	742.50
Killough Construction, Inc.	asphalt	39391	437.80

Record of Ordinances

DATE WARRANTS ISSUED:
April 12, 2012

Page No. 2

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Kincaid Ready Mix	concrete	39392	423.76
Void		39393	-
Kriz Davis Co.	wire, electric line supplies	39394	5,790.29
Lang Chevrolet	headlamp, parts	39395	326.80
Maceks, Inc	paint fender - dump truck	39396	150.00
MARC	membership dues	39397	1,033.00
Martin, Pringle Attorneys at Law	City Prosecutor, Municipal Matters	39398	6,669.74
Miami County sheriff's Office	prisoner care	39399	2,792.37
Midwest Industrial Lighting	lights	39400	381.95
Void		39401	-
Void		39402	-
Void		39403	-
Moon's IGA	cleaning supplies, meat	39404	666.38
NHD Attorney's at Law	court appointed attorney	39405	250.00
NEKLS	thermal rolls, electronic books	39406	214.00
NPG Newspapers	ads	39407	329.40
O'Reilly Auto Parts	battery, tire gauge	39408	94.29
ODB Company	gutter broom	39409	80.00
Oil Patch	bushing, couplings	39410	37.05
Osawatomie Journal	ads	39411	188.00
Paola Hardware	staple gun, wrench, supplies	39412	131.70
Pat's Signs	signs	39413	261.00
Pepsi	pepsi	39414	347.88
Psychological Resources	psychological evaluation	39415	220.00
Quill	office supplies	39416	478.38
R.M.I. Golf Carts	tune up kits	39417	531.03
Read It Free	land for rent - Northland	39418	150.00
Regency Coffee & Vending	coffee	39419	85.50
Rejis Commission	web subscription service	39420	30.00
Ron's Small Engine	starter drive, pinion kit	39421	36.45
Rural Water District #1	service	39422	120.57
Rural Water District #3	ETI	39423	16.50
Scott A. Michie Planning Services	training session	39424	110.00
Superior Bowen Asphalt Company	asphalt	39425	2,645.77
Superior Lamp, Inc.	meter test, bulbs	39426	807.81
T&R Electric	transformers, credit	39427	112.50
Debbie Talley	Memorial Hall Janitorial	39428	375.00
Training @ Your Place	St of Kansas electronic upgrade	39429	400.00
Tri County Ice	ice machine, car wash tokens	39430	250.00
UZ Engineered Products	safety glasses, color coding tapes	39431	629.93
Vance Brothers	asphalt	39432	580.65
Viking Industrial Supply	trash bags, paper goods	39433	262.83
Westfall GMC Truck, Inc.	reser	39434	31.93
Winkler, Domoney & Schultz	Municipal Court Judge	39435	2,000.00
Void		39436	-



STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 12, 2012

AGENDA ITEM: Payment Request No. 19 for Brown and Pacific Project

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: This is a pay application totaling \$4,469.90 for Governmental Assistance Services and BG Consultants. Attached is a spreadsheet which details this payment and another which outlines the financial status of this project.

As I have updated you earlier, we did meet with Orr/Wyatt and the asphalt contractor and hope to have a proposed settlement to the project so it can be closed out. We still hold \$160,000 to be paid to Orr Wyatt after we pulled back \$70,000 for the defective top layer of asphalt. Most of the punch list items have been completed, and thanks to wonderful weather, the grass has come up and taken hold.

COUNCIL ACTION NEEDED: Approve the payment request.

STAFF RECOMMENDATION TO COUNCIL: Approve the payment.



CITY OF OSAWATOMIE
439 Main Street
PO Box 37
Osawatomie, KS 66064
913-755-2146

PACIFIC, 14TH, BROWN STREETS PROJECT
CDBG GRANT # 10-PF-045
PAYMENT REQUEST
April 12, 2012
Payment Request No. 19

Claimant	Description	Document Number	Amount
Governmental Assistance Services 905 Joseph Drive Lawrence, KS 66049	administration	3/31/12	\$ 3,055.40
BG Consultants 4806 Vue Du Lac Place Manhattan, KS 66503	project engineer	3/14/12	\$ 1,168.50
BG Consultants 4806 Vue Du Lac Place Manhattan, KS 66503	Council mtg - update	3/17/12	\$ 246.00
Orr Wyatt Streetscapes 9812 E 56th Street Raytown, MO 64133-2804	construction	App #	\$ -
	TOTAL		\$ 4,469.90

Approved by the Osawatomie City Council this 12th day of April, 2012 contingent upon approval by the funding agencies.

Philip A. Dudley, Mayor

Brown & Pacific Project Summary (04-12-2012)

EXPENSES

		<u>Contract</u>	<u>Estimated C.O.s</u>	<u>Revised Budget</u>	<u>Paid YTD</u>	<u>Remaining To Be Paid</u>
GAS	CDBG Admin	\$ 25,000.00		\$ 25,000.00	\$ 20,000.00	\$ 5,000.00
BG Consultants	Engineering/Design	49,939.00		49,939.00	49,982.25	(43.25)
	Construction Services	82,770.00		82,770.00	25,513.13	57,256.87
Orr Wyatt Streetscapes	Construction	934,450.95	10,000.00	944,450.95	774,203.31	170,247.64
Total		<u>\$ 1,092,159.95</u>	<u>\$ 10,000.00</u>	<u>\$ 1,102,159.95</u>	<u>\$ 869,698.69</u>	<u>\$ 232,461.26</u>

FUNDING

		BUDGET			Paid YTD		
		<u>GAS</u>	<u>BG</u>	<u>Orr Wyatt</u>	<u>GAS</u>	<u>BG</u>	<u>Orr Wyatt</u>
CDBG Admin		\$ 20,000.00	\$ -	\$ -	\$ 19,983.38	\$ -	\$ -
CDBG Improvements		-	-	480,000.00	-	-	413,702.64
Loan Funds		5,000.00	115,270.00	464,450.95	16.62	73,327.39	360,500.67
City Funds		-	17,439.00	-	-	2,167.99	-
Total		<u>\$ 25,000.00</u>	<u>\$ 132,709.00</u>	<u>\$ 944,450.95</u>	<u>\$ 20,000.00</u>	<u>\$ 75,495.38</u>	<u>\$ 774,203.31</u>



STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 12, 2012

AGENDA ITEM: Debt Refinance

PRESENTER: Don Cawby, City Manager

A month ago, you approved a resolution to sell bonds for the purposes of refinancing some of the City's debt and to issue bonds to replace the USDA-Rural Development Loan on the Brown and Pacific project. At that time you authorized us to issue \$4,225,000 in bonds for this purpose. Since that approval, we did not get a favorable response from USDA-Rural Development on the partial refinancing of our 2008 debt. Based upon this ruling, we have removed this portion and continued with the rest of the debt financing. The principal amount of the new bond issue will now be approximately \$2,830,000. Attached is a preliminary table that shows the 2008 USDA-RD Loan money removed and the savings that is expected to be generated

The new bond issue will be offered to investors on Thursday morning. The final principal amount, interest rates and savings will be determined at that time. George K. Baum & Company will present final details to the Council at the meeting Thursday evening. At that meeting, we will also need to approve a policy for the City's post issuance compliance with IRS and other federal rules on reporting of debt.

I have also again attached the calendar which shows the current schedule for the issuance of these bonds.

We also need to approve a Post Issuance Compliance Policy that provides guidelines and procedures for the City to comply with IRS and federal regulations.

COUNCIL ACTION NEEDED: Approve the Policy, Ordinance and Resolution. The Bond Ordinance authorizes the issuance of the new bonds. The Bond Resolution specifies the form and details of the new bonds.

STAFF RECOMMENDATION TO COUNCIL: Approve the Policy, Ordinance and Resolution.

**CITY OF OSAWATOMIE, KANSAS
GENERAL OBLIGATION BONDS
SERIES 2012-A**

REVISED CALENDAR OF EVENTS

- FEB** 27 Draft of Resolution Authorizing Sale of Bonds (“Sale Resolution”) Distributed
Draft New Project Authorizing Resolution Distributed
- MAR** 2 Comments Due on Sale Resolution
Preliminary Official Statement Distributed for Comment
Final Sale Resolution Forwarded to City
Final New Project Authorizing Resolution Forwarded to City
8 City Council Updated on Financing Plan
City Adopts Additional Project Authorizations, if Needed
City Passes Resolution Authorizing Sale of Bonds
19 Notice of Bond Redemption (USDA Loan) Forwarded to State Treasurer
22 Notice of Bond Sale (Private Placement) Sent to Local Paper and Kansas Register, if needed
23 Draft Bond Ordinance and Resolution Distributed
28 & 29 Notice of Bond Sale (Private Placement) Published in Local Paper and Kansas Register, Respectively, if needed
30 Finalize New Project Borrowing Amount
- APR** 2 Comments Due on Preliminary Official Statement
3 Preliminary Official Statement Sent to Potential Investors
6 Comments Due on Draft Bond Ordinance and Resolution
11 Bonds Offered to Investors
12 Pass Bond Ordinance and Resolution
13 Bond Ordinance Forwarded to Local Paper
Transcript Assembly Begins
16 Final Official Statement to Printer
Receive Final Official Statement from Printer
18 Bond Ordinance Published in Local Paper
30 Registration Instructions to State Treasurer
Bond Printing Complete - Bonds Forwarded to State Treasurer
Transcript Assembly Complete
Transcript Forwarded to Attorney General
- MAY** 1 Closing Memorandum Distributed
7 Transcript Approved
Bond Registration Complete - Bonds Forwarded to DTC
8 Closing and Delivery of Funds
Prior Bonds (USDA Loan) Repaid

FEBRUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

MARCH						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February 13, 2012

Note: Bold items indicate actions of City Council

Debt Refinance and Issuance

City of Osawatomie

	<u>Series 2003 A</u>	<u>Sewer SRF Loan 1314</u>	<u>Sewer SRF Loan 1395</u>	<u>Water SRF Loan 2128</u>	<u>USDA Sewer Loan*</u>	<u>Total Refinance</u>	<u>New Street Bonds</u>	<u>Total Issuance</u>
Debt Issuance								
Amount Refinanced	270,000	415,000	1,010,000	575,000	1,330,000	2,270,000	560,000	2,830,000
Years Left	7.0	4.5	7.5	11.0	21		20	
Current Avg. Debt Service	44,079	100,129	150,585	64,983	95,564	359,775	-	359,775
Proposed Avg. Debt Service	<u>41,286</u>	<u>96,988</u>	<u>146,593</u>	<u>59,583</u>	<u>84,628</u>	<u>344,450</u>	<u>35,292</u>	<u>379,742</u>
Avg Annual Savings	2,793	3,141	3,991	5,400	10,936	15,325	(35,292)	(19,967)
Lifetime Savings	19,553	14,134	29,934	59,401	229,654	123,020	(705,840.00)	(582,819.56)

** Only showing amount to be refinanced. Still \$2.169 million outstanding beginning in 2031.*

12-Apr-2012

Breakdown of Savings

	Savings by Issue Being Refunded					Debt Service on Street Bonds	Net Change in City Payments
	2003A Bonds	Loan 1314	Loan 1395	Loan 2128	Total Savings		
2012	3,653	3,517	5,925	5,256	18,351	14,483	3,867
2013	3,564	3,517	5,925	5,156	18,162	43,021	(24,859)
2014	3,564	3,517	5,925	5,156	18,162	42,891	(24,729)
2015	3,564	3,517	5,925	5,156	18,162	47,661	(29,499)
2016	3,564	3,517	5,925	5,156	18,162	47,341	(29,179)
2017	3,564		5,925	5,156	14,645	43,653	(29,008)
2018	3,564		5,925	5,156	14,645	45,253	(30,608)
2019			5,925	5,156	11,080	43,313	(32,233)
2020				5,156	5,156	43,373	(38,217)
2021				5,183	5,183	46,376	(41,192)
2022				5,212	5,212	44,266	(39,055)
2023				5,240	5,240	44,649	(39,409)
2024					-	44,950	(44,950)
2025					-	43,750	(43,750)
2026					-	42,550	(42,550)
2027					-	46,350	(46,350)
	25,039	17,586	47,397	62,137	152,160	683,880	(531,720)

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

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City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Total Issue Sources And Uses

Dated 05/01/2012 | Delivered 05/08/2012

	Series 2003A Refunding	Sewer SRF Loan 1314 Refunding	Sewer SRF Loan 1395 Refunding	Water SRF Loan 2128 Refunding	Street Projects (USDA Payoff)	Issue Summary
Sources Of Funds						
Par Amount of Bonds	\$264,978.20	\$411,673.72	\$998,945.00	\$576,364.56	\$558,038.52	\$2,810,000.00
Reoffering Premium	5,790.00	10,398.01	19,441.85	4,344.90	2,905.30	42,880.06
Accrued Interest from 05/01/2012 to 05/08/2012	103.05	160.10	388.48	237.52	261.97	1,151.12
Total Sources	\$270,871.25	\$422,231.83	\$1,018,775.33	\$580,946.98	\$561,205.79	\$2,854,031.18
Uses Of Funds						
Total Underwriter's Discount (0.850%)	2,252.31	3,499.23	8,491.03	4,899.10	4,743.33	23,885.00
Costs of Issuance	1,753.22	2,723.86	6,609.56	3,813.56	3,692.30	18,592.50
Deposit to Debt Service Fund	103.05	160.10	388.48	237.52	261.97	1,151.12
Deposit to Project Construction Fund	-	-	-	-	547,000.00	547,000.00
Deposit to Current Refunding Fund	267,141.21	415,882.64	1,005,514.90	573,897.39	-	2,262,436.14
Rounding Amount	(378.54)	(34.00)	(2,228.64)	(1,900.59)	5,508.19	966.42
Total Uses	\$270,871.25	\$422,231.83	\$1,018,775.33	\$580,946.98	\$561,205.79	\$2,854,031.18

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Savings Report

Calendar Year	Principal	Coupon	Interest	New D/S	OLD D/S	Savings
2012	160,007.48	2.000%	15,242.38	175,249.86	193,600.54	18,350.68
2013	300,252.02	2.000%	42,527.00	342,779.02	360,941.09	18,162.07
2014	304,787.09	2.000%	36,521.96	341,309.05	359,471.08	18,162.03
2015	314,412.83	2.000%	30,426.22	344,839.05	363,001.09	18,162.04
2016	319,021.05	2.000%	24,137.96	343,159.01	361,321.08	18,162.07
2017	226,989.81	2.000%	17,757.54	244,747.35	259,392.12	14,644.77
2018	234,729.62	2.000%	13,217.74	247,947.36	262,592.12	14,644.76
2019	195,963.63	2.000%	8,523.14	204,486.77	215,567.13	11,080.36
2020	55,223.09	2.250%	4,603.88	59,826.97	64,982.64	5,155.67
2021	56,437.98	2.250%	3,361.36	59,799.34	64,982.62	5,183.28
2022	57,679.62	2.250%	2,091.50	59,771.12	64,982.62	5,211.50
2023	26,457.26	3.000%	793.72	27,250.98	32,491.31	5,240.33
-	\$2,251,961.48	-	\$199,204.40	\$2,451,165.88	\$2,603,325.44	\$152,159.56

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	150,088.69
Accrued Interest Credit to Debt Service Fund	889.15
Contingency or Rounding Amount	(4,541.77)
Net Present Value Benefit	\$146,436.07
Net PV Benefit / \$2,245,312 Refunded Principal	6.522%
Net PV Benefit / \$2,251,961 Refunding Principal	6.503%

Refunding Bond Information

Refunding Dated Date	
Refunding Delivery Date	5/08/2012

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/08/2012	-	-	-	-	-
09/01/2012	170,000.00	2.000%	19,733.33	189,733.33	189,733.33
03/01/2013	-	-	27,900.00	27,900.00	-
09/01/2013	330,000.00	2.000%	27,900.00	357,900.00	385,800.00
03/01/2014	-	-	24,600.00	24,600.00	-
09/01/2014	335,000.00	2.000%	24,600.00	359,600.00	384,200.00
03/01/2015	-	-	21,250.00	21,250.00	-
09/01/2015	350,000.00	2.000%	21,250.00	371,250.00	392,500.00
03/01/2016	-	-	17,750.00	17,750.00	-
09/01/2016	355,000.00	2.000%	17,750.00	372,750.00	390,500.00
03/01/2017	-	-	14,200.00	14,200.00	-
09/01/2017	260,000.00	2.000%	14,200.00	274,200.00	288,400.00
03/01/2018	-	-	11,600.00	11,600.00	-
09/01/2018	270,000.00	2.000%	11,600.00	281,600.00	293,200.00
03/01/2019	-	-	8,899.99	8,899.99	-
09/01/2019	230,000.00	2.000%	8,899.99	238,899.99	247,799.98
03/01/2020	-	-	6,600.00	6,600.00	-
09/01/2020	90,000.00	2.250%	6,600.00	96,600.00	103,200.00
03/01/2021	-	-	5,587.50	5,587.50	-
09/01/2021	95,000.00	2.250%	5,587.50	100,587.50	106,175.00
03/01/2022	-	-	4,518.75	4,518.75	-
09/01/2022	95,000.00	2.250%	4,518.75	99,518.75	104,037.50
03/01/2023	-	-	3,450.00	3,450.00	-
09/01/2023	65,000.00	3.000%	3,450.00	68,450.00	71,900.00
03/01/2024	-	-	2,475.00	2,475.00	-
09/01/2024	40,000.00	3.000%	2,475.00	42,475.00	44,950.00
03/01/2025	-	-	1,875.00	1,875.00	-
09/01/2025	40,000.00	3.000%	1,875.00	41,875.00	43,750.00
03/01/2026	-	-	1,275.00	1,275.00	-
09/01/2026	40,000.00	3.000%	1,275.00	41,275.00	42,550.00
03/01/2027	-	-	675.00	675.00	-
09/01/2027	45,000.00	3.000%	675.00	45,675.00	46,350.00
Total	\$2,810,000.00	-	\$325,045.81	\$3,135,045.81	-

