

## Table of Contents

Agenda . . . . .	3
IV-1. Amendment to Amended and Restated Development Agreement - River Vista, L.L.C (West Bank Apartments) and Issuance of Sales Tax Special Obligation Revenue (STAR) Bonds. (District VI)	
Agenda Report No. IV-1. . . . .	10
Ordinance No. 50-043. . . . .	12
Resolution No. 15-217 . . . . .	20
Amendment to Amended and Restated Development Agreement . . . . .	22
IV-2. 2014 Comprehensive Annual Financial Report.	
Agenda Report No. IV-2. . . . .	33
Comprehensive Annual Financial Report . . . . .	35
IV-3. Project Access Contract.	
Agenda Report No. IV-3. . . . .	267
Project Access Contract Document. . . . .	269
IV-4. Community Event Resolution, Wichita Convoy of Hope. (District III)	
Agenda Report No. IV-4. . . . .	271
Resolution No. 15-212 . . . . .	273
Community Event Application. . . . .	276
IV-5. Repair or Removal of Dangerous and Unsafe Structures.(District I)	
Agenda Report No. IV-5. . . . .	286
MABCD Supporting Documents Writeups Condemnations . . . . .	288
MABCD Supporting Document Summary Table Spreadsheet Condemnations . . . . .	295
V-1 ZON2015-00012 and CON2015-00010 – City Zone Change from SF-5 Single-Family Residential (SF-5) to LC Limited Commercial (LC) and Conditional Use to Permit a Self-Service Warehouse on Property Generally Located North of 29th Street North, One-Quarter Mile West of North Hoover Road. (District V)	
Agenda Report No. V-1 . . . . .	296
Ordinance No. 50-055. . . . .	299
Resolution No. 15-216 . . . . .	300
ZON2015-00012 and CON2015-00010 Background Information . . . . .	302
Power Point. . . . .	351
Zoning Case . . . . .	375
II-4. Preliminary Estimates.	
Agenda Report No. II-4 . . . . .	422
II-5a. Water Conservation Study on Landscaping Focusing on Irrigation and Well Usage in Wichita, Kansas – Professional Services Contract.	

Agenda Report No. II-5a . . . . .	428
Water Conservation Agreement . . . . .	429
II-5b. Funding and Supplemental Design Agreement No. 4 for Meridian from Pawnee to McCormick. (District IV)	
Agenda Report No. II-5b . . . . .	448
Budget Sheets . . . . .	450
SDA#4 . . . . .	452
Ordinance No. 50-056. . . . .	464
Resolution No. 15-218 . . . . .	466
II-6a. Design Services Agreement for Fox Ridge Plaza Addition. (District V)	
Agenda Report No. II-6a . . . . .	468
DSA Fox Ridge Plaza. . . . .	469
II-7a. Acquisition of a Temporary Construction Easement at 2426 S. Hydraulic for the Pawnee Avenue from Hydraulic Avenue to Poplar Drive Improvement Project. (District III)	
Agenda No. II-7a . . . . .	486
Supporting Documents . . . . .	487
II-9. Payment for Settlement of Claim.	
Agenda Report No. II-9 . . . . .	490
Resolution No. 15-215 . . . . .	491
II-10. Funding for HOME Program Administration.	
Agenda Report No. II-10 . . . . .	493
II-11. HOME Program; Amendment to Housing Development Loan Program Funding Agreement, Wichita Habitat for Humanity, Inc. (District I)	
Agenda Report No. II-11 . . . . .	494
Habitat Amended Contract . . . . .	495
II-12. Relocation of Pipeline in Southfork Commercial Addition. (District III)	
Agenda Report No. II-12 . . . . .	516
Invoices . . . . .	517
II-13. Second Reading Ordinances.	
Agenda Report No. II-13 . . . . .	522
II-14. *Housing Choice Voucher Family Self-Sufficiency Grant Application.	
Agenda Report No. II-14 . . . . .	523
2016 FSS Application. . . . .	524

CITY COUNCIL  
CITY OF WICHITA  
KANSAS

City Council Meeting  
09:00 a.m. July 21, 2015

City Council Chambers  
455 North Main

**OPENING OF REGULAR MEETING**

- Call to Order
- Invocation
- Pledge of Allegiance
- Approve the minutes of the regular meeting on July 14, 2015

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**AWARDS AND PROCLAMATIONS**

- Proclamation:  
Make-A-Wish Kansas Founding Day

**I. PUBLIC AGENDA**

NOTICE: No action will be taken relative to items on this agenda other than referral for information. Requests to appear will be placed on a “first-come, first-served” basis. This portion of the meeting is limited to thirty minutes and shall be subject to a limitation of five minutes for each presentation with no extension of time permitted. No speaker shall be allowed to appear more frequently than once every fourth meeting. Members of the public desiring to present matters to the Council on the public agenda must submit a request in writing to the office of the city clerk prior to twelve noon on the Tuesday preceding the council meeting. Matter pertaining to personnel, litigation and violations of laws and ordinances are excluded from the agenda. Rules of decorum as provided in this code will be observed.

None

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**II. CONSENT AGENDAS ITEMS 1 THROUGH 14**

NOTICE: Items listed under the “Consent Agendas” will be enacted by one motion with no separate discussion. If discussion on an item is desired, the item will be removed from the “Consent Agendas” and considered separately

*(The Council will be considering the City Council Consent Agenda as well as the Planning, Housing, and Airport Consent Agendas. Please see “ATTACHMENT 1 – CONSENT AGENDA ITEMS” for a listing of all Consent Agenda Items.)*

**COUNCIL BUSINESS**

**III. UNFINISHED COUNCIL BUSINESS**

None

**IV. NEW COUNCIL BUSINESS**

1. Amendment to Amended and Restated Development Agreement - River Vista, L.L.C (West Bank Apartments) and Issuance of Sales Tax Special Obligation Revenue (STAR) Bonds. (District VI)

RECOMMENDED ACTION: Adopt the resolution approving the amendment to the Amended and Restated Development Agreement with River Vista, L.L.C. and place on emergency first reading of the Ordinance issuing STAR bonds and authorize all necessary signatures.

2. 2014 Comprehensive Annual Financial Report.

RECOMMENDED ACTION: Receive and file the 2014 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014.

3. Project Access Contract.

RECOMMENDED ACTION: Approve the Project Access contract and authorize the necessary signatures.

4. Community Event Resolution, Wichita Convoy of Hope. (District III)

RECOMMENDED ACTION: Adopt the Resolution authorizing a use not allowed by the Wichita-Sedgwick County Unified Zoning Code (UZC) at the Wichita Convoy of Hope on August 1, 2015, and approve the permit for the community event.

(9:30 a.m. or soon thereafter)

5. Public Hearing: Repair or Removal of Dangerous and Unsafe Structures. (District I)

<u>Property Address</u>	<u>Council District</u>
a. 2301 E. Shadybrook	I
b. 529 N. Wabash	I

RECOMMENDED ACTION: Close the public hearing, adopt the resolutions declaring the building a dangerous and unsafe structure, and accept the BCSA recommended action to proceed with condemnation, allowing 10 days to start demolition and 10 days to complete removal of the structure. Any extensions of time granted to repair the structure would be contingent on the following: (1) All taxes have been paid to date, as of July 21, 2015; (2) the structure has been secured as of July 21, 2015 and will continue to be kept secured; and (3) the premises are mowed and free of debris as of July 21, 2015, as will be so maintained during renovation.

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**COUNCIL BUSINESS SUBMITTED BY CITY AUTHORITIES**

**PLANNING AGENDA**

NOTICE: Public hearing on planning items is conducted by the MAPC under provisions of State law. Adopted policy is that additional hearing on zoning applications will not be conducted by the City Council unless a statement alleging (1) unfair hearing before the MAPC, or (2) alleging new facts or evidence has been filed with the City Clerk by 5p.m. on the Wednesday preceding this meeting. The Council will determine from the written statement whether to return the matter to the MAPC for rehearing.

**V. NON-CONSENT PLANNING AGENDA**

1. ZON2015-00012 and CON2015-00010 – City Zone Change from SF-5 Single-Family Residential (SF-5) to LC Limited Commercial (LC) and Conditional Use to Permit a Self-Service Warehouse on Property Generally Located North of 29th Street North, One-Quarter Mile West of North Hoover Road. (District V)  
(Deferred July 14, 2015)

RECOMMENDED ACTION: 1) Concur with the findings of the MAPC and approve the zoning change and conditional use subject to the conditions enumerated, and adopt the findings of the MAPC and instruct the Planning Department to forward the ordinance for first reading when the plat is recorded (requires three-quarter majority vote) or 2) Deny the zoning and conditional use request by making alternative findings, and override the MAPC's recommendation (requires simple majority vote to override the MAPC's recommendation).

**HOUSING AGENDA**

NOTICE: The City Council is meeting as the governing body of the Housing Authority for consideration and action on the items on this Agenda, pursuant to State law, HUD, and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion. **Carole Trapp Housing Member is also seated with the City Council.**

**VI. NON-CONSENT HOUSING AGENDA**

None

**AIRPORT AGENDA**

NOTICE: The City Council is meeting as the governing body of the Airport Authority for consideration and action on items on this Agenda, pursuant to State law and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

**VII. NON-CONSENT AIRPORT AGENDA**

None

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**COUNCIL AGENDA**

**VIII. COUNCIL MEMBER AGENDA**

None

**IX. COUNCIL MEMBER APPOINTMENTS AND COMMENTS**

1. **Board Appointments.**

RECOMMENDED ACTION: Approve the appointments.

Adjournment

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(ATTACHMENT 1 – CONSENT AGENDA ITEMS 1 THROUGH 14)

**II. CITY COUNCIL CONSENT AGENDA ITEMS**

1. Report of Board of Bids and Contracts dated July 20, 2015.

RECOMMENDED ACTION: Receive and file report; approve the contracts; and authorize the necessary signatures.

2. Applications for Licenses:

<u>Special Event</u>	<u>2015</u>	<u>Address</u>
Heartspring	August 22, 2015	8700 East 29th North

RECOMMENDED ACTION: Approve the licenses.

3. Applications for Licenses to Retail Cereal Malt Beverages:

<u>Renewal</u>	<u>2015</u>	<u>(Consumption on Premises)</u>
Mark Ryan	Two Brothers BBQ**	300 South Greenwich Road

\*\*General/Restaurant (need 50% or more gross revenue from sale of food)

RECOMMENDED ACTION: Approve licenses subject to staff review and approval.

4. Preliminary Estimates:

- a. List of Preliminary Estimates.

RECOMMENDED ACTION: Receive and file.

5. Agreements/Contracts:

- a. Water Conservation Study on Landscaping Focusing on Irrigation and Well Usage in Wichita, Kansas – Professional Services Contract.
- b. Funding and Supplemental Design Agreement No. 4 for Meridian from Pawnee to McCormick. (District IV)

RECOMMENDED ACTION: Approve the agreements/contracts and authorize the necessary signatures.

6. Design Services Agreements:

- a. Design Services Agreement for Fox Ridge Plaza Addition. (District V)

RECOMMENDED ACTION: Approve agreements/contracts, adopt the resolution and authorize the necessary signatures.

7. Property Acquisitions:

- a. Acquisition of a Temporary Construction Easement at 2426 S. Hydraulic for the Pawnee Avenue from Hydraulic Avenue to Poplar Drive Improvement Project. (District III)

RECOMMENDED ACTION: Approve budgets and contracts and authorize necessary signatures.

8. Minutes of Advisory Boards/Commissions

Joint Investment Committee, June 4, 2015  
Airport Advisory Board, June 1, 2015  
Board of Building Code Standards and Appeals, June 1, 2015

RECOMMENDED ACTION: Receive and file.

9. Payment for Settlement of Claim.

RECOMMENDED ACTION: Authorize payment of \$325,000 as full settlement of all possible claims arising out of the events which are the subject of this claim and adopt the resolution.

10. Funding for HOME Program Administration.

RECOMMENDED ACTION: Approve the transfer of \$9,104 from program income receipts, to support HOME program administration costs.

11. HOME Program; Amendment to Housing Development Loan Program Funding Agreement, Wichita Habitat for Humanity, Inc. (District I)

RECOMMENDED ACTION: Approve the contract amendment providing for additional funding, and authorize the necessary signatures.

