

**MEETING NOTICE
MAIZE CITY COUNCIL
REGULAR MEETING**

TIME: 7:00 P.M.
DATE: MONDAY, APRIL 16, 2018
PLACE: MAIZE CITY HALL
10100 W. GRADY AVENUE

**AGENDA
MAYOR DONNA CLASEN PRESIDING**

- 1) Call to Order
- 2) Roll Call
- 3) Pledge of Allegiance/Moment of Silence
- 4) Approval of Agenda
- 5) Mayor's Proclamation
 - a) Arbor Day Proclamation
- 6) Public Comments
- 7) Public Hearing for the Issuance of Industrial Revenue Bonds
 - a) Shuttle Aerospace Project
- 8) Consent Agenda
 - a) Approval of Minutes – Regular City Council Meeting of March 19, 2018.
 - b) Receive and file minutes from the Planning Commission meeting of March 1, 2018.
 - c) Receive and file minutes Park & Tree Board meeting of February 13, 2018
 - d) Cash Disbursements from March 1, 2018 thru March 31, 2018 in the amount of \$578,312.78 (Check # 66326 thru #66478)
- 9) Old Business
 - A. None
- 10) New Business
 - A. 2017 City Audit
 - B. IRB's Amended Resolution
 - C. Mayor's Appointment to Park and Tree Board
- 11) Reports
 - Police
 - Public Works
 - City Engineer
 - Planning & Zoning
 - City Clerk
 - Legal

(over)

- 13) Reports (con't)
 - Operations
 - Mayor's Report
 - Council Member's Reports
- 14) Executive Session
- 15) Adjournment



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

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

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

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

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

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

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

Now, Therefore, I, _____, Mayor of the City of _____, do hereby proclaim _____ as

Arbor Day

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

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

Dated this _____ day of _____
 Mayor _____

**MINUTES-REGULAR MEETING
MAIZE CITY COUNCIL
Monday, March 19, 2018**

The Maize City Council met in a regular meeting at 7:00 p.m., Monday, **March 19, 2018** in the Maize City Hall, 10100 Grady Avenue, with **Mayor Donna Clasen** presiding. Council members present were **Karen Fitzmier, Kevin Reid, Alex McCreath and Pat Stivers**.

Also present were: **Richard LaMunyon**, City Administrator; **Rebecca Bouska**, Deputy City Administrator; **Jocelyn Reid**, City Clerk; **Matt Jensby**, Police Chief; **Ron Smothers**, Public Works Director; **Kim Edgington**, Planning Administrator, **Bill McKinley**, City Engineer, **Tom Powell**, City Attorney and **Mitch Walter**, Bond Counsel

APPROVAL OF AGENDA:

The Agenda was submitted for approval.

MOTION: **Fitzmier** moved to approve the agenda as amended.
McCreath seconded. Motion declared carried.

APPOINTMENT TO FILL VACANT COUNCIL MEMBER POSITION:

Mayor Clasen recommended the appointment of Jennifer Herington to the vacant council member position for the remainder of the term through December, 2021.

MOTION: **Fitzmier** moved to approve the appointment of Jennifer Herington to the City Council for the remainder of the term through December, 2021.
Stivers seconded. Motion declared carried.

Council Member Herington took her seat on the bench.

ELECTION OF COUNCIL PRESIDENT:

Mayor Clasen opened nominations for Council President. **Fitzmier** nominated **Stivers**. **McCreath** seconded. Nominations ceased.

MOTION: **Fitzmier** moved to elect **Stivers** as Council President.
McCreath seconded. Motion declared carried.

CONSENT AGENDA:

The Consent Agenda was submitted for approval including:

- a) Approval of minutes –Regular Council Meeting of February 19, 2018 and the Special Meeting of February 28, 2018.
- b) Receive and file Planning Commission minutes of January 4, 2018 and February 1, 2018.
- c) Cash Disbursements from February 1, 2018 through February 28, 2018 in the amount of \$1,047,921.11. (Check #66185 thru #66325).
- d) Zoning Case #Z01-018 – 6233 N. Maize Road.
- e) Zoning Case #Z02-018 – Maize Road and Lake Lane.

MOTION: **Stivers** moved to approve the Consent Agenda as submitted.
McCreath seconded. Motion declared carried.

CARRIAGE CROSSING PETITIONS AND RESOLUTIONS OF ADVISABILITY:

Petitions and resolutions for paving, sanitary sewer and water improvements in the Carriage Crossing Addition were submitted for Council approval.

MOTION: **Reid** moved to accept the petitions for Carriage Crossing Addition in the total amount of \$663,000 and adopt the petitions of advisability.
McCreath seconded. Motion declared carried.

City Clerk assigned Resolution #606-18 (Paving), #607-18 (Sewer) and #608-18 (Water).

CARRIAGE CROSSING ADDITION PHASE 6 ENGINEERING CONTRACT:

A contract with Garver, LLC for engineering services for Carriage Crossing Addition Phase 6 was submitted for Council approval.

MOTION: *Stivers* moved to approve the Garver, LLC agreement in an amount not to exceed \$64,700 for design and \$92,000 for construction services and authorize the Mayor to sign subject to City Attorney final review and approval.
McCreath seconded. Motion declared carried.

KANSAS & OKLAHOMA RAILROAD AGREEMENT:

An agreement to allow for the Carriage Crossing second entrance to intersect and cross with the Kansas & Oklahoma Railroad was submitted for Council approval.

MOTION: *Herington* moved to approve the Kansas & Oklahoma Railroad agreement and authorize the Mayor to sign subject to final form approval by the City Attorney.
Stivers seconded. Motion declared carried.

RESOLUTION FOR RELEASE OF PROPERTY:

A resolution to sell Lot 3, Maize Industrial Addition to Dave Larson, owner of 1735 S. Maize Road, LLC was submitted for Council approval.

MOTION: *Fitzmier* moved to approve the resolution authorizing the sale and conveyance of property to Dave Larson, owner of 1735 S. Maize Road, LLC.
Stivers seconded. Motion declared carried.

City Clerk assigned Resolution #609-18.

ADJOURNMENT:

With no further business before the Council,

MOTION: *Reid* moved to adjourn.
McCreath seconded. Motion declared carried.
Meeting adjourned.

Respectfully submitted by:

Jocelyn Reid, City Clerk

**MINUTES-REGULAR MEETING
MAIZE CITY PLANNING COMMISSION AND
BOARD OF ZONING APPEALS
THURSDAY, MARCH 1, 2018**

The Maize City Planning Commission was called to order at 7:00 p.m., on Thursday, *March 1, 2018, for a Regular Meeting with Bryan Aubuchon, presiding. The following Planning Commission members were present: Mike Burks, Bryan Aubuchon, Dennis Downes, Andy Sciolaro, Jennifer Herington and Mike Strelow. Not present was Bryant Wilks. Also present were Sue Villarreal, Recording Secretary; Kim Edgington, Planning Administrator; Richard LaMunyon, City Administrator; Bill McKinley, City Engineer; Bret Bowman, Applicant; Jorge Fabela, applicant; Lori Byers, Citizen; Edward Hull, Citizen; Mike Bliss, Citizen; Tom Briceland, Citizen; Mary Belton, Citizen; Maria Vital, Citizen; Graham Smith, Gould Evans.*

APPROVAL OF AGENDA

MOTION: *Downs* moved to approve the agenda as presented.
Herington seconded the motion.
Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: *Sciolaro* moved to approve the minutes of January 4, 2018 and February 1, 2018 with the following changes:
January 4, 2018 – Add Jennifer Herington to members present.
February 1, 2018 – call to order on Thursday February 1, 2018.
Burks seconded the motion.
Motion carried unanimously.

OLD BUSINESS

Z-01-018 – Zone change for approximately 8.6 acres from SF-5 Single Family to LC Limited Commercial. Deferred from the February 1, 2018 Planning Commission meeting.

Edgington explained that the proposed change in zoning is not an appropriate use of land due to the property's rural nature. If the commission determined the zone change is appropriate, staff recommends a Protective Overlay be placed on the property.

Bowman indicated he needs a minimum of 6 buildings to display for his franchise.

MOTION: *Burks* moved to approve Z-01-018 with the following protective overlay:
1) Only 8 units will be allowed
2) Units will be allowed within 4 areas totaling 5,000 square feet as designated on attached map
3) No signage will be allowed
4) Only allow agricultural sales and service
5) All other uses in Limited Commercial, other than those already permitted in SF-5 will be prohibited.
Herington seconded the motion.

Aubuchon requested a roll call vote to approve Z-01-018 with the following results:

Burks – yes
Sciolaro - no
Aubuchon - yes
Downes - no
Herington - no
Motion denied.

Edgington stated that the City Council would make a final ruling on March 19, 2018.

NEW BUSINESS

Z-02-018 – Zone change for approximately 2 acres from SF-5 Single Family to LC Limited Commercial at the southeast corner of Maize Road and Lakelane.

Edgington explained that the applicant would like to build a building to conduct a home occupation of a tree service but has not constructed a residence on the lot. A home occupation can only exist if there is a residence on the site. The best course of action would be for the applicant to obtain a Conditional Use permit. A site plan would be required and would determine an exact building location and timeframe for construction and compliance. Staff recommended the following conditions:

- a. A principle dwelling structure shall be constructed within 5 years of the date of approval of this Conditional Use. If this condition is not met within the 5-year time period the property owner shall be required to request an amendment to the original Conditional Use. A Conditional Use amendment would require a new public hearing to be conducted by the Planning Commission.
- b. No equipment shall be used that creates noise, vibration, electrical interference, smoke or particulate matter emission, or odors that are in excess of ordinary and usual conditions prevailing in the immediate neighborhood as determined by the Planning Administrator.
- c. There shall be no outdoor storage of equipment, materials or vehicles used in the home occupation.
- d. The home occupation shall be conducted entirely within the principal dwelling unit or in a permitted accessory structure.
- e. No manufacturing or processing or conducting of a trade of any sort shall be done and no inventory shall be displayed or sold on the premises.
- f. The home occupation may be conducted in an accessory structure having a floor area up to 3,000 square feet.
- g. Only one accessory structure shall be allowed on this lot.
- h. No sign shall be permitted except when required by law. When such a sign is required, it shall not be larger than two square feet, provided that it shall not be illuminated and shall be mounted flat against the main face of the dwelling or building involved.
- i. The location of the accessory structure on the lot shall be determined by the Planning Commission.

Fabela stated he would like to build a building with an office and a place to store his equipment. He would like to build a house within 5 years.