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Debt Service Schedule

Part 2 of 2

Yield Statistics

Accrued Interest from 05/01/2012 to 05/08/2012	1,151.12
Bond Year Dollars	\$14,411.67
Average Life	5.129 Years
Average Coupon	2.2554352%
Net Interest Cost (NIC)	2.1236319%
True Interest Cost (TIC)	2.0996607%
Bond Yield for Arbitrage Purposes	1.9223124%
All Inclusive Cost (AIC)	2.2393836%

IRS Form 8038

Net Interest Cost	1.9333917%
Weighted Average Maturity	5.095 Years

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
09/01/2012	Serial Coupon	2.000%	0.600%	170,000.00	100.437%	170,742.90
09/01/2013	Serial Coupon	2.000%	0.700%	330,000.00	101.696%	335,596.80
09/01/2014	Serial Coupon	2.000%	0.800%	335,000.00	102.745%	344,195.75
09/01/2015	Serial Coupon	2.000%	1.000%	350,000.00	103.251%	361,378.50
09/01/2016	Serial Coupon	2.000%	1.200%	355,000.00	103.352%	366,899.60
09/01/2017	Serial Coupon	2.000%	1.550%	260,000.00	102.286%	265,943.60
09/01/2018	Serial Coupon	2.000%	1.800%	270,000.00	101.187%	273,204.90
09/01/2019	Serial Coupon	2.000%	2.000%	230,000.00	100.000%	230,000.00
09/01/2022	Term 1 Coupon	2.250%	2.450%	280,000.00	98.185%	274,918.00
09/01/2027	Term 2 Coupon	3.000%	3.000%	230,000.00	100.000%	230,000.00
Total	-	-	-	\$2,810,000.00	-	\$2,852,880.05

Bid Information

Par Amount of Bonds	\$2,810,000.00
Reoffering Premium or (Discount)	42,880.06
Gross Production	\$2,852,880.06
Total Underwriter's Discount (0.850%)	\$(23,885.00)
Bid (100.676%)	2,828,995.06
Accrued Interest from 05/01/2012 to 05/08/2012	1,151.12
Total Purchase Price	\$2,830,146.18
Bond Year Dollars	\$14,411.67
Average Life	5.129 Years
Average Coupon	2.2554352%
Net Interest Cost (NIC)	2.1236319%
True Interest Cost (TIC)	2.0996607%

City of Osawatomie, Kansas

General Obligation Refunding Bonds
Series 2012 "A" Rated
(Aggregate Issue)

Detail Costs Of Issuance

Dated 05/01/2012 | Delivered 05/08/2012

COSTS OF ISSUANCE DETAIL

Bond Counsel	\$13,500.00
Publication	\$500.00
State Treasurer - Paying Agent	\$3,512.50
State Treasurer - Registration	\$330.00
CUSIP Identification Numbers	\$500.00
Kansas Attorney General	\$250.00
TOTAL	\$18,592.50

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Proof Of Bond Yield @ 1.9223124%

Part 1 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
05/08/2012	-	1.0000000x	-	-
09/01/2012	189,733.33	0.9940129x	188,597.37	188,597.37
03/01/2013	27,900.00	0.9845498x	27,468.94	216,066.31
09/01/2013	357,900.00	0.9751768x	349,015.79	565,082.11
03/01/2014	24,600.00	0.9658931x	23,760.97	588,843.08
09/01/2014	359,600.00	0.9566977x	344,028.51	932,871.59
03/01/2015	21,250.00	0.9475899x	20,136.29	953,007.87
09/01/2015	371,250.00	0.9385688x	348,443.67	1,301,451.55
03/01/2016	17,750.00	0.9296336x	16,501.00	1,317,952.54
09/01/2016	372,750.00	0.9207834x	343,222.02	1,661,174.56
03/01/2017	14,200.00	0.9120175x	12,950.65	1,674,125.21
09/01/2017	274,200.00	0.9033350x	247,694.47	1,921,819.68
03/01/2018	11,600.00	0.8947352x	10,378.93	1,932,198.61
09/01/2018	281,600.00	0.8862173x	249,558.79	2,181,757.40
03/01/2019	8,899.99	0.8777805x	7,812.24	2,189,569.64
09/01/2019	238,899.99	0.8694239x	207,705.37	2,397,275.01
03/01/2020	6,600.00	0.8611470x	5,683.57	2,402,958.58
09/01/2020	96,600.00	0.8529488x	82,394.85	2,485,353.44
03/01/2021	5,587.50	0.8448287x	4,720.48	2,490,073.92
09/01/2021	100,587.50	0.8367859x	84,170.20	2,574,244.11
03/01/2022	4,518.75	0.8288196x	3,745.23	2,577,989.34
09/01/2022	99,518.75	0.8209292x	81,697.85	2,659,687.19
03/01/2023	3,450.00	0.8131139x	2,805.24	2,662,492.43
09/01/2023	68,450.00	0.8053730x	55,127.78	2,717,620.22
03/01/2024	2,475.00	0.7977058x	1,974.32	2,719,594.54
09/01/2024	42,475.00	0.7901116x	33,559.99	2,753,154.53
03/01/2025	1,875.00	0.7825897x	1,467.36	2,754,621.88
09/01/2025	41,875.00	0.7751394x	32,458.96	2,787,080.85
03/01/2026	1,275.00	0.7677600x	978.89	2,788,059.74
09/01/2026	41,275.00	0.7604509x	31,387.61	2,819,447.35
03/01/2027	675.00	0.7532114x	508.42	2,819,955.77
09/01/2027	45,675.00	0.7460407x	34,075.41	2,854,031.18
Total	\$3,135,045.81	-	\$2,854,031.18	-

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Proof Of Bond Yield @ 1.9223124%

Part 2 of 2

Derivation Of Target Amount

Par Amount of Bonds	\$2,810,000.00
Reoffering Premium or (Discount)	42,880.06
Accrued Interest from 05/01/2012 to 05/08/2012	1,151.12
Original Issue Proceeds	\$2,854,031.18

City of Osawatomie, Kansas

General Obligation Refunding Bonds

Series 2012 "A" Rated

(Aggregate Issue)

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
05/01/2012	-	-	-	-	-
09/01/2012	170,000.00	100.437%	170,742.90	0.3333333x	56,914.30
09/01/2013	330,000.00	101.696%	335,596.80	1.3333333x	447,462.40
09/01/2014	335,000.00	102.745%	344,195.75	2.3333333x	803,123.42
09/01/2015	350,000.00	103.251%	361,378.50	3.3333333x	1,204,595.00
09/01/2016	355,000.00	103.352%	366,899.60	4.3333333x	1,589,898.27
09/01/2017	260,000.00	102.286%	265,943.60	5.3333333x	1,418,365.87
09/01/2018	270,000.00	101.187%	273,204.90	6.3333333x	1,730,297.70
09/01/2019	230,000.00	100.000%	230,000.00	7.3333333x	1,686,666.67
09/01/2020	90,000.00	98.185%	88,366.50	8.3333333x	736,387.50
09/01/2021	95,000.00	98.185%	93,275.75	9.3333333x	870,573.67
09/01/2022	95,000.00	98.185%	93,275.75	10.3333333x	963,849.42
09/01/2023	65,000.00	100.000%	65,000.00	11.3333333x	736,666.67
09/01/2024	40,000.00	100.000%	40,000.00	12.3333333x	493,333.33
09/01/2025	40,000.00	100.000%	40,000.00	13.3333333x	533,333.33
09/01/2026	40,000.00	100.000%	40,000.00	14.3333333x	573,333.33
09/01/2027	45,000.00	100.000%	45,000.00	15.3333333x	690,000.00
Total	\$2,810,000.00	-	\$2,852,880.05	-	\$14,534,800.87

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	5.095 Years
Total Interest from Debt Service	325,045.81
Accrued Interest from 05/01/2012 to 05/08/2012	(1,151.12)
Reoffering (Premium) or Discount	(42,880.06)
Total Interest	281,014.63
NIC = Interest / (Issue Price * Average Maturity)	1.9333917%
Bond Yield for Arbitrage Purposes	1.9223124%

CITY OF OSAWATOMIE, KANSAS
OSAWATOMIE, KANSAS PUBLIC BUILDING COMMISSION
TAX-EXEMPT OBLIGATION POST-ISSUANCE COMPLIANCE POLICY

This Tax-Exempt Obligation Post-Issuance Compliance Policy (the “Policy”) sets forth specific policies of the City of Osawatomie, Kansas (the “City”) designed to monitor post-issuance compliance of tax-exempt qualified obligations issued by the City (“Bonds”) with applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (collectively, the “Code”).

The Policy documents existing practices and establishes procedures and systems designed to identify and monitor facts relevant to demonstrating the City’s compliance with Code requirements applicable to Bonds and which must be satisfied after Bonds are issued and during the time Bonds are outstanding to maintain the exclusion of interest paid on the Bonds from gross income for federal income tax purposes. The City recognizes that complying with the applicable provisions of the Code is an on-going process, required for the entire time Bonds remain outstanding, and is an integral component of the City’s debt management. Accordingly, the Policy will require on-going monitoring and consultation with bond counsel beyond the scope of its initial engagement with respect to outstanding Bonds. The requirements of the Code are generally related to investment, use and expenditure of Bond proceeds and restrictions on the use of Bond financed facilities or purposes (the “Project”).

I. Coordinator

The City Clerk shall be the coordinator responsible for monitoring post-issuance compliance under this Policy (the “Coordinator”). The Coordinator shall consult bond counsel, rebate analysts, financial advisors, IRS publications and other resources as are necessary to understand and meet the requirements of this Policy. The Coordinator may delegate responsibilities under this Policy to other employees and outside agents. The Coordinator, however, shall review the work performed by any person performing work under this Policy and shall remain responsible for requirements under this Policy. All monitoring requirements under this Policy shall be performed by the Coordinator no less than once each calendar year with respect to all outstanding Bonds of the City. The City anticipates performing the annual responsibilities set forth in this Policy on or before September 1 of each calendar year Bonds are outstanding.

The Coordinator shall seek training from bond counsel with respect to proper maintenance of records, identification of private use, proper use and allocation of Bond proceeds, arbitrage and rebate requirements/restrictions, and other Code requirements. Bond counsel will provide such training in connection with adoption of this Policy and during a review session conducted at least once each five (5) years thereafter. Training shall also be obtained when significant changes in the Code or other applicable law occur or when a new individual becomes the Coordinator or a new person is hired for a position that the Coordinator has delegated responsibility to under this Policy.

II. Transcripts and Other Documents

The Coordinator shall obtain from bond counsel a transcript of proceedings for each issuance of Bonds, which transcript shall contain, at a minimum:

- A. All bond documents, including bond counsel opinions;
- B. Appropriate IRS Form 8038;
- C. Minutes, resolutions, ordinances and certificates authorizing or relating to issuance of Bonds and authorizing the Project;
- D. Certifications of issue price from the underwriter;
- E. Information relating to refunded bonds or obligations if applicable;
- F. Formal elections required by the IRS; and
- G. Tax compliance certificates and/or agreements.

The form of the transcript of proceedings may be in hard copy or electronic form and shall be maintained by the City Clerk in the City's records.

In addition to the transcript, the Coordinator shall also create a file for each particular issue of Bonds that includes the transcript, contains the records required by this Policy and:

- H. Any opinions of bond counsel not included in the transcript;
- I. Amendments, modification or substitution of any agreement or document found in the transcript;
- J. Correspondence with the IRS relating to the Bonds, including any records of an audit by the IRS or any Voluntary Closing Agreement Program proceedings;
- K. For Bonds that refund a prior issue of Bonds, the transcript and any related documents for the refunded Bonds, including the records required by this Policy;
- L. Other documents or evidence relating to Bonds relevant to the goals of this Policy.

III. Use of Proceeds

A. For each issue of Bonds and each project financed with proceeds of Bonds, the City shall adopt, or cause its duly authorized corporate trustee to adopt, an accounting methodology that separately maintains each source of funding for a project and identifies the use of such sources of funding by individual project, and monitors and identifies the expenditure of proceeds of the Bonds.

B. The Coordinator shall maintain or ensure the following records are maintained by the City or a duly appointed corporate trustee:

- 1. records showing the deposit of Bond proceeds into funds and accounts established for Bond proceeds by authorizing documents;

2. a list of all facilities, equipment or purposes financed by Bond proceeds and comprising the Project as defined herein; and
3. requisitions, draw requests, invoices and bills requesting payment from Bond proceeds and records of the payment of Bond proceeds that evidence allocation of the proceeds and any investments earnings on such proceeds to pay Project costs or make other permitted expenditures, including any reimbursement of expenditures made before Bonds were issued;
4. records showing the investment of and interest earnings on Bond proceeds and reserve funds, including records of any investment contracts, credit enhancement transactions, and the bidding of financial products related to Bond proceeds;
5. records showing allocation of funds other than Bond proceeds spent for Project costs or other permitted expenditures;
6. records of, including copies of any and all contracts, leases or other documents, evidencing any private use (i.e., use by a non-governmental person or entity) of projects financed with Bond proceeds.

C. The Coordinator shall monitor the use of all Projects financed with Bond proceeds to ensure no unqualified private use is made of such projects. Examples of possible private use include:

1. sale of the Project;
2. lease or sublease of the Project or portions thereof;
3. management contracts (in which the City authorizes a third party to operate a Project or any portion thereof), research contracts and naming rights contracts with respect to a Bond financed Project;
4. preference arrangements (in which the City authorizes use of a Project by a third party on a preferential basis, e.g., specific rights to parking facilities);
5. contracts for purchase of output from public utilities or other contracts for use of Bond financed improvements to public utilities (e.g., sales of water or electricity to large non-governmental users);
6. joint-ventures, limited liability companies or partnership arrangements relating to the Project or the use of the Project;
7. agreements or contracts that provide for guaranteed payments from non-governmental third parties with respect to Bond financed facilities;

- 8 a grant or loan made to non-governmental entities from Bond proceeds;
and
9. any changes in the use of Project.

Before the City enters into any arrangement or contract which may result in private use of Bond-financed facilities, the Coordinator shall present such arrangement or contract to bond counsel for review.

The Code provides certain remedial actions available to the City in the event that post-issuance use of a Bond-financed Project causes private use, which includes redemption of the non-qualified portion of the Bonds, alternative use of any disposition proceeds, and alternative use of the facility.

If the Coordinator identifies any possible private use of Bond financed Projects, the Coordinator will consult with bond counsel to determine whether such use will have any adverse effect under the Code and whether any remedial action is necessary.

D. Following completion of a Bond-financed Project (or thirty (30) months from the date of issuance of a Bond, whichever occurs first), the Coordinator shall:

1. review the expenditures of Bond proceeds to determine whether all Bond proceeds have been allocated to the Project as intended;
2. direct the use of unspent proceeds in accordance with the limitations of the bond documents, and if no provision is otherwise made therefore, to the redemption or defeasance of outstanding Bonds of the same issue;
3. consult with bond counsel regarding potential yield restriction or yield reduction payments if unspent Bond proceeds remain after three years from issuance.

If there are any questions or concerns regarding unspent Bond proceeds and the use or allocation thereof, the Coordinator shall consult bond counsel.

IV. Arbitrage/Rebate Compliance

A. The Coordinator shall review and cause the City Clerk to execute and file the appropriate IRS Form 8038 by the fifteenth (15th) day of the second calendar month following the quarter in which the Bonds are issued.

B. The Coordinator shall review with bond counsel each Certificate Related to Arbitrage and Tax Matters, Tax Compliance Agreement, or other tax certificate/agreement related to Bonds and shall:

1. obtain from the underwriter or financial advisor a computation of the yield on each issuance of Bonds, computed in compliance with the Code;
2. monitor the investment and expenditure of Bond proceeds to comply with the temporary periods and reasonable expectations set forth in such certificate/agreement;
3. if applicable, monitor and ensure all Bond proceeds are spent in accordance with one or more of the applicable spending exceptions to rebate as set forth in such certificate/agreement;
4. monitor the purchase of investments with Bond proceeds to ensure such investments are purchased a fair market value and in compliance with the Code;
5. consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or hedging transactions.