12. Relocation of Pipeline in Southfork Commercial Addition. (District III)

RECOMMENDED ACTION: Approve the increased expenditures in compliance with the approved agreement.

13. Second Reading Ordinances: (First Read July 14, 2015)

RECOMMENDED ACTION: Adopt the Ordinances.

**II. CONSENT PLANNING AGENDA ITEMS**

NOTICE:Public hearing on planning items is conducted by the MAPC under provisions of State law. Adopted policy is that additional hearing on zoning applications will not be conducted by the City Council unless a statement alleging (1) unfair hearing before the MAPC, or (2) alleging new facts or evidence has been filed with the City Clerk by 5p.m. on the Wednesday preceding this meeting. The Council will determine from the written statement whether to return the matter to the MAPC for rehearing.

None

**II. CONSENT HOUSING AGENDA ITEMS**

NOTICE:The City Council is meeting as the governing body of the Housing Authority for consideration and action on the items on this Agenda, pursuant to State law, HUD, and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

**Carole Trapp, Housing Member is also seated with the City Council.**

14. **\*Housing Choice Voucher Family Self-Sufficiency Grant Application.**

RECOMMENDED ACTION: Approve the application, approve the grant award upon receipt, and authorize the necessary signatures.

**II. CONSENT AIRPORT AGENDA ITEMS**

NOTICE:The City Council is meeting as the governing body of the Airport Authority for consideration and action on items on this Agenda, pursuant to State law and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

None

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Amendment to Amended and Restated Development Agreement - River Vista, L.L.C. (West Bank Apartments) and issuance of Sales Tax Special Obligation Revenue (STAR) Bonds (District VI)

**INITIATED BY:** Office of Urban Development

**AGENDA:** New Business

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**Recommendation:** Adopt the resolution approving an amendment to the Amended and Restated Development Agreement, and adopt on emergency first reading the ordinance authorizing the issuance of Sales Tax Special Obligation Revenue Bonds (“STAR Bonds”).

**Background:** On October 8, 2013, the City Council approved a Development Agreement with River Vista, L.L.C. calling for the sale of City-owned land on the West Bank of the Arkansas River located between Douglas and 1<sup>st</sup> Street North and the construction of a 154-unit apartment complex, with 20,000 square feet of commercial retail space as a proposed Phase II at the corner of 1<sup>st</sup> and McLean. As part of the incentive package provided under the City’s Downtown Incentive Policy, the City Council also adopted a West Bank Apartments Project Plan providing for the use of tax increment financing (“TIF”) to pay for certain TIF-eligible project costs, and agreed to apply to the State of Kansas for the use of STAR Bond financing to construct an additional phase of Riverbank amenities adjacent to the River Vista Project.

On January 22, 2014, the Kansas Secretary of Commerce issued a letter approving the use of STAR Bond financing for the River Vista Project in an amount not to exceed \$4,750,000 in riverbank improvement costs, exclusive of financing costs. The City agreed to pay \$1,050,000 on project costs above the \$4,750,000 and the developer agreed to pay any costs above the City’s amount. On December 16, 2014, the City Council approved an amended and restated development agreement as well as amendments to the STAR Bond and TIF project plans, in order to address the State’s requirements for approval of STAR bonds. The State has issued a letter approving the City’s use of STAR bonds for the river bank improvements.

The developer has redesigned the project site due to market conditions. Commercial development at the corner of 1<sup>st</sup> and McLean is no longer feasible. The developer has proposed removing the commercial portion of the development and increasing the number of apartments from 154 to 204 units.

**Analysis:** The developer has determined that commercial development at the intersection of 1<sup>st</sup> and McLean is not feasible and has proposed an additional 50 apartment units to replace the commercial space. The increase in the number of apartments and construction of the entire project in a single phase will improve the TIF cash flow for the project plan. The project will still support the TIF bonds associated with the project as well as the City’s GO bonds issued for river walk improvements.

Attached is the current draft of the Amendment to the Amended and Restated Development Agreement between the City and River Vista, L.L.C. (the Developer), dated July 21, 2015 (the “Amended Agreement”) which amends the Amended and Restated Development Agreement, dated January 9, 2015 (the Amended and Restated Development Agreement).

Modifications to the Amended and Restated Agreement were needed to reflect: (a) addition of 50 apartment units at 1<sup>st</sup> and McLean to replace proposed 20,000 square foot commercial and (b) removal of one of the guarantors from the agreement. The remaining guarantors will guarantee the full amount of the project.

The total cost of the amenities to the West Bank are estimated to be \$7,862,999 and are based on the conceptual design. The State provided preliminary approval of the STAR Bond Project expansion limiting the amount of STAR Bond proceeds that can be used to \$4,750,000, exclusive of financing costs, and required the City to contribute \$1,050,000 to be repaid by TIF proceeds. The Developer is responsible for the balance of the estimated project costs, \$2,062,999, which will be financed by City general obligation bonds payable from special assessments placed on the Developer's property.

The State has reviewed the final proposed project plan and financing terms. On June 25, 2015 the State provided a Certificate of Approval for STAR bonds in an amount not to exceed \$4,750,000, exclusive of financing costs. Fidelity Bank has agreed to purchase the STAR Bonds and has provided approval of the financing term. The City is ready to issue STAR bonds based on the approval of these two entities, and the Developer is prepared to begin the riverbank improvements.

**Legal Considerations:** The attached resolution, Amendment to the Amended and Restated Development Agreement, and the ordinance authorizing the issuance of the STAR Bonds have been prepared by the City's bond counsel law firm, Gilmore & Bell P.C. and have been approved as to form by the Law Department.

**Recommendations/Actions:** It is recommended that the City Council adopt the resolution approving the Amendment to the Amended and Restated Development Agreement with River Vista, L.L.C. and place on emergency first reading the Ordinance issuing STAR bonds and authorize all necessary signatures.

**Attachments:**

Amendment to the Amended and Restated Development Agreement  
Resolution approving the Amendment to the Amended and Restated Development Agreement  
STAR Bond Ordinance

**REQUEST FOR DECLARATION OF EMERGENCY**

**REQUEST OF THE MAYOR OF THE CITY OF WICHITA, KANSAS, FOR THE DECLARATION BY THE CITY COUNCIL OF SAID CITY OF THE EXISTENCE OF A PUBLIC EMERGENCY REQUIRING THE FINAL PASSAGE OF AN ORDINANCE AS DESIGNATED BELOW.**

I, JEFF LONGWELL, Mayor of the City of Wichita, Kansas, hereby request that the City Council declare that a public emergency exists requiring the final passage on the date of its introduction, to wit, July 21, 2015, of an ordinance entitled:

**AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AUTHORIZING THE ISSUANCE OF ITS SALES TAX SPECIAL OBLIGATION REVENUE BONDS (WEST BANK STAR BOND PROJECT) FOR THE PURPOSE OF FINANCING CERTAIN COSTS RELATING TO THE RIVER DISTRICT STAR BOND PROJECT PLAN; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

The general nature of such public emergency is to enable the City to deliver the Sales Tax Special Obligation Revenue Bonds authorized by said Ordinance in a timely fashion and permit the commencement of construction of improvements related to the River District STAR Bond Project Plan.

It is, therefore, expedient at this time that the City Council finds and declares that a public emergency exists by reason of the foregoing, and that the above entitled Ordinance be finally passed on the date of its introduction.

**EXECUTED** at Wichita, Kansas on July 21, 2015.

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Jeff Longwell, Mayor

(Seal)

ATTEST:

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Karen Sublett, City Clerk

**APPROVED AS TO FORM:**

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Jennifer Magaña, Director of Law and  
City Attorney

(Published in *The Wichita Eagle* on July 24, 2015)

**ORDINANCE NO. 50-043**

**AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AUTHORIZING THE ISSUANCE OF ITS SALES TAX SPECIAL OBLIGATION REVENUE BONDS (WEST BANK STAR BOND PROJECT) FOR THE PURPOSE OF FINANCING CERTAIN COSTS RELATING TO THE RIVER DISTRICT STAR BOND PROJECT PLAN; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

**WHEREAS**, City of Wichita, Kansas (the “City”) is a municipal corporation duly organized and validly existing under the laws of the State of Kansas as a city of the first class; and

**WHEREAS**, pursuant to K.S.A. 12-1770 *et seq.*, as amended (the "TIF Act") and Ordinance No. 42-966, passed December 12, 1995, and published December 15, 1995, the City Council (the “Governing Body”) of the City established a redevelopment district pursuant to the TIF Act, known as the East Bank Redevelopment District (the “TIF District”); and

**WHEREAS**, by Ordinance No. 45-339, passed June 25, 2002, and published June 29, 2002, the City removed certain property and reduced the boundaries of the TIF District pursuant to K.S.A. 12-1771(g); and

**WHEREAS**, by Ordinance No. 46-407, passed November 23, 2004, and published November 29, 2004, the City added certain property and increased the boundaries of the TIF District pursuant to K.S.A. 12-1771(f) and made a substantial change to the River District STAR Plan for the TIF District; and

**WHEREAS**, the River District STAR Plan for the District provided that redevelopment of the District would be in several project areas within the District as set forth in separate redevelopment plans to be approved by the Governing Body pursuant to the TIF Act; and

**WHEREAS**, pursuant to Ordinance No. 49-557, passed August 13, 2013, and published August 16, 2013, a non-substantial amendment to Ordinance No. 46-407 and the River District STAR Plan was made by attaching a map of the proposed project areas; and

**WHEREAS**, pursuant to K.S.A. 12-1770 *et seq.*, as subsequently re-codified in K.S.A. 12-17,160 *et seq.* (the “STAR Bond Act”) the City prepared a special bond project plan for development of the River District Corridor Improvements Project Area (the “River District Project Area”) within the TIF District, dated as of July 2007 (the “River District STAR Bond Project Plan”); and

**WHEREAS**, pursuant to the STAR Bond Act, the Secretary of the Kansas Department of Commerce (the “Secretary”): (a) determined that the River District Project Area in the TIF District constitutes a major commercial entertainment and tourism area and is therefore an “eligible area” under

the STAR Bond Act (the “Wichita River STAR Bond District”), (b) approved and designated the improvements described in the River District STAR Bond Project Plan as a “STAR bond project” within the meaning of the STAR Bond Act and (c) approved financing of certain costs of the River District STAR Bond Project Plan with STAR bond financing; and

**WHEREAS**, after complying with procedural requirements of the STAR Bond Act, by Ordinance No. 47-518, passed July 17, 2007, and published July 20, 2007, the City adopted the River District STAR Bond Project Plan for the East Bank Redevelopment District; and

**WHEREAS**, the Secretary approved the River District STAR Bond Project Plan on October 24, 2007 and authorized the issuance of STAR Bonds to finance eligible project costs in an amount not-to-exceed \$13,000,000; and

**WHEREAS**, pursuant to Ordinance No. 49-557, passed August 13, 2013, and published August 16, 2013, a non-substantial amendment to Ordinance No. 46-407 and the River District STAR Bond Project Plan was made by attaching a map of the proposed project areas; and

**WHEREAS**, the STAR Bond Act, particularly K.S.A. 12-17,166(k), authorizes the Governing Body to approve substantial changes to the River District STAR Bond Project Plan, subject to public hearing, notice of which is provided by publication at least twice in the official City newspaper; and

**WHEREAS**, the City proposed to amend the River District STAR Bond Project Plan (the “STAR Project Plan Amendment”) to include tourism facilities on the West Bank of the Arkansas River between Douglas Avenue and 1<sup>st</sup> Street North at an additional cost of approximately \$7,862,999.05 and to modify the scope of the public improvements described in the River District STAR Bond Project Plan; and

**WHEREAS**, pursuant to the STAR Bond Act, the Secretary: (a) approved and designated the improvements described in the STAR Project Plan Amendment as a “STAR bond project” within the meaning of the STAR Bond Act and (b) approved financing of certain costs of the STAR Project Plan Amendment with STAR bond financing in the amount of \$4,750,000 (exclusive of financing costs and related reserves); and

**WHEREAS**, on December 16, 2014, after providing notice required by the STAR Bond Act, a public hearing on the STAR Project Plan Amendment was opened, public comment was received by the Governing Body and the public hearing was closed; and

**WHEREAS**, by Ordinance No. 49-916, passed January 6, 2015 and a summary of which was published January 9, 2015, the Governing Body made certain findings required by the Act and approved the STAR Project Plan Amendment for the West Bank STAR Bond Project (the “Project”); and

**WHEREAS**, the City is authorized under the Act to issue special obligation revenue bonds for the purpose of financing costs to implement the STAR Project Plan Amendment; and

**WHEREAS**, the Governing Body hereby finds and determines that the financing of the Project (as defined in the hereinafter authorized Bond Indenture) by issuance of special obligation revenue bonds in the manner provided in the Act and pursuant to the provisions of the Bond Indenture, will serve one or more of the public purposes set forth in the Act and will promote, stimulate and develop the general and economic welfare of the City; and

**WHEREAS**, the Governing Body further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City enter into certain agreements, and that the City take certain other actions and approve the execution of certain other documents as herein provided.