The following citizens cited their concerns:

Byers – Many kids who live and play along street, already 2 wood chips piles on property, traffic, concerns of property being maintained

Hull – Would destroy neighborhood, not a proper place for a business

Bliss – Concerns about commercial use and what type, could lower property values, area has always been rural residential, concerned about wood chip piles, traffic concerns, driveway location, signage, concerns if house is never built

Briceland – Area has always been rural residential and would like it to stay that way

Belton – Area designed and developed as residential, 22 kids live and play along Lakelane,

Strelow enters at 7:55

Fabela – Traffic issues, worried for kids

following findings:

1. The zoning, uses and character of the neighborhood: This property is located within an area that is currently mixed-use in character with commercial, residential and agricultural uses. There are numerous other similiary constructed accessory buildings in the surrounding area which are secondary to the primary residential use.
2. The suitability of the subject property for the uses to which it has been restricted: The property is currently allowed to be developed only with a single-family residential use. If it were developed in that manner the request to build an accessory structure for the purpose of a home-occupation tree service would be permitted.
3. Extent to which removal of the restrictions will detrimentally affect nearby property: The conditions of the Conditional Use will serve to meet the spirit and intent of the Zoning Code in relation to allowed home occupation use and will serve to protect neighboring property owners from any negative effects.
4. Conformance of the requested change to the adopted or recognized Comprehensive Plan and Policies: The City of Maize Comprehensive Plan recommends this property for rural residential use. The nature of the proposed use is an allowed home occupation given that the business is not conducted on-site. The Conditional Use provisions will also ensure that the appearance of the property develops as primarily a residential use. This is appropriate given the property's proximity to existing similar uses.
5. Impact of the proposed development on community facilities: The requeste change would not be any more intensive than surrounding land uses. Existing public streets are capable of handling this type of use.

Downes seconded the motion.

Aubuchon requested a roll call vote to deny Z-01-018 with the following results:

Burks – yes

Sciolaro - yes

Aubuchon - yes

Downes - yes

Herington – yes

Strelow - yes

Motion denied.

Edgington stated that the City Council would make a final ruling on March 19, 2018.

COMPREHENSIVE PLAN UPDATE

Graham Smith from Gould Evans was present to address issues and discuss community frameworks in order to determine vision and goals for the community. Growth and Development, Community Amenities, Mobility and Identity were discussed.

ADJOURNMENT:

MOTION: With no further business before the Planning Commission,
Burks moved to adjourn.
Downes seconded the motion
Motion carried unanimously.

Meeting adjourned at 9:22 PM.

Sue Villarreal
Recording Secretary

Bryan Aubuchon
Chairman

**MINUTES – REGULAR MEETING
MAIZE PARK AND TREE BOARD
TUESDAY, FEBRUARY 10TH, 2018**

The Maize Park and Tree Board met in a regular meeting at 5:30 pm, Tuesday, February 10th, 2018 with *Chair Jennifer Herington* presiding. Board members present were *Secretary Marina Fulton, Joshua Belcher, Nancy Scarpelli, and Patrick Atchison*. *Vice-Chair Dennis Wardell and Hugh Nicks* were absent.

Also present was: *Richard LaMunyon*, City Administrator, *Ross Jensby*, Public Works and *Jolene Graham*, Recording Secretary.

APPROVAL OF AGENDA:

The Agenda was submitted for Board approval.

MOTION: *Fulton* moved approve the agenda.
Atchison seconded. Motion declared carried.

APPROVAL OF THE JANUARY 9TH, 2018 MINUTES:

The Park and Tree Board Meeting Minutes of January 9, 2018 were submitted for approval.

MOTION: *Scarpelli* moved to approve the minutes.
Fulton seconded. Motion declared carried.

BEAUTIFICATION OF MAIZE/ACADEMY STREET CORRIDORS DISCUSSION

Atchison presented proposals for the large planters for the Board's consideration. Locations to locate planters were discussed. Staff will research watering logistics. *Nicks* volunteered to research plant options and design. No motion was made.

ARBOR DAY 2018 DISCUSSION

Arbor Day celebration in Maize will occur on Sunday, April 29 at 2:00pm in Maize City Park. Board and staff discussed planting trees on the south side of Maize City Park. *Nicks* to make recommendation to board regarding tree species and locations. Celebration options were considered. No motion was made.

MONARCH WAYSTATION OUTREACH DISCUSSION

Discussion was held approaching businesses with option being a "Friend of Maize Parks" and on the timing of planting Monarch Waystations. *Atchison* to inquire about another donation of milkweed plants from Ace Hardware and report back to the Board. No motion was made.

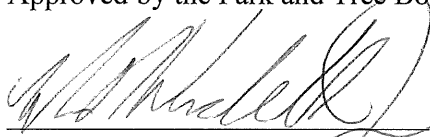
ADJOURNMENT:

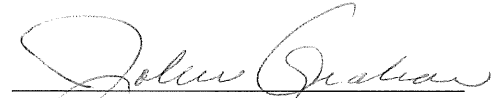
With no further business before the Board:

MOTION: *Fulton* motioned to adjourn.
Scarpelli seconded. Motion declared carried.

Meeting adjourned at 6:30 pm

Approved by the Park and Tree Board on April 10 2018.


Park and Tree Board Member


Recording Secretary

CITY OF MAIZE
Bank Reconciliation Report
For March 2018

Fund Balances

FUND	NAME	BEGIN PERIOD	RECEIPTS	DISBURSEMENTS	END PERIOD
01	General Fund	\$ 897,533.00	\$ 228,952.81	\$ 265,574.08	\$ 860,911.73
02	Street Fund	163,524.79	25,920.35	24,553.21	\$ 164,891.93
04	Capital Improvements Fund	199,523.58	84,958.17	472.34	284,009.41
05	Long-Term Projects	1,687,935.82	-	65,883.15	1,622,052.67
10	Equipment Reserve Fund	69,573.08	12,724.02	-	82,297.10
11	Police Training Fund	10,347.90	645.00	400.00	10,592.90
12	Municipal Court Fund	37,293.30	1,868.98	1,500.00	37,662.28
16	Bond & Interest Fund	841,485.43	114,372.99	206,570.71	749,287.71
19	Wastewater Reserve Fund	246,349.74	8,586.67	-	254,936.41
20	Wastewater Treatment Fund	844,739.58	76,605.17	57,657.91	863,686.84
21	Water Fund	672,694.19	77,084.79	63,658.43	686,120.55
22	Water Reserve Fund	182,991.31	3,000.00	-	185,991.31
23	Water Bond Debt Reserve Fund	268,000.00	-	-	268,000.00
24	Wastewater Bond Debt Reserve Fund	147,800.09	-	-	147,800.09
32	Drug Tax Distribution Fund	2,404.57	-	-	2,404.57
38	Cafeteria Plan	1,961.13	1,730.00	1,668.10	2,023.03
98	Maize Cemetery	132,206.20	2,686.59	1,120.35	133,772.44
Totals All Fund		\$ 6,406,363.71	\$ 639,135.54	\$ 689,058.28	\$ 6,356,440.97

Bank Accounts and Adjustments

Halstead Checking Account	\$ 418,077.19	\$ 732,090.42	\$ 736,471.17	\$ 413,696.44
Outstanding Items				\$ (49,077.58)
Halstead Bank Money Market Account	6,049,774.55	8,275.12	200,000.00	5,858,049.67
Maize Cemetery CD 85071	60,985.41	-	-	60,985.41
Maize Cemetery Operations	71,220.79	2,686.59	1,120.35	72,787.03
Totals All Banks	\$ 6,600,057.94	\$ 743,052.13	\$ 937,591.52	\$ 6,356,440.97

CITY OF MAIZE
Cash and Budget Position
Thru March 31, 2018

FUND	NAME	BEGINNING	MONTH	MONTH	END MONTH	ANNUAL	YTD	YTD	REMAINING	REMAINING
		CASH BALANCE	RECEIPTS	DISBURSEMENTS	CASH BALANCE	EXPENSE BUDGET	REVENUE	EXPENSE	EXPENSE BUDGET	BUDGET PERCENTAGE
01	General Fund	\$ 897,533.00	\$ 228,952.81	\$ 265,574.08	\$ 860,911.73	\$ 3,716,847.00	\$ 1,646,570.51	\$ 983,931.42	\$ 2,732,915.58	73.53%
02	Street Fund	163,524.79	25,920.35	24,553.21	164,891.93	310,050.00	81,192.79	89,743.57	220,306.43	71.06%
04	Capital Improvements Fund	199,523.58	84,958.17	472.34	284,009.41	544,000.00	168,714.66	15,254.07	528,745.93	97.20%
05	Long-Term Projects	1,687,935.82	-	65,883.15	1,622,052.67	-	673,221.13	1,962,908.68		
10	Equipment Reserve	69,573.08	12,724.02	-	82,297.10	170,000.00	38,147.99	82,789.82	87,210.18	51.30%
11	Police Training Fund	10,347.90	645.00	400.00	10,592.90	3,000.00	2,162.50	1,098.00	1,902.00	63.40%
12	Municipal Court Fund	37,293.30	1,868.98	1,500.00	37,662.28	-	5,836.66	9,083.17		
16	Bond & Interest Fund	841,485.43	114,372.99	206,570.71	749,287.71	2,264,103.00	975,459.29	399,026.17	1,865,076.83	82.38%
19	Wastewater Reserve Fund	246,349.74	8,586.67	-	254,936.41	-	26,001.91	-		
20	Wastewater Treatment Fund	844,739.58	76,605.17	57,657.91	863,686.84	798,000.00	239,304.11	181,062.58	616,937.42	77.31%
21	Water Fund	672,694.19	77,084.79	63,658.43	686,120.55	822,000.00	236,507.75	191,725.80	630,274.20	76.68%
22	Water Reserve Fund	182,991.31	3,000.00	-	185,991.31	-	9,000.00	11,970.00		
23	Water Bond Debt Reserve Fund	268,000.00	-	-	268,000.00	-	-	-		
24	Wastewater Bond Debt Reserve Fund	147,800.09	-	-	147,800.09	-	-	-		
32	Drug Tax Distribution Fund	2,404.57	-	-	2,404.57	-	-	-		
38	Cafeteria Plan	1,961.13	1,730.00	1,668.10	2,023.03	-	6,920.00	5,443.52		
98	Maize Cemetery	132,206.20	2,686.59	1,120.35	133,772.44	137,940.00	27,889.34	2,023.38	135,916.62	98.53%
Report Totals		\$ 6,406,363.71	\$ 639,135.54	\$ 689,058.28	\$ 6,356,440.97	\$ 8,765,940.00	\$ 4,136,928.64	\$ 3,936,060.18	\$ 6,819,285.19	77.79%

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, April 16, 2018**

AGENDA ITEM #10A

ITEM: 2017 Independent Auditors' Report

BACKGROUND:

Busby, Ford & Reimer, LLC, Certified Public Accountant/Consultants have completed the outside single independent audit for the budget year of 2017. Randy Ford, City Auditor, will present the 2017 Financial Statement and the 2017 Maize Public Building Commission Summary Financial Information.

Electronic copies of the 2017 Financial Statements are included in the Council packets. Hard copies will be available at Monday's meeting.

FINANCIAL CONSIDERATIONS:

None.

LEGAL CONSIDERATIONS:

The audit satisfies the reporting requirements for the City.