C. In the event any expenditure of Bond proceeds has failed, or will fail, any temporary period or rebate spending exception, the Coordinator shall immediately notify and consult with bond counsel and a rebate analyst to procure a computation of any rebate liability and any necessary yield reduction payments, all as required by the Code.

D. The Coordinator shall, or shall cause another appropriate officer to, monitor and ensure that no formal or informal fund is created which is reasonably expected to be used to pay debt service on any Bonds without first consulting bond counsel.

V. Record Retention

The Coordinator shall ensure the following records are retained by the City during the time any Bond remains outstanding (or the time that any issue that refunds the Bond remains outstanding) and for a period of three (3) years thereafter:

- A. The transcript of proceedings and additional documents, as described in Section II of this Policy.
- B. Documentation evidencing the expenditure and use of Bond proceeds, as described in Section III.
- C. Documentation evidencing use of Bond financed facilities by both public and private entities (including all leases, contracts, and other arrangements).
- D. Documentation evidencing the investment of Bond proceeds (including the purchase and sale of securities, SLGs subscriptions), yield calculations for each class of investments, actual investment income received by the investment of Bond proceeds, guaranteed investment contracts, and rebate calculations.

- E. Copies of all certificates and returns filed with the IRS and all reports regarding IRS examinations of the City or its Bonds.
- F. Copies of all documentation used to establish valuation of a Bond-financed facility, including appraisals, demand and feasibility studies and grant contracts.
- G. Copies of all construction and purchase contracts for Bond financed Projects.
- H. All other documentation necessary to establish qualification for tax-exemption of the Bonds.
- I. Documentation evidencing all monitoring and compliance performed by the Coordinator pursuant to this Policy.

VI. “Bank Qualified” Bonds. If the City issues Bonds in any calendar year that it designates as “qualified tax-exempt obligations” under the Code, the Coordinator shall monitor all tax-exempt obligations issued by the City in that calendar year (including lease purchase contracts and Bonds issued by the City on behalf of qualified 501(c)(3) organizations under the Code) to determine if the City will comply with the limitation of the amount of “qualified tax-exempt obligations” which may be issued in such calendar year (established by the Code, currently \$10,000,000 per calendar year). If it appears a proposed issue of Bonds or other tax-exempt obligation may cause the limit to be exceeded in a calendar year, the Coordinator will consult with bond counsel before proceeding to issue the Bonds or other obligations.

VII. Industrial Revenue Bonds – Conduit Bonds. If the City issues tax-exempt industrial revenue bonds or other conduit bonds on behalf of a third party borrowers, the City will consult with bond counsel and require that before such bonds or obligations are issued, the documents prepared in connection with such issues require appropriate post-issuance compliance measures be undertaken by the conduit borrower or the bond trustee or both.

VIII. Advance Refunding Bonds. Before the City issues Bonds to advance refund any outstanding Bonds, the Coordinator shall consult with bond counsel, the City’s financial advisor (if any) and others to determine if proposed refunding complies with all applicable requirements of the Code, including a determination that the Bonds to be advance refunded remain “tax-exempt obligations” in compliance with all applicable provision of the Code.

IX. Tax Exempt Bond – Voluntary Closing Agreement Program Tax Exempt Bonds (“TEB”) is a division of the Tax Exempt and Governmental Entities division of the IRS. TEB administers a program known as the Voluntary Closing Agreement Program (“TEB VCAP”) to assist governmental issuers in resolving violations of the federal tax laws applicable to tax-exempt bonds. TEB VCAP allows a governmental issuer to conclusively resolve such violations through the execution of closing agreements with the IRS.

The City is aware of the TEB VCAP program and the TEB VCAP procedures set forth in the Internal Revenue Manual sections 7.2.3.1 – 7.2.3.3.6 and section 4.81.6. If the Coordinator

discovers a deficiency in compliance under the terms of the Policy or the applicable provisions of the Code or otherwise, the Coordinator shall consult with bond counsel and follow the procedures identified by the Code or the TEB VCAP to remediate noncompliance. If the Coordinator and bond counsel determine a TEB VCAP request is necessary, the Coordinator shall obtain approval from the governing body before submitting such request.

X. Continuing Disclosure – SEC Rule 15c2-12

The Coordinator shall review the Continuing Disclosure Undertaking for each issue of Bonds and determine the financial information and operating data the City is required to include in an annual report filed with the MSRB or EMMA and cause the annual report to be filed as required by the applicable Continuing Disclosure Agreement. The Coordinator will review the Continuing Disclosure Undertaking to determine which events related to an issue of Bonds will require filing of a notice with the MSRB. If the Coordinator has knowledge of any event the Coordinator believes may require disclosure as a reporting or material event under the Continuing Disclosure Agreement, the Coordinator will consult with bond counsel. If the Coordinator and bond counsel conclude that notice of an event should be provided, the Coordinator will cause appropriate notice to be filed as provided in the Continuing Disclosure Agreement.

I hereby certify that the foregoing Tax-Exempt Obligation Post-Issuance Compliance Policy was adopted by the governing body of the City of Osawatomie, Kansas by motion at its regular meeting on April 12, 2012.

[seal]

Ann Elmquist, City Clerk

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF OSAWATOMIE, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012A, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,830,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FINANCING THE COSTS OF CAPITAL IMPROVEMENTS IN THE CITY AND PREPAYING AND REFUNDING CERTAIN LOANS ENTERED INTO TO PAY COSTS WATER AND SANITARY SEWER IMPROVEMENTS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the governing body of the City of Osawatomie, Kansas (the "City"), by authority of K.S.A. 12-1736 to 12-1739, K.S.A. 65-162a *et seq.*, and particularly K.S.A. 65-163d through 65-163u and Article 12, § 5 of the Constitution of the state of Kansas, all as amended and supplemented (collectively, the "Water and Public Building Act"), has adopted Ordinance No. ____ on March 8, 2012 and published March 14, 2012, which authorizes the (i) improvement of the City's public water supply system by acquiring and constructing a water treatment plant upgrades and related facilities, all to serve the City's municipal water supply system, and all things necessary and incidental thereto (the "Water System Improvements") and (ii) improvement, expansion, modification and equipping the waste water treatment plant and related structures and facilities in the City to comply with federal, state and local environmental regulations (the "Public Building Improvements") (the Water System Improvements and Public Building Improvements are hereinafter known as the "Improvements"), and the prepayment of an outstanding loans between the City and the Kansas Department of Health and Environment entered into to pay costs of the Improvements and described as follows (the "Loans"):

<u>Loan</u>	<u>Original Loan Amount</u>	<u>Estimated Balance Outstanding for Prepayment</u>
A. PWS Loan # 2128 (Water Facilities)	\$ 901,478.72	\$ 567,460.34
B. WPC Loan #C20 1314-01 (Waste Water Plant and Related Structures)	\$ 1,518,928.96	\$ 413,160.60
C. WPC Loan #C20 1395-01 (Waste Water Plant and Related Structures)	\$ 2,413,902.70	\$ 999,691.42

WHEREAS, pursuant to K.S.A. 12-685 *et seq.*, (the "Main Trafficway Act") the City has authorized to construction and reconstruction of Pacific Street from 12th Street to 14th Street, 14th Street from Pacific Street to Main Street, and Brown Street from 14th Street to 16th Street, with

such improvements to include construction of a 32' wide asphalt street, concrete curbs, gutters, sidewalks, related storm water improvements and all other things necessary thereto, according to plans and specifications previously approved by the governing body and City staff (the "Main Trafficway Project"); and

WHEREAS, the governing body of the City is authorized by the Water and Public Building Act and the Main Trafficway Act (collectively, the "Project Act") and K.S.A. 10-101 to 10-125, inclusive, as supplemented and amended (the "Bond Act"), to issue its general obligation bonds to pay costs of the Improvements and the Main Trafficway Project and costs of prepaying and refunding the Loans, and is not required to sell such general obligation bonds at public sale if such bonds are issued simultaneously with refunding bonds issued pursuant to K.S.A. 10-427 *et seq.* (the "Refunding Act"); and

WHEREAS, pursuant to the Refunding Act, the City finds and determines it is necessary and appropriate to issue general obligation refunding bonds for the purpose of refunding in advance of their maturity a portion of the City's outstanding General Obligation Bonds, Series 2003A (the "Refunded Bonds"); and

WHEREAS, the governing body has determined that in the current market for municipal bonds, the City has the opportunity to issue its general obligation bonds to achieve interest cost savings on the obligations represented by the Refunded Bonds and the Loans and to structure a more orderly plan of finance for the City; and

WHEREAS, the governing body finds it necessary and appropriate to authorize and provide for the issuance of such general obligation bonds for the purposes described herein.

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

SECTION 1. Authorization of the Bonds. The City's General Obligation Refunding and Improvement Bonds, Series 2012, of the City in the total principal amount of \$2,830,000 (the "Bonds") are authorized to be issued for the purposes of (i) providing funds to refund the Refunded Bonds; (ii) to prepay and refund the Loans; (iii) to pay the costs of the Main Trafficway Project and (iv) to pay costs of issuing the Bonds.

SECTION 2. Security for the Bonds. The Bonds are general obligations of the City, payable as to principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, both real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are pledged to secure the payment of the principal of and the interest on the Bonds as the same severally become due and payable.

SECTION 3. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, mature and be payable at such times, and in such forms, be subject to redemption and payment prior to maturity, and be issued and delivered in the manner prescribed

and subject to the provisions, covenants and agreements set forth in a resolution adopted by the governing body of the City (the “Resolution”) concurrently with this Ordinance.

SECTION 4. Designation of Paying Agent and Bond Registrar; Issuer/Agent Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body elects to have the provisions of the Kansas Bond Registration Law apply to the Bonds and designates and appoints the Treasurer of the State of Kansas, Topeka, Kansas, as the Bond Registrar and Paying Agent for the bonds (the “Paying Agent”). The terms, conditions and provisions under which the Paying Agent will perform its duties are set forth in an Agreement between Issuer and Agent dated as of May 1, 2012 (the “Issuer/Agent Agreement”). The Issuer/Agent Agreement, in substantially the form presented to the governing body with this Ordinance, is approved and the Mayor and City Clerk are authorized to execute and deliver the Issuer/Agent Agreement for and on behalf of the City. The provisions of the Issuer/Agent Agreement are incorporated here by this reference.

SECTION 5. Levy and Collection of Annual Tax. The governing body of the City shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the City in the manner provided by law.

The taxes above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as other general ad valorem taxes of the City are levied and collected, shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent. The proceeds derived from such taxes shall be deposited in the Series 2012 Principal and Interest Account, as defined in the Resolution.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the City and to reimburse said general funds for money so expended when said taxes are collected.

SECTION 6. Tax Covenants. The governing body of the City covenants and agrees that as long as any of the Bonds remain outstanding and unpaid, it will not use or permit the use of the proceeds of the Bonds in a manner which, if such use had been reasonably expected on the date of issuance and delivery of the Bonds, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”); and that it will comply with all applicable requirements of Section 148 of the Code and the applicable rules and regulations of the United States Treasury Department promulgated under the Code. The governing body further covenants to take all such action in its power as may be required from time to time in order to assure the continued tax-exempt status of the interest on the Bonds, and to comply with all provisions of the Code, as the same be amended, and any applicable rules and regulations of the United States Treasury Department issued thereunder.

SECTION 7. Authorization of Official Statement; Continuing Disclosure. The governing body of the City ratifies its previous approval of the form and content of the Preliminary Official Statement for the Bonds dated April __, 2012 and “deems final” the

Preliminary Official Statement, except for the omission of certain information as permitted by Securities and Exchange Commission Rule 15c2-12 (the “Rule”). The City approves the form and content of those additions to the Preliminary Official Statement necessary to prepare the final Official Statement and authorizes the use of the final Official Statement (in its entirety) in the reoffering of the Bonds by the original purchaser of the Bonds. The Mayor is authorized to execute and the City Clerk to attest the final Official Statement on behalf of the City. Under the Rule the City “deems final” the final Official Statement. The City covenants and agrees to provide continuing disclosure as required by the Rule and as set forth in the Continuing Disclosure Undertaking submitted to the governing body with this Ordinance. The Mayor is authorized to execute and the City Clerk to attest the Continuing Disclosure Undertaking on behalf of the City.

SECTION 8. Designation as Qualified Tax-Exempt Obligations. The governing body of the City designates the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

SECTION 9. Further Authority. The City and its officers, agents and employees are authorized and directed to, take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable in order to carry out and comply with this Ordinance and to give effect to the transactions contemplated hereby, including, but not limited to, a Bond Purchase Agreement, final certificates required to be included in the official Transcript of Proceedings relating to the authorization and issuance of the Bonds (including certificates or agreements of the City evidencing compliance with the tax covenants applicable to the Bonds as described in Section 6), all without further action by the governing body.

SECTION 10. Severability. If any section, paragraph, clause or provision of this Ordinance is, for any reason, held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Ordinance.

SECTION 11. Governing Law. This Ordinance and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

SECTION 12. Effective Date. This Ordinance shall be in force and take effect from and after its adoption and approval and its publication one time in the City’s official newspaper.

[Remainder of Page Intentionally Left Blank]

ADOPTED AND APPROVED by the governing body of the City of Osawatomie, Kansas on April 12, 2012.

CITY OF OSAWATOMIE, KANSAS

By _____
Philip A. Dudley, Mayor

(SEAL)

ATTEST:

By _____
Ann Elmquist, City Clerk

EXCERPT OF MINUTES

A regular meeting of the City Council of the City of Osawatomie, Miami County, Kansas was held on April 12, 2012 at Memorial Hall, Osawatomie, Kansas at 7:00 p.m. The meeting was called to order by Philip A. Dudley, Mayor who presided, and Ann Elmquist acted as City Clerk of the meeting. Upon call roll the City Clerk reported that the following members were present:

Absent:

Among other business, there came for consideration and discussion the following:

AN ORDINANCE OF THE CITY OF OSAWATOMIE, KANSAS, AUTHORIZING ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012A, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,830,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FINANCING THE COSTS OF CAPITAL IMPROVEMENTS IN THE CITY AND PREPAYING AND REFUNDING CERTAIN LOANS ENTERED INTO TO PAY COSTS WATER AND SANITARY SEWER IMPROVEMENTS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

After discussion, Council Member _____ moved that the ordinance authorizing the issuance of the bonds be adopted. Council Member _____ seconded the motion. The motion was voted upon. Those voting in favor of the motion were:

Opposed:

The motion carried by a vote of __ in favor to __ opposed being a majority vote of the members elect of the Governing Body. The Ordinance was assigned No. _____

Among other business, there came for consideration and discussion the following:

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012A, IN THE PRINCIPAL AMOUNT OF \$2,830,000, OF THE CITY OF OSAWATOMIE, KANSAS, AS AUTHORIZED BY ORDINANCE NO. ____ OF THE CITY; MAKING COVENANTS AND AGREEMENTS AND AUTHORIZING CERTAIN OTHER DOCUMENTS REGARDING THE BONDS.

After discussion, Council Member _____ moved that the resolution authorizing the details of the bonds be adopted. Council Member _____ seconded the motion. The motion was voted upon. Those voting in favor of the motion were:

Opposed:

The motion carried by a vote of __ in favor to __ opposed being a majority vote of the members elect of the Governing Body. The Resolution was assigned No. _____

Upon motion duly made to adjourn, seconded and unanimously carried, the meeting adjourned.

CERTIFICATE

I, the undersigned, City Clerk of the City of Osawatomie, Kansas, hereby certify that the above and foregoing is a true and correct copy of portions of the minutes of the meeting of the Governing Body held on April 12, 2012 as recorded on Page _____ of City Council Journal No. 19 of the City of Osawatomie, Kansas.

WITNESS MY HAND and THE SEAL of the City of Osawatomie, Kansas.

(SEAL)

Ann Elmquist, City Clerk

Dated as of May 8, 2012
Executed for delivery this 12th day of April, 2012

BOND PURCHASE AGREEMENT

CITY OF OSAWATOMIE, KANSAS
439 Main St.
Osawatomie, Kansas 66064

Ladies and Gentlemen:

George K. Baum & Co., Kansas City, Missouri (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement, executed and delivered the date set forth above, with the governing body of the City of Osawatomie, Kansas (the “Issuer”), with respect to the purchase by the Underwriter from the Issuer of all (but not less than all) of the \$2,830,000 aggregate principal amount of the Issuer’s General Obligation Refunding and Improvement Bonds, Series 2012, dated May 8, 2012 (the “Bonds”). This offer is made subject to your acceptance, and, upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter.

The Bonds are being issued to provide for the (1) provide for the current refunding certain of the City’s outstanding General Obligation Bonds, Series 2003A (the “Refunded Bonds”), (2) to pay the costs of certain street and related improvements in the City (the “Project”), (3) to pay the costs of certain improvements through prepayment of outstanding loan agreements between the City and the Kansas Department of Health and Environment described herein (the “Loans”) and (4) paying costs of issuing the Bonds. The Bonds will be issued as authorized and described in an ordinance and resolution adopted by the Issuer on April 12, 2012 (collectively, the “Bond Resolution”).