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

**Section 1. Authorization of the Bonds.** The City is hereby authorized to issue and sell its special obligation revenue bonds in the maximum aggregate principal amount of not to exceed \$4,850,000 (the “Bonds”), the proceeds of which will be used to: (a) finance a portion a portion of the costs of the Project; and (b) pay costs of issuing the Bonds. The Bonds shall be issued and secured pursuant to the herein authorized Bond Indenture and shall bear such dates, shall be in such denominations, shall be in such forms, shall mature on the dates and in the principal amounts, shall bear interest at a fixed rate which shall not exceed amounts set forth in K.S.A. 10-1009 and shall be subject to redemption on the dates and in the principal amounts as provided in the Bond Indenture, and shall have such other terms and provisions, shall be issued, executed, authenticated and delivered in such manner and shall be subject to such provisions, covenants and agreements, as are approved by the Secretary, all as set forth in the Bond Indenture. Pursuant to the Act, the provisions of the Bond Indenture referenced above are being expressly authorized by this ordinance and incorporated herein by reference.

The Bonds, together with interest thereon, are not general obligations of the City but are limited obligations payable solely from the trust estate pledged to the payment thereof under the Bond Indenture and shall be a valid claim of the respective holders thereof only against the trust estate and other moneys held by the Trustee and the revenues so pledged as aforesaid. In no event shall the Bonds be payable out of any funds or properties other than those pledged or acquired under the Bond Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the City, the State of Kansas or of any political subdivision thereof and the issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State of Kansas or any political subdivision thereof to levy any form of taxation therefor. Nothing in the Bonds, the Bond Indenture, the proceedings of the City authorizing the Bonds or the Act shall be construed to be a debt or loan of credit of the City, the State of Kansas or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 2. Authorization and Approval of Documents.** The following documents are hereby approved in substantially the forms presented to and reviewed by the City at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver each of such documents to which the City is a party (the “City Documents”) with such changes therein as shall be approved by the officer or officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the City's ratification or approval thereof:

(a) Bond Trust Indenture dated as of the date stated therein (the “Bond Indenture”) between the City and Security Bank of Kansas City, as trustee (the “Trustee”).

(b) Wichita River STAR Bond District Tax Distribution Agreement dated as of the date stated therein among the City, the Trustee and the Treasurer of the State of Kansas.

(c) Tax Compliance Agreement dated as of the date stated therein between the City and the Trustee, relating to the Bonds.

**Section 3. Execution of Bonds and Documents.** The Mayor of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for

and on behalf of and as the act and deed of the City in the manner provided in the Bond Indenture. The Mayor or Vice Mayor of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, and the City Clerk or any Deputy City Clerk is hereby authorized to attest to and affix the seal of the City to the City Documents and such other documents, certificates and instruments as may be necessary.

**Section 4. Further Authority.** The City shall, and the officers, employees and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, deeds, agreements, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and the transactions contemplated therein and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents, including, but not limited to, agreements with respect to the investment of any funds held under the Bond Indenture. Springsted Incorporated, the City's financial advisor, and Gilmore & Bell, P.C., the City's bond counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the intent of this Ordinance.

**Section 5. Effective Date.** This Ordinance shall take effect and be in full force after its adoption by the City and publication once in the official newspaper of the City.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**PASSED** by the City Council of the City on July 21, 2015 and **SIGNED** by the Mayor.

---

Jeff Longwell, Mayor

(Seal)

ATTEST:

---

Karen Sublett, City Clerk

**APPROVED AS TO FORM:**

---

Jennifer Magaña, Director of Law and  
City Attorney

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**CERTIFICATE**

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the original Ordinance No. 50-043 (the “Ordinance”) of the City of Wichita, Kansas (the “City”); that said Ordinance was passed by the City Council on July 21, 2015, that the record of the final vote on its passage is found on page \_\_\_\_ of journal \_\_\_\_; that the Ordinance or a summary thereof was published in *The Wichita Eagle* on July 24, 2015; and that the Ordinance has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: July 24, 2015.

---

Karen Sublett, City Clerk

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(PUBLISHED IN *THE WICHITA EAGLE* ON JULY 24, 2015)

**SUMMARY OF ORDINANCE NO. 49-[\_\_]**

On July 21, 2015, the City Council of the City of Wichita, Kansas (the “City”) passed an ordinance entitled:

**AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AUTHORIZING THE ISSUANCE OF ITS SALES TAX SPECIAL OBLIGATION REVENUE BONDS (WEST BANK STAR BOND PROJECT) FOR THE PURPOSE OF FINANCING CERTAIN COSTS RELATING TO THE RIVER DISTRICT STAR BOND PROJECT PLAN; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

The Series 2015 Bonds approved by the Ordinance are being issued in the principal amount of not to exceed \$4,850,000 to finance certain eligible land acquisition, landscaping, infrastructure and water features along the west bank of the Arkansas River in order to implement the River District STAR Bond Project Plan approved by the Governing Body of the City and approved by the Secretary of the Kansas Department of Commerce. The Series 2015 Bonds do not constitute general obligations of the City, but are payable from certain pledged sales tax revenues as further described in the Ordinance. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 13th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at [www.wichita.gov](http://www.wichita.gov).

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: July 21, 2015.

---

Jennifer Magaña, Director of Law  
and City Attorney

**RESOLUTION NO. 15-217**

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS AUTHORIZING AN AMENDMENT TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT RELATED TO THE EAST BANK REDEVELOPMENT DISTRICT - WEST BANK APARTMENTS PROJECT AREA AND THE RIVER DISTRICT STAR BOND PROJECT PLAN.**

**WHEREAS**, the City of Wichita, Kansas (the “City”) is a municipal corporation duly organized and validly existing under the laws of the State of Kansas as a city of the first class; and

**WHEREAS**, pursuant to the Constitution, particularly Article 12, Section 5 thereof, and statutes of the State of Kansas, particularly of K.S.A. 12-101 *et seq.*, K.S.A. 12-1770 *et seq.*, K.S.A. 12-17,160 *et seq.* K.S.A. 13-1024a, as amended by Charter Ordinance No. 156 of the City, all as amended, and Ordinance No. 49-917, the City Council (the “Governing Body”) of the City has heretofore authorized, executed and delivered a certain Amended and Restated Development Agreement, dated as of January 9, 2015, between the City and River Vista, L.L.C., (the “Amended and Restated Development Agreement”); and

**WHEREAS**, *Section 11.04* of the Amended and Restated Development Agreement provides that may be amended by the mutual consent of the City and River Vista, L.L.C. (collectively, the “Parties”), by the adoption of a resolution of the City approving said amendment, as provided by law, and by the execution of said amendment by the Parties or their successors in interest; and

**WHEREAS**, the Parties have prepared an Amendment to the Amended and Restated Development Agreement, dated July 21, 2015 (the “Amendment”) which amends certain provisions and Exhibits to the Amended and Restated Development Agreement; and

**WHEREAS**, the Governing Body desires to approve the Amendment and authorize the execution and delivery thereof.

**BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AS FOLLOWS:**

**Section 1. Amendment to Amended and Restated Development Agreement.** The Amendment is hereby approved in substantially the form presented to the Governing Body, with such changes as may be approved by the City Attorney. The Mayor is hereby authorized to execute the Amendment by and on behalf of the City and the City Clerk is hereby authorized to attest such signature.

**Section 2. Further Authority.** The Mayor, City Manager, City Clerk and the other officers and representatives of the City, including the City’s bond counsel, are hereby authorized and directed to take such other action as may be necessary, appropriate or desirable to accomplish the purposes of this resolution.

**Section 3. Effective Date** This Resolution shall be in full force and effect from and after its adoption by the City Council.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**ADOPTED** by the City Council of the City of Wichita, Kansas, on July 21, 2015.

(SEAL)

---

Jeff Longwell, Mayor

**ATTEST:**

---

Karen Sublett, City Clerk

**APPROVED AS TO FORM:**

---

Jennifer Magaña, Director of Law  
and City Attorney

**AMENDMENT TO**  
**AMENDED AND RESTATED DEVELOPMENT AGREEMENT**

**DATED AS OF JULY 21, 2015**

**BETWEEN THE**

**CITY OF WICHITA, KANSAS,**

**AND**

**RIVER VISTA, L.L.C.**

**RELATING TO THE WEST BANK APARTMENTS PROJECT PLAN**

**FOR THE**

**EAST BANK REDEVELOPMENT DISTRICT**

**AND**

**RIVER DISTRICT STAR BOND PROJECT PLAN**

---

## LIST OF EXHIBITS

Exhibit O      Form of Developer Guaranty

**AMENDMENT**

**TO**

**AMENDED AND RESTATED DEVELOPMENT AGREEMENT**

**THIS AMENDMENT TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT** (the “**Amendment**”), is dated as of July 21, 2015 by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation duly organized under the laws of the State of Kansas (the “**City**”) and **RIVER VISTA, L.L.C.**, a Kansas limited liability company (the “**Developer**”); collectively referred to as the “**Parties**” and each a “**Party**”).

**WHEREAS**, the Parties have heretofore authorized, executed and delivered a certain Amended and Restated Development Agreement, dated as of January 9, 2015, between the City and River Vista, L.L.C., (the “**Agreement**”); and

**WHEREAS**, the Parties desire to amend the Agreement as hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**Section 1. Amendment to Section 1.01.** The following definitions contained in *Section 1.01* of the Agreement are hereby amended to read as follows:

“**Guarantors**” means George E. Laham, II, David E. Wells, and David C. Burk.

“**Phase II**” shall mean the construction of a commercial, retail, office or multi-family residential building or buildings on the Phase II Lot that are in the aggregate approximately 20,000 sf or larger.

**Section 2. Amendment to Exhibit O.** *Exhibit O* to the Agreement (the “Original Guaranty”) is hereby amended to be in the form attached as *Exhibit O* hereto. The Guaranty Agreement attached as *Exhibit O* to this Amendment shall replace in its entirety the Original Guaranty and, upon full execution of *Exhibit O* to this Amendment, the individuals that executed the Original Guaranty that did not execute *Exhibit O* to this Amendment are hereby released from the obligations set forth in the Original Guaranty.

**Section 3. Ratification.** The rest and remainder of the Agreement not amended herein is hereby ratified and confirmed.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the City and the Developer have duly executed this Amendment pursuant to all requisite authorizations as of the date first above written.

**CITY OF WICHITA, KANSAS**

\_\_\_\_\_  
Jeff Longwell, Mayor

**ATTEST:**

\_\_\_\_\_  
Karen Sublett, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jennifer Magaña, Director of Law  
and City Attorney

**DEVELOPER:**

**RIVER VISTA, L.L.C.,  
a Kansas limited liability company**

By: \_\_\_\_\_  
Amy J. Liebau, President

**Exhibit O**  
**Form of Developer Guaranty**

[See Attached]

---

GUARANTY AGREEMENT

BETWEEN

RIVER VISTA, L.L.C.,

GEORGE E. LAHAM, II,

DAVID E. WELLS,

AND

DAVID C. BURK

AS GUARANTORS

AND

THE CITY OF WICHITA, KANSAS

DATED AS OF JULY 21, 2015

---

## GUARANTY AGREEMENT

**THIS GUARANTY AGREEMENT** dated as of July 21, 2015 (the “**Guaranty Agreement**”), by and between RIVER VISTA, L.L.C., a Kansas limited liability company, GEORGE E. LAHAM, II, DAVID E. WELLS and DAVID C. BURK (collectively and individually, the “**Guarantor**”) and the City of Wichita (the “**City**”).