RECOMMENDATION/ACTION:

Receive and file the 2017 Independent Auditor's Report and the 2017 Maize Public Building Commission Summary Financial Information.

CITY OF MAIZE FINANCIAL REPORTING ENTITY, KANSAS

**FINANCIAL STATEMENT
DECEMBER 31, 2017**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
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DECEMBER 31, 2017**

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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Mayor and City Council City of Maize, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the **City of Maize Financial Reporting Entity, Kansas**, as of and for the year ended **December 31, 2017**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Mayor and City Council
City of Maize, Kansas**

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by the **City of Maize Financial Reporting Entity, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the **City of Maize Financial Reporting Entity, Kansas**, as of **December 31, 2017**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the **City of Maize Financial Reporting Entity, Kansas**, as of **December 31, 2017**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of cash receipts and expenditures-capital projects and summary of regulatory basis receipts and disbursements-agency funds (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

**Mayor and City Council
City of Maize, Kansas**

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of cash receipts and expenditures-capital projects (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated April 4, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
March 28, 2018

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental							
General	\$ 227,005	\$ 0	\$ 3,502,214	\$ 3,531,496	\$ 197,723	\$ 18,479	\$ 216,202
Special Purpose Funds							
Consolidated Street	153,733	0	323,387	303,689	173,431	2,598	176,029
Capital Improvement	88,249	0	534,566	492,266	130,549	0	130,549
Maize Park Cemetery District	147,357	0	25,418	64,869	107,906	29	107,935
Equipment Reserve	96,339	0	140,825	134,634	102,530	24,408	126,938
Law Enforcement Training	3,547	0	7,370	1,401	9,516	0	9,516
Wastewater Reserve	167,998	0	85,333	24,397	228,934	0	228,934
Water Reserve	171,149	0	36,000	30,158	176,991	11,970	188,961
Water Bond Reserve	268,000	0	0	0	268,000	0	268,000
Wastewater Bond Reserve	147,800	0	0	0	147,800	0	147,800
Drug Tax	2,405	0	0	0	2,405	0	2,405
Maize Public Building Commission	0	0	223,896	220,975	2,921	0	2,921
Bond and Interest	118,147	0	2,359,369	2,304,661	172,855	0	172,855
Capital Projects	(379,204)	0	7,153,229	7,087,097	(313,072)	3,225,414	2,912,342
Business							
Wastewater Treatment	721,115	0	891,630	807,752	804,993	4,476	809,469
Water	533,122	0	941,328	833,541	640,909	3,937	644,846
	<u>\$ 2,466,762</u>	<u>\$ 0</u>	<u>\$ 16,224,565</u>	<u>\$ 15,836,936</u>	<u>\$ 2,854,391</u>	<u>\$ 3,291,311</u>	<u>\$ 6,145,702</u>

Composition of Cash:

Checking	\$ 472,439
Money Market	5,634,720
Certificate of Deposit	77,359
Investments	2,921
	<u>6,187,439</u>
Agency Funds	(41,737)
	<u>\$ 6,145,702</u>

The notes to the financial statement are an integral part of this statement.

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

The City of Maize is a municipal corporation governed by an elected Mayor and five member City Council. This regulatory financial statement presents the City of Maize and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the city and/or its constituents.

Maize Public Building Commission

The Maize Public Building Commission performs functions related to the issuance and repayment of debt for the City. The governing body of the component unit is appointed by the governing body of the City. During the year ended December 31, 2017, the City of Maize made payments totaling \$233,429 to the Maize Public Building Commission for the purpose of debt service.

The Maize Public Building Commission is presented as a Special Purpose Fund. Separate audited financial statements are not prepared by the Maize Public Building Commission.

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

KMAAG Regulatory Basis of Presentation Fund Definitions:

Governmental Funds

General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds-used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Projects and tax levies for long-term debt) that are intended for specified purposes.

Bond & Interest Fund-used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund-used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund-funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Agency Fund-funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), the bond and interest fund and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There was one budget amendment for the year ended December 31, 2017.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenue are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds and the following special purpose funds:

Equipment Reserve Fund	Law Enforcement Training Fund
Wastewater Reserve Fund	Water Reserve Fund
Water Bond Reserve Fund	Wastewater Bond Reserve Fund
Drug Tax Fund	Maize Public Building Commission Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Special Assessments

Projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured in full by the City and are retired from the City's bond and interest fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the City's bond and interest fund to finance delinquent special assessments. Special assessment taxes are levied over a ten- or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

Note 2 - Deferred Compensation Plan:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or beneficiary) the property and rights of the plan (without being restricted to the provision of benefits under the plan), subject only to the claims of the plan's general creditors. Participants' rights under the plan are equal to those of general creditors of the plan in an amount equal to the fair market value of the deferred account for each participant.

Note 3 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the City to record vacation and sick leave benefits as expenditures when paid.

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 4 - Deposits and Investments:

As of December 31, 2017, the City had the following investments & maturities:

Investment Type	Fair Value	Rating U.S.
Treasury Notes (Less than One Year)	\$ 2,921	N/A

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The rating of the City's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2017, is as follows:

Investments	Percentage of Investments
Treasury Notes	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits, including related its related municipal entity was \$6,184,518 and the bank balance was \$6,214,082. The bank balance is held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$5,964,082 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State statutes require investments to be adequately secured.

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 5 - Subsequent Events:

The City has evaluated subsequent events through March 28, 2018, the date which the financial statement was available to be issued.

Note 6 - Contingencies:

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Grant Programs

The City participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Note 7 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The City did not provide any significant postemployment benefits for former employees at December 31, 2017.

Note 8 - Interfund Transactions:

Operating transfers were as follows:

Transfer from:	Statutory Authority	Transfer to:							
		General Fund	Consolidated Street	Capital Improvement	Bond & Interest	Equipment Reserve	Wastewater Reserve	Water Reserve	Total
General	K.S.A. 12-1,119	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000
General	K.S.A. 12-1,118	0	0	460,000	0	0	0	0	460,000
General	K.S.A. 12-1,117	0	0	0	0	140,000	0	0	140,000
Wastewater Treatment	K.S.A. 12-825d	34,205	0	0	255,863	0	36,000	0	326,068
Water	K.S.A. 12-825d	26,000	0	0	406,725	0	0	36,000	468,725
Capital Projects	K.S.A. 12-6a16	0	0	0	199,261	0	0	0	199,261
		<u>\$ 60,205</u>	<u>\$ 150,000</u>	<u>\$ 460,000</u>	<u>\$ 861,849</u>	<u>\$ 140,000</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 1,744,054</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 9 - Defined Benefit Pension Plan:

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provided that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$121,890 for the year ended December 31, 2017

Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,205,680. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 10 - Reimbursed Expenses:

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Note 11 - Sublease Agreement:

The City has entered into a sublease agreement with the Maize Recreation Commission for use of a portion of the City Hall building. Terms of the sublease agreement provide for payments by the Maize Recreation Commission based on the debt service schedule related to the Maize Public Building Commission Improvement Bonds. Future minimum payments under this agreement are as follows:

<u>Year ending December 31,</u>	
2018	\$ 152,995
2019	157,534
2020	161,657
2021	165,416
2022	169,558
Thereafter	<u>1,418,850</u>
	<u>\$2,226,010</u>

Note 12 - Capital Projects:

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Maize Industrial Park	\$ 979,800	\$ 663,465
Eagles Nest Phase 2B	\$ 545,000	\$ 350,791
Cypress Point Addition	\$ 1,854,000	\$ 184,600
119th Street Waterline	\$ 1,065,213	\$ 19,263
Wastewater Treatment Plan Expansion	<u>\$ 6,100,000</u>	<u>\$ 5,733,366</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 13 - Maize Public Building Commission:

As described in Note 1, the Maize Public Building Commission (MPBC) is a component unit of the City. As of December 31, 2017, all funds of the MPBC were held in trust by Security Bank of Kansas City and are invested in US Treasuries. All funds are received by Security Bank of Kansas City and disbursed as appropriate in accordance with a Trust Agreement between the MPBC and Security Bank of Kansas City.

Note 14 - Revenue Bond Reserve Requirements:

The City issued revenue bonds for the purpose of constructing a water distribution system and a wastewater treatment system.

Provisions of the bond ordinance make the following requirement for the Wastewater Treatment and Water Funds to assure profitable operation and timely repayment of debt by the establishment of rates that will produce revenues sufficient to:

- (a) Pay the cost of the operation and maintenance of the System.
- (b) Pay the principal of and interest on the revenue bonds as and when the same become due.
- (c) Enable the City to have in each fiscal year net revenues in an amount that will be not less than 110% of the debt service requirements required to be paid by the City for the current fiscal year on all Wastewater Fund and Water Fund revenue bonds at the time outstanding. For 2017, 110% of the debt service payments for the current fiscal year were \$362,567 for the water system and \$246,166 for the wastewater treatment system, while net revenues as calculated per the covenant were \$576,513 and \$409,946 respectively.
- (d) Provide reasonable and adequate reserves for the payment of the bonds and the interest thereon.

Note 15 - Compliance with Revenue Bond Ordinance:

The financial statement, together with the description of the revenue bond requirements in Note 14, indicate the Water Fund and the Wastewater Treatment Fund did meet all requirements for reserves and debt service, and the current rate structure does appear to have been adequate in 2017, to meet the requirements of K.S.A. 12-866 and K.S.A. 10-1208, as applicable.

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 16 - Conduit Debt:

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector and other entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying debt. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entities served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported in the accompanying financial statement.

As of December 31, 2017, there were two series of Industrial Revenue Bonds outstanding with an aggregate principal at the time of issuance of \$6,785,576 and an aggregate principal balance outstanding as of December 31, 2017, of \$5,818,315.

Note 17 - Tax Abatements:

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with three entities as of December 31, 2017:

Entity	Amount of Taxes Abated During the Fiscal Year
Maize Hotel, LLC	\$ 28,442
Aero-Tech Engineering, Inc.	22,549
Reiloy Westland Corporation	31,221
	\$ 82,212

The above agreements have been negotiated under K.S.A. 12-1740 et seq, which authorizes the City to issue industrial revenue bonds to pay for the costs of facilities used for commercial, industrial and manufacturing purposes. The City must prepare an analysis of the costs and benefits of each exemption and conduct a public hearing on the granting of such exemption. The notice of public hearing must be published at least seven days prior to the hearing in the official City newspaper.

Note 18 - Revolving Loan:

On September 1, 2016, the City entered into a Revolving Loan agreement with the Kansas Department of Health and Environment. The terms of the agreement provide \$6,100,000 for the purpose of upgrading the City's wastewater treatment plant. Repayment of the loan is based on forty-semi-annual payments commencing on September 1, 2018, in the amount of \$181,226.73 including interest at 1.74% with a final payment due March 1, 2038.