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Issuer on other matters) or (b) any other obligation to the Issuer except the obligations expressly set forth in this Agreement and (iv) the Issuer has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The Issuer hereby confirms the authorization to use the Official Statement and the information contained therein, insofar as it pertains to the Issuer, in connection with the sale and distribution of the Bonds by the Underwriter.

SECTION 1. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants to the Underwriter:

(A) The Issuer is a duly organized and existing municipality of the State of Kansas. The Issuer has, to the best of its knowledge and belief, in all pertinent respects, complied with the Constitution and laws of the State of Kansas, has full legal right, power and authority to enter into this Bond Purchase Agreement, and has authorized the issuance, sale and delivery of the Bonds and the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated hereby.

(B) The adoption of the Bond Resolution and the execution and delivery of this Bond Purchase Agreement and the Bonds, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Issuer a violation, breach of or default under any statute, indenture, mortgage, declaration or deed of trust, note agreement or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or, to the knowledge of the Issuer, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties.

(C) To the Issuer's knowledge, there is no action, suit, proceedings, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Bond Resolution or this Bond Purchase Agreement, or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Bond Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the Issuer is a party, used or contemplated for use in the consummation of the transactions contemplated by this Bond Purchase Agreement or by the Official Statement.

(D) Any certificate signed by any authorized officer or official of the Issuer and delivered to the Underwriter shall be deemed a representation by the Issuer to the Underwriter as to the truth of the statements therein made.

(E) The Issuer hereby deems the Official Statement, to the extent it contains statements and information relating to the Issuer, to be final as of its date with the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended and in effect ("Rule 15c2-12").

(F) The Issuer has entered or will enter into the Continuing Disclosure Undertaking and, unless otherwise described in the Official Statement, the Issuer has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under SEC Rule 15c2-12.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations, warranties and agreements in this Agreement, and subject to the terms and conditions set forth herein, at the closing time stated below (the “Closing Time”), the Issuer agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Issuer, the Bonds at a purchase price of \$2,830,000, plus accrued interest, if any, from the dated date of the Bonds to the date of payment and delivery, plus a reoffering premium of \$____,____.____ and less an underwriting discount of ____% or \$____,____. The Bonds shall mature, shall bear interest at the rates, shall have the terms and shall be initially publicly reoffered at the prices or yields (plus accrued interest) as set forth in Schedule I to this Bond Purchase Agreement. Payment for the Bonds shall be made by certified or official bank check or checks or by wire transferred Federal Reserve funds, payable to the order of the Issuer against the delivery of the Bonds in definitive form at the Closing Time, at such place as is agreed to by the Issuer and the Underwriter. The Closing Time for the Bonds shall be 9:00 o’clock a.m., on Tuesday, May 8, 2012, or at such other time and on such other date as may be agreed to by the Underwriter and the Issuer. The Bonds shall be made available for final delivery to the Underwriter through the Depository Trust Company, New York, New York at the Closing Time. The Issuer shall pay all costs of issuing the Bonds at the Closing Time or as the same may become due in accordance with their terms from funds deposited in the accounts created by the Bond Resolution.

SECTION 3. CONDITIONS OF THE UNDERWRITER’S OBLIGATIONS

The obligation of the Underwriter to purchase and pay for the Bonds will be subject to the accuracy of the representations and warranties on the part of the Issuer herein, to the accuracy of the statements of the Issuer made pursuant to the provisions of this Agreement, to the performance by the Issuer of its obligations hereunder and to the following additional conditions precedent:

(A) The Bond Resolution delivered to the Underwriter by the Issuer shall have been duly approved and executed by the appropriate officials of the Issuer, and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and there shall be in full force and effect such other resolutions and Bond Resolutions of such parties as in the opinion of Bond Counsel shall be necessary and appropriate in connection with the issuance of the Bonds and with the transactions contemplated thereby.

(B) At the Closing Time, the Underwriter shall receive in form and substance satisfactory to it:

(1) The approving opinion of Bond Counsel;

(2) A certificate or certificates, in form and substance satisfactory to the Underwriter, of an authorized officer(s) of the Issuer, dated the date of closing, to the effect that:

(a) each of the representations and warranties of the Issuer as set forth in Section 1 hereof is true, accurate and complete in all material respects as of the Closing Time, and each of the agreements of the Issuer set forth in this Bond Purchase Agreement, to be complied with at or prior to the Closing Time, has been complied with as of such time,

(b) no litigation is pending, or to the knowledge of the signer(s) of such certificate or certificates, threatened, to restrain or enjoin the issuance, execution, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the Bonds, the Bond Resolution or this Bond Purchase Agreement or the creation and existence or the powers of the Issuer, and that none of the proceedings or authority for the issuance of the Bonds has been repealed, revoked or rescinded,

(3) A copy of the Bond Resolution;

(4) Such additional certificates, opinions, or documents as Bond Counsel or the Underwriter may reasonably request to evidence the due satisfaction at or prior to such time of all conditions then to be satisfied in connection with the transactions contemplated hereby.

(C) Subsequent to the Issuer's acceptance of this Bond Purchase Agreement:

(1) There shall have not occurred any change, or any development involving a prospective change in or affecting particularly the business or properties of the Issuer, which, in the judgment of the Underwriter, materially impairs the investment quality of the Bonds, or

(2) The market price of the Bonds, or the market price of general credit obligations issued by the States or their political subdivisions, or the market price of general obligations of the character of the Bonds shall (in the reasonable opinion of the Underwriter) not have been materially and adversely affected by reason of:

(a) legislation enacted by the Congress, or recommended to the Congress for passage by the President of the United States or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or

(b) a decision rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or

(c) an order, ruling or regulation made by the Treasury Department of the United States or the Internal Revenue Service, in each such case with the purpose or effect, directly or indirectly, of imposing Federal income taxation upon such interest as would be received by the owners of the Bonds, or

(d) the United States becomes engaged in an outbreak of armed hostilities which results in the declaration of a national emergency.

(3) Trading in securities generally on the New York Stock Exchange shall not have been suspended, minimum prices shall not have been established on such Exchange, nor a banking moratorium declared either by Federal or Kansas authorities, or

(4) No order, decree or injunction of any court of competent jurisdiction, nor any order, ruling regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced nor shall any legislation have been enacted by the Congress, with the purpose or effect of prohibiting the issuing, offering or sale of the Bonds as contemplated by this Agreement and the Bond Resolution.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall have any further obligations hereunder.

SECTION 4. DEFAULT OF THE UNDERWRITER

If the Underwriter defaults in its obligation to purchase the Bonds as here described, this Bond Purchase Agreement may be terminated by the Issuer without further liability on the part of the Issuer.

SECTION 5. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All representations and warranties of the Issuer made in this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive delivery of the Bonds.

The Issuer will cooperate with all counsel in obtaining qualification of the Bonds for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter designates, and will use its best efforts to continue such qualifications in effect so long as required for the distribution, provided the Issuer will not agree to subject itself to service of process in any jurisdiction in which it is not already so subject.

SECTION 6. PARTIES IN INTEREST

This Bond Purchase Agreement has been and is made solely for the benefit of the Underwriter and the Issuer and its successors and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Bond Purchase Agreement. The terms “successors” and assigns” shall not include any purchaser of the Bonds from the Underwriter merely because of such purchase.

SECTION 7. NOTICE

All communications hereunder shall be in writing, and if sent to the Issuer, shall be mailed or delivered and confirmed to the address shown on the first page of this Agreement and, if sent to the Underwriter, shall be mailed or delivered and confirmed to the Underwriter as follows:

George K. Baum & Company.
Attn: David Arteberry
4801 Main Street – Suite 500
Kansas City, Missouri 64112

SECTION 8. APPLICABLE LAW

This Agreement shall be governed by the laws of the State of Kansas and may not be assigned by the Issuer or the Underwriter.

SECTION 9. COUNTERPARTS

This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

[Remainder of Page Intentionally Left Blank]

If the foregoing is in accordance with the Issuer's understanding of the agreement between the Issuer and the Underwriter, please sign and return to the undersigned the enclosed duplicate hereof, whereupon it will constitute a binding agreement between the Issuer and the Underwriter in accordance with its terms.

GEORGE K. BAUM & COMPANY
Kansas City, Missouri

By _____
David Arteberry, Senior Vice President

ACCEPTED AND APPROVED this 12th day of April, 2012.

CITY OF OSAWATOMIE, KANSAS

(seal)

By _____
Philip A. Dudley, Mayor

ATTEST:

By _____
Ann Elmquist, City Clerk

SCHEDULE I

\$2,830,000
CITY OF OSAWATOMIE, KANSAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2012A

MATURITY SCHEDULE

SERIAL BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
09/01/2012	\$___,000.00	__._%	__._%
09/01/2013	\$___,000.00	__._%	__._%
09/01/2014	\$___,000.00	__._%	__._%
09/01/2015	\$___,000.00	__._%	__._%
09/01/2016	\$___,000.00	__._%	__._%
09/01/2017	\$___,000.00	__._%	__._%
09/01/2018	\$___,000.00	__._%	__._%
09/01/2019	\$___,000.00	__._%	__._%
09/01/2020	\$___,000.00	__._%	__._%
09/01/2021	\$___,000.00	__._%	__._%
09/01/2022	\$___,000.00	__._%	__._%
09/01/2023	\$___,000.00	__._%	__._%
09/01/2024	\$___,000.00	__._%	__._%
09/01/2025	\$___,000.00	__._%	__._%

TERM BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
09/01/2025	\$___,000.00	__._%	__._%

CONTINUING DISCLOSURE UNDERTAKING
Undertaking For the Purpose of Providing Continuing Disclosure
Under Section (B)(5) of SEC Rule 15c2-12

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the City of Osawatomie, Kansas (the “City”) in connection with the issuance of the City’s \$4,245,000 General Obligation Bonds, Series 2012A (the “Bonds”).

In consideration of the issuance of the Bonds by the City and the purchase of the Bonds by the beneficial owners of the Bonds, the City covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Underwriter (defined below) in complying with the requirements of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240. 15c2-12) (the “SEC Rule”). The City represents that it is the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Underwriter and that no other person is expected to become so committed at any time after the Bonds are issued.

Section 2. Definitions. Capitalized terms used in this Undertaking are defined as follows, unless the context clearly requires another meaning.

“Adverse Tax Opinion” means 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 security, or other material events affecting the tax status of the security.

“Annual Financial Information” means the financial information or operating data with respect to the City, provided at least annually according to this Undertaking, of the type included in portions of the Final Official Statement and described on Exhibit A to this Undertaking and shall include the Audited Financial Statements, if available. The annual financial information shall include or reference, at a minimum, that financial information or operating data that is customarily prepared by the City and publicly available, including the Audited Financial Statements, if available.

“Audited Financial Statements” means the City’s annual financial statements, prepared using accounting practices prescribed by the State to demonstrate compliance with the “Cash Basis” and budget laws of the State and audited as required or permitted by the laws of the State according to auditing standards generally accepted in the United States, and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

“Bankruptcy Event” means bankruptcy, insolvency, receivership or similar event of an Obligated Person. For the purposes of this definition, the Bankruptcy Event is considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other

proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

“Bond Counsel” means the law firm of Triplett, Woolf & Garretson, LLC, or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the City.

“Bond Resolution” means the ordinance and resolution of the City authorizing issuance of the Bonds.

“Bonds” means the City’s \$4,245,000 General Obligation Bonds, Series 2012A, dated May 8, 2012.

“City” means the City of Osawatomie, Kansas.

“Final Official Statement” means the final official statement prepared by the City or their representatives in connection with the sale of the Bonds and delivered to each original purchaser within seven business days after the sale of the Bonds according to the SEC Rule.

“Merger Event” means the consummation of a merger, consolidation, or acquisition involving an 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.

“MSRB” means the Municipal Securities Rulemaking Board, including specifically its Electronic Municipal Market Access (“EMMA”) system and any successors or assigns at <http://www.emma.msrb.org>.

“Obligated Person” means an obligated person as defined in the SEC Rule.

“Outstanding” means, on any particular date, all Bonds authenticated and delivered under the provisions of the Bond Resolution, except:

A. Bonds canceled by the Paying Agent or delivered to the Paying Agent for cancellation under the Bond Resolution;

B. Bonds for which moneys or investments have been deposited to pay or redeem the Bonds according to the defeasance provisions of the Bond Resolution; and

C. Bonds for which other Bonds have been authenticated and delivered, either in exchange for or in lieu of such Bonds, according to the provisions of the Bond Resolution.

“Reporting Event” means any of the following events with respect to the Bonds:

- A. principal and interest payment delinquencies;
- B. non-payment related defaults, if material;
- C. unscheduled draws on debt service reserves reflecting financial difficulties;
- D. unscheduled draws on credit enhancements reflecting financial difficulties;
- E. substitution of credit or liquidity providers, or their failure to perform;
- F. Adverse Tax Opinions;
- G. modifications to rights of security holders, if material;
- H. bond calls, if material, and tender offers;
- I. defeasances;
- J. release, substitution, or sale of property securing repayment of the securities, if material;
- K. rating changes;
- L. Bankruptcy Events;
- M. Merger Events, if material; and
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

“Reporting Event Notice” means written or electronic notice of a Reporting Event.

“SEC Report Date” means September 15 of each year the Bonds remain Outstanding, beginning September 15, 2012.

“SEC Rule” means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR §240.15c2-12).

“**State**” means the State of Kansas

“**Undertaking**” means this document as authorized by the Bond Resolution, as it may be amended or supplemented according to its terms.

“**Underwriter**” means each broker, dealer or municipal securities dealer acting as an underwriter in the “primary offering” (as defined in the SEC Rule) of the Bonds.

Section 3. Disclosure.

A. While any Bonds are Outstanding, the City, as an Obligated Person with respect to the Bonds, undertakes the following, as required by the SEC Rule:

(1) The City shall provide the Annual Financial Information to the MSRB on or before the SEC Report Date.

(2) If the Audited Financial Statements are not available on the SEC Report Date with the Annual Financial Information then the City shall provide the Audited Financial Statements to the MSRB, if and when such statements are available.

(3) The City shall provide Reporting Event Notices to the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of a Reporting Event. Any Reporting Event Notice shall be so entitled and prominently state the title, date and CUSIP numbers of the Bonds. Notice of optional or unscheduled redemption of any Bonds or the defeasance of any Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to Bond holders under the Bond Resolution.

(4) The City shall provide timely notice of any failure on its part provide Annual Financial Information as required hereunder to the MSRB.

B. All notices or filing made pursuant to Section 3.A above shall be made solely with the MSRB in an electronic format and accompanied by identifying information as required by the MSRB, at <http://www.emma.msrb.org>.

Section 4. Changing the SEC Report Date. If the City changes its fiscal year, the City may adjust the SEC Report Date by providing written notice of the change and the new SEC Report Date to the MSRB. The period between the final SEC Report Date relating to the old fiscal year and the initial SEC Report Date relating to the new fiscal year shall not be more than one year.

Section 5. Method of Transmitting Continuing Disclosure. Unless otherwise required by law, the City shall transmit all information required by this Undertaking in electronic format and accompanied by identifying information, as required by the MSRB.

Section 6. Termination or Amendment of Obligation to Provide Continuing Disclosure. The continuing obligation of the City to provide the information and notices described in this Undertaking will terminate immediately when the Bonds are not Outstanding or the City is no longer an Obligated Person with respect to the Bonds. This Undertaking or any provision of it, shall become null and void if the City delivers to the MSRB an opinion of Bond Counsel stating that those portions of the SEC Rule which require this Undertaking, or any part of it, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This Undertaking may be amended without the consent of the holders of the Bonds, but only if the City delivers the proposed amendment to the MSRB, and obtains an opinion of Bond Counsel that the amendment will not adversely affect the City's compliance with this Undertaking and with the SEC Rule.

Section 7. Consequences of Failure to Provide Information. A failure by the City to comply with any provision of this Undertaking shall not be deemed a default or an "event of default" with respect to the Bonds, the Bond Resolution or any other agreement and the sole remedy in the event of any failure by the City to comply with this Undertaking shall be an action to compel performance brought by a beneficial owner of any Bonds.

Section 8. Beneficiaries. This Undertaking is executed to assist the Underwriter in complying with the Rule. But this Undertaking shall inure solely to the benefit of the holders of the Bonds as required by Section (b)(5)(i) of the SEC Rule, and shall create no rights in any other person or entity.

Section 9. Recordkeeping. The City shall maintain records of all information provided according to this Undertaking, including the content of the information, the names of the entities where the information was filed, and the date of filing information.

Section 10. Appointing an Agent. The City may from time to time appoint or engage an agent to assist it in carrying out its obligations under this Undertaking and may discharge any such agent, with or without appointing a successor agent.

Section 11. Notices. Notices or requests for information pursuant to this Undertaking should be directed as follows:

City of Osawatomie, Kansas
Attn: City Clerk
439 Main St.
P.O. Box 37
Osawatomie, Kansas 66064-0037
Telephone: (913) 755-2146
Facsimile: (913) 755-4164
E-mail: cityclerk@osawatomieks.org

The City may designate a different address or telephone number in its Annual Financial Information to which notices or requests should be directed.

As authorized by the Bond Resolution this Undertaking is acknowledged and agreed to as of May 8, 2012.