### WITNESSETH:

**WHEREAS**, the City, an incorporated city of the first class, duly organized and existing under the laws of the State of Kansas (the “**State**”), intends to issue general obligation tax increment bonds in a principal amount not to exceed \$2,550,000 (the “**TIF Bonds**”) and its full faith and credit community improvements district bonds in a principal amount of not to exceed \$5,590,650 (the “**CID Bonds**,” which together with the TIF Bonds are referred to as the “**Bonds**”) to assist River Vista, L.L.C. in development and financing of a project in the City pursuant to an Amended and Restated Development Agreement dated as of January 9, 2015 between River Vista, L.L.C. and the City, as amended (the “**Development Agreement**”); and

**WHEREAS**, as a condition of issuing the Bonds and as required by the Development Agreement, on the basis hereinabove summarized, the City has required the Guarantor and the Guarantor has agreed to furnish a financial guarantee for the full and prompt payment of all principal and interest payments as scheduled on the Bonds, when and as the same shall become due and in accordance with the terms and conditions of the Bonds.

**NOW, THEREFORE**, in consideration of the foregoing, the Guarantor does hereby covenant and agree with the City as follows:

### ARTICLE I

#### REPRESENTATIONS AND WARRANTIES

**Section 1.1. Representations and Warranties of the Guarantor.** Each Guarantor represents and warrants to the City as follows:

- (a) *Financial Benefit.* The execution of this Guaranty and the assumption by each Guarantor of its obligations hereunder will result in a direct financial benefit to it.
- (b) *No Litigation.* No litigation, proceedings or investigations are pending or, to the knowledge of each Guarantor, threatened against the Guarantor which would in any manner challenge or adversely affect powers of each Guarantor to enter into and carry out the transactions described in or contemplated by this Guaranty or the execution, delivery, validity or performance by each Guarantor of the terms and provisions of this Guaranty.

**Section 1.2. Survival of Representations.** All representations of each Guarantor contained in this Guaranty or in any certificate or other instrument delivered by each Guarantor pursuant to this Guaranty, shall survive the execution and delivery thereof.

## ARTICLE II

### THE GUARANTY

**Section 2.1. Guaranty.** Each Guarantor, jointly and severally, unconditionally guarantees to the City the following:

**A.** The full and prompt payment of all principal and interest payments as scheduled for the TIF Bonds and CID Bonds, when and as the same shall become due and in accordance with the terms and conditions of the Bonds; provided, however, that Guarantors' liability for such payments shall be limited with respect to the TIF Bonds to the amount by which such payments exceed the tax increment (as defined in the TIF Act) paid to Sedgwick County and distributed to the City for the Lot (as those terms are defined in the Development Agreement) and are available to utilized for payment of the TIF Bonds and CID Bonds in accordance with *Section 4.10* of the Development Agreement during the term of the Development Agreement.

**B.** The full and prompt payment of the costs and expenses of any proceedings relating to the enforcement of any provision of this Guaranty and the reasonable fees, expenses, disbursements and advances of the City, its agents and counsel; and

### **Section 2.2. Payments on Guaranty.**

**A.** All payments by each Guarantor shall be paid in lawful money of the United States of America. Any default in the provisions hereof shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action rises.

**B.** It is understood that extensions of time of payment or modifications or renewals of any of the obligations of any Guarantor hereunder shall not in any way impair the liability of the undersigned to City and that the undersigned will keep informed as to all matters pertaining to this Guaranty without notice from City.

**C.** When any of the obligations guaranteed in this Guaranty shall be and remain due and unperformed or unpaid, the undersigned will, upon demand, cause the performance or payment of such obligations.

**D.** Before proceeding hereunder against the undersigned, resort need not be made by City to any other security for any or all of the guaranteed obligations, nor shall the City be required to exhaust any remedy against any other endorser, surety or guarantor of the obligations.

**E.** Notice of the making, renewing or extending time of payment of any of the guaranteed obligations, and of demand, protest, and notice of nonpayment thereof, and notice of acceptance hereof, are expressly waived. No substitution, release or death of any other party liable for the payment of any of such obligations shall affect the liability of the undersigned to City. A waiver by the City of any right or remedy on any one or more occasions shall not be construed as a bar to or a waiver of any such right or remedy on future occasions.

**F.** The undersigned agree that, if at any time all or any part of any payment previously applied by City on any of the guaranteed obligations must be returned by the City for any reason, whether by court order, administrative order, or settlement, the undersigned shall remain liable for the full amount

returned as if such amount had never been received by City, notwithstanding any termination of this Guaranty or the cancellation of any agreement evidencing the guaranteed obligations.

**G.** River Vista, L.L.C. agrees to, no more than once per twelve (12) month period, allow the designated City Representative to review, but not retain any copies of, its financial statements at a mutually agreeable time and place but only after said City Representative has entered into a binding Non-Disclosure Agreement. The terms of the Non-Disclosure Agreement shall allow an exception from its provisions for discussion with City Management and Legal staff, and for further disclosure as needed for enforcement or collection due to material default, should the anticipated review disclose information that would call for the same. If the City desires to review the financial statements of any of the other Guarantors, it shall, at its sole cost and expense, contract with Springsted Incorporated to review such financial information and provide *summary* information to the City. The City acknowledges and agrees that the Guarantors will only provide financial information to Springsted for review upon execution of a mutually agreeable Non-Disclosure Agreement.

**H.** Each of the undersigned has unconditionally delivered this Guaranty to City and failure to sign this or any other guaranty by any other person shall not discharge the liability of the signer of this Guaranty.

**I.** This Guaranty shall be governed by, and construed in accordance with, the laws of Kansas, shall inure to the benefit of City, its successors and assigns, and shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the undersigned.

**J.** Each Guarantor waives diligence, presentment, demand of payment, and filing of claims with a court in the event of receivership or bankruptcy of any Guarantor, protest or notice and all demands whatsoever.

[THE BALANCE OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Each Guarantor has executed this Guaranty as of the date first above written.

**RIVER VISTA, L.L.C.,  
a Kansas limited liability company**

By: \_\_\_\_\_  
Amy J. Liebau, President

\_\_\_\_\_  
Name: George E. Laham, II

\_\_\_\_\_  
Name: David E. Wells

\_\_\_\_\_  
Name: David C. Burk

**ACCEPTANCE OF CITY**

This Guaranty Agreement and the obligations undertaken in it by the Guarantor are hereby accepted by the City as of the date first above written.

**THE CITY OF WICHITA, KANSAS**

By: \_\_\_\_\_  
Name: Jeff Longwell  
Title: Mayor

**City of Wichita  
City Council Meeting  
July 21, 2015**

**TO:** Mayor and City Council Members

**SUBJECT:** 2014 Comprehensive Annual Financial Report

**INITIATED BY:** Department of Finance

**AGENDA:** New Business

---

**Recommendation:** Receive and file the report.

**Background:** Kansas state law requires an annual audit of all City accounts to be performed by an independent certified public accounting firm. The Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014 includes the independent auditors' report on the financial statements that provides an opinion on the basic financial statements, as well as an opinion on other information in the CAFR in relation to the basic financial statements as a whole.

The CAFR is a financial report that exceeds the minimum requirements for public sector jurisdictions and is compliant with the national standards for local government accounting and reporting. The CAFR is provided to investment banks that market the City's bonds, bond rating agencies, secondary market agencies to comply with disclosure requirements of existing debt and future offerings, granting agencies for award review, educational institutions for research, other interested parties and citizens.

The Wichita Public Building Commission is considered a component unit of the City of Wichita and is appropriately reflected in the CAFR as part of the financial reporting entity. The City's CAFR provides additional information needed to gain an understanding of the government's financial position, results of operations and cash flows, and provides information demonstrating compliance with legally established budgets.

**Analysis:** The independent certified public accounting firm of Allen, Gibbs & Houlik, L.C. issued its opinion that the presentations that collectively comprise the basic financial statements present fairly, in all material respects, the financial position of the City as of December 31, 2014. This report is included in the Financial Section of the CAFR. A report on audit findings related to internal control and grant compliance is located in the Single Audit Section, along with management's response.

The Introductory Section of the CAFR includes the transmittal letter which summarizes initiatives of the past year, addresses local economic conditions, as well as the City's business and financial plans. The Financial Section presents a management discussion and analysis of the activities of the past year, as well as financial schedules at the entity-wide and the individual fund level for major funds. Other sections of the CAFR present an array of information to assist the reader in understanding the economic environment and the City's financial trends.

The Single Audit Section of the CAFR is of particular interest to granting agencies and includes the independent auditors' report on internal control and compliance with requirements of grant programs, while the specific reporting requirements of the water and sewer revenue bond covenants are included in the Water Utilities Section.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded Certificates of Achievement for Excellence in Financial Reporting to the City for the 2013 CAFR. In order to be awarded a Certificate of Achievement, the report must be efficiently organized and conform to the program standards. Staff believes that the 2014 CAFR will meet the GFOA standards for certification and staff have again applied for this recognition.

**Financial Considerations:** The CAFR reports the financial status of the City's funds as of December 31, 2014.

**Legal Considerations:** Kansas law requires an annual audit of City financial records by a certified public accounting firm (K.S.A. 75-1122) in accordance with the minimum standard audit program (K.S.A. 75-1123).

**Recommendations/Actions:** It is recommended that the City Council receive and file the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014.

**Attachments:** 2014 Comprehensive Annual Financial Report

# **City of Wichita, Kansas**

Incorporated 1870

City of 1st Class 1886

Council-Manager Form of

**Government Adopted 1917**

## **Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2014**



### **CITY COUNCIL**

Jeff Longwell, Mayor

James Clendenin, Vice Mayor (III)

Lavonta Williams, Council Member (I)

Pete Meitzner, Council Member (II)

Jeff Blubaugh, Council Member (IV)

Bryan Frye, Council Member (V)

Janet Miller, Council Member (VI)

### **City Manager**

Robert Layton, City Manager

### **Department of Finance**

Shawn Henning, Director of Finance

Prepared by Controller's Office

Department of Finance



# CITY OF WICHITA, KANSAS

## Comprehensive Annual Financial Report Year ended December 31, 2014

### TABLE OF CONTENTS

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	i
Certificate of Achievement.....	x
Organization Chart.....	xi
Principal Officials.....	xii
<b>FINANCIAL SECTION</b>	
<b>Report of Independent Auditors.....</b>	<b>A - 1</b>
<b>Management Discussion and Analysis .....</b>	<b>A - 3</b>
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	A - 13
Statement of Activities.....	A - 14
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	A - 16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	A - 17
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds.....	A - 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	A - 19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	A - 21
Statement of Net Position – Proprietary Funds .....	A - 22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	A - 26
Statement of Cash Flows – Proprietary Funds .....	A - 28
Statement of Fiduciary Net Position – Fiduciary Funds .....	A - 32
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	A - 33
Notes to the Financial Statements.....	A - 34
<b>Required Supplementary Information:</b>	
Schedule of Funding Progress:	
Wichita Employees' Retirement System .....	A - 80
Wichita Police and Fire Retirement System .....	A - 80
Post Employment Benefits Other than Pensions.....	A - 80
<b>Combining and Individual Fund Statements and Schedules:</b>	
<u>Governmental Funds:</u>	
Combining Balance Sheet – Nonmajor Governmental Fund Types .....	B - 1
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	B - 2
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	B - 6
Combining Balance Sheet – General Fund .....	B - 8
Combining Balance Sheet – Debt Service Fund.....	B - 9
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Fund Types .....	B - 10
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	B - 11
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	B - 14
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund .....	B - 16
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Fund .....	B - 17