Program activity for the year ended December 31, 2017 is as follows:

Program reimbursements and outstanding loan balance \$ 2,911,334

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Note 19 - Long-Term Debt:

Principal payments are due annually and interest payments are due semi-annually on bond issues. Principal and interest payments are due annually for lease purchase payments.

Terms for long-term liabilities for the City for the year ended December 31, 2017, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2007 Series B	3.75 - 5.00	9/15/07	\$ 4,941,983	9/1/28
2013 Series A	2.00 - 4.00	3/28/13	\$ 3,840,000	9/1/33
2013 Series B	1.75 - 4.00	8/29/13	\$ 2,115,000	9/1/28
2014 Series A	2.00 - 4.25	11/26/14	\$ 2,795,000	10/1/34
2015 Series A	2.00 - 3.25	2/19/15	\$ 3,415,000	10/1/33
2015 Series B	1.00 - 2.00	8/31/15	\$ 740,000	10/1/22
2016 Series A	2.00 - 2.50	9/30/16	\$ 4,730,000	10/1/36
Revenue Bonds				
Wastewater System Refunding Series				
2012A	0.50 - 1.25	8/30/12	\$ 1,135,000	9/1/18
Water System Series 2014A				
	2.50 - 4.00	10/29/14	\$ 285,000	10/1/38
Wastewater System Series 2014A				
	2.50 - 4.00	10/29/14	\$ 995,000	10/1/38
Water System Refunding Series 2016A				
	2.00 - 3.00	7/7/16	\$ 4,125,000	8/1/31
Maize Public Building Commission				
2012A Improvement Revenue Bonds	1.00 - 2.00	10/30/12	\$ 300,000	11/1/22
2015A Improvement Revenue Bonds	1.00 - 2.125	10/1/15	\$ 1,050,000	10/1/25
2016A Refunding Revenue Bonds	2.00 - 2.50	4/28/16	\$ 3,965,000	5/1/31
Temporary Notes				
Series 2017A	1.70	11/29/17	\$ 4,260,000	10/1/20
Lease Purchase Agreements				
Street Sweeper	3.30	9/15/14	\$ 164,371	1/15/19
Water Meters	3.591	5/30/14	\$ 113,400	5/30/19

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2007 Series B	\$ 3,605,000	\$ 0	\$ 230,000	\$ 3,375,000	\$ 148,842
2013 Series A	3,385,000	0	170,000	3,215,000	109,600
2013 Series B	1,775,000	0	165,000	1,610,000	51,045
2014 Series A	2,715,000	0	45,000	2,670,000	97,983
2015 Series A	3,255,000	0	165,000	3,090,000	89,338
2015 Series B	585,000	0	105,000	480,000	9,800
2016 Series A	4,730,000	0	225,000	4,505,000	98,628
	<u>20,050,000</u>	<u>0</u>	<u>1,105,000</u>	<u>18,945,000</u>	<u>605,236</u>
Revenue Bonds					
Wastewater System Refunding					
Series 2012 A	325,000	0	220,000	105,000	3,787
Water System Series 2014A	285,000	0	0	285,000	9,775
Wastewater System Series 2014A	995,000	0	0	995,000	32,075
Water System Refunding					
Series 2016A	4,125,000	0	225,000	3,900,000	104,607
	<u>5,730,000</u>	<u>0</u>	<u>445,000</u>	<u>5,285,000</u>	<u>150,244</u>
Maize Public Building Commission					
2012A Improvement Revenue Bonds	180,000	0	30,000	150,000	3,450
2015A Improvement Revenue Bonds	950,000	0	100,000	850,000	18,281
2016A Refunding Revenue Bonds	3,965,000	0	105,000	3,860,000	84,272
	<u>5,095,000</u>	<u>0</u>	<u>235,000</u>	<u>4,860,000</u>	<u>106,003</u>
Temporary Notes					
Series 2017A	0	4,260,000	0	4,260,000	0
Lease Purchase Agreements					
Street Sweeper	99,655	0	32,146	67,509	0
Water Meters	70,425	0	22,652	47,773	0
	<u>170,080</u>	<u>0</u>	<u>54,798</u>	<u>115,282</u>	<u>0</u>
	<u>\$ 31,045,080</u>	<u>\$ 4,260,000</u>	<u>\$ 1,839,798</u>	<u>\$ 33,465,282</u>	<u>\$ 861,483</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017**

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	Principal						Interest						Total Principal and Interest
	General Obligation	Revenue Bonds	Maize Public Building Commission	Temporary Notes	Lease Purchase Agreements	Total Principal	General Obligation	Revenue Bonds	Maize Public Building Commission	Temporary Notes	Lease Purchase Agreements	Total Interest	
	Bonds	Bonds	Commission	Notes	Agreements	Total Principal	Bonds	Bonds	Commission	Notes	Agreements	Total Interest	
2018	\$ 1,155,000	\$ 345,000	\$ 240,000	\$ 0	\$ 56,672	\$ 1,796,672	\$ 577,372	\$ 135,931	\$ 101,681	\$ 60,752	\$ 3,943	\$ 879,679	\$ 2,676,351
2019	1,190,000	290,000	250,000	0	58,611	1,788,611	548,388	129,819	96,956	72,420	2,005	849,588	2,638,199
2020	2,930,000	295,000	275,000	4,260,000	0	7,760,000	520,213	123,969	91,956	72,420	0	808,558	8,568,558
2021	1,250,000	305,000	285,000	0	0	1,840,000	437,205	115,569	86,456	0	0	639,230	2,479,230
2022	1,275,000	310,000	375,000	0	0	1,960,000	404,257	107,569	80,757	0	0	592,583	2,552,583
2023 - 2027	5,475,000	1,680,000	1,825,000	0	0	8,980,000	1,519,812	418,844	290,282	0	0	2,228,938	11,208,938
2028 - 2032	4,400,000	1,575,000	1,610,000	0	0	7,585,000	671,660	208,762	98,025	0	0	978,447	8,563,447
2033 - 2037	1,270,000	395,000	0	0	0	1,665,000	68,938	66,562	0	0	0	135,500	1,800,500
2038 - 2042	0	90,000	0	0	0	90,000	0	3,600	0	0	0	3,600	93,600
	<u>\$ 18,945,000</u>	<u>\$ 5,285,000</u>	<u>\$ 4,860,000</u>	<u>\$ 4,260,000</u>	<u>\$ 115,283</u>	<u>\$ 33,465,283</u>	<u>\$ 4,747,845</u>	<u>\$ 1,310,625</u>	<u>\$ 846,113</u>	<u>\$ 205,592</u>	<u>\$ 5,948</u>	<u>\$ 7,116,123</u>	<u>\$ 40,581,406</u>

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental					
General	\$ 3,531,562	\$ 0	\$ 3,531,562	\$ 3,531,496	\$ (66)
Special Purpose Funds					
Consolidated Street	308,050	0	308,050	303,689	(4,361)
Capital Improvement	650,000	0	650,000	492,266	(157,734)
Maize Park Cemetery District	150,948	0	150,948	64,869	(86,079)
Equipment Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	134,634	XXXXXXXXXX
Law Enforcement Training	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,401	XXXXXXXXXX
Wastewater Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	24,397	XXXXXXXXXX
Water Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	30,158	XXXXXXXXXX
Water Bond Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Wastewater Bond Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Drug Tax	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Maize Public Building Commission	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	220,975	XXXXXXXXXX
Bond and Interest	2,425,096	0	2,425,096	2,304,661	(120,435)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,087,097	XXXXXXXXXX
Business					
Wastewater Treatment	807,752	0	807,752	807,752	0
Water	833,863	0	833,863	833,541	(322)
	<u>\$ 8,707,271</u>	<u>\$ 0</u>	<u>\$ 8,707,271</u>	<u>\$ 15,836,936</u>	<u>\$ (368,997)</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Ad valorem tax	\$ 1,547,775	\$ 1,604,272	\$ 1,620,000	\$ (15,728)
Delinquent tax	50,570	34,034	35,000	(966)
Motor vehicle tax	202,320	242,916	220,000	22,916
Sales tax	721,364	746,550	740,000	6,550
Transient guest tax	110,030	110,902	100,000	10,902
Liquor Tax	1,107	1,597	1,219	378
Franchise tax	369,239	378,033	363,500	14,533
Municipal court	83,826	122,913	131,415	(8,502)
Permits and licenses	260,487	166,902	125,535	41,367
Interest	2,253	7,446	5,500	1,946
Other	20,123	26,444	54,124	(27,680)
Transfers	0	60,205	79,000	(18,795)
	<u>3,369,094</u>	<u>3,502,214</u>	<u>\$ 3,475,293</u>	<u>\$ 26,921</u>
Expenditures				
City council	29,345	30,042	\$ 29,050	\$ 992
Administration	332,044	334,053	326,899	7,154
Police department	664,768	730,498	720,435	10,063
Municipal court	102,962	115,813	112,244	3,569
Community facilities	69,235	74,701	66,798	7,903
Non-Departmental				
Employee benefits	590,569	601,715	659,095	(57,380)
Utilities	24,963	22,507	25,000	(2,493)
Community services	16,787	11,907	11,852	55
Building inspections	57,343	23,846	35,000	(11,154)
Planning & zoning	90,511	101,815	97,000	4,815
Audit	15,600	15,900	15,900	0
Economic development	6,530	8,111	6,433	1,678
Park & tree board	14,792	40,735	20,000	20,735
Senior services	892	253	500	(247)
City Hall/Public Works lease payment	261,159	233,429	233,441	(12)
Transfers	858,000	750,000	750,000	0
Transient guest tax rebate	110,030	110,902	100,000	10,902
Housing grant	273,369	314,386	300,000	14,386
Commercial incentive	11,908	10,757	10,757	0
Miscellaneous	194	126	11,158	(11,032)
	<u>3,531,001</u>	<u>3,531,496</u>	<u>\$ 3,531,562</u>	<u>\$ (66)</u>
Receipts Over (Under) Expenditures	(161,907)	(29,282)		
Unencumbered Cash, Beginning	388,912	227,005		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 227,005</u>	<u>\$ 197,723</u>		

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Consolidated Street Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
County gas tax	\$ 48,766	\$ 52,453	\$ 46,640	\$ 5,813
State gas tax	112,024	117,339	105,710	11,629
Transfers	140,000	150,000	150,000	0
Other	<u>2,651</u>	<u>3,595</u>	<u>0</u>	<u>3,595</u>
	<u>303,441</u>	<u>323,387</u>	<u>\$ 302,350</u>	<u>\$ 21,037</u>
Expenditures				
Operating expenditures	<u>300,686</u>	<u>303,689</u>	<u>\$ 308,050</u>	<u>\$ (4,361)</u>
	<u>300,686</u>	<u>303,689</u>	<u>\$ 308,050</u>	<u>\$ (4,361)</u>
Receipts Over (Under) Expenditures	2,755	19,698		
Unencumbered Cash, Beginning	150,978	153,733		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 153,733</u>	<u>\$ 173,431</u>		