CITY OF OSAWATOMIE, KANSAS

[seal]

By _____
Philip A. Dudley, Mayor

ATTEST:

By _____
Ann Elmquist, City Clerk

EXHIBIT A

ANNUAL FINANCIAL INFORMATION

“*Annual Financial Information*” shall include the City’s audited financial statements and the following portions of the Final Official Statement:

Appendix A:

FINANCIAL INFORMATION OF THE CITY

- Assessed Valuation
- Estimated Actual Valuation
- Property Tax Levies
- Property Tax Collections
- Sales and Use Tax

DEBT STRUCTURE

RESOLUTION NO. _____

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012A, IN THE PRINCIPAL AMOUNT OF \$2,830,000, OF THE CITY OF OSAWATOMIE, KANSAS, AS AUTHORIZED BY ORDINANCE NO. _____ OF THE CITY; MAKING COVENANTS AND AGREEMENTS AND AUTHORIZING CERTAIN OTHER DOCUMENTS REGARDING THE BONDS.

WHEREAS, the governing body of the City of Osawatomie, Kansas (the "City") has adopted Ordinance No. _____ (the "Bond Ordinance") authorizing the issuance of the City's General Obligation Refunding and Improvement Bonds, Series 2012A (the "Bonds"); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

SECTION 1. Authority for Bonds; Security. In the Bond Ordinance the City has authorized the issuance of the Bonds for the purposes described in the Bond Ordinance. Payment of the Bonds is secured as described in the Bond Ordinance. Terms used in this Bond Resolution and not defined herein shall have the meanings given them in the Bond Ordinance.

SECTION 2. Details of Bonds; Payment of Principal and Interest. The Bonds shall be issued in the principal amount of \$2,830,000.00, designated "City of Osawatomie, Kansas, General Obligation Refunding and Improvement Bonds, Series 2012A"; and shall be dated May 1, 2012 (the "Dated Date"). The Bonds mature on September 1 (the "Principal Payment Date") in each of the years and in the principal amounts and bear interest at the respective rates per annum (computed on the basis of a 360-day year of twelve 30-day months), as follows:

Maturity Schedule
SERIAL BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2012		__._%
09/01/2013		__._%
09/01/2014		__._%
09/01/2015		__._%
09/01/2016		__._%
09/01/2017		__._%
09/01/2018		__._%
09/01/2019		__._%

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2020		__._%
09/01/2021		__._%
09/01/2022		__._%
09/01/2023		__._%
09/01/2024		__._%
09/01/2025		__._%

TERM BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/20__	\$ ___,000.00	__._%

Subject to the book-entry provisions of Section 6 of this Resolution, the Bonds shall be issued as fully registered certificated bonds without coupons in denominations of \$5,000, or integral multiples thereof not exceeding the principal amount of Bonds maturing on the respective Principal Payment Date; and the Bonds shall be numbered in such manner as the Bond Registrar (hereinafter defined) shall determine.

The principal amount of the Bonds shall be payable in lawful money of the United States of America by check or draft of the Paying Agent upon the presentation of the Bonds for payment and cancellation at the Paying Agent’s principal office in the City of Topeka, Kansas. The interest on the Bonds shall be payable in lawful money of the United States of America to the owners of bonds (the “Owners”) of record as of the as of the fifteenth (15th) day of the month prior to the Interest Payment Date (the “Record Date”), by check or draft of the Paying Agent mailed to the Owners at their addresses as shown on the Registration Books (defined in Section 5), or at such other address as an Owner has furnished in writing to the Paying Agent and Bond Registrar, or in the case of an interest payment to an Owner of \$500,000 or more aggregate principal amount of the Bonds or an Owner that is a securities depository, by electronic transfer, upon written notice given to the Paying Agent by that Owner, not less than 15 days before the Record Date for such payment, containing the electronic transfer instructions, including the bank address, ABA routing number and account number where the wire transfer should be directed.

The interest on the Bonds shall be payable semiannually on March 1 and September 1 of each year (the “Interest Payment Dates”), commencing September 1, 2012, to the Owners of the Bonds as shown on the Registration Books as of the Record Date. The Bonds shall bear interest from the Dated Date or from the most recent Interest Payment Date immediately preceding the effective authentication date of such Bond, unless the effective authentication date is an Interest Payment Date, when the Bonds shall bear interest from such Interest Payment Date. The effective date of authentication shall be the date of authentication by the Bond Registrar, as set forth on each Bond.

If a Principal Payment Date or an Interest Payment Date (collectively a “Payment Date”) occurs on a date which is a Saturday, a Sunday or any day designated as a holiday by the Congress of the United States or by the legislature of the State of Kansas and on which the Paying Agent is normally scheduled to be closed, then the payment of such principal, premium or interest may be made on the next succeeding business day with the same force and effect as if

made on the scheduled Payment Date, and no interest shall accrue for the period after the scheduled Payment Date.

The Paying Agent shall make payment directly to DTC or its nominee, as the registered owner, for the principal of and the interest on the Bonds; and DTC will remit such principal and interest to its Direct Participants for distribution to the Beneficial Owners, all as defined and in the manner set forth in Section 6 and as governed by the terms of the Letter of Representation (hereinafter defined).

SECTION 3. Redemption of Bonds.

(A) Optional Redemption. The Bonds maturing in the years 2012 to 20__, inclusive, shall become due and payable on their respective maturity dates without the option of prior call for redemption. At the option of the City, the Bonds maturing in the year 20__, and thereafter, may be called for redemption and payment prior to their respective maturities, on September 1, 20__ or any time thereafter, as a whole or in part, as determined by the City, at a redemption price equal to the principal amount, plus accrued interest to the date of redemption, without premium.

[(B) Mandatory Redemption of Term Bonds. Each of the Bonds maturing on September 1, 20__ (the "Term Bonds"), shall be subject to mandatory redemption and payment as described herein, beginning September 1, 20__, and continuing on September 1 of each year thereafter pursuant to the redemption schedule set out below, at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.]

The transfers to the Series 2012A Principal and Interest Account required by this Resolution which are to be made for payments commencing September 1, 20__, shall be sufficient to redeem, and the City hereby agrees to redeem, the following principal amounts of the Term Bonds on September 1 in each of the following years:

<u>Redemption Date</u>	<u>Principal Amount</u>
20__	\$ ____,000

(Leaving \$ ____,000 to mature on September 1, 20__)

The Term Bonds to be redeemed and paid as described above shall be selected by the Paying Agent in such equitable manner as it may designate. The Paying Agent shall each year in which the Term Bonds are to be redeemed make timely selection of the Term Bonds to be so redeemed and shall give notice thereof to the Owners as herein provided without further instructions from the City.]

(C) Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in face amounts of \$5,000 or integral multiples thereof. If the City elects to call for redemption less than all of the Bonds at the time outstanding, the Bonds shall be redeemed in such manner as the City shall determine, with Bonds of less than a full maturity to be selected by lot in units of \$5,000;

and the City shall, in the case of Bonds registered in denominations greater than \$5,000, treat each \$5,000 of face value of a Bond so registered as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any fully registered Bond certificate is selected for redemption, then the Owner of such Bond shall present and surrender such Bond to the Paying Agent for payment of the redemption price of the \$5,000 unit or units of face value called for redemption, and for exchange, without charge to the Owner, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond of a denomination greater than \$5,000 fails to present such Bond to the Paying Agent for payment and exchange, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount thereof called for redemption (and to that extent only).

(C) Notice of Redemption. The City shall give notice of any call for redemption and payment in writing to the Paying Agent not less than forty-five (45) days prior to the redemption date; and the Paying Agent shall give notice of such call for redemption and payment in writing mailed via United States first class mail to the Owners of the Bonds so called not less than thirty (30) days prior to the redemption date, unless any Owner has waived written notice of redemption. The City shall also give or cause to be given any additional notice as may be required by the laws of the State of Kansas which are in effect as of the date of giving any such notice. All notices of redemption given under the provisions of this Section shall be dated at least 30 days prior to the redemption date, and shall state (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the principal amount, and premium, if any, will become due and payable upon each such Bond or portion thereof selected for redemption, and that the interest on such Bond will not accrue from and after the redemption date and (v) that the Bonds selected for redemption are to be surrendered to or at the principal office of the Paying Agent for payment. The failure of any Owner of the Bonds to receive notice as provided herein or an immaterial defect in such notice shall not invalidate any redemption.

During the time the Bonds are registered in the name of DTC or its nominee (as defined in Section 6), the notice described above shall be delivered to DTC or its nominee. DTC shall in turn, notify its participants. It is expected the participants will then notify or cause to be notified the beneficial owners of the Bonds. A failure on the part of DTC or upon the part of a nominee of beneficial owner of a Bond (having received notice from the Paying Agent, a DTC participant or otherwise) to notify the beneficial owner of the Bonds so affected, shall not affect the validity of the redemption of such Bonds.

In addition to the foregoing, the redemption notice shall contain with respect to each Bond being redeemed, (1) the CUSIP number, (2) the date of issue, (3) the interest rate, (4) the maturity date, and (5) any other descriptive information determined by the Paying Agent necessary to identify the Bonds. If a redemption is a conditional redemption, the notice shall so state. The Paying Agent shall also send each notice of redemption at least thirty (30) days before the redemption date to (i) any rating service then rating the Bonds to be redeemed; and (ii) all of the registered clearing agencies known to the Paying Agent to be in the business of holding

substantial amounts of bonds of a type similar to the Bonds. Any failure to give all or a portion of the additional notice described in this paragraph shall not affect the validity of a call for redemption given according to first paragraph of this Section 3 (C).

(E) Deposit of Moneys for and Payment of Redemption Price. On or prior to the redemption date, the City shall deposit with the Paying Agent sufficient funds to pay the redemption price, together with all unpaid and accrued interest thereon to the redemption date, of all Bonds or portions thereof selected for redemption on the redemption date. Upon the surrender by the Owners of Bonds selected for redemption, the Paying Agent shall pay the redemption price therefor to the Owners. If one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption and surrendered and paid, then the Paying Agent shall prepare and furnish to the Owner thereof a new Bond or Bonds of the same maturity and in the amount of the unredeemed portion of such Bond as provided above. All Bonds selected, called and surrendered for redemption shall be canceled by the Paying Agent and shall not be reissued.

(F) Effect of Call for Redemption. Whenever any Bond, or one or more of the \$5,000 units of face value represented by any Bond, has been selected for redemption and payment as provided in this Section, all interest on such Bond, or such one or more of the \$5,000 units of face value represented by any such Bond, shall cease from and after the redemption date, provided funds are then available for its payment at the price hereinbefore specified.

SECTION 4. Designation of Paying Agent and Bond Registrar. In the Bond Ordinance the City has designated the State Treasurer of Kansas, Topeka, Kansas as the Bond Registrar and Paying Agent for the Bonds pursuant to the Issuer/Agent Agreement (as defined in the Bond Ordinance) and the Bond Act and has incorporated the Issue/Agent Agreement in the Bond Ordinance by reference.

SECTION 5. Ownership; Transfers and Exchanges; Mutilated, Lost, Stolen or Destroyed Bonds. Pursuant to the Issuer/Agent Agreement, the Bond Registrar shall maintain books for the recording of the initial registration and any subsequent transfers of the ownership of the Bonds (the "Registration Books"), and the person(s) in whose name any Bond is registered as shown on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes. Payment of, or on account of, the principal of and the interest on any such Bond shall be made only to or upon the order of the Owner or his duly authorized agent. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

In the event that the Bonds should be issued and delivered in certificated form at any time after the initial delivery of the Bonds, the Paying Agent shall maintain Registration Books for the ownership of the Bonds on behalf of the City; and the Paying Agent will make payment for the Bonds directly to the registered owners of the Bonds as shown by the Registration Books in the manner set forth in Section 2.

The provisions, terms, conditions and requirements for the transfer and exchange of the Bonds, and for the replacement of a mutilated, lost, stolen or destroyed Bond shall be as

described in the Issuer/Agent Agreement. Replacement bonds delivered upon any transfer or exchange made in compliance with the provisions, terms, conditions and requirements set forth in the Issuer/Agent Agreement shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by the pledges made in this Resolution and the Bond Ordinance and shall be entitled to the same security and benefits to the same extent as the bonds surrendered.

SECTION 6. Book-Entry-Only Bonds. The Bonds shall be initially distributed in book-entry-only form through The Depository Trust Company, New York, New York (“DTC”), by depositing with DTC one certificate for each maturity in fully registered form, registered in the name of DTC’s nominee, Cede & Co., in an amount equal to the total principal amount of the Bonds maturing on the respective Principal Payment Dates as authorized herein. Notwithstanding anything in this Resolution to the contrary, so long as the Bonds remain in book-entry-only form the manner of payment of the principal of and the interest on the Bonds to DTC, and other matters relating to the distribution of the Bonds in book-entry-only form through DTC, shall be governed by the provisions of this Section 6 and a Letter of Representations from the City to DTC (the “Letter of Representations”) which the Mayor or City Clerk is hereby authorized to execute and deliver on behalf of the City.

One certificate per maturity registered in the name of DTC’s nominee, Cede & Co., for the total principal amount of the Bonds maturing on the respective Principal Payment Dates will be issued to DTC in New York, New York; and such certificates will be immobilized in its custody. Purchases of the Bonds in denominations permitted by Section 2 hereof must be made by or through Direct Participants of DTC (as defined in the Letter of Representations), which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Transfers of ownership will be occur on the records of DTC and its Participants pursuant to the rules and procedures established by DTC and its Participants. Payment of principal and interest on the Bonds will be made in same day funds directly to DTC. The transfer of principal and interest to Participants of DTC will be the responsibility of DTC; the transfer of principal and interest to beneficial owners by Participants of DTC will be the responsibility of such Participants. Neither the City nor the Paying Agent and Bond Registrar will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Bonds outstanding, as shown on the records of DTC (and certified to such effect by DTC), that the continuation of a book-entry only system to the exclusion of any Bonds being issued to any Registered Owner other than Cede & Co., is no longer in the best interest of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the registered owners of such determination or such notice, and the Bond Registrar shall register in the name of and authenticate and deliver replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption (“Replacement Bonds”). If issued in certificated form, the certificates representing the Bonds shall be numbered in such manner as the Bond Registrar shall determine.

All references to DTC herein shall relate to the period of time when DTC has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by DTC shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If DTC resigns and the City, the Bond Registrar or the Owners are unable to locate a qualified successor of the securities depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from DTC and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the City.

In the event DTC resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor securities depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor securities depository to discharge its responsibilities. Any such successor securities depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of the Bonds to the successor securities depository in appropriate denominations and form as provided in this Resolution.

SECTION 7. Execution and Authentication. The Bonds shall be executed for and on behalf of the City by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk, and a facsimile of the City's official seal shall be printed on or affixed to the Bonds. The Bonds shall be registered in the Office of the City Clerk, evidenced by the manual or facsimile signature of the City Clerk on a Certificate of Registration printed on the bonds, attested by a facsimile of the City's official seal. The Bonds shall be registered by the State Treasurer in the municipal bond register in his office, which registration shall be evidenced by his manual or facsimile signature on a Certificate of State Treasurer printed on the Bonds, and attested by a facsimile of his official seal. If any officer of the City or of the State whose signature appears on the Bonds is no longer such officer before the actual delivery of the Bonds, their signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery of the Bonds.

No bond shall be valid or obligatory for any purpose until the Certificate of Authentication on the bond is properly executed by the Bond Registrar, and such executed certificate on any Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. The Bond Registrar's Certificate of Authentication on any Bond is properly executed by the Bond Registrar when manually signed by an authorized officer or signatory thereof. It is not necessary that the same officer or signatory of the Bond Registrar manually sign the Certificate of Authentication on all Bonds issued under this Resolution.

SECTION 8. Bonds Not Presented for Payment. If a Bond is not presented for payment when the principal is due at maturity and if funds sufficient to pay such Bond have been made available to the Paying Agent, then all liability of the City to the Owner thereof for the payment of such Bond shall cease and be completely discharged, and it shall be the duty of the Paying Agent to hold such funds, without liability for interest, for the benefit of the Owner of such Bond, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If a Bond is not presented for payment within four (4) years following the date when such Bond becomes due at maturity, the Paying Agent shall repay to the City the funds held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

SECTION 9. Payment of Costs. The City shall pay out of the proceeds of the Bonds all costs incurred in connection with the issuance, transfer, exchange, registration, redemption and payment of the bonds except (a) the reasonable fees and expenses of replacing a Bond or Bonds which have been mutilated, stolen, lost or destroyed, or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds.

SECTION 10. Form of Bonds. The Bonds issued under this Resolution shall be evidenced by printed certificates in the form required by the laws of the State of Kansas, and shall contain recitals as required by the Constitution and Laws of the State of Kansas, including a recital that the Bonds are issued in the manner prescribed by the Bond Act, and pursuant to the authority of the Project Act and K.S.A. 10-427 *et seq.*, for the purpose of refunding the Refunded Bonds and paying the costs of the Improvements.