# CITY OF WICHITA, KANSAS

## Comprehensive Annual Financial Report Year ended December 31, 2014

### TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued)	Page
<b>Combining and Individual Fund Statements and Schedules: (continued)</b>	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis):	
General Fund.....	B - 18
General Fund – Economic Development Subfund.....	B - 22
Special Revenue Funds:	
Homelessness Assistance Fund.....	B - 23
Tourism and Convention Promotion Fund.....	B - 24
Special Alcohol Program Fund.....	B - 25
Special Parks and Recreation Fund.....	B - 26
Landfill Fund.....	B - 27
Landfill Post-closure Fund.....	B - 28
Metropolitan Area Building and Construction Fund.....	B - 29
Downtown Parking Fund.....	B - 30
State Office Building Fund.....	B - 31
Gilbert and Mosley TIF District Fund.....	B - 32
North Industrial Corridor TIF District Fund.....	B - 33
Self-Supported Municipal Improvement District Fund.....	B - 34
City/County Flood Control Fund.....	B - 35
City/County Metropolitan Area Planning Department Fund.....	B - 36
Sales Tax Construction Pledge Fund.....	B - 37
Debt Service Fund.....	B - 38
Debt Service Fund - East Bank TIF District Subfund.....	B - 39
Debt Service Fund - 21 <sup>st</sup> Street and Grove TIF District Subfund.....	B - 40
Debt Service Fund - Old Town Cinema TIF District Subfund.....	B - 41
Debt Service Fund - Northeast Redevelopment TIF District Subfund.....	B - 42
Cemetery Fund.....	B - 43
<u>Enterprise Funds:</u>	
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	C - 1
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds.....	C - 2
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	C - 3
Schedules of Revenues, Expenditures and Changes in Unencumbered Cash – Budget and Actual:	
Water Utility Fund.....	C - 4
Sewer Utility Fund.....	C - 5
Stormwater Utility Fund.....	C - 6
<u>Internal Service Funds:</u>	
Combining Statement of Net Position.....	D - 1
Combining Statement of Revenues, Expenses and Changes in Net Position.....	D - 2
Combining Statement of Cash Flows.....	D - 3
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – Self Insurance Funds.....	D - 4
Schedule of Revenues, Expenditures and Changes in Unencumbered Cash – Budget and Actual:	
Information Technology Fund.....	D - 5
Fleet Fund.....	D - 6
Self Insurance Fund.....	D - 7
<u>Fiduciary Funds:</u>	
Combining Statement of Net Position – Pension Trust Funds.....	E - 1
Combining Statement of Changes in Net Position – Pension Trust Funds.....	E - 2
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	E - 3

# CITY OF WICHITA, KANSAS

## Comprehensive Annual Financial Report Year ended December 31, 2014

### TABLE OF CONTENTS (continued)

<b>FINANCIAL SECTION (continued)</b>	<b>Page</b>
<b>Combining and Individual Fund Statements and Schedules: (continued)</b>	
<u>Component Unit:</u>	
Statement of Cash Flows – Wichita Public Building Commission .....	F - 1
 <u>Additional Information:</u>	
Combined Schedule of Changes in Bonds Payable.....	G - 1
Reconciliation of Bonds Payable .....	G - 1
Summary of Debt Service Charges to Maturity:	
General Obligation Bonds Payable .....	G - 2
General Obligation Bonds Payable from Proprietary Fund Revenues .....	G - 3
Revenue Bonds Payable from Proprietary and Governmental Fund Revenues .....	G - 4
Schedule of Insurance in Force .....	G - 6
 <b>STATISTICAL SECTION</b>	
Net Position by Component .....	H - 2
Changes in Net Position.....	H - 4
Fund Balances of Governmental Funds .....	H - 8
Changes in Fund Balances of Governmental Funds .....	H - 10
Governmental Own Source Revenues by Source .....	H - 12
Governmental Revenues by Source .....	H - 14
Governmental Expenditures by Function .....	H - 14
Assessed Value and Estimated Actual Value of Taxable Property .....	H - 16
Property Tax Rates .....	H - 17
Principal Property Taxpayers .....	H - 18
Principal Employers, Wichita Area .....	H - 18
Property Tax Levies and Collections .....	H - 19
Special Assessment Levies and Collections .....	H - 19
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita .....	H - 20
Ratios of Outstanding Debt by Type .....	H - 22
Ratios of General Bonded Debt Outstanding .....	H - 23
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Government Expenditures .....	H - 23
Legal Debt Margin Information.....	H - 24
Computation of Direct and Overlapping Bonded Debt.....	H - 26
Demographic and Economic Statistics .....	H - 27
Pledged Revenue Coverage .....	H - 28
Capital Asset Statistics by Function .....	H - 29
Operating Indicators by Function .....	H - 30
City Government Employees by Function.....	H - 31
 <b>SINGLE AUDIT SECTION</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards .....	I - 1
Independent Auditors' Report on Compliance for Each Major Federal Program and for the Passenger Facility Charge Program; Report on Internal Control Over Compliance .....	I - 3
Schedule of Expenditures of Federal Awards.....	I - 6
Notes to the Schedule of Expenditures of Federal Awards.....	I - 8
Schedule of Findings and Questioned Costs.....	I - 11

# CITY OF WICHITA, KANSAS

## Comprehensive Annual Financial Report Year ended December 31, 2014

### TABLE OF CONTENTS (continued)

<b>WATER UTILITIES SECTION</b>	<b>Page</b>
Message to the Bondholders .....	J - 1
Water Utilities Combined Statement of Net Position .....	J - 3
Water Utilities Combined Statement of Revenues, Expenses and Changes in Net Position.....	J - 4
Water Utilities Combined Statement of Cash Flows .....	J - 5
Notes for the Water Utilities .....	J - 6
Water Utilities Net Revenue Available for Debt Service and Capital	
Expenditures Made from Operating Revenues .....	J - 13
Property Insurance .....	J - 13
Water and Sewer Utility Statistics by Customer Class .....	J - 14
Water and Sewer Utility Rates.....	J - 15



Department of Finance  
Controller's Office  
City Hall – Twelfth Floor  
455 North Main  
Wichita, Kansas 67202

June 29, 2015

To the Honorable Mayor, City Council and Citizens of the City of Wichita, Kansas:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Wichita for the year ended December 31, 2014. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City and its blended and discretely presented component units.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that management has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Kansas statutes require an annual audit of all funds of the City by independent certified public accountants. The certified public accounting firm of Allen, Gibbs & Houlik L.C. issued an unmodified opinion on the City of Wichita's financial statements for the year ended December 31, 2014. The independent auditor's report is located on page A-1 in the Financial Section of this report.

In addition to meeting the requirements set forth in state statutes, the standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with the administration of federal and state awards. The auditor's reports related specifically to the single audit are included in the Single Audit Section. Details on the audit findings and management's response are located in the Single Audit Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

## *The Reporting Entity and Its Services*

With a population of 388,413<sup>1</sup>, Wichita is the largest city in Kansas and is the county seat of Sedgwick County. Major highways, including the Kansas Turnpike and Interstate I-135, link the city with a large trade area that encompasses a population of more than 1 million<sup>2</sup> people within a 100-mile radius. The nearest large cities are Denver to the west, Kansas City to the northeast and Oklahoma City and Tulsa to the south and southeast.

Wichita became a town in 1868, was incorporated in 1870 and has been a city of the first class since 1886. The original stimulus to the city's economic development was the extension of the Santa Fe Railway into Wichita in 1872. The city's early growth paralleled the expanding agricultural productivity of the Central Plains States, and by 1900 the city was an important regional center for the processing of agricultural products and the distribution of farm equipment. In 1914, the discovery of oil broadened the economic base, drawing to the city numerous services, distributive enterprises and metalworking industries. From the earliest days of the aircraft industry, Wichita has been a leading producer of general aviation and commercial aircraft. McConnell Air Force Base was activated in 1951 and has remained an important factor in the community.

In 1917, Wichita became one of the first municipalities in the United States to adopt the Commission-Manager form of government. Effective April 14, 1987, the title "City Commissioner" was changed to "City Council" and instead of being elected at-large, five council members were nominated by district and elected at-large. In November 1988, Wichita voters approved a referendum to elect a five-member City Council by pure district elections and a full-time Mayor by city-at-large elections. On February 10, 1989, Charter Ordinance 115 was adopted and provided for the five council member seats to be increased to six by subdividing the city into six districts based on the 1990 census. The six Council members and the Mayor serve four-year terms with the Council members' terms being overlapping. The City Manager is appointed by the City Council and is responsible to them for the management of all City employees and administration of all City affairs.

The City of Wichita and its component units provide a full range of municipal services, including police and fire protection, parks and recreation programs, libraries, art museum, public housing, public health and social services, infrastructure improvements, public transportation, airports, water and sewer utilities, planning and zoning, cemetery maintenance, internal support services, and general administration.

**The Budget Process** - The City's financial planning process includes the development of three operating budgets each year. The current year adopted budget is revised based on updated data and assumptions. A proposed budget for the next year is also prepared and will become the adopted budget upon the City Council's approval. Finally, a projected budget is also prepared, which becomes the basis for the proposed budget next year. The 2014 budget was formulated around four strategic priorities identified by the City Council in 2009 in response to the economic downturn. The priorities include protecting life, protecting property, maintaining the City's investment in infrastructure and creating a sustainable community. Budget preparation focused on sustaining services and providing outcomes in areas of strategic priority.

Each year, City departments provide information on operations (financial and performance objectives) and identify significant issues and changing needs. The information is packaged in a strategic operating plan for each department. Senior staff and the City Manager conduct a review of revenue projections and departmental requests, balanced against current year priorities. The City Manager holds internal budget hearings, beginning in April and continuing through June. The City Council is briefed on the strategic and policy issues, the preliminary financial forecasts and the departmental performance levels. Based on the City Council's policy direction and the information from departments, a proposed budget is drafted and provided to the City Council for consideration in July. Throughout the process, presentations are made to citizens, including the District Advisory Board of each Council District and other neighborhood groups. Budget information is also communicated through various forms of social media, providing further opportunities for citizen engagement on the budget.

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<sup>1</sup>Source: 2014 Census population estimates. The Wichita MSA is comprised Of Butler, Harvey, Kingman, Sedgwick and Sumner counties. This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013.

<sup>2</sup>Source: U.S. 2010 Census. Population represents only the Kansas portion of the 100-mile radius, not the Oklahoma portion.

The City Council holds public hearings on the proposed budget in July and August, prior to adopting the final budget. The budget is required by Kansas law to be finalized, adopted and filed no later than August 25. The annual budget serves as a policy document, a financial plan, an operations guide and as a communication device.

**Budgetary Control** - The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level, but is monitored by function and activity within an individual fund. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriations lapse at year end, while encumbered appropriations are carried over into the next year for liquidation. As demonstrated by statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page A-23 as part of the basic financial statements, as well as a more detailed presentation beginning on page B-18. For governmental funds (other than the General Fund) with appropriated annual budgets, these comparisons are presented in the governmental funds section of this report beginning on page B-24.

### *The Local Economy<sup>3</sup>*

Wichita's employment includes a broad mix of business types, with a sizable base of relatively high paying manufacturing jobs. A list of Wichita's major private employers includes Spirit AeroSystems Inc., Via Christi Health, Textron Inc., Bombardier Learjet, Koch Industries Inc., Wesley Medical Center, Dillons Food Stores, Cargill Meat Solutions, and Johnson Controls.

However, any listing of the area's largest private employers does not reveal the large number of small and mid-sized companies providing a wide variety of goods and services to markets around the globe. According to the 2013 *County Business Patterns*, there are approximately 11,419 business establishments in Sedgwick County with fewer than 100 employees. Growth in Wichita is stimulated by these small firms, as well as local aircraft companies that combine to produce a significant number of the world's general aviation and commercial aircraft parts.

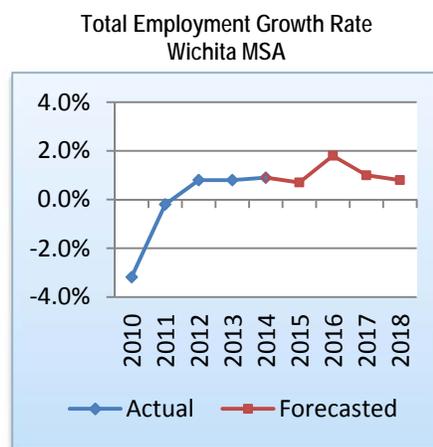
Total wage and salary employment in the Wichita metro area increased 0.9 percent, for a net gain of 2,500 jobs in 2014. Job losses in manufacturing were more than offset by growth in health services and professional and business services employment. Manufacturing employment fell by 1.3 percent in 2014 after shrinking 0.1 percent in 2013.

As of year-end 2014, manufacturing was the largest employment sector (17.7 percent), followed by the education and health services sector (15.6 percent), the government sector (13.5 percent), and the professional and business services sector (11.4 percent).