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

<u>Capital Improvement Fund</u>	<u>Prior Year</u>		<u>Current Year</u>		Variance - Over (Under)
	Actual	Actual	Actual	Budget	
Cash Receipts					
Delinquent tax	\$ 0	\$ 2	\$ 0	\$ 0	\$ 2
Transfers	488,000	460,000	460,000	460,000	0
Interest	2,859	9,449	2,000	2,000	7,449
Other	166	65,115	0	0	65,115
	<u>491,025</u>	<u>534,566</u>	<u>\$ 462,000</u>	<u>\$ 462,000</u>	<u>\$ 72,566</u>
Expenditures					
Capital outlay	632,484	492,266	\$ 650,000	\$ 650,000	\$ (157,734)
	<u>632,484</u>	<u>492,266</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ (157,734)</u>
Receipts Over (Under) Expenditures	(141,459)	42,300			
Unencumbered Cash, Beginning	229,708	88,249			
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>			
Unencumbered Cash, Ending	<u>\$ 88,249</u>	<u>\$ 130,549</u>			

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Maize Park Cemetery District Fund</u>	<u>Prior Year</u>		<u>Current Year</u>		Variance - Over (Under)
	Actual	Actual	Actual	Budget	
Cash Receipts					
Ad valorem tax	\$ 7,762	\$ 8,105	\$ 8,408		\$ (303)
Delinquent tax	207	181	0		181
Motor vehicle tax	1,130	1,263	1,060		203
Lot sales	20,010	7,050	6,500		550
Internments	6,475	6,300	6,000		300
Interest	618	1,544	200		1,344
Other	2,424	975	500		475
	<u>38,626</u>	<u>25,418</u>	<u>\$ 22,668</u>		<u>\$ 2,750</u>
Expenditures					
Operating expenditures	<u>48,515</u>	<u>64,869</u>	<u>\$ 150,948</u>		<u>\$ (86,079)</u>
	<u>48,515</u>	<u>64,869</u>	<u>\$ 150,948</u>		<u>\$ (86,079)</u>
Receipts Over (Under) Expenditures	(9,889)	(39,451)			
Unencumbered Cash, Beginning	157,246	147,357			
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>			
Unencumbered Cash, Ending	<u>\$ 147,357</u>	<u>\$ 107,906</u>			

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Bond and Interest Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Ad valorem tax	\$ 3,302	\$ 71,574	\$ 70,544	\$ 1,030
Delinquent tax	3,017	306	1,500	(1,194)
Motor vehicle tax	23,283	1,406	0	1,406
Special assessments	1,560,207	1,422,042	1,600,000	(177,958)
Transfers	684,020	861,849	662,588	199,261
Interest	656	2,192	500	1,692
	<u>2,274,485</u>	<u>2,359,369</u>	<u>\$ 2,335,132</u>	<u>\$ 24,237</u>
Expenditures				
Principal	1,475,000	1,550,000	\$ 1,530,000	\$ 20,000
Interest	909,033	754,661	775,096	(20,435)
Cash basis reserve	0	0	120,000	(120,000)
	<u>2,384,033</u>	<u>2,304,661</u>	<u>\$ 2,425,096</u>	<u>\$ (120,435)</u>
Receipts Over (Under) Expenditures	(109,548)	54,708		
Unencumbered Cash, Beginning	227,695	118,147		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 118,147</u>	<u>\$ 172,855</u>		

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Wastewater Treatment Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
User fees	\$ 730,566	\$ 773,446	\$ 750,000	\$ 23,446
Installation fees	152,497	107,100	105,000	2,100
Interest	3,058	10,104	7,500	2,604
Other	66	980	980	0
	<u>886,187</u>	<u>891,630</u>	<u>\$ 863,480</u>	<u>\$ 28,150</u>
Expenditures				
Operating expenses	492,305	481,684	\$ 474,889	\$ 6,795
Transfers	270,863	326,068	332,863	(6,795)
	<u>763,168</u>	<u>807,752</u>	<u>\$ 807,752</u>	<u>\$ 0</u>
 Receipts Over (Under) Expenditures	 123,019	 83,878		
 Unencumbered Cash, Beginning	 598,096	 721,115		
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 721,115</u>	 <u>\$ 804,993</u>		

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Water Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
User fees	\$ 692,695	\$ 774,571	\$ 718,000	\$ 56,571
Hook on fees	140,482	96,845	108,000	(11,155)
Turn on fees	13,395	10,848	12,000	(1,152)
Interest	859	2,837	2,000	837
Other	60,730	56,227	53,778	2,449
	<u>908,161</u>	<u>941,328</u>	<u>\$ 893,778</u>	<u>\$ 47,550</u>
 Expenditures				
Operating expenses	370,099	364,816	\$ 353,138	\$ 11,678
Transfers	438,038	468,725	480,725	(12,000)
	<u>808,137</u>	<u>833,541</u>	<u>\$ 833,863</u>	<u>\$ (322)</u>
 Receipts Over (Under) Expenditures	100,024	107,787		
 Unencumbered Cash, Beginning	433,098	533,122		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 533,122</u>	<u>\$ 640,909</u>		

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

Equipment Reserve Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 230,000	\$ 140,000
Interest	<u>257</u>	<u>825</u>
	<u>230,257</u>	<u>140,825</u>
 Expenditures		
Equipment	<u>248,481</u>	<u>134,634</u>
	<u>248,481</u>	<u>134,634</u>
 Receipts Over (Under) Expenditures	 (18,224)	 6,191
 Unencumbered Cash, Beginning	 114,563	 96,339
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 96,339</u>	 <u>\$ 102,530</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Law Enforcement Training Fund</u>	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Training funds	\$ 4,050	\$ 7,370
	<u>4,050</u>	<u>7,370</u>
Expenditures		
Training	<u>1,772</u>	<u>1,401</u>
	<u>1,772</u>	<u>1,401</u>
Receipts Over (Under) Expenditures	2,278	5,969
Unencumbered Cash, Beginning	1,269	3,547
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 3,547</u>	<u>\$ 9,516</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

Wastewater Reserve Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 33,000	\$ 36,000
Other	<u>25,000</u>	<u>49,333</u>
	<u>58,000</u>	<u>85,333</u>
Expenditures		
Equipment	<u>23,388</u>	<u>24,397</u>
	<u>23,388</u>	<u>24,397</u>
Receipts Over (Under) Expenditures	34,612	60,936
Unencumbered Cash, Beginning	133,386	167,998
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 167,998</u>	<u>\$ 228,934</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

Water Reserve Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 33,000	\$ 36,000
Other	<u>25,000</u>	<u>0</u>
	<u>58,000</u>	<u>36,000</u>
 Expenditures		
Equipment	<u>0</u>	<u>30,158</u>
	<u>0</u>	<u>30,158</u>
 Receipts Over (Under) Expenditures	 58,000	 5,842
 Unencumbered Cash, Beginning	 113,149	 171,149
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 171,149</u>	 <u>\$ 176,991</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

Water Bond Reserve Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	268,000	268,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 268,000</u>	<u>\$ 268,000</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Wastewater Bond Reserve Fund</u>	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	147,800	147,800
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 147,800</u>	<u>\$ 147,800</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

<u>Drug Tax Fund</u>	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Other	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Equipment and commodities	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	2,405	2,405
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 2,405</u>	<u>\$ 2,405</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

Maize Public Building Commission Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Investment earnings	\$ 96	\$ 39
Other revenue	<u>323,078</u>	<u>223,857</u>
	<u>323,174</u>	<u>223,896</u>
 Expenditures		
Fees	72,178	0
Principal	130,000	135,000
Interest	<u>139,731</u>	<u>85,975</u>
	<u>341,909</u>	<u>220,975</u>
 Receipts Over (Under) Expenditures	 (18,735)	 2,921
 Unencumbered Cash, Beginning	 18,735	 0
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 0</u>	 <u>\$ 2,921</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)**

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Bond proceeds	\$ 1,043,837	\$ 0
Temporary note proceeds	0	4,241,895
KDHE loan proceeds	<u>0</u>	<u>2,911,334</u>
	<u>1,043,837</u>	<u>7,153,229</u>
 Expenditures		
Construction/engineering costs	461,415	6,862,987
Other costs	238,182	24,849
Transfers	<u>41,119</u>	<u>199,261</u>
	<u>740,716</u>	<u>7,087,097</u>
 Receipts Over (Under) Expenditures	 303,121	 66,132
 Unencumbered Cash, Beginning	 (682,325)	 (379,204)
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>
 Unencumbered Cash, Ending	 <u>\$ (379,204)</u>	 <u>\$ (313,072)</u>

**CITY OF MAIZE FINANCIAL REPORTING ENTITY
 SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Municipal Court	\$ 27,413	\$ 33,686	\$ 19,909	\$ 41,190
Cafeteria Plan	(930)	18,219	16,742	547
	<u>\$ 26,483</u>	<u>\$ 51,905</u>	<u>\$ 36,651</u>	<u>\$ 41,737</u>

CITY OF MAIZE, KANSAS
MAIZE PUBLIC BUILDING COMMISSION
SUMMARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF MAIZE, KANSAS
MAIZE PUBLIC BUILDING COMMISSION
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FOR THE YEAR ENDED DECEMBER 31, 2017**

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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Maize, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statement of the **City of Maize, Kansas**, as of and for the year ended **December 31, 2017**, (not presented herein), which collectively comprise the City's financial statement and have issued our report thereon dated March 28, 2018.

As explained in Note 1, the accompanying summary financial information of the **City of Maize, Kansas** for the year ended **December 31, 2017**, as listed in the table of contents is not a presentation in conformity with the regulatory basis of accounting. In our opinion, the accompanying summary financial information is fairly stated, in all material respects, in relation to the portion of the financial statement from which it has been derived.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
March 28, 2018

**CITY OF MAIZE, KANSAS
MAIZE PUBLIC BUILDING COMMISSION
SUMMARY FINANCIAL INFORMATION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

Reimbursements	\$ 343,885
Investment Earnings	<u>39</u>
	<u>343,924</u>

Expenditures

Principal	235,000
Interest	<u>106,003</u>
	<u>341,003</u>

Unencumbered Cash, Ending	<u><u>\$ 2,921</u></u>
---------------------------	------------------------

The notes to the summary financial information are an integral part of this statement.

**CITY OF MAIZE, KANSAS
MAIZE PUBLIC BUILDING COMMISSION
SUMMARY FINANCIAL INFORMATION
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2017**

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance	Additions	Reductions/ Payments	Ending Balance	Interest
Series 2012A Improvement Revenue Bonds	1.00 - 2.00	10/30/12	\$ 300,000	11/1/22	\$ 180,000	\$ 0	\$ 30,000	\$ 150,000	\$ 3,450
Series 2015A Improvement Revenue Bonds	1.00 - 2.125	10/1/15	\$ 1,050,000	10/1/25	950,000	0	100,000	850,000	18,281
Series 2016A Refunding Revenue Bonds	2.00 - 2.50	4/28/16	\$ 3,965,000	5/1/31	3,965,000	0	105,000	3,860,000	84,272
					<u>\$ 5,095,000</u>	<u>\$ 0</u>	<u>\$ 235,000</u>	<u>\$ 4,860,000</u>	<u>\$ 106,003</u>

The notes to the summary financial information are an integral part of this statement.