The governing body hereby authorizes and directs Triplett, Woolf & Garretson, LLC, the City's Bond Counsel, to prepare the form and text of the certificates for the Bonds, and to cause the same to be printed as the definitive bond certificates for the Bonds.

SECTION 11. Creation and Ratification of Accounts. Simultaneously with the issuance and delivery of the Bonds, the following accounts for the Bonds are created within the Treasury of the City:

General Obligation Refunding and Improvement Bonds, Series 2012A Principal and Interest Account (the "Series 2012A Principal and Interest Account"); and

General Obligation Refunding and Improvement Bonds, Series 2012A Project Fund (the "Project Fund"); and

General Obligation Refunding and Improvement Bonds, Series 2012A Redemption Fund (the "Redemption Fund"); and

Costs of Issuance Account, Series 2012A (the "Costs of Issuance Account").

SECTION 12. Sale and Delivery of Bonds; Bond Purchase Agreement; Disposition of Proceeds. The Mayor and City Clerk are authorized and directed to prepare and execute the Bonds in the form and manner specified in this resolution, including a reasonable inventory quantity of bond certificates for transfer, exchange and replacement in accordance with the provisions hereof; and when executed the Bonds shall be registered in the office of the City Clerk and in the office of the State Treasurer, as required by law and as provided herein. The Bonds shall be delivered to George K. Baum & Co., Kansas City, Missouri (the “Original Purchaser” or “Underwriter”), according to the terms of a Bond Purchase Agreement between the City and the Original Purchaser. The Bonds will be delivered through the clearing facilities of DTC, upon receipt by the City of the full purchase price of 100% of the principal amount of the Bonds, plus an original issue premium of \$_____ and less an underwriter’s discount of \$_____ and plus accrued interest from the Dated Date to the date of issuance and delivery. The form of the Bond Purchase Agreement is approved and the Mayor and the City Clerk are authorized and directed to execute the Bond Purchase Agreement on behalf of the City.

The proceeds from the sale of the Bonds shall be deposited into the City’s accounts and applied as follows:

(A) accrued interest on the Bonds, if any, shall be deposited in the 2012 Principal and Interest Account; and

(B) \$____,____,____.____ shall be credited to and deposited in the Project Fund; and

(C) The amount of \$____,____.____ of the proceeds shall be immediately credited to and deposited in the Redemption Fund to provide for payment and redemption of the Refunded Bonds; and

(D) \$____,____.____ shall be credited to the Costs of Issuance account and applied to pay costs of issuing the Bonds.

SECTION 13. Application of Money in Accounts; Investments. *2012 Principal and Interest Account.* The 2012 Principal and Interest Account shall be administered and maintained solely for the purpose of depositing moneys accrued interest and premium, if any, paid on the delivery of the Bonds and for taxes levied or other funds legally available to make payments of principal and interest on the Bonds on any Payment Date. All moneys credited to the 2012 Principal and Interest Account shall be expended by the City solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds and the usual and customary fees of the Paying Agent, provided that, amounts so deposited representing accrued interest on the Bonds will be used toward the payment of the first maturing interest on the Bonds, and amounts representing any premium paid on the Bonds will be used toward the payment of the first maturing principal on the Bonds. The 2012 Principal and Interest Account may be a sub-account of the City’s Bond and Interest Fund. Any amounts remaining in the 2012 Principal and Interest Account the Bonds are paid in full shall become a part of the City’s Bond and Interest Fund.

Project Fund. Proceeds of the Bonds deposited and credited to the Project Fund shall be immediately applied to prepay the Loans (including loan service fees) entered into to pay costs of the Improvements and to pay the costs or reimburse the City for costs of the Main Trafficway Project. Any amounts remaining in the Project Fund after prepayment of the Loans and payment of costs of the Main Trafficway Project shall be transferred to the 2012 Principal and Interest Account and applied to the payment of the Bonds.

Redemption Fund. The Redemption Fund shall constitute the defeasance escrow for the Refunded Bonds. Moneys paid and credited to the Redemption Fund shall be transferred to the State Treasurer to be used and expended solely and only for the purpose of paying the principal of and interest on the Refunded Bonds on their redemption date (June 1, 2012), and the fees of the Fiscal Agent for acting as such, if any, as and when the same shall become due and payable and for no other purpose, all in accordance with the terms and at the times required by this Resolution, the Bond Ordinance and the terms of the Refunded Bonds. Any moneys remaining in the Redemption Fund after the payment of all of the principal of and interest on the Refunded Bonds shall thereafter be transferred to the Series 2012A Principal and Interest Account to be used to pay the applicable portion of the principal due on the Bonds on their first Principal Payment Date.

Upon the issuance of the Bonds and the concurrent funding of the Redemption Fund the City Treasurer shall transfer any balances in the Principal and Interest Account of the for the Refunded Bonds to the Redemption Fund. All other accounts created and existing in connection with the Refunded Bonds shall be terminated.

Costs of Issuance Account. Moneys credited to the Costs of Issuance account shall be applied to pay costs of issuing the Bonds. Amounts remaining in the Costs of Issuance account after the payment of all costs of issuance of the Bonds shall be transferred to the Series 2012A Principal and Interest Account, not later than the later of 30 days before the first Principal Payment Date or one year after the date the Bonds are issued and applied to pay a portion of the first principal due on the Bonds.

Moneys in each of the funds and accounts created by this Resolution shall be deposited and secured according to the laws of the state of Kansas. Moneys held in such accounts may be invested in investments permitted by the laws of the state of Kansas that mature at times as reasonably provide for moneys to be available for the authorized purposes of each account. All earnings and investments in such accounts shall accrue to and become a part of such fund or account.

SECTION 14. Resolution Constitutes Contract; Remedies of Owners. The provisions of this Resolution, and all of its covenants and agreements, shall constitute a contract between the City and the Owners of Bonds, and the Owners of not less 10% of the Bonds at the time Outstanding shall have the right, for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit, action or proceeding at law or in equity to enforce his or their rights against the City and its officers, agents and employees, and to require and compel the City and its officers, agents and employees to perform all duties

and obligations required by the provisions of this Resolution or by the Constitution and laws of the State of Kansas;

(B) By suit, action or other proceeding in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(C) By suit, action or other proceeding in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners.

SECTION 15. Limitation on Actions by Owners; Remedies Cumulative; Delay or Omission Not Waiver. No one or more of the Owners secured hereby shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all of the Owners. Nothing in this Resolution or in the Bonds shall affect or impair the obligations of the City to pay at the date of maturity thereof or on any prepayment date established for the Bonds, the principal of and the interest on the Bonds to the respective Owners thereof or affect or impair the right of action of any Owners to enforce payment of the Bonds held by them, or to reduce to judgment their claim against the City for the payment of the principal amount of and the interest on the Bonds without reference to or consent of any other Owners. No remedy herein conferred upon the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and may be exercised without regard to any other remedy however given. No delay or omission of any Owners to exercise any right, remedy or power accruing upon any default occurring and continuing as described herein shall impair any such right or power or be construed as an acquiescence in default, and every right, power and remedy given by this Resolution to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient. In case any proceeding taken by any Owners on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owners, then in every such case the City and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as though no such proceedings had been taken.

SECTION 16. Amendments. The City may, without the consent of the Owners, amend or supplement the provisions of this Resolution (i) to cure any ambiguity herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein or to correct errors, provided such action shall not materially adversely affect the interest of the Owners, or (ii) to grant or confer upon the Owners any additional rights, remedies, powers or security, or (iii) to more precisely identify the Improvements, or (iv) to conform this Resolution to the Code (as herein defined) or future applicable Federal laws concerning tax-exempt obligations. The rights and duties of the City and the Owners and the terms and provisions of this Resolution may be modified or altered in any respect by an ordinance of the City with the consent of the Owners of not less than seventy-five percent (75%) in principal amount of the bonds then outstanding, such consent to be evidenced by an instrument or instruments executed

by the Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk; provided that, the following modifications or alternations shall require the written consent of one hundred percent (100%) of the Owners of the then outstanding Bonds:

(A) Extending the maturity of any payment of principal or interest due upon the Bonds, or

(B) Effecting a reduction in the amount which the City is required to pay by way of principal or interest on the Bonds, or

(C) Permitting a preference or priority of any Bond or Bonds over any other Bond or Bonds, or

(D) Reducing the percentage of the principal amount of the then outstanding Bonds for which the written consent of the Owners is required for any modification or alteration of the provisions of this Resolution.

Any and all modifications made as provided above shall not become effective until a copy of the ordinance of the City authorizing the modifications, duly certified and published, and proof of consent to such modification by the required percentage of Owners, is filed with the City Clerk. It shall not be necessary to note on any of the outstanding Bonds any reference to such amendment or modification.

SECTION 17. Defeasance. When the principal of and the interest on the Bonds shall have been paid and discharged, then the requirements contained herein and all other rights granted by this Resolution shall cease and terminate. The Bonds shall be deemed to have been paid and discharged within the meaning of this Resolution if there shall have been deposited with the Paying Agent or with a bank located in the State of Kansas and having full trust powers, at or prior to the maturity or date of redemption, as the case may be, of the Bonds, in trust for and irrevocably appropriated thereto, moneys and/or Government Securities consisting of direct obligations of, or obligations payment of the principal of and interest on which are guaranteed by, the United States of America, which together with the interest to be earned on such Government Securities, will be sufficient for the payment of the principal amount of and the interest on the Bonds, to the date of maturity or redemption, as the case may be, or if default in such payment shall have accrued on such date, then to the date of the tender of such payments; provided that, if such payment and discharge is to be made on a redemption date that notice of such redemption has been duly and properly given as provided by this Resolution and that all of the other terms and provisions of this Resolution relative to the call for and the redemption and payment of the Bonds shall have been complied with. Any moneys which at any time shall be deposited with the Paying Agent or such Kansas bank by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or interest thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or such Kansas bank in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys so deposited with the Paying Agent or such Kansas

bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution.

SECTION 18. Surrender and Cancellation of Bonds. Whenever any outstanding Bond shall be delivered to the Bond Registrar after payment of the principal amount of and the interest represented thereof or for replacement pursuant to this Resolution, such Bond shall be canceled and destroyed by the Bond Registrar and counterparts of a Certificate of Destruction describing such Bonds so destroyed and evidencing such destruction shall be furnished by the Bond Registrar to the City.

SECTION 19. Tax Covenants. The governing body of the City covenants and agrees that for as long as any of the Bonds remain outstanding and unpaid, it will not use or permit the use of the proceeds of the Bonds in a manner which, if such use had been reasonably expected on the date of issuance and delivery of the Bonds, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”); and that it will comply with all applicable requirements of Section 148 of the Code and the applicable rules and regulations of the United States Treasury Department promulgated under the Code. The governing body further covenants to take all such action in its power as may be required from time to time in order to assure the continued tax-exempt status of the interest on the Bonds, and to comply with all provisions of the Code, as the same be amended, and any applicable rules and regulations of the United States Treasury Department issued thereunder.

SECTION 20. Designation as Qualified Tax-Exempt Obligations. The governing body of the City has designated the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code in the Bond Ordinance.

SECTION 21. Other Documents. The Mayor and City Clerk are authorized and directed to prepare and execute any and all supporting documents and certificates required for issuance of the Bonds, including final certificates to be included in the official transcript of proceedings relating to the authorization and issuance of the Bonds, and including, but not limited to, the Escrow Trust Agreement and the Bond Purchase Agreement. all without further action by the governing body.

SECTION 22. Further Authority. The City shall, and its officers, agents and employees are authorized and directed to, take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable in order to carry out and comply with the provisions of the Ordinance and this Resolution and to give effect to the transactions described and authorized therein.

SECTION 23. Severability. If any section, paragraph, clause or provision of this Resolution is, for any reason, held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

SECTION 24. Effective Date. This Resolution shall be in force and take effect from and after its adoption and approval.

ADOPTED AND APPROVED by the governing body of the City of Osawatomie, Kansas on April 12, 2012.

CITY OF OSAWATOMIE, KANSAS

By _____
Philip A. Dudley, Mayor

(SEAL)

ATTEST:

By _____
Ann Elmquist, City Clerk

NEW BUSINESS

8.A. Election Results – Administer Oath of Office

The City Clerk will read the results of the election and administer the oath of office to the newly elected members of the Governing Body.

8.B. Elect Council President and Vice President

The Council needs to elect a president to preside in the absence of the mayor and also a vice president.

8.C. Appointments

EXPIRATION OF TERMS:

KMEA Board of Directors

Director #2 Karen LaDuex has been serving

COUNCIL LIAISONS:

Economic Development
Library Board
Planning Commission
Public Safety Advisory Board
Recreation Commission
Tourism Committee
Chamber of Commerce

served this past year

Ted Hunter & Karen LaDuex
Karen LaDuex
John Klein & Tamara Maichel
Mike Moon
Mark Govea
Ted Hunter
Tamara Maichel & Mike Moon

Janet White
Miami County Clerk
201 S. Pearl, Suite 102
Paola, Kansas 66071



Phone: (913) 294-3976
Fax: (913) 294-9544
countyclerk@miamicountyks.org
www.miamicountyks.org

Osawatomie City Hall
Ann Elmquist
PO Box 37
Osawatomie, KS 66064

I, Janet White, Miami County Election Officer, do hereby certify the votes for the April 3, 2012, Osawatomie City General Election as canvassed by the Miami County Board of Canvassers on April 9, 2012, in the Public Information/Election Verification Room, and hereby declare the following election results.

Osawatomie City Council Precinct 01

Lawrence Dickinson 29
Write-Ins 0

Osawatomie City Council Precinct 02

John A. Farley 43
Write-Ins 7

Osawatomie City Council Precinct 03

Karen LaDuex 61
Write-Ins 0

Osawatomie City Council Precinct 04

Tamara J. Maichel 44
Nick Hampson 28
Christopher L. Klein 4
Write-Ins 1

DONE THIS 9th DAY OF APRIL, 2012.

Janet White
Miami County Clerk/Election Officer



PROCLAMATION

*Fair Housing Month
Issued by the Mayor
City of Osawatimie*

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

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

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

WHEREAS, equal housing opportunity is a condition of life in our City that can and should be achieved,

NOW, THEREFORE, I, Philip A. Dudley, Mayor of the City of Osawatimie, on behalf of its citizens, do hereby proclaim the month of April as

FAIR HOUSING MONTH

And express the hope that this year's observance will promote fair housing practices throughout the City.

Proclaimed this 12th day of April, 2012.

Philip A. Dudley, Mayor
City of Osawatimie

TO THE PEOPLE OF KANSAS, GREETINGS:

WHEREAS, the month of April 2012 marks the 44th anniversary of the signing of the National Fair Housing Law which prohibits discrimination "against any person in terms, conditions, or privileges of the sale or rental of a dwelling or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, national origin, disability or family status;" and

WHEREAS, the denial of equal housing opportunity is a serious challenge and must be met and surmounted lest it erode the vital social structure that holds a community together; and

WHEREAS, the need for shelter is an essential human need; and

WHEREAS, the right to freely choose a place to live is a basic human right and discrimination in housing is not only against the law, it is contrary to the sense of what America should mean to its citizens and to others; and

WHEREAS, ongoing education, outreach and monitoring are key to raising awareness of fair housing principles, practices, rights and responsibilities; and

WHEREAS, only through continued cooperation, commitment and support of all Kansans can barriers to fair housing be removed:

NOW, THEREFORE, I, Sam Brownback, GOVERNOR OF THE STATE OF KANSAS, do hereby proclaim April of 2012, as

Fair Housing Month

in Kansas and urge all citizens to join in this observance.



ARBOR DAY PROCLAMATION

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

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

WHEREAS, 2012 is the 140th anniversary of the holiday and Arbor Day is now observed throughout the nation and the world, and

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

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and beautify our community, and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal, and

NOW, THEREFORE, I, Philip A. Dudley, Mayor of Osawatomie, do hereby proclaim April 28, 2012 as the 140th anniversary celebration of

ARBOR DAY

in the City of Osawatomie, and urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

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

Proclaimed this 12th day of April, 2012.

Philip A. Dudley, Mayor

Osawatomie PRIDE 7th Annual Arbor Day Celebration



**April 28, 2012
9 a.m. – Noon
John Brown Park
Meet at Shelter House**

**Please bring your own gloves, shovels, buckets, etc.
and help us make John Brown Park even more
beautiful by helping landscape and plant!!!**

**For information, contact Tammy Booe
913-755-3003**

**Bring the family and spend the morning
in OUR Park!!!**



Proclamation

Issued by the Mayor of Osawatomie

WHEREAS, The American Occupational Therapy Association has declared the month of April 2012 to be known as Occupational Therapy Month; and

WHEREAS, Life Care Center of Osawatomie is observing and celebrating Occupational Therapy Month to recognize those professionals; and

WHEREAS, The profession of occupational therapy makes valuable contributions in helping people "Live Life to Its Fullest" after an illness or injury; and

WHEREAS, The services of occupational therapy are available to citizens of Osawatomie through Life Care Center; and

WHEREAS, The health and productivity of our citizens depend upon the effective use of health care resources, including the important services of occupational therapists and occupational therapy assistants; and

WHEREAS, the City of Osawatomie is proud and honored to have Life Care Center of Osawatomie serving the community; and

NOW, THEREFORE, I, Philip A. Dudley, Mayor of the City of Osawatomie, on behalf of its citizens, do hereby proclaim the month of April, 2012 as

Occupational Therapy Month

and call upon all citizens to recognize the achievements and significant contributions of these valued health professionals.