The industries with employment growth were natural resources, mining and construction (800 jobs), retail trade (200 jobs), transportation and warehousing (300 jobs), information services (100 jobs) financial services (200 jobs), professional and business services (1,700 jobs), education and health services (600 jobs), and leisure and hospitality (300 jobs).

Three industries lost jobs during 2014: manufacturing (700 jobs), wholesale trade (100 jobs), and government (1,000 jobs).

The Wichita MSA had an average unemployment rate of 6.9 percent in 2012, which dropped 0.7 percentage points to 6.2 percent in 2013. It continued to fall in 2014, reaching 4.5 percent in December 2014. Wichita had higher unemployment over this time period than the MSA, but followed a similar pattern. In 2012, the city had an average unemployment rate of 7.5 percent. In 2013, it fell 0.9 percentage points to 6.6 percent. By December 2014, it had fallen to 4.7 percent. The



<sup>3</sup> Information in this section largely provided by the Center of Economic Development and Business Research, Frank Barton School of Business, Wichita State University.

total civilian labor force in 2013 for the five-county Wichita MSA was 306,541 people. In the city of Wichita, the 2014 civilian labor force numbered 185,782 people, of whom 175,285 were employed.

Koch Industries broke ground for a 210,000 square-foot building at its Wichita headquarters in 2013. The new three-story building will accommodate 745 employees, making it possible for Koch to hire hundreds of additional employees.

Manufacturing began to recover in 2012, gaining 800 jobs, but lost approximately 50 jobs in 2013 and almost 700 jobs in 2014. In 2015, the sector's job growth is projected to be flat in both durable goods and non-durable goods.

The General Aviation Manufacturing Association announced more shipments and higher billings of general aviation airplanes in 2014. Shipments totaled 2,454 units, an increase of 4.3 percent from 2013 deliveries. Total billings increased to \$24.5 billion, a 4.4 percent increase over 2013. This was the second-highest level of total billings in the industry, behind 2008.

As the economy has improved in the Wichita area, consumer confidence has grown, as well. Consequently, inflation-adjusted taxable retail sales grew 2.4 percent in 2013 and 3.5 percent in 2014. Retail trade employment increased 0.8 percent in 2014, for a net gain of 270 jobs. In 2015, industry employment is expected to decline by 0.1 percent, for a net loss of 30 jobs.

New national and regional retail stores have opened in the Wichita area since 2013, including Costco, a third Sam's Club location, and Ashley Furniture. Hobby Lobby moved into a new store in east Wichita in late 2013 as well. The Old Town and Delano Districts have also experienced growth in recent years, expanding and adding additional shops.

The service sectors increased 2.2 percent in 2014 for a net gain of 2,800 jobs:

- The information sector gained over 100 jobs to grow 3.1 percent.
- The finance sector gained almost 250 jobs for a net increase of 2.3 percent.
- The professional and business services sector gained over 1,700 jobs for a net increase of 5.4 percent.
- The education and healthcare services sector gained over 600 jobs, growing 1.4 percent.
- The leisure and hospitality sector gained almost 300 jobs for a net increase of 1 percent.
- The other services sector declined by over 100 jobs for a contraction of 1.4 percent.

The natural resources and construction industry accounted for 5.5 percent of all wage and salary jobs in the Wichita MSA in 2013. The industry saw an employment increase of 760 jobs in 2014 and is expected to increase 3.2 percent, or approximately 500 jobs in 2015.

After dropping in 2011 and 2012, Wichita home prices began to recover by appreciating by 0.4 percent in 2013. Stanley Longhofer, director of the WSU Center for Real Estate, forecasts that home prices in Wichita will continue to grow with 0.2 percent growth in 2015, and Longhofer forecasts a 1 percent increase in Wichita home sales in 2015.<sup>4</sup> The value of new residential construction permits in Wichita declined 30.5 percent in 2015 after strong increases in 2013 and 2014.<sup>5</sup>

Eight unified public school districts serve the City of Wichita. The largest is Wichita Unified School District 259 (USD 259), which operates about 85 schools from elementary through high school, offering alternative, magnet and special schools. For fall 2014, Wichita USD 259 had its highest enrollment since 1975, with a total of 51,330 students. In addition to the public school districts, there are numerous private, public, and technical schools, including 12 colleges and universities that provide educational opportunities in many fields of study. Among these are Wichita State University, Newman University, University of Kansas School of Medicine and Friends University.

While economic conditions are showing signs of recovery, Wichita is expected to continue the slow but steady growth experienced since the last recession. Diversified industry, combined with a skilled labor force and the City's central location continue to contribute to the ongoing growth and recovery in the area.

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<sup>4</sup>Longhofer, Stanley D. *2015 Kansas Housing Markets Forecast*, Center for Real Estate, W. Frank Barton School of Business, Wichita State University, <http://realestate.wichita.edu/draft/research/Web/Forecast/2015/Wichita%202015%20separated.pdf>

<sup>5</sup>City of Wichita, Metropolitan Area Building and Construction.

## *City Business and Financial Plan*

The City of Wichita uses a comprehensive planning approach that incorporates a long-term strategic process (five-year financial plan) and a short-term strategic process (two-year budget). In addition, the City maintains a 10-year capital expenditure and financing plan. The financial planning process integrates the City's debt capacity and operational plans, such as the technology plan, the pavement management plan, the park master plan, the pedestrian master plan and the future water supply plan.

The City continues to align financial plans with the strategic priorities, modifying budgets to achieve desired outcomes with available financial resources. With future revenue growth, the strategic priorities established in 2009 have been reviewed and updated to provide clarity and flexibility in adapting to both short-term and long-term opportunities and challenges. The review is an opportunity to balance needs and resources for the best mix of services for citizens.

Adequate levels of reserves are an important foundation to the City's business and financial planning. The City maintains a policy that General Fund reserves are a minimum of 10% of the subsequent year's expenditure budget. The reserves of the General Fund assure rating agencies of the City's financial stability, translating into lower costs of financing for capital investments. Additionally, the General Fund reserve provides flexibility for cash flow and emergency needs. The City also maintains reserves equivalent to 85% of the estimated landfill post-closure liability and maintains reserves at a 90% confidence level of actuarially estimated potential claims in the Self Insurance Fund. In spite of the fluctuations in the financial markets in the recent years, the City's Retirement Systems maintain funded ratios near 95%, which is well above many public pension systems.

The City manages a pooled funds investment program for all cash, applying a comprehensive investment policy. The program allows the City to invest its cash in permitted investments for terms up to four years while maintaining the primary objective (in order of priority) of safety, liquidity and yield. The City's exposure to risk is managed through various insurance policies, as well as self insurance programs.

With a combination of approaches to ensure relevant outcomes at the lowest possible cost, the City has focused on using technology to reduce operating costs or enhance service levels, has outsourced functions that have a varying degree or seasonal demand, and has partnered with Sedgwick County to consolidate construction permit and inspection services. Additionally, the City has and continues to restructure management hierarchies and realign organizational structures to meet service demands, as well as creating initiatives to manage rising health insurance costs through the wellness program.

Maintaining engagement with stakeholders – residents, the governing body, District Advisory Boards, neighborhood associations, community groups, the business community, employee bargaining units and City staff – helps the City continue its focus on the delivery of the right mix of services and careful use of resources in recognition of the community's priorities.

To improve the ability of residents to provide meaningful input, the City created the Office of Community Engagement. Following the community survey of 2012, Activate Wichita was launched, utilizing social media to have online conversations about current topics and the City's future. Repeating social media town hall meetings from the last two years, the City again sought input on budget issues from citizens in this manner, in addition to seeking input through the traditional budget hearings and presentations. The City also initiated another citizen engagement opportunity, ACT ICT, to obtain further citizen input regarding the community's future. The community's feedback collected through these various channels is valuable as the City reviews and updates its strategic priorities.

The traditional lines of communication with the citizens and all of the new community engagement efforts were utilized to identify strategic priorities in connection with a planned local sales tax proposal. Through community feedback, the use of a proposed one-cent sales tax was narrowed from a long list of projects to four areas: securing a long-term water supply, job development, improved transit service, as well as improved street maintenance. A sales tax referendum for these four priorities was held in November 2014 and was not successful. The City continues to evaluate these important priorities to address future impacts to the community.

In summary, positioning the City favorably for long-term economic health remains a key objective, based on a diversified foundation of business and industry. Downtown revitalization remains a major initiative toward developing that diversified base. Collaborating with all levels of government and community partners, the City continues to incentivize job growth to attract business and industry to the area.

### *Relevant Policy Changes*

Most of the City's key financial management policies remain unchanged, including a stable property tax rate, a balanced budget, maintenance of a General Fund balance of at least 10% of budgeted expenditures, and budget decisions driven by the strategic priorities adopted by the City Council. The policies provide the foundation for City financial planning and budget allocation decisions in the current economic environment.

Three of the City's primary sources of general revenue are property, sales and franchise taxes. In recent years, the lack of significant growth in property values and the changes in tax exemptions have restricted the growth of property tax revenue. The property tax revenue has not significantly changed since 2009. In 2014, sales and franchise tax revenue rose to the highest levels recorded in the last 10 years. Continued low investment earnings and reduced revenue from other service offerings challenge the City's revenue portfolio.

Temporary policy changes to adjust to the economic downturn included shifting a portion of the mill levy for capital investment and debt service to general operations in 2009. In 2013 and 2014, the mill levy began a shift back to the Debt Service Fund in one-half mill increments to meet infrastructure needs planned in the capital improvement program. Other changes have been guided by citizen feedback. Street maintenance funding was preserved. Fire call volume and response times were evaluated and resulted in a redeployment of fire services, providing cost savings, but more importantly, no reduction in response time. Additional changes will close low volume library facilities and improve cost recovery of park services. Evaluation of outsourcing selected services will continue.

Despite signs of an improved economic environment, the City continues to face some challenges. The City's revenues have not fully rebounded to pre-recession levels. Financial pressure is added with the slow growth of local revenue coupled with the declining availability of grant funds. Innovative thinking and actions continue to be needed to manage wage costs and the associated health and pension benefits and to deliver services in the current economic and political environment. Technology will continue to be utilized to improve the opportunities for citizens to pay bills and receive information online. Exploration continues into other technologies that could affordably improve efficiency. Meanwhile, the City continues to press forward with major initiatives and to position itself in the future for sustainable growth.

### *Major Initiatives*

Though the economic times remain somewhat challenging, the City continues to invite private investment, striving for a diversified business and industry foundation. In December 2010, the City Council approved Project Downtown – the Master Plan for Wichita. The plan identifies unique districts within the downtown area, all to be supported by development concepts that create “walkable” connections and continues to guide the City's efforts in making strategic investments that stimulate private sector investment. In 2011, a new Downtown Incentives Policy was created in which the City established guidelines for public/private partnerships as the appropriate balance between public and developer investments.

Recently, a new alignment of economic organizations was created with formation of a new Greater Wichita Partnership. This partnership will coordinate economic development efforts of the Leadership Council, the Greater Wichita Economic Development Council (GWEDC) and the Wichita Downtown Development Corporation (WDDC) to maximize development and foster job growth in the community. In recent years, numerous commercial, residential and retail projects were completed that add to the downtown nucleus and encourage new development.

The WDDC, which was established to revitalize and energize the city's center, reported that since Project Downtown's adoption, downtown Wichita has seen over \$321 million of private and public sector investment combined. Over the past 10 years, the combined investment in downtown Wichita by the private and public sectors totaled \$966 million.

With the continued focus on economic development and job growth, a coalition from both the private and public sectors has also joined together to conduct a new study for the ten-county region called the Blueprint for Regional Economic Growth (BREG) to identify industries that have the potential to grow jobs and industry in the region. BREG identifies eight industry “clusters” that have the potential to grow jobs and industry in the region.

In 2014, Wichita State University also announced a new master plan which includes a new Innovation Campus. The campus will align education and the business community through learning, research, innovation and entrepreneurship, creating an economic impact in the community.

Renovation of Union Station, one of downtown Wichita’s most iconic buildings, is underway representing a \$54 million project which includes the Wichita Historic train station, Union Station, Rock Island Depot, and the former Wichita Grand Hotel. Plans also include a new parking garage with first floor retail. Over five acres of public space will include streetscape improvements and a redeveloped plaza area along Douglas Avenue.