**CITY OF MAIZE, KANSAS
 MAIZE PUBLIC BUILDING COMMISSION
 SUMMARY FINANCIAL INFORMATION
 SCHEDULE OF MATURITY OF LONG-TERM DEBT
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 - 2027</u>	<u>2028 - 2032</u>	<u>Total</u>
Principal	\$ 240,000	\$ 250,000	\$ 275,000	\$ 285,000	\$ 375,000	\$ 1,825,000	\$ 1,610,000	\$ 4,860,000
Interest	<u>101,681</u>	<u>96,956</u>	<u>91,956</u>	<u>86,457</u>	<u>80,756</u>	<u>290,282</u>	<u>98,025</u>	<u>846,113</u>
Total Principal and Interest	<u>\$ 341,681</u>	<u>\$ 346,956</u>	<u>\$ 366,956</u>	<u>\$ 371,457</u>	<u>\$ 455,756</u>	<u>\$ 2,115,282</u>	<u>\$ 1,708,025</u>	<u>\$ 5,706,113</u>

The notes to the summary financial information are an integral part of this statement.

**CITY OF MAIZE, KANSAS
MAIZE PUBLIC BUILDING COMMISSION
NOTES TO THE SUMMARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The City of Maize is a municipal corporation governed by an elected Mayor and City Council. The accompanying summary financial information is for the Maize Public Building Commission which is a component unit of the City of Maize. All funds of the Maize Public Building Commission were held in trust by Security Bank of Kansas City and are invested in US Treasuries. All funds are received by Security Bank of Kansas City and disbursed as appropriate in accordance with a Trust Agreement between the MPBC and Security Bank of Kansas City.

Statutory Basis of Accounting

The regulatory basis of accounting, as used in the preparation of the summary financial information, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, APRIL 16, 2018**

AGENDA ITEM #10B

ITEM: Amending Industrial Revenue Bonds Resolution

BACKGROUND:

On October 16, 2017 Clovis and Sueli Ribas, owners of Shuttle Aerospace, requested the City issue industrial revenue bonds to finance the costs of the acquisition, construction and equipping of a new manufacturing facility in Maize.

The Council passed Resolution #599-17 (*attached*) approving the advisability of issuing taxable industrial revenue bonds for the purpose of financing the acquisition, construction, and equipping of the new manufacturing facility in an amount not to exceed \$3,200,000. The Resolution also approved an overall average 77.0% tax abatement on bond-financed property for a period of ten years.

On April 10, 2018 a meeting with Bill Johnson, *President of Derby Property, LLC*, Kim Bell, *Maize Bond Council*, city staff and others was conducted. Derby Property, LLC outlined a proposal to move the project forward that includes constructing the new facility and a lease of the facility to Shuttle Aerospace, Inc.

To accomplish this change in ownership of the building, Resolution #599-17 requires an amendment to approve Derby Property, LLC, as the IRB tenant and Shuttle Aerospace, Inc. as the subtenant and operator of the facility.

In Summary:

- Derby Property, LLC will buy the land and build the facility.
- Derby Property, LLC will sub-lease to Shuttle Aerospace, Inc. who will buy the equipment and run the business.

FINANCIAL CONSIDERATIONS:

The City will act as a conduit issuer of the proposed industrial revenue bonds and would have no financial obligation for payment of the bonds.

LEGAL CONSIDERATIONS:

Bond Counsel prepared the resolution and approves it as to form.

RECOMMENDATION/ACTION:

Approve the amending resolution to determine the advisability of issuing taxable industrial revenue bonds for the purpose of financing the acquisition, construction, and equipping a commercial facility in Maize.

RESOLUTION NO. [_____]

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF MAIZE, KANSAS AMENDING RESOLUTION NO. 599-17 DETERMINING THE ADVISABILITY OF ISSUING INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MANUFACTURING FACILITY TO BE LOCATED IN SAID CITY; AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

WHEREAS, the City of Maize, Kansas (the "Issuer") desires to promote, stimulate and develop the general economic welfare and prosperity of the City of Maize, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the "Act"), the Issuer is authorized to issue revenue bonds for such purposes; and

WHEREAS, the City Council of the Issuer (the "Governing Body") has heretofore by Resolution No. 599-17 adopted October 16, 2017 (the "Prior Resolution") found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that revenue bonds of the Issuer in the not to exceed principal amount of \$3,200,000 be authorized and issued, in one or more series, to provide funds to pay the costs of the acquisition, construction and equipping of a manufacturing facility (the "Project") to be located in the Issuer; and

WHEREAS, the Prior Resolution provided that the Project would be leased by the Issuer to Suprema Holdings LLC, a Kansas limited liability company and subleased to Shuttle Aerospace, Inc., a Kansas corporation; and

WHEREAS, Shuttle Aerospace, Inc. has requested that the Project be leased to Derby Property, LLC and subleased to Shuttle Aerospace, Inc.; and

WHEREAS, in order to approve such request, the Governing Body hereby finds and determines it necessary to amend the Prior Resolution, as hereinafter set forth.

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

Section 1. Amendment to Section 3. *Section 3* of the Prior Resolution is hereby amended to read as follows:

Section 3. Conditions to Issuance of Bonds. The issuance of the Bonds is subject to: (a) the passage of an ordinance authorizing the issuance of the Bonds; (b) the successful negotiation of a Lease between the Issuer and Derby Property, LLC, as Tenant (the "Tenant") and a sublease between the Tenant and Shuttle Aerospace, Inc., as subtenant and operator of the Project (the "Subtenant"); (c) the successful negotiation of a Trust Indenture, Guaranty Agreement, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually

satisfactory to the Issuer, the Tenant and the Subtenant; (d) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet to be determined (the "Purchaser"), which sale shall be the responsibility of the Tenant and not the Issuer; (e) the receipt of the approving legal opinion of Gilmore & Bell, P.C. ("Bond Counsel") in form acceptable to the Issuer, the Tenant, the Subtenant and the Purchaser; (f) the obtaining of all necessary governmental approvals to the issuance of the Bonds; and (g) the commitment to and payment by the Tenant or Purchaser of all expenses relating to the issuance of the Bonds, including, but not limited to: (i) expenses of the Issuer and the Issuer's Attorney; (ii) any underwriting or placement fees and expenses; (iii) all legal fees and expenses of Bond Counsel; and (iv) all recording and filing fees, including fees of the Kansas Board of Tax Appeals.

Section 2. Amendment to Section 4. *Section 4* of the Prior Resolution is hereby amended to read as follows:

Section 4. Property Tax Exemption and Payment in Lieu of Taxes. The Issuer hereby determines that pursuant to the provisions of K.S.A. 79-201a, the Project, to the extent purchased or constructed with the proceeds of the Bonds, should be exempt from payment of ad valorem property taxes for ten years commencing with the year following the year in which the initial issuance of Bonds is made, provided proper application is made therefor; provided no exemption may be granted from the ad valorem property tax levied by a school district pursuant to the provisions of K.S.A. 72-8801, and amendments thereto. In making such determination the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d. The Tenant is responsible for preparing such application and providing the same to the Issuer for its review and submission to the State Board of Tax Appeals. The tax exemption granted is subject to the execution and delivery by the Tenant of an agreement for payment in lieu of taxes in substantially the form presented to the governing body of the Issuer with the Prior Resolution; provided, however, the Issuer reserves the right to increase such payment in lieu of taxes to up to 100% in the event the Project ceases to be operated by the Subtenant at any time during the ten-year abatement period.

Section 3. Repealer; Ratification. *Sections 3* and *4* of the Prior Resolution are hereby repealed and the rest and remainder thereof is hereby ratified and confirmed; provided, however, that all references to the Tenant shall refer to Derby Property, LLC.

Section 4. Effective Date. This resolution shall become effective upon adoption by the Governing Body.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the Governing Body of the City of Maize, Kansas on April 16, 2018.

[SEAL]

Mayor

Attest:

City Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the Issuer adopted by the governing body on April 16, 2018, as the same appears of record in my office.

DATED: _____ 2018.

City Clerk

RESOLUTION NO. 599-17

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF MAIZE, KANSAS DETERMINING THE ADVISABILITY OF ISSUING INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A MANUFACTURING FACILITY TO BE LOCATED IN SAID CITY; AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

WHEREAS, the City of Maize, Kansas (the "Issuer") desires to promote, stimulate and develop the general economic welfare and prosperity of the City of Maize, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the "Act"), the Issuer is authorized to issue revenue bonds for such purposes, and it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that revenue bonds of the Issuer in the not to exceed principal amount of \$3,200,000 be authorized and issued, in one or more series, to provide funds to pay the costs of the acquisition, construction and equipping of a manufacturing facility (the "Project") to be located in the Issuer and to be leased by the Issuer to Suprema Holdings LLC, a Kansas limited liability company (the "Tenant") and subleased to Shuttle Aerospace, Inc., a Kansas corporation (the "Subtenant").

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

Section 1. **Public Purpose.** The governing body of the Issuer hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. **Authorization to Acquire Project; Intent to Issue Bonds.** The Issuer is hereby authorized to proceed with the acquisition, construction and equipping of the Project and to issue its revenue bonds, in one or more series, in the not to exceed principal amount of \$3,200,000 (the "Bonds") to pay the costs thereof, subject to satisfaction of the conditions of issuance set forth herein. Such Bonds may be issued as a single series with multiple annual draws until the expiration of this Resolution.

Section 3. **Conditions to Issuance of Bonds.** The issuance of the Bonds is subject to: (a) the passage of an ordinance authorizing the issuance of the Bonds; (b) the successful negotiation of a Trust Indenture, Guaranty Agreement, Lease, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually satisfactory to the Issuer and the Tenant; (c) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet to be determined (the "Purchaser"), which sale shall be the responsibility of the Tenant and not the Issuer; (d) the receipt of the approving legal opinion of Gilmore & Bell, P.C. ("Bond Counsel") in form acceptable to the Issuer, the Tenant and the Purchaser; (e) the obtaining of all necessary governmental approvals to the issuance of the Bonds; (f) the commitment to and payment by the Tenant or Purchaser of all expenses relating to the issuance of the Bonds, including, but not limited to: (i) expenses of the Issuer and the Issuer Attorney; (ii) any underwriting or placement fees and expenses; (iii) all legal fees and expenses of Bond

Counsel; and (iv) all recording and filing fees, including fees of the Kansas Board of Tax Appeal and Kansas Department of Commerce; and (g) the execution and delivery by the Tenant of an agreement for payment in lieu of taxes in substantially the form presented to the governing body of the Issuer with this Resolution.