Proclaimed this 12th day of April, 2012.

Philip A. Dudley, Mayor



STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 12, 2012

AGENDA ITEM: **Sunday Sales of Retail CMB and Liquor**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: At your direction, the City Attorney and I have drafted a Sunday Sales Ordinance for your consideration that is in compliance with Kansas Statutes regarding these issues. The relevant Kansas Statutes are included with this memo.

This ordinance would allow the following changes:

- The retail sale of CMB in the original package would be allowed on any Sunday except Easter, between the hours of 12:00 noon and 8:00 p.m.
- The retail sale of Alcoholic Liquor in the original package would be allowed on any Sunday except Easter, between the hours of 12:00 noon and 8:00 p.m. Sales would continue to be prohibited on Memorial Day, Independence Day and Labor Day.

By statute, the ordinance must be published twice in the official newspaper and would be subject to a protest petition. Should there be no petition filed, the ordinance would take effect 61 days after publication. If there is a petition filed, the timing would be such that we could place the issue on the August primary ballot.

Per your request, I checked and both Paola and Spring Hill have adopted Sunday sales.

COUNCIL ACTION NEEDED: Cote on the proposed ordinance.

STAFF RECOMMENDATION TO COUNCIL: Approve the proposed ordinance to remove a competitive disadvantage with other cities in our area.

KANSAS LAWS REGARDING SUNDAY SALES OF CMB AND LIQUOR

HOW CITIES CAN ALLOW SUNDAY SALES BY ORDINANCE

41-2911. Alcoholic liquor and cereal malt beverage, days of sale; local option.

(b) (1) The governing body of any city may, by ordinance:

(A) Expand the days of sale at retail of cereal malt beverage in the original package to allow such sale within the city on any Sunday, except Easter, between the hours of 12 noon and 8 p.m. and expand the days of sale at retail of alcoholic liquor in the original package, if licensing of such sale of alcoholic liquor is authorized within the city, to allow such sale within the city on any Sunday, except Easter, between the hours of 12 noon and 8 p.m. and on Memorial Day, Independence Day and Labor Day; or

(B) restrict the days of sale at retail of cereal malt beverage in the original package to prohibit such sale within the city on Sunday and restrict the days of sale at retail of alcoholic liquor in the original package, if licensing of such sale of alcoholic liquor is authorized within the city, to prohibit such sale within the city on Sunday, Memorial Day, Independence Day and Labor Day.

Such ordinance shall be published at least once each week for two consecutive weeks in the official city newspaper. Such ordinance shall not become effective earlier than 60 days following the date of its publication or November 15, 2005, whichever is later. If, within 60 days following publication of the ordinance, a petition requesting that a proposition be submitted for approval by the voters is filed in accordance with subsection (b)(2), such ordinance shall not become effective until a proposition is submitted to and approved at an election as provided by this subsection (b).

(2) A petition to submit a proposition to the qualified voters of a city pursuant to this subsection (b) shall be filed with the county election officer. The petition shall be signed by qualified voters of the city equal in number to not less than 5% of the voters of the city who voted for the office of president of the United States at the last preceding general election at which such office was elected. The appropriate version of the following shall appear on the petition:

(A) If licensing of sale at retail of alcoholic liquor in the original package is not authorized within the city, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, between the hours of 12 noon and 8 p.m.) (prohibited on Sunday) within the city of _____."

(B) If licensing of sale at retail of alcoholic liquor is authorized within the city, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, between the hours of 12 noon and 8 p.m.) (prohibited on Sunday) within the city of _____ and whether sale at retail of alcoholic liquor in the original package shall be (allowed on any Sunday, except Easter, between the hours of 12 noon and 8 p.m. and on Memorial Day, Independence Day and Labor Day) (prohibited on Sunday, Memorial Day, Independence Day and Labor Day) within the city of _____."

(3) Upon submission of a valid petition calling for an election pursuant to this subsection (b), the city governing body shall call a special election to be held not later than 45 days after submission of the petition unless a citywide primary or general election is to be held within 90 days after submission of the petition, in which case the proposition shall be submitted at such citywide election. Thereupon, the county election officer shall cause the appropriate version of the following proposition to be placed on the ballot in the city at such election:

(A) If licensing of sale at retail of alcoholic liquor is not authorized within the city, the following proposition shall be placed on the ballot: "Within the city of _____ shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, between the hours of 12 noon and 8 p.m.) (prohibited on Sunday)?"

(B) If licensing of sale at retail of alcoholic liquor is authorized within the city, the following proposition shall be placed on the ballot: "Within the city of _____ shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, between the hours of 12 noon and 8 p.m.) (prohibited on Sunday) and shall the sale at retail of alcoholic liquor in the original package be (allowed on any Sunday, except Easter, between the hours of 12 noon and 8 p.m. and on Memorial Day, Independence Day and Labor Day) (prohibited on Sunday, Memorial Day, Independence Day and Labor Day)?"

(c) The county election officer shall transmit to the director a copy of the results of an election pursuant to this section.

(d) An election provided for by this section shall be called and held in the manner provided by the general bond law.

KANSAS LAWS REGARDING SUNDAY SALES OF CMB AND LIQUOR

RETAIL CEREAL MALT BEVERAGES - HOURS AND DAYS OF SALE

41-2704. Hours and days of sale; standards; prohibited acts. (a) In addition to and consistent with the requirements of the cereal malt beverage act, the board of county commissioners of any county or the governing body of any city may prescribe hours of closing, standards of conduct and rules and regulations concerning the moral, sanitary and health conditions of places licensed pursuant to this act and may establish zones within which no such place may be located.

(b) Within any city where the days of sale at retail of cereal malt beverage in the original package have not been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and within any township where the hours and days of sale at retail of cereal malt beverage in the original package have not been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, no cereal malt beverages may be sold:

(1) Between the hours of 12 midnight and 6 a.m.; or

(2) on Sunday, except in a place of business which is licensed to sell cereal malt beverage for consumption on the premises, which derives not less than 30% of its gross receipts from the sale of food for consumption on the licensed premises and which is located in a county where such sales on Sunday have been authorized by resolution of the board of county commissioners of the county or in a city where such sales on Sunday have been authorized by ordinance of the governing body of the city.

(c) Within any city where the days of sale at retail of cereal malt beverage in the original package have been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided in K.S.A. 2011 Supp. 41-2911, and amendments thereto, and within any township where the days of sale at retail of cereal malt beverage in the original package have been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, no person shall sell at retail cereal malt beverage:

(1) Between the hours of 12 midnight and 6 a.m.;

(2) in the original package before 12 noon [or] after 8 p.m. on Sunday;

(3) on Easter Sunday; or

(4) for consumption on the licensed premises on Sunday, except in a place of business which is licensed to sell cereal malt beverage for consumption on the premises, which derives not less than 30% of its gross receipts from the sale of food for consumption on the licensed premises and which is located in a county where such sales on Sunday have been authorized by resolution of the board of county commissioners of the county or in a city where such sales on Sunday have been authorized by ordinance of the governing body of the city.

(d) No private rooms or closed booths shall be operated in a place of business, but this provision shall not apply if the licensed premises also are licensed as a club pursuant to the club and drinking establishment act.

(e) Each place of business shall be open to the public and to law enforcement officers at all times during business hours, except that a premises licensed as a club pursuant to the club and drinking establishment act shall be open to law enforcement officers and not to the public.

(f) Except as otherwise provided by this subsection, no licensee shall permit a person under the legal age for consumption of cereal malt beverage to consume or purchase any cereal malt beverage in or about a place of business. A licensee's employee who is not less than 18 years of age may dispense or sell cereal malt beverage, if:

(1) The licensee's place of business is licensed only to sell at retail cereal malt beverage in the original package and not for consumption on the premises; or

(2) the licensee's place of business is a licensed food service establishment, as defined by K.S.A. 36-501 and amendments thereto, and not less than 50% of the gross receipts from the licensee's place of business is derived from the sale of food for consumption on the premises of the licensed place of business.

(g) No person shall have any alcoholic liquor in such person's possession while in a place of business, unless the premises are currently licensed as a club or drinking establishment pursuant to the club and drinking establishment act.

(h) Cereal malt beverages may be sold on premises which are licensed pursuant to both the cereal malt beverage act and the club and drinking establishment act at any time when alcoholic liquor is allowed by law to be served on the premises.

KANSAS LAWS REGARDING SUNDAY SALES OF CMB AND LIQUOR

RETAIL ALCOHOLIC LIQUOR - HOURS AND DAYS OF SALE

41-712. Days and hours of sale by retailers. (a) Within any city where the days of sale at retail of alcoholic liquor in the original package have not been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and within any township where the days of sale at retail of alcoholic liquor in the original package have not been expanded as provided by K.S.A. 2007 2010 Supp 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, no person shall sell at retail any alcoholic liquor in the original package: (1) On Sunday; (2) on Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day; or (3) before 9 a.m. or after 11 p.m. on any day when the sale is permitted. The governing body of any city by ordinance may require the closing of premises prior to 11 p.m., but such ordinance shall not require closing prior to 8 p.m.

(b) Within any city where the days of sale at retail of alcoholic liquor in the original package have been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and within any township where the days of sale at retail of alcoholic liquor in the original package have been expanded as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2011 Supp. 41-2911, and amendments thereto, no person shall sell at retail alcoholic liquor in the original package: (1) On Sunday before 12 noon or after 8 p.m.; (2) on Easter Sunday, Thanksgiving Day or Christmas Day; or (3) before 9 a.m. or after 11 p.m. on any day when the sale is permitted. The governing body of any city by ordinance may require the closing of premises prior to 11 p.m., but such ordinance shall not require closing prior to 8 p.m.

ORDINANCE NO. ____

AN ORDINANCE AMENDING SECTION 3-213 AND SECTION 3-305 OF THE CODE OF THE CITY OF OSAWATOMIE AUTHORIZING SUNDAY SALES OF ALCOHOLIC LIQUOR AND CEREAL MALT BEVERAGE IN THE ORIGINAL PACKAGE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE:

Section 1. Pursuant to K.S.A. 41-2704 and K.S.A. 41- 2911, Section 3-213 and Section 3-305 of the Code of the City of Osawatomie are hereby amended to read as follows:

3-213. BUSINESS REGULATIONS. It shall be the duty of every licensee to observe the following regulations.

- (a) The place of business licensed and operating under this article shall at all times have a front and rear exit unlocked when open for business.
- (b) The premises and all equipment used in connection with such business shall be kept clean and in a sanitary condition and shall at all times be open to the inspection of the police and health officers of the city, county and state.
- (c) Except as provided by subsection (d) and (e), no cereal malt beverages may be sold or dispensed between the hours of 12:00 midnight and 6:00 a.m., or on Easter or consumed between the hours of 12:30 a.m., and 6:00 a.m., and closing hours for clubs shall conform to K.S.A. 41-2614, and any amendments thereto.
- (d) The sale at retail of cereal malt beverage in the original package is allowed within the city on any Sunday, except Easter, between the hours of 12:00 noon and 8:00 p.m.
- (e) Cereal malt beverages may be sold at any time alcoholic liquor is allowed by law to be served on premises which are licensed pursuant to K.S.A. 41-2701 et seq. and licensed as a club by the state director of Alcoholic Beverage Control.
- (f) The place of business shall be open to the public and to the police at all times during business hours, except that premises licensed as a club under a license issued by the State Director of Alcoholic Beverage Control shall be open to the police and not the public.
- (g) It shall be unlawful for any licensee or agent or employee of the licensee to become intoxicated in the place of business for which such license has been issued.
- (h) No licensee or agent or employee of the licensee shall permit any intoxicated person to remain in the place of business for which such license has been issued.
- (i) No licensee or agent or employee of the licensee shall sell or permit the sale of cereal malt beverage to any person under 21 years of age.

- (j) No licensee or agent or employee of the licensee shall permit any gambling in the place of business for which such license has been issued.
- (k) No licensee or agent or employee of the licensee shall permit any person to mix alcoholic drinks with materials purchased in said place of business or brought in for such purpose.
- (l) No licensee or agent or employee of the licensee shall employ any person under 21 years of age in dispensing cereal malt beverages. No licensee shall employ any person who has been judged guilty of a felony.

3-305 HOURS OF SALE. No person shall sell at retail any alcoholic liquor:

- (a) On Sunday, except between the hours of 12:00 noon and 8:00 p.m.
- (b) On Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
- (c) Before 9:00 A.m. or after 11:00 p.m. on any day when the sale thereof is permitted.

Section 2. Existing Section 3-213 and Section 3-305 of the Code of the City of Osawatomie are repealed.

Section 3. This ordinance shall be published once each week for two consecutive weeks in the official city newspaper.

Section 4. This ordinance shall take effect 61 days after final publication, unless a sufficient petition for a referendum is filed, requiring a referendum to be held on the ordinance as provided in K.S.A. 41-2911, in which case this ordinance shall become effective upon approval by a majority of the electors voting thereon.

Passed by the Governing Body, this 12th day of April, 2012.

Philip A. Dudley, Mayor

(SEAL)

ATTEST:

Ann Elmquist
City Clerk



STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 12, 2012

AGENDA ITEM: Special Use Permit – Criddle Day Care

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Launa Criddle has applied for a special use permit to operate a day care center at 175 14th Street. According to our Zoning Regulations, a special use permit is required to operate a non-residential day care center in a residentially zoned area.

Ms. Criddle is moving her day care because of a fire that occurred at her previous location of 7)) Parker. Ms. Criddle does not own the property being zoned, but is renting at the new property from Dave Madden, as she did at her previous location.

The Osawatomie Planning Commission held a public hearing on this proposed Special Use Permit on March 14, 2012. Several individuals appeared at the hearing and there was support and opposition to the permit. In fact, both those in support and those opposed presented signed letters or documents from the surrounding neighbors supporting their positions. Most of which were signed by the same individuals. The opposition stated that it was in favor of a 60-90 day permit instead of a permanent permit, so that Ms. Criddle would have time to return to her original location.

After hearing from all sides, the Planning Commission approved a Special Use Permit for a period of 180 days, which will take effect from the publication of the ordinance authorizing the permit. Should Ms. Criddle want an extension or a permanent permit, she would be required to apply for an entirely new permit.

No protest was filed during the 14-day protest period following the decision of the Planning Commission.

COUNCIL ACTION NEEDED: The City Council must pass the attached ordinance in order to approve the special use permit.

STAFF RECOMMENDATION TO COUNCIL: Approve the ordinance in support of the Planning Commission's recommendation.

ORDINANCE NO. ____

AN ORDINANCE PERTAINING TO THE SPECIAL USE PERMIT TO OPERATE A DAY CARE CENTER IN A RESIDENTIAL DISTRICT.

WHEREAS, Launa Criddle is requesting a Special Use Permit to operate a day care center at 175 14th Street; and

WHEREAS, the current zoning of the property is the City's R-1 Single Family Residential District; and

WHEREAS, a Special Use Permit is required to operate a non-residential day care center in a R-1 Single Family Residential District; and

WHEREAS, the Osawatomie Planning Commission held a public hearing on this proposed Special Use Permit on March 14, 2012, in accordance with City and State zoning laws and the Planning Commission recommended approval of the Special Use Permit for 180 days; and

WHEREAS, no protest was filed during the 14-day protest period following the decision of the Planning Commission.

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

SECTION ONE: A special use permit is granted to Launa Criddle to operate a day care center at the above described location, Osawatomie, Kansas, subject to the following conditions:

1. The Special Use Permit will be for a period of 180 days.
2. Receiving all official state licensing approvals for the property.
3. The Special Use Permit is issued to Launa Criddle and is non-transferable.

SECTION TWO: The special use permit will be issued for and the operation conducted on the following described real estate, situated in Osawatomie, Miami County, Kansas, to-wit:

Lots 11-13 & the north 20 feet of Lot 10, Block 1, McClay Heights, City of Osawatomie

SECTION THREE: This ordinance shall take effect and be in force from and after its passage and one publication in the official City newspaper.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Miami County, Kansas, a majority being in favor thereof, this 12^h day of April, 2012.

APPROVED and signed by the Mayor.

Philip A. Dudley
Mayor

(SEAL)

ATTEST:

Ann Elmquist
City Clerk



CITY OF OSAWATOMIE
 439 Main Street
 P.O. Box 37
 Osawatomie, Kansas 66064
 913-755-2146
 FAX: 913-755-4164

**SPECIAL USE PERMIT
 APPLICATION**
 OSAWATOMIE PLANNING AND ZONING

DATE OF FILING 2-13-12
 OWNERS NAME Launa Cuddle ADDRESS 175 14th Street
 AUTHORIZED OF AGENT _____ ADDRESS _____
 REQUEST BY _____ ADDRESS _____
 PROPERTY ADDRESS 175 14th Street
 PHONE NUMBER 913-731-7355
 ZONING DISTRICT R1 CHANGED ZONING DISTRICT _____

LEGAL DESCRIPTION

STATEMENT OF THE REASONS WHY REZONING IS BEING REQUESTED Relocate due to fire

Application:	0-5 acres	\$200.00 + Publication Cost	<u> / </u> Acres
	5.1-50 acres	\$300.00 + Publication Cost	<u> </u> Acres
	50.1 and up	\$400.00 + Publication Cost	<u> </u> Acres

Certified list of all property owners and address within 200 feet, within City Limits and 1000 feet within Growth Area from a title company.