The developer of the historic Exchange Place and Bitting Building is finalizing over \$66 million in redevelopment plans. The project will offer over 200 residential units, office and retail space, as well as a new parking garage, also positively impacting the Douglas Avenue Corridor.

The WaterWalk and River Corridor districts, which include sculptures, ponds, fountains, walking paths and plantings, surround WaterWalk Place, a mixed-use building with 46 upper-end residential units, a parking garage, commercial space and building lots ready for construction. A 150-foot feature fountain was installed in 2012 providing shows of lights, water, and music. In 2013, the district was complemented with a floating stage for performing arts, adding to the attractions of this downtown destination. Completed in 2014, the new \$10 million WaterWalk Apartments provide 133 one, two and three bedroom apartments with flexible living choices, including all utilities paid, short leases, furnished or unfurnished units. The apartments are located on the west bank of the Arkansas River, adjacent to the Wichita Ice Center.

The mixed-use River Vista project on the west bank of the Arkansas River is also underway. Plans include a 154-unit apartment project, parking garage, and future commercial development. Utilizing sales tax revenue (STAR) bonds, the City will make improvements to the riverfront and the adjacent Delano Park.

The City approved a plan to renovate the former Macy’s garage at 215 S. Market. The project will stabilize the structure and provide 550 available spaces for parking in the downtown area.

Construction of the new \$160 million Airport terminal building progressed during 2014. Concurrent with the construction of the new terminal is the construction of a \$40 million, 1,600-space parking garage, increasing airport parking capacity by 38%. The parking garage provides more convenient parking and access to rental cars, connecting to the terminal with a covered walkway. The new Dwight D. Eisenhower National (formerly Mid-Continent) Airport terminal and parking garage opened in June 2015. The positive developments at Wichita’s airport have the potential to attract more visitors and more business to the Wichita area.

Plans for a new \$30 million Central Library are in the design phase and will include increased space, community meeting rooms, and enhanced technology to promote learning and collaboration.

To further improve neighborhood and street safety, a commitment was made in 2014 to deploy body cameras for each Police Officer by the end of 2015. Additionally, a new flyover connecting 13<sup>th</sup> Street to I-235 opened in November to improve and reduce traffic at Zoo Boulevard in west Wichita. The City also continues to encourage citizens to maintain safe and attractive neighborhoods through the Neighborhood Cleanup Program. Training is offered to neighborhood volunteers on how to organize a neighborhood cleanup event. In addition, the City provides financial assistance in low and moderate income neighborhoods. Neighborhoods engage their own volunteers, distribute information to neighbors

**Vision Statement Guiding the Downtown Master Plan**

*“Downtown is a place that enables people to live, work, shop, play, and learn...all within a short walk of each other. Downtown celebrates Wichita’s rich history and vibrant future, and it invites people from every walk of life to share their sense of community. 150 years after Wichita took root here, downtown is the reinvigorated heart of a region committed to a vital future.”*

and organize the cleanup event. Marketing efforts of golf, park and recreational services continue to build awareness of the offerings within the community. The retooled recreation programs provide some fresh, new offerings each quarter, while working to keep the community's favorite programs.

The City continues to be successful in various tourism initiatives. Each year, the Wichita River Festival draws approximately 300,000 citizens and visitors during the 10-day event. Also drawing visitors from across the region is the two-day Wichita Flight Festival, offering world-class air shows, family-friendly displays, children's activities, food and music. Many other attractions are offered including the Automobilia's Moonlight Car Show and **Street Party**, the Wagonmasters' Downtown Chili Cook-off, the Midwest Winefest, the Great Plains Renaissance Festivals, the Midwest Beerfest, Zoobilee, and Winter Illuminations at Botanica, Wichita's gardens. Botanica's new \$1.5 million Chinese garden of Friendship began construction in 2014 and opened in June 2015. The garden includes traditional Chinese architecture, art, and culture to inspire the community.

The community also continues a rich tradition in performing arts. Music Theatre offered a 25 show, five production line-up of shows, in addition to the eight-show line-up offered by the Wichita Grand Opera, including one outdoor opera. Wichita is also host to the Wichita Symphony, Chamber Music at the Barn, summer outdoor concerts at Cowtown and WaterWalk, the Tallgrass Film Festival, and many other performing arts events that enrich the community.

The Wichita community offers many sporting events, which provide both entertainment and participation opportunities. The Prairie Fire Marathon draws runners from a wide region, offering a full marathon, a half marathon, and a fun run. The Kansas Special Olympics brings spectators and athletes from across the state for a weekend of fun competition. The National Baseball Congress annually brings teams from across the nation to compete in the amateur national tournament. Wichita Thunder, the City's professional hockey team, the Wichita Wingnuts professional baseball team, and the Wichita Force professional indoor football team have a fan base, as well as the college sports teams that call Wichita home.

College athletics excite and unite the community. Wichita State University men's and women's basketball teams again earned a spot in the NCAA<sup>6</sup> Division I Basketball Tournament with the men's team making it into the final four in 2013 and the final 32 in 2014. Wichita has been selected as one of eight sites to host preliminary rounds one and two of the 2018 NCAA Men's Basketball Tournament, downtown at the Intrust Bank arena. The event is expected to bring \$10 million in direct economic benefit to the community.

For the animal lovers, the Wichita area offers many attractions such as Equifest, a premier horse show and exposition. The two-day Wichita Cat Fancy show offers judged competitions in multiple categories and appeals to lovers of exotic breeds and common household felines. The Sunflower Cluster Dog Show, sponsored by the Wichita, Hutchinson and Salina Kennel Clubs, and the Wichita Dog Training Club, offered judged shows over a period of five days, attracting visitors from many states. The ever popular outdoor celebration of dogs, Woofstock, celebrates the friendship we have with our dogs and serves as a fundraiser for the Kansas Humane Society.

Many additional attractions mix fun, fellowship and fundraising to knit the community together and bring guests from across the region into the city.

### *Awards and Acknowledgments*

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita, Kansas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending on December 31, 2013. The 2013 award represents the 41st consecutive year that the City earned this award.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita, Kansas for its Popular Annual Financial Report (PAFR) for the fiscal year ending on December 31, 2013. The 2013 award represents the City's fifth award, with the City earning the award in each year of participation.

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<sup>6</sup> National Collegiate Athletic Association.

The City also received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the Wichita Retirement Systems CAFR for the fiscal year ending on December 31, 2013. The 2013 award represents the 15th consecutive year that the Wichita Retirement Systems earned this recognition.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only.

The City believes this current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

For the 26th consecutive year, the City earned the GFOA's Distinguished Budget Presentation Award for its 2015 budget document. The award is the highest form of recognition in governmental budgeting. To receive the award, a government must publish a budget document judged to be proficient as a policy document, a financial plan, an operations guide and a communications device. The award is the budgetary counterpart to the Certificate of Achievement and is valid for one year only. In addition, the City of Wichita also received special capital recognition for its 2015 budget document which was adopted in 2014.

Appreciation is expressed to the elected members of the City's governing body for their continued interest and support in planning and conducting the financial operations of the City in a professional, responsible and progressive manner. Additionally, preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to its preparation.

Respectfully submitted,



Robert Layton  
City Manager



Shawn Henning  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

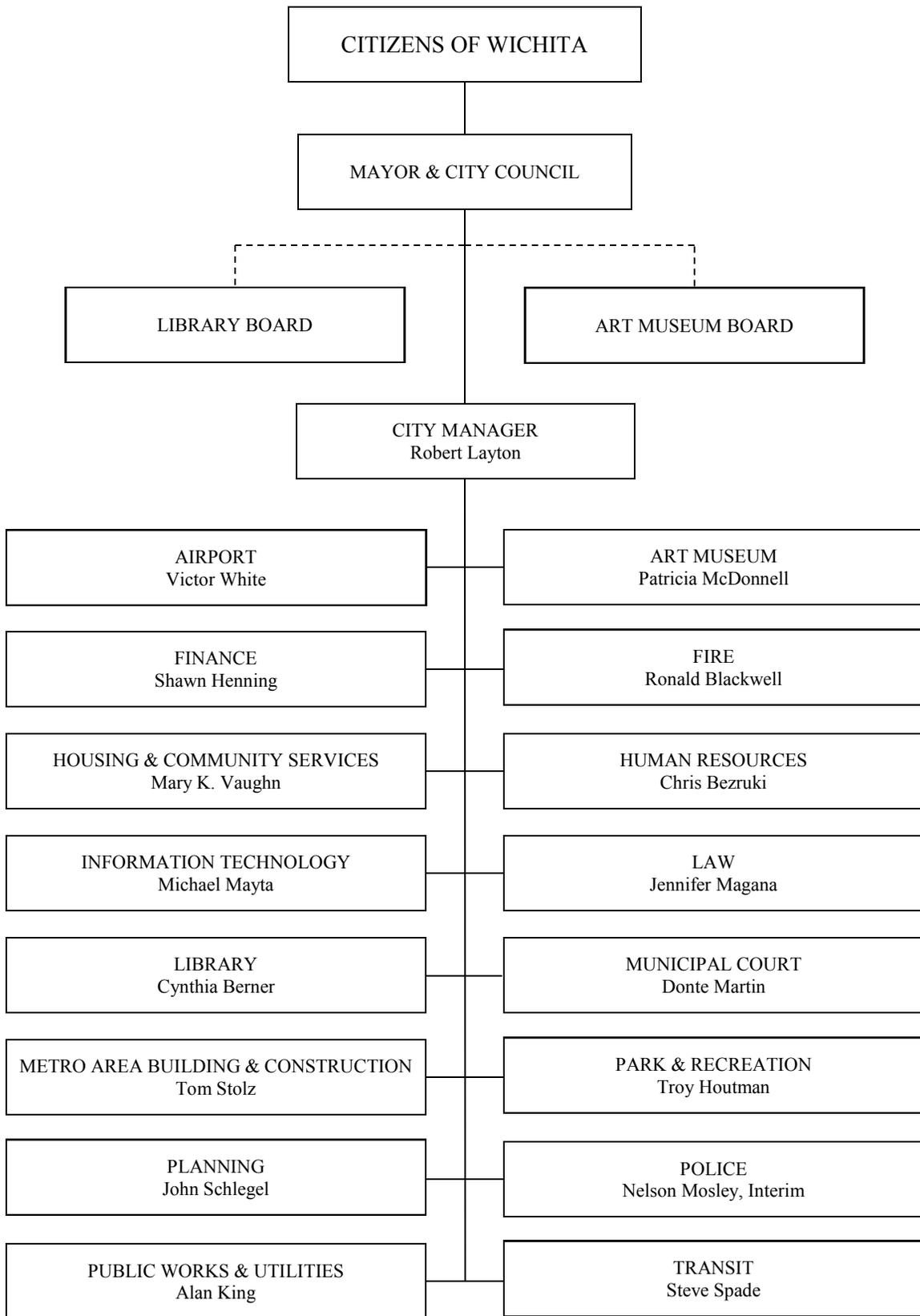
Presented to

**City of Wichita  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO





**CITY COUNCIL MEMBERS**

Jeff Longwell	Mayor	268-4331
James Clendenin	Vice Mayor (III)	268-4331
Lavonta Williams	Council Member (I)	268-4331
Pete Meitzner	Council Member (II)	268-4331
Jeff Blubaugh	Council Member (IV)	268-4331
Bryan Frye	Council Member (V)	268-4331
Janet Miller	Council Member (VI)	268-4331

The Wichita City Council meets Tuesday mornings beginning at 9:00 AM at City Hall, 455 N. Main. On the fourth Tuesday of the month, to reserve time for workshop sessions, the Council only addresses routine items that require their consent. Meetings are usually not held on the Tuesday following a Monday holiday or on the fifth Tuesday of the month. The City Council meetings can be viewed live on local channel 7 or archived video may also be viewed via the internet at: <http://www.wichita.gov/Government/Council/Pages/default.aspx>.