Section 4. Property Tax Exemption and Payment in Lieu of Taxes. The Issuer hereby determines that pursuant to the provisions of K.S.A. 79-201a, the Project, to the extent purchased or constructed with the proceeds of the Bonds, should be exempt from payment of ad valorem property taxes for ten years commencing with the year following the year in which the initial issuance of Bonds is made, provided proper application is made therefor; provided no exemption may be granted from the ad valorem property tax levied by a school district pursuant to the provisions of K.S.A. 72-8801, and amendments thereto. In making such determination the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d. The Tenant is responsible for preparing such application and providing the same to the Issuer for its review and submission to the State Board of Tax Appeals. The tax exemption granted is subject to the execution and delivery by the Tenant of an agreement for payment in lieu of taxes in substantially the form presented to the governing body of the Issuer with this Resolution.

Section 5. Sales Tax Exemption. The Governing Body hereby determines that pursuant to the provisions of K.S.A. 79-3601 *et seq.* (the “Sales Tax Act”), particularly 79-3606(b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Project and financed with proceeds of the Bonds are entitled to exemption from the tax imposed by the Sales Tax Act; provided proper application is made therefore. In the event that the Bonds are not issued for any reason, the Tenant will not be entitled to a sales tax exemption under the terms of the Sales Tax Act and will remit to the State Department of Revenue all sales taxes that were not paid due to reliance on the sales tax exemption certificate granted hereunder.

Section 6. Reliance by Tenant; Limited Liability of Issuer. It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Tenant may incur temporary indebtedness or expend its own funds to pay costs of the Project prior to the issuance of the Bonds. Proceeds of Bonds may be used to reimburse the Tenant for such expenditures made not more than 60 days prior to the date this Resolution is adopted. The Bonds herein authorized and all interest thereon shall be paid solely from the revenues to be received by the Issuer from the Project and not from any other fund or source. The Issuer shall not be obligated on such Bonds in any way, except as herein set out. In the event that the Bonds are not issued, the Issuer shall have no liability to the Tenant.

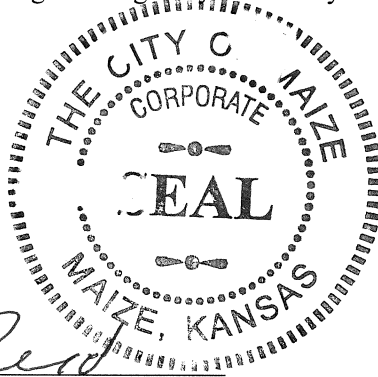
Section 7. Further Action. The Clerk is hereby authorized to deliver an executed copy of this Resolution to the Tenant. The Mayor, Clerk and other officials and employees of the Issuer, including the Issuer’s counsel and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution, including, but not limited to: (a) cooperate with the Tenant in filing an application for a sales tax exemption certificate with the Kansas Department of Revenue with respect to Bond-financed property; (b) execution on behalf of the Issuer of the information statement regarding the proposed issuance of the Bonds to be filed with the State Board of Tax Appeals pursuant to the Act; and (c) execution of an application to the Kansas Secretary of Commerce & Housing for a private activity bond allocation in accordance with the Kansas Private Activity Bond Allocation Act, K.S.A. 74-5058 *et seq.*

Section 8. Effective Date. This resolution shall become effective upon adoption by the Governing Body and shall remain in effect until December 31, 2022, unless extended by affirmative vote of a majority of the Governing Body.

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ADOPTED by the governing body of the City of Maize, Kansas on October 16, 2017.

[SEAL]



David E. Randall

Mayor

Attest:

Judy Reid

City Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the Issuer adopted by the governing body on October 16, 2017, as the same appears of record in my office.

DATED: October 16 2017.

Judy Reid

City Clerk

**MAIZE CITY COUNCIL
REGULAR MEETING
MONDAY, APRIL 16, 2018**

AGENDA ITEM # 10C

ITEM: MAYOR'S APPOINTMENT TO PARK AND TREE BOARD

BACKGROUND:

Staff is recommending Maren Breit to fill the vacant Park and Tree Board position left by Jennifer Herington. Maren has been a resident of Maize since 1978 when she moved here from Overland Park with her husband and young children. All three of their children attended and graduated from the Maize school system.

After her husband Jim passed away several years ago, Maren fulfilled a dream to become a Master Gardener through the Sedgwick County Extension office in 2016. In her position as a Master Gardener, she volunteers at the Community Garden at the Robert Dole VA Medical Center, Extension events and cares for the grounds around the Extension building. Maren has attended and volunteered at many Maize Park and Tree Board meetings and events. She feels passionately about using her skills to benefit the Maize community.

FINANCIAL CONSIDERATIONS:

None.

LEGAL CONSIDERATIONS:

None.

RECOMMENDATION/ACTION:

Approve the Mayor's appointment of Maren Breit to the Park and Tree Board through May 2021.

April 2018



Monthly Council Report

Department Highlights

- Overall Department activities are functioning normal.
- All officers of the department participated in active shooter training. The training was held over spring break at Maize South high school. Members of the Sumner County SWAT team instructed the training. Training consisted of deployment and response tactics and used “Live fire” scenarios. These scenarios included the use of specially modified handguns that shot paint marker rounds and real life based scenarios using armed actors. The training was very timely and provided officers a good refresher on tactics and response to active workplace and school shootings.
- Officers have been working on theft cases involving the theft of batteries from Cox Communication service boxes and late nights thefts from donated items at Goodwill.
- DUI arrests have also increased as the weather warms up.

Budget status: 26/100%

Major purchases: None

Current Staff Levels.

11 Full-time

2 Part-time

1 Reserve

3 Reserve -Vacant

Monthly Activities

March Police Reports - 295

March calls for service– 670

Community Policing:

Registration started for 911 Camps.

PUBLIC WORKS REPORT 4-10-18

Regular Work

- Graded 61st and north Tyler Road, as well as 45th street, and Hidden Acres Rd. a couple of times this past month.
- Picked up seven of loads of brush for the elderly and disabled. Had about 20 loads of brush come in April 7, 2018.
- Had about 150 locates this past month.
- Had a few requests for services (high water usage, stop signs and other signs down) etc.

Special Projects

- The concrete flume on Heather has been completed, back-filled and the ditch to the east has been cleaned and finished.
- The ball field is finished and we are now in the process of planting some trees for the Arbor Celebration. We have staked out and will purchase 9 trees to plant along the south side of the old ball field for that day.
- Installed border around toddler swing set and put in new rubber mulch as well.
- Andale paving has completed the stabilization and paving of 33rd and north part of Lola. Everything is done, back-filled, and all mailboxes re-installed. Looks really nice and drives great.
- We are working on a plan to repair 37th St between Maize and 119th. Getting core samples done on 37th and on Academy just to know what we are dealing with and how to remedy the situation for the future good of the street.
- The WWTP is coming along nicely. We still have a few situations to work through but the sewage is now flowing into the new basin, the screen is operating, the SCADA is being installed and should be finished soon so that most everything is automated and calls for emergencies are activated. The old basin is nearly emptied and each section is being cleaned as it is emptied. Soon they will be taking out all the old air and water lines and installing all new parts in the old basin to make it much more efficient.
- Graber is done with their part of the pond repairs by City Hall. We are in the process of planting native short grasses and wildflower seed and cover the entire top with curlex to hold the seed until it germinates. It should look different in a few months, and hold some water.

Ron Smothers

Public Works Director

City Engineer's Report

4/16/2018

Copper Creek Apartments

Framers are on site. They will start with the first unit's garages so that they have a secure place to store their tools and equipment during the construction of the apartment. An asphalt access to the site has been installed.

Kyodo Yushi

We will present the latest video of construction at the meeting.

Cypress Point

Storm and Sanitary Sewers are being installed. Grading of the site is completed.

PLANNING ADMINISTRATOR'S REPORT

DATE: April 16, 2018

TO: Maize City Council and Mayor

FROM: Kim Edgington, Planning Administrator

RE: Regular April Council Meeting

The following is a summary intended to keep the Council apprised of the status of ongoing planning projects.

1. Comprehensive Plan Update – Gould Evans is currently preparing another survey to further refine the plan and accurately reflect the vision of the community. Graham Smith from Gould Evans presented a first draft document and gathered more input from the Planning Commission at their March meeting. Gould Evans is tentatively scheduled to present more findings at the June Planning Commission meeting.
2. Zone change for Atwoods Farm and Home store – the property owner has filed a zone change to Limited Commercial and a Community Unit Plan request for 9.47 acres on the west side of Maize Road ¼ mile south of 45th Street. The Planning Commission reviewed this case at their April 5th meeting and recommended approval of the zone change request and Community Unit Plan with conditions as presented by Staff. The required protest period does not expire until April 20th, therefore the request will be on the May Council agenda for final review.
3. May Planning Commission meeting – the May Planning Commission meeting date has been moved from May 3rd to May 10th. Currently there are no cases filed and if there are none then the Planning Commission will not meet in May. Staff will update the Council on whether or not the Planning Commission will be meeting.
4. General planning issues – I continue to meet, both on the phone and in person, with citizens and developer's representatives requesting information on general planning matters, such as what neighboring property owners are planning to do, what they are allowed to do on their property, and what the process is for submitting various applications and materials to the Planning Commission.



**City Clerk Report
REGULAR COUNCIL MEETING
April 15, 2018**

Year to date status (Through 03/31/18):

General Fund –			
	Budget	YTD	
Rev.	\$3,511,343	\$1,646,571	45.72%
Exp.	\$3,716,847	\$ 983,931	26.47%
Streets –			
Rev.	\$309,380	\$ 81,193	26.24%
Exp.	\$310,050	\$ 89,744	28.94%
Wastewater Fund-			
Rev.	\$798,000	\$ 239,304	29.99%
Exp.	\$798,000	\$ 181,063	22.69%
Water Fund-			
Rev.	\$822,000	\$ 236,508	28.77%
Exp.	\$822,000	\$ 191,726	23.32%

Health & Dental Benefits

Per Council's request, here are the 2018 numbers (through 03/31/2018) for employee health, dental, and life (including accidental death and short-term disability).