All property owners within 200 feet or 1000 feet, which ever applies, of your property will be notified by certified mail.

The City will handle the publication and mail the certified letters within three days of publication. Applicant will be billed for publication and certified mail costs.

Signature Launa Cuddle Date 2-12-12

Don Cawby
 City Manager
 City of Osawatomie
 P.O. Box 37
 Osawatomie, Kansas 66064



CITY OF OSAWATOMIE
439 Main Street
P.O. Box 37
Osawatomie, Kansas 66064
913-755-2146
FAX: 913-755-4164

February 21, 2012

Notification to All Property Owners Within 1,000 feet of 175 14th Street, Osawatomie, Kansas.

Dear Property Owner:

You are receiving this letter as a result of your proximity to 175 14th Street, a piece of property for which a Special Use has been requested.

Launa Criddle is requesting a Special Use Permit to be issued to operate a day care center at this property. According to the City of Osawatomie Zoning Regulations, Special Use Permits are required for the operation of any non-residential day care center operated in a residentially zoned area.

A public hearing will be held by the Osawatomie Planning Commission on Wednesday, March 14th 2012 at 7:00 p.m. at Memorial Hall in Osawatomie, Kansas. Memorial Hall is located at 411 11th Street.

Enclosed in this letter is a map showing the subject property as well as a copy of the public notice that will be placed in the Osawatomie Journal on Wednesday, February 22, 2012. A full legal description of the property is included in the public hearing notice and is available for inspection at City Hall. If you wish to comment, you may submit them in writing to City Hall or attend the public hearing as discussed above.

Should you have any questions, you may contact us at (913)755-2146.

Sincerely,

Donald R. Cawby
City Manager

NOTICE OF PUBLIC HEARING

Published in the Osawatomie Journal, February 22, 2012

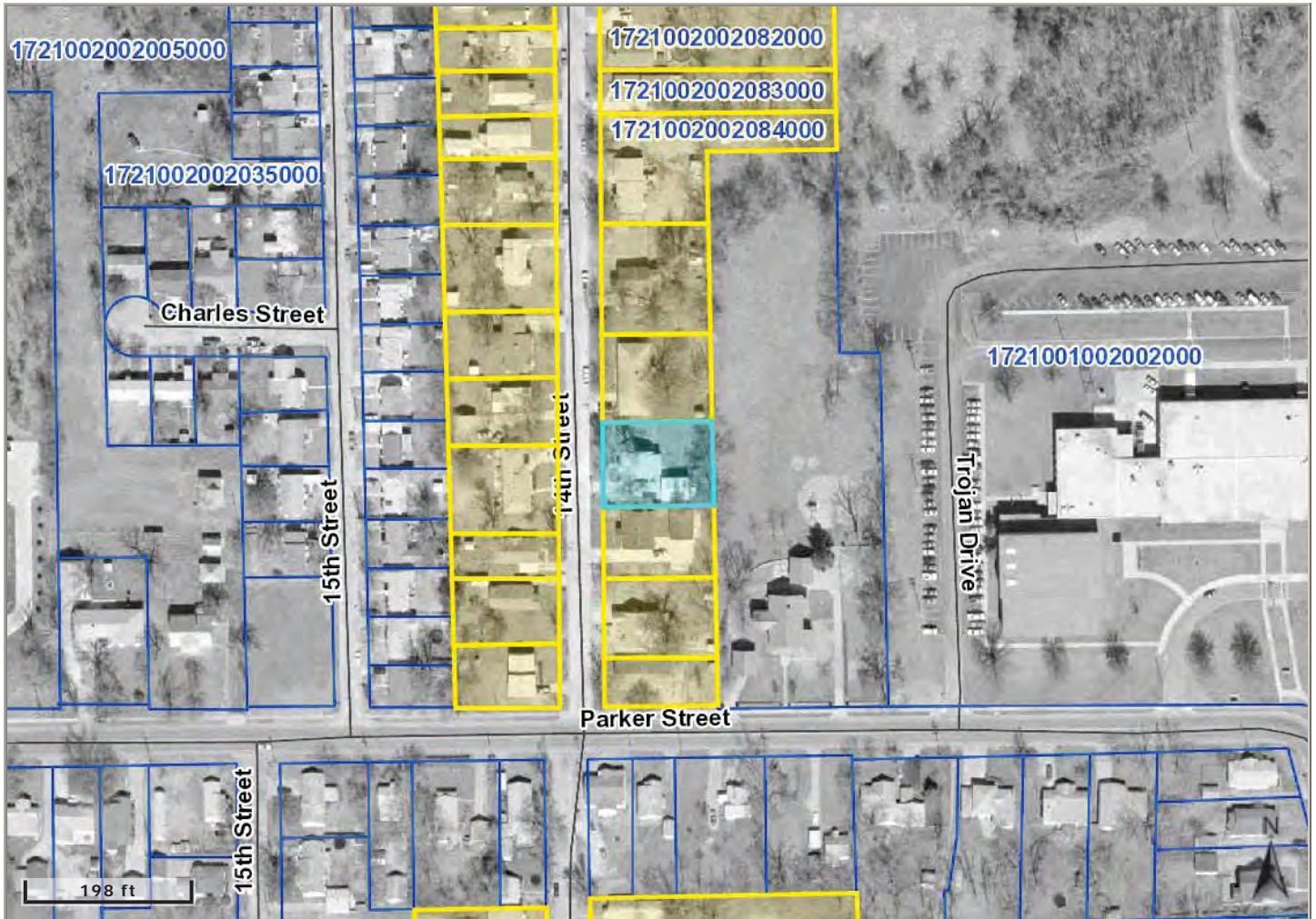
OSAWATOMIE PLANNING COMMISSION

March 14, 2012

The Osawatomie Planning Commission will hold a public hearing Wednesday March 14, 2012 at 7:00 p.m. at Memorial Hall, 411 11th Street, Osawatomie, Kansas. The purpose of the meeting is to consider a Special Use application that has been filed for properties located at 175 14th Street.

Lots 11-13 & the north 20 feet of Lot 10, Block 1, McClay Heights, City of Osawatomie.

The purpose of the Special Use application is to operate a day care center as required by Chapter 5, Section 5-2 paragraph K (Pg. 46) of the Adopted Zoning Regulations for the above described properties. Those who wish to comment are urged to attend the hearing or may submit comments in writing to the City of Osawatomie Planning & Zoning Office, 439 Main; Osawatomie, KS 66064, prior to the meeting.



PID: 1721002002087000
Acres: 0.27604683000000002
Parcel: 14237
Parcel ID: 88
Parcel Num: 87
Perimeter: 442.59823365

Last Data Upload: 1/17/2012 6:58:57 AM



STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 12, 2012

AGENDA ITEM: **City Hall Hours**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: I am requesting that the City Council allow us to change the hours of City Hall from 8-5 to 8-4:30. Over the past several months, I have observed the difficulty our City Hall staff has in just keeping up with regular daily activities. I believe this is because we have not automated enough of our accounting activities, we have too few staff for the work required, and we require most of our interaction with the public to be in person. My goal for this year is to improve our efficiency through more on-line access for payments, upgrades and better training on our software system, and computerizing our records for quicker and easier access.

In order to make these changes, we need the time to do some of this project work and the opportunity to meet and manage these changes. Under our current system, the only way I can get all of us together in one room is to shut down City Hall for an hour or so periodically. This is an inconvenience to the public and will make us much less likely to want to meet, because of the hassle involved. Instead, I would like to get the City Council's approval to close the doors to the public at 4:30 each day. This will give my staff time to close up the books, have short staff meetings when necessary and to give them some uninterrupted time to work on projects or issues. It also lets us schedule regular meetings so we can better communicate internally.

We selected the 4:30 time because traditionally that is the slowest time of the day and most of our utilities and public works staff have already left by then. It also gives our staff time to deal with citizen issues that carry on past 4:30 without creating overtime or comp time.

COUNCIL ACTION NEEDED: Consider the request.

STAFF RECOMMENDATION TO COUNCIL: Approve the change to an 8am to 4:30pm City Hall schedule effective April 30.



CITY OF OSAWATOMIE
439 Main Street
P.O. Box 37
Osawatomie, Kansas 66064
913-755-2146
FAX: 913-755-4164

February 14, 2012

Attention: City Manager

Re: 2012 Street Assessment

As per instructions, the following is the 2012 Street Assessment. I have made a form to try to keep this simple and easily understood, yet to the point. Each street has a worksheet and suggestions of what I believe are best actions to consider.

Although we have accomplished much with our recent years of street replacement projects, it has come at a high cost. Due to shortages in budget, manpower and time our crack seal program has been reduced to spot work by outside contractors and our chip seal program has been almost non-existent. Maintenance programs including spot repairs, crack sealing and chip sealing are essential to preserve what we have. The alternative leaves only a replacement concept and we have far too many old streets and too little money for that to be a wise consideration.

You will not find worksheets for the following:

1. The private drive to Tri-Ko just off of Kelly Avenue: Rumors have circulated since the construction of the group homes that we have a street there and should be maintaining it. Records will show that when the Poole Estates Plat was first turned in there was a street to be built with a cul-de-sac on the north end. It was to be of asphalt construction with concrete curbs. When the property was sold and Tri-Ko built the two group homes, they lobbied the City Council and gained a special agreement to not build the street as planned at that time and what would connect to Kelly Avenue would be a private gravel drive. Part of that agreement also was that should they build anything else there, they would be required to build the street as planned.
2. So called "7th Street" between Pacific Avenue and Walnut Avenue: Even though we have a turn radius off of Pacific leading to it, Walnut ends there and we have chip sealed it in the past, this is U.P.R.R. property. We only own a lot located along the west side of the road and the substation ground. This is a railroad maintenance road. As suggested in the past, we need to make a formal deal to acquire this property either by lease or purchase.
3. So called "South Street" running between 8th Street and 12th Street: Yes we have a South Street on the map but this isn't it. Survey has proven that our street lies to the north of this U.P.R.R. owned maintenance road. This road was built in the early 1980's by Ralph Ross Construction as an access road for inspection and crew change to the south end of the rail yard. Our street was abandoned years ago when existing

housing there was torn down. We have a verbal agreement with the present U.P.R.R. Roadmaster for the temporary use of this road but it is a ticking time-bomb. On the east end of this road is an old wooden trestle "bridge" that allows the road to pass over a drainage ditch. This trestle is too narrow for proper road traffic and has no side rails. There have been no inspections of this trestle for years because it belongs to the U.P. and is of little importance to them as a maintenance road. Until, someone misses the end of it, drives off of it or it collapses. At that time we will all have problems. People also drive along the ends of the ties from 8th Street to Pacific and there will be a major legal problem if there is ever a car/train accident on their property. As suggested in the past, we need to make a formal deal to acquire this property either by lease or purchase, or rebuild our road on our property. Some of the manufactured homes placed along this stretch could possibly be in conflict with the actual road location so there is much to consider.

4. So called "Oak Drive" located at the north end between Rohrer Heights and Shady Lane: As I have never been able to find any paperwork on this road I visited with some neighbors in the area. According to that information, this is a private road to provide access to the homes there. It is not built to city specifications and I can find no official information that it has ever been dedicated to the city. Consideration needs to be given as to what our possibilities and desires are in it's regards. It is in very poor shape and has drainage issues on the west end.
5. The roads accessing the Lakes and Golf Course: The gravel roads on the east side of Osawatomie Lake and to Beaver Lake are in fair shape with some ditch-work needed to correct drainage being the main problem. Some past discussions have placed chip seal over these roads to improve them but until drainage can be corrected it would be wasted money. The chip-sealed road on the west side of the lake in front of the Golf Course is in terrible shape. Options include the road being spot repaired soon, replaced, or scarified and returned to gravel. An option discussed last year was with base repairs being made, the county would overlay a 3" asphalt cap to improve the drive surface. This will be very expensive with all the base repairs needed and correcting drainage problems was never discussed in this accounting. We need to explore the possibilities and come up with a concept as this road is failing and the cost to repair is rising.

We have several streets that have "shovel ready" capability in that they have plans already drawn up and were not done with their allotted projects due to lack of funds. One large project or several small projects would deal with these. However, my stragedy shown on the work sheets was to group them up with other projects, close in proximity and similar in design as an effort to reduce overall costs. Small projects and skipping locations across town tend to get expensive and reduce cost effective planning.

With the current budget situation, a strict plan to prioritize street replacement is very difficult. The unknown factors of how long before money is available, how much will be, what kind of damage will occur to particular streets due to traffic or weather conditions can all render a locked in program impotent. We know where the worse streets are right now, but time delay challenges priority.

My overall suggestions for this year would be:

1. Let us catch up. Make repairs to streets with the priority of maintaining operations first. Spend money to buy time.
2. If money is available, crack seal as many streets as possible with priority going to those needing "preserved" the most. We have many streets that could last a long time if we can stop water from seeping in, but they don't match up with chip and seal prep work demands. We have both limited time and funds.
3. If, after spending repair and crack seal money you still have funds and time, then make up a short list for chip seal with the idea of only buying time on street replacement. The hope is that by then we may have a better idea of what and when funds may be available and what order things need to be at that time.
4. When it appears we have a handle on the future funding possibilities, then restart the crack seal and 3 year chip seal programs full force. At that time we can make a positive approach to the replacement program we can afford.

These are opinions and suggestions. The facts are that we have to start working and planning for this. If we continue to allow our streets to downgrade the costs will be more than we will ever be able to afford. With the past street, sewer and water projects, little time has allowed streets to get this way. Years of little money and neglect are very expensive in the final tally. Traffic counts are ever changing and we have went too long without a plan to follow.

Respectfully,



Director of Public Works



MEMORANDUM

To: Mayor and City Council
From: Don Cawby, City Manager
Re: **Projects & Issues Update**
Date: April 12, 2012

Projects

Mold Abatement. We have received an inspection and report from American Metropolitan Environmental, Inc. It points out several issues in the basement that are to blame for our mold problem: lack of ventilation, no humidity control, poor windows on the south side of the building, and some possible roof leaks. We are currently evaluating the report and once I have had a chance to walk through it with a couple of staff, we will revise our previous RFP and again put it out for bids.

Community Fisheries Assistance Program. There have been a lot of questions and rumors about the changes at the lake. This agreement with KDWP would govern only fishing and fishing access. We are not letting the state take over the entire lake operation. As of yet, I do not have the agreement finalized with KDWP because of time constraints. However, I have an email into the regional director to get a couple of issues clarified and then I hope to have this done. In the mean time, I have directed staff to stop selling fishing permits so we don't have more to handle more rebates later.

Issues

Recycling of Glass. Since the beginning of curb-side recycling in October, many people have told me they are interested in having a place to recycle glass. Tomorrow, I have a meeting set up with the Development Director for Ripple Glass to see what we can do about setting up a disposal site.

Grass and Leaves Disposal and Recycling Changes. I have received a request from the public to extend the hours at the Forestry Department one or two nights a week. I am considering this request, but am waiting to see what changes state legislation may have on this issue before making a change.

Truck Purchase. Last week we bid on two Ford trucks from the Platte County Missouri Regional Sewer District. We lost the bid on one by \$50, but got one by \$25. The truck we got is a 2006 Ford F-150 Extended Cab 4x4, with 101,000 miles. We paid \$8,250. We are sick we didn't get the other one, but a heck of a deal for us. We probably still need to find one more used truck to accommodate all of our summer crews and to replace some of the trucks in bad shape.

National Historic Register. Today we were notified that on May 12, both the Osawatomie Congregational (Old Stone) Church and the Soldier's Monument will be considered by the Kansas Historic Sites Board of Review for nomination to the National Historic Register. The meeting will be May 12 and the Kansas Museum of History for anyone from the Council that would like to go to represent the City at this event. Gaining designation to the National Historic Register may qualify the structures for federal or state rehabilitation tax credits and qualifies properties for the Heritage Trust Fund grant program.

Recognition

Osawatomie High School Students. We had all kinds of help yesterday from Osawatomie High School students working around the City for Community Service Day. One big change is that we replaced the mulch in the downtown area with new red mulch, the majority of which was donated by Green County Soils. A big thank you to all the students for their tremendous work, the volunteers that worked with them, and to the High School staff and our staff that so graciously coordinated their efforts.

Upcoming Meetings/Dates

- April 21 Railroad Days, Downtown
- April 25 Planning Commission Meeting and Training (7:00)
- April 26 City Council Meeting/Work Session
- May 10 City Council Meeting

Manager's Out-of-town Schedule

- April 18-20 Transforming Local Government (TLG)/KACM Conference in Kansas City
- April 24 Vacation (Afternoon)