	<u>City Portion</u>	<u>Employee Portion</u>	<u>Total Paid</u>
Health:	\$ 70,688.12	\$ 17,676.88	\$ 88,365.00
Dental:	5,408.18	1,351.50	6,759.68
Life:	<u>3,031.76</u>	<u>0</u>	<u>3,031.76</u>
	\$ 79,128.06	\$ 19,028.38	\$ 98,156.44

CAPITAL PROJECTS

**Temp Notes
Series A
2017**

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/17	Expenditures 1/1/18 thru 3/31/18	Total Expenditures	Resolution Authorization Less Expenditures
Eagles Nest Phase 2B Water	05	585-16	\$ 123,000.00	\$ 95,278.15	\$ 18.00	\$ 95,296.15	\$ 27,703.85
Eagles Nest Phase 2B Paving	05	586-16	\$ 422,000.00	\$ 298,253.52	\$ 18.00	\$ 298,271.52	\$ 123,728.48
Maize Industrial Park 2nd Paving	05	591-17	\$ 843,800.00	\$ 408,826.81	\$ 241,890.92	\$ 650,717.73	\$ 193,082.27
Maize Industrial Park 2nd Water	05	592-17	\$ 60,200.00	\$ 54,374.38	\$ 249.66	\$ 54,624.04	\$ 5,575.96
Maize Industrial Park 2nd Sewer	05	593-17	\$ 75,800.00	\$ 49,855.58	\$ 249.66	\$ 50,105.24	\$ 25,694.76
Cypress Point Water	05	595-17	\$ 138,000.00	\$ 3,784.52	\$ 13,006.72	\$ 16,791.24	\$ 121,208.76
Cypress Point Sewer	05	596-17	\$ 694,000.00	\$ 3,784.52	\$ 47,106.72	\$ 50,891.24	\$ 643,108.76
Cypress Point Paving	05	594-17	\$ 1,022,000.00	\$ 3,784.52	\$ 85,182.72	\$ 88,967.24	\$ 933,032.76
119th Street Water	05	597-17	\$ 1,065,213.00	\$ 43,110.70	\$ 57,506.01	\$ 100,616.71	\$ 964,596.29
Totals			\$ 4,444,013.00	\$ 961,052.70	\$ 445,228.41	\$ 1,406,281.11	\$ 375,785.32

**Projects w/o
Temp Notes**

Project	Fund	Resolution of Advisability	Total Resolution Amount	Expenditures thru 12/31/17	Expenditures 1/1/18 thru 3/31/18	Total Expenditures	Resolution Authorization Less Expenditures
Hampton Lakes 3rd Sewer	05	588-16	\$ 110,000.00	\$ 10,652.81	\$ 55,995.00	\$ 66,647.81	\$ 43,352.19
Totals			\$ 110,000.00	\$ 10,652.81	\$ 55,995.00	\$ 66,647.81	\$ 43,352.19

KDHE Project	Fund	Ordinance	Total Resolution Amount	Expenditures thru 12/31/17	Expenditures 1/1/18 thru 3/31/18	Total Expenditures	Resolution Authorization Less Expenditures
WWTP Expansion	05	923	\$ 6,100,000.00	\$ 2,988,111.03	\$ 1,461,685.27	\$ 4,449,796.30	\$ 1,650,203.70

Grand Total \$3,959,816.54 \$1,962,908.68 \$5,922,725.22 \$2,069,341.21

CIP 2017 (As of 3/31/2018)

<u>Detail</u>	<u>Reason</u>	<u>March Revenue</u>	<u>March Expense</u>	<u>Budget</u>	<u>Year to Date Actual Cash</u>
Beg Cash - 01/01/18					\$ 130,548.82
Ad Valorem	Tax			-	-
Motor Vehicle	Tax			-	-
Delinquent	Tax	0.02		-	0.99
Interest	From Bank Accounts	2,566.48		3,500.00	7,423.66
Reimbursements	City Hall Pond Repair	43,225.00			43,225.00
Other Revenues		-			565.00
Transfers		39,166.67		470,000.00	117,500.01
Total Revenues		<u>84,958.17</u>		<u>473,500.00</u>	<u>168,714.66</u>
Total Resources					<u><u>299,263.48</u></u>
Street Improvements			472.34	350,000.00	3,819.84
Sidewalk/Bike Paths			-	100,000.00	-
Park Improvements			-	200,000.00	11,434.23
Other Capital Costs			-	-	-
Total Expenditures			<u>-</u>	<u>650,000.00</u>	<u>15,254.07</u>
Cash Balance - 3/31/18					<u><u>\$ 284,009.41</u></u>

CITY OF MAIZE/REC COMMISSION
 SHARED COSTS FOR CITY HALL COMPLEX
 THRU 03/31/2018

	MONTHLY BILL	CITY PORTION	REC PORTION	YEAR TO DATE COSTS	CITY PORTION YEAR TO DATE	REC PORTION YEAR TO DATE	PERCENT OR FLAT RATE
Phone	\$769.95	\$669.86	\$100.09	\$2,309.85	\$2,009.58	\$300.27	Flat - based on number of lines
Internet	750.51	675.46	75.05	2,251.53	2,026.38	225.15	Flat - \$75.05/month
Gas	816.55	449.92	366.63	3,758.93	2,071.17	1,687.76	44.90%
Electric	1,817.94	1,001.68	816.26	5,808.16	3,200.30	2,607.86	44.90%
Janitor	1,755.84	967.47	788.37	3,535.66	1,948.15	1,587.51	44.90%
Water/Sewer	0.00	0.00	0.00	0.00	0.00	0.00	
Trash	86.25	47.52	38.73	258.75	142.57	116.18	44.90%
Insurance (Annual Bill)	0.00	0.00	0.00	0.00	0.00	0.00	44.90%
Pest Control	300.00	275.00	25.00	900.00	825.00	75.00	Flat - Exterminator breaks rate out
Lawn Service	0.00	0.00	0.00		0.00	0.00	Provided by Public Works
Total	\$6,297.04	\$4,086.92	\$2,210.12	\$18,822.88	\$12,223.15	\$6,599.73	

Shared Costs for City Hall
 Updated 4/10/2018

Equipment Reserve 2018 (As of 03/31/2018)

<u>Detail</u>	<u>Reason</u>	<u>March Revenue</u>	<u>March Expense</u>	<u>Budget</u>	<u>Year to Date Actual Cash</u>
Beg Cash - 01/01/18					\$ 126,938.93
Interest	From Bank Accounts	224.02		300.00	647.99
Transfers	From General Fund	12,500.00		150,000.00	37,500.00
Total Revenues		\$ 12,724.02		\$ 150,300.00	\$ 38,147.99
Total Resources					\$ 165,086.92
Trucks/Heavy Equipment			\$ -	\$ 50,000.00	\$ 39,738.30
Computers **			-	50,000.00	34,821.00
Police Department Expenses			-	70,000.00	8,230.52
Total Expenditures			\$ -	\$ 170,000.00	\$ 82,789.82
Cash Balance - 03/31/2018					\$ 82,297.10

**\$24,408.50 encumbered in 2017 budget

CITY OF MAIZE/USD #266
 SHARED COSTS FOR SCHOOL RESOURCE OFFICERS
 THRU 03/31/2018

	MONTHLY BILL	CITY PORTION	USD #266 PORTION	YEAR TO DATE COSTS	CITY PORTION YEAR TO DATE	USD #266 PORTION YEAR TO DATE
Wages	\$ 6,274.84	\$ 1,568.71	\$ 4,706.13	\$ 19,497.21	\$ 4,874.30	\$ 14,622.91
FICA/Medicare Taxes	437.13	109.28	327.85	1,370.37	342.59	1,027.78
KPERS (Employer)	589.21	147.30	441.91	1,838.06	459.52	1,378.55
Health/Life/Other Employer Paid Benefits	1,411.65	352.91	1,058.74	4,234.95	1,058.74	3,176.21
Total Shared Costs	\$ 8,712.83	\$ 2,178.21	\$ 6,534.62	\$ 26,940.59	\$ 6,735.15	\$ 20,205.44



CITY OPERATIONS REPORT

DATE: April 11, 2018
TO: Maize City Council
FROM: Richard LaMunyon-Becky Bouska-Sue Villarreal-Jolene Graham
RE: April Report

1) Pending Council Items

- Zoning Case Z-03-018
 - ✓ *CUP accepted by Planning Commission without variances in design standards*
 - ✓ *This is Atwood Ranch & Home supply building project*
 - ✓ *Atwood developer indicated they will not build without variances*
 - ✓ *At this time it's scheduled for Council consideration in May*

2) City & BOE Annual meeting

- April 23rd @ 6pm
- City will host this year
- Agenda thoughts attached

3) Staff Workshop

- A Staff workshop was held April 9, 2018
- Workshop agenda attached
- Well received by all
- Follow up underway

4. Other Items

- City Pond Repair
 - ✓ *Clay liner installed*
 - ✓ *Rip Rap replace*
 - ✓ *Top soil added*
 - ✓ *Seeding & matting underway*
- Street Repair Needs Under Consideration
 - ✓ *Core samples to be taken on 37th & Academy streets*

5) Economic Development

- Industrial Park



City Staff Retreat
Monday, April 9, 2018
9:30 am – 2:30pm
Holiday Inn, Maize, KS

	<u>TOPIC</u>	<u>FACILITATOR</u>
9:30	Welcome Purpose of the Retreat Some History Future Outlook	Richard
9:45	Current Operational Overview (<i>Brief history/current/future</i>) <ul style="list-style-type: none"> • Administration • Public Works • Police • Front Desk/Utilities • Parks • Technology • Summary 	Richard Ron Matt Sue Jolene Becky Richard
11:00	Making of a Budget <ul style="list-style-type: none"> • Audit Compliance & Requirements • Aspects of a Budget /Basics of Finance 	Randy Jocelyn/Becky
12:00	Lunch	
12:45	Legal Briefs	Tom
1:15	Discussions for future consideration <ul style="list-style-type: none"> • How might we improve the budget process? • Enhancing budget preparation, oversight, control & responsibility • Improving communications <ul style="list-style-type: none"> ✓ Internally ✓ Council • Other 	All Attendees
2:15	Retreat Summary/Where to go from here?	Richard
2:30	Adjournment	

- ✓ *Aerotech third expansion being constructed*
- ✓ *Kyodo Yushi construction continues*
- ✓ *Shuttle Aerospace construction pending*
- ✓ *Allen Williams closing on some property in Industrial park with the intent to build and lease. Additional information to follow.*
- 135th Street
 - ✓ *Follow up with meeting with County on Tuesday, March 12th*
 - ✓ *County is compiling estimates with consideration to improving drainage and the intersection from 53rd to the Railroad tracks within 2-3 years*
 - ✓ *City staff provided economic benefit-analysis models and the 2013 Industrial Park study.*
 - ✓ *The information will be compiled through the WSU economic analysis and the Greater Wichita Partnership to provide an economic performance snapshot of the area.*
- Copper Creek Apartments
 - ✓ *Framing has begun*

6) Arbor Day Celebration

- Sunday, April 29th at 2:00pm at Maize City Park
- Program:
 - ✓ *Nine new trees planted in the park*
 - ✓ *Maize recognized as a 2017 Tree City USA*
 - ✓ *Educational component by Park and Tree Board members*

7) Meetings

Staff attended one WAMPO TAC meeting to begin the process of reviewing the MOVE2040. It is our goal to have smaller cities have actual input into the projects.

8) Upcoming Meetings

- Wednesdays - Mayor's Workshop @ 11am
- April 5th - Planning @ 7pm
- April 10th - Park & Tree @ 5:30pm
- April 16th - Council @ 7pm
- April 23rd - Council/BOE Meeting @ 6 pm



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