**CITY OFFICES**

City Manager	268-4351	Robert Layton, City Manager
Assistant City Manager	268-4351	Cathy Holdeman, Assistant City Manager
Airport	946-4700	Victor White, Director
Art Museum	268-4921	Patricia McDonnell, Director
Finance	268-4300	Shawn Henning, Director
Fire	268-4451	Ronald Blackwell, Fire Chief
Housing & Community Services	462-3795	Mary K. Vaughn, Director
Human Resources	268-4531	Chris Bezruki, Director
Information Technology	268-4318	Michael Mayta, Chief Information Officer
Law	268-4681	Jennifer Magana, City Attorney & Director of Law
Library	261-8500	Cynthia Berner, Director
Municipal Court	268-4611	Donte Martin, Court Administrator
Metro Area Building & Construction	268-4460	Tom Stolz, Director
Park & Recreation	268-4398	Troy Houtman, Director
Planning	268-4425	John Schlegel, Director
Police	268-4158	Nelson Mosley, Interim Chief of Police
Public Works & Utilities	268-4497	Alan King, Director
Transit	352-4802	Steve Spade, Director

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
City of Wichita, Kansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas (City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita, Kansas, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, Additional Information section, Water Utilities section, Schedule of Expenditures of Federal Awards required by OMB *Circular A-133*, Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies*, and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, Additional Information section, Water Utilities section, Schedule of Expenditures of Federal Awards required by OMB *Circular A-133*, and Schedule of Passenger Facility Charges required by the *Passenger Facility Charge Audit Guide for Public Agencies* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2015  
Wichita, Kansas

This management discussion and analysis provides an overview of the City's financial activities and performance for the fiscal year ended December 31, 2014. The management discussion and analysis is presented in conjunction with the transmittal letter at the front of this report and the City of Wichita's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The City's net position increased \$87.1 million during 2014. The most significant increase in net position occurred in the Water Utility Fund.
- Approximately 78% of the City's total assets are held in capital assets.
- The cost of governmental activities was \$313.2 million in 2014 compared to \$319.8 million in 2013, a decrease of \$6.6 million or 2.1%. The change was related primarily to a reduction in non-capital maintenance costs reported for Highways and Streets.
- The cost of business-type activities was \$164.8 million in 2014 compared to \$148.4 million in 2013, an increase of \$16.4 million, or 11.1% due primarily to increased interest costs with the issuance of additional debt and the reclassification of certain internal charges that had previously been reported as transfers.
- Excluding the impact of state sales tax reimbursements for STAR bond funded projects recorded in 2013, sales tax revenue increased \$2.3 million in 2014 from the prior year.
- Franchise tax revenue increased by \$2.6 million in 2014.
- In 2014, bonded debt increased by \$138.1 million, primarily related to the \$135.9 million issuance of general obligation bonds to permanently finance the City's Aquifer Storage and Recovery (ASR) system for the Water Utility.
- In governmental activities, capital grants and contributions increased \$27.7 million from 2013 levels, the majority of which was for highways and streets.
- In business-type activities, capital grants and contributions decreased \$10.2 million in 2014 with the majority of the decrease in the airport function as the new terminal and parking project neared completion.
- The General Fund, on a budgetary basis, reported \$1.6 million of revenue and other sources in excess of expenditures and other uses.
- On December 31, 2014, the General Fund reported a budgetary fund balance of 11.7% of the 2015 appropriated budget, which includes a \$12 million reserve appropriated for emergencies.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report consists of four major sections: introductory, financial, statistical and single audit. The financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. Supplementary information, provided in addition to the basic financial statements, is located in the sections titled *Additional Information*, *Statistical* and *Water Utilities*. The *Water Utilities Section* provides specific information for water and sewer revenue bondholders.

The City presents two kinds of statements, each providing a different perspective of the City's finances. The reporting focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability.

**Government-wide Financial Statements.** The government-wide statements are prepared using accounting methods similar to those used by private-sector companies. The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position will serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating, absent extraordinary events.

The *statement of activities* reports how the government's net position changed during the most recent fiscal year. All changes in net position (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities), and from the City's discretely presented component unit, the Wichita Public Building Commission. Governmental activities of the City include general government, public safety, highways and streets, sanitation, health and welfare, and culture and recreation. Business-type activities include public water, sewer, airport, stormwater, public transit services and golf.

### FUND FINANCIAL STATEMENTS

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wichita, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the City's most significant funds – not the City as a whole. All of the funds of the City of Wichita can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on cash flows and other financial assets that can be readily converted to cash and are available in the near future to finance the City's programs. The differences between the short-term view of governmental fund statements and the long-term view of the governmental activities on the entity-wide financial statements are provided in reconciliations on pages A-17 and A-19. Primary differences are the impact of accounting for capital assets and their long-term financing.

The City maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the funds considered major funds. Information for 22 nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements beginning on page B-1.

The City of Wichita adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page A-21, demonstrating compliance with the appropriated budget. For the purposes of this report, the General Fund consists of several separately appropriated subfunds. Budgetary compliance with the appropriated subfunds of the General Fund is provided in the Governmental Funds Section of this report, which begins on page B-1. A more detailed budgetary statement of the General Fund, as appropriated, is also provided in the Governmental Funds Section with other supplementary budgetary governmental fund statements.

- *Proprietary funds*, which include enterprise and internal service funds, account for services for which the City charges customers a fee. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. Enterprise funds account for water and sewer, airport, stormwater, golf, and transit operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. Internal service funds account for the City's fleet, technology, and self-insurance programs. Because internal services primarily benefit governmental rather than business-type functions, the assets and activities of the internal service funds have predominately been included with governmental activities in the government-wide financial statements.

Proprietary funds report the same types of information as the government-wide financial statements, however in greater detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Stormwater Utilities and the Airport Authority Fund, all of which are considered to be major funds of the City. The nonmajor funds are consolidated into an aggregated presentation on the proprietary fund financial statements, as are the internal service funds. Individual fund data for proprietary funds (enterprise and internal service funds) begin on pages C-1 and D-1 of this report.

- *Fiduciary funds* report on activities for which the City is the trustee or fiduciary, and like proprietary funds, present information based on the full accrual basis of accounting. Fiduciary funds include the employees' pension plans and other funds that – because of a trust arrangement – can be used only for the specified purpose. The City is responsible for ensuring that the assets reported in fiduciary funds be used for the intended purposes only. Activities conducted in a fiduciary capacity are excluded from the City's government-wide financial statements because the City is prohibited from using fiduciary assets to finance its operations.

- *Notes to the financial statements* provide information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements.
- *Other information* is presented in addition to the basic financial statements and accompanying notes, including certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment healthcare benefits to its employees. The required supplementary information follows the notes to the financial statements, with additional information in the sections titled *Additional Information*, *Statistical Section* and the *Single Audit Section*.
- *The Water Utilities Section* provides for the specific informational needs of the water and sewer revenue bondholders.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

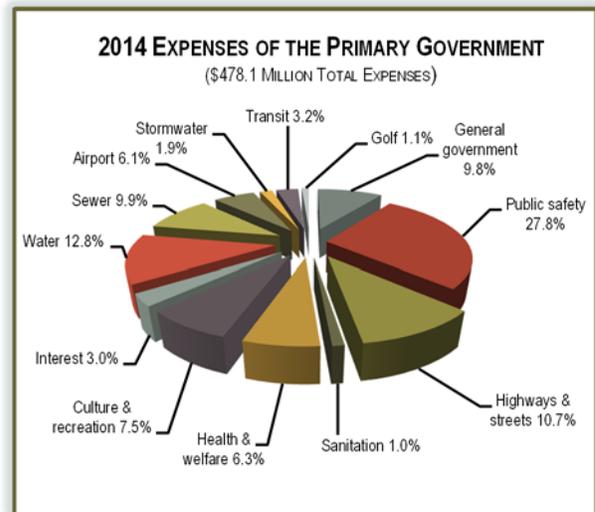
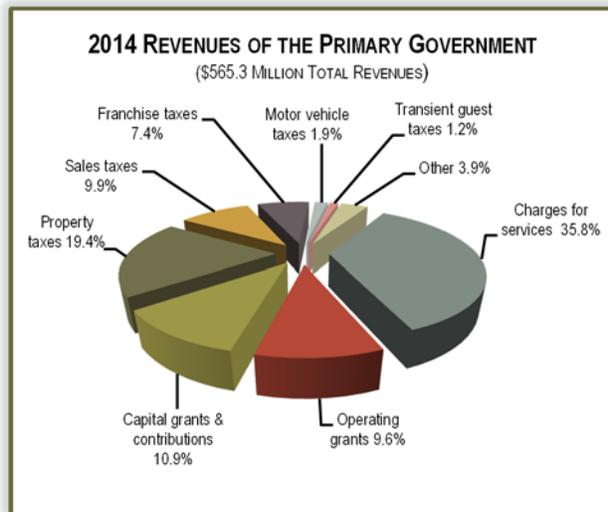
**Net Position of the Primary Government and Component Unit.** The net position of the primary government, which can serve as a useful indicator of a government's financial position over time, shows an increase of just over \$87 million during 2014. Approximately 76% of the City's net position consists of its net investment in capital assets (e.g., land, buildings, improvements, equipment), net of related debt. The City uses the capital assets to provide services to citizens; consequently, capital assets are not available for future spending. An additional portion of the net position represents resources with external restrictions dedicated to specific purposes. The unrestricted portion of the net position may be used to meet other obligations of the government. An additional portion of the net position represents resources subject to external spending restrictions. The unrestricted portion of the net position that may be used for the government's ongoing operations is \$110.3 million.

Net Position – Primary Government						
As of December 31						
(in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 519.3	\$ 515.0	\$ 282.5	\$ 291.1	\$ 801.8	\$ 806.1
Capital assets	1,234.5	1,207.4	1,601.6	1,522.5	2,836.1	2,729.9
Total assets	<u>1,753.8</u>	<u>1,722.4</u>	<u>1,884.1</u>	<u>1,813.6</u>	<u>3,637.9</u>	<u>3,536.0</u>
Total deferred outflows of resources	<u>1.6</u>	<u>2.1</u>	<u>6.3</u>	<u>6.5</u>	<u>7.9</u>	<u>8.6</u>
Non-current liabilities	548.0	534.8	717.2	487.6	1,265.2	1,022.4
Other liabilities	80.9	107.9	64.5	266.5	145.4	374.4
Total liabilities	<u>628.9</u>	<u>642.7</u>	<u>781.7</u>	<u>754.1</u>	<u>1,410.6</u>	<u>1,396.8</u>
Total deferred inflows of resources	<u>96.7</u>	<u>96.5</u>	<u>-</u>	<u>-</u>	<u>96.7</u>	<u>96.5</u>
Net position:						
Net investment in capital assets	714.1	730.4	908.3	854.2	1,622.4	1,584.6
Restricted net position	267.2	266.2	138.6	171.4	405.8	437.6
Unrestricted net position	48.5	(11.3)	61.8	40.4	110.3	29.1
Total net position	<u>\$ 1,029.8</u>	<u>\$ 985.3</u>	<u>\$ 1,108.7</u>	<u>\$ 1,066.0</u>	<u>\$ 2,138.5</u>	<u>\$ 2,051.3</u>

The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. In 2014, total revenues increased by \$43.2 million. During the same period, expenses of the primary government increased \$9.9 million.

Changes in Net Position – Primary Government  
For the Year Ended December 31  
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 36.7	\$ 34.4	\$ 165.8	\$ 151.9	\$ 202.5	\$ 186.3
Operating grants and contributions	45.1	47.0	9.0	7.1	54.1	54.1
Capital grants and contributions	38.8	11.1	22.9	33.1	61.7	44.2
General revenues						
Property taxes	106.0	106.3	-	-	106.0	106.3
Sales taxes	56.1	58.5	-	-	56.1	58.5
Franchise taxes	41.9	39.3	-	-	41.9	39.3
Motor vehicle taxes	14.3	13.4	-	-	14.3	13.4
Transient guest taxes	6.8	6.4	-	-	6.8	6.4
Investment earnings	1.4	0.8	-	0.5	1.4	1.3
Miscellaneous	15.3	7.8	5.2	4.5	20.5	12.3
Total revenues	<u>362.4</u>	<u>325.0</u>	<u>202.9</u>	<u>197.1</u>	<u>565.3</u>	<u>522.1</u>
<b>Expenses</b>						
General government	46.4	44.5	-	-	46.4	44.5
Public safety	132.6	129.6	-	-	132.6	129.6
Highways and streets	50.7	60.8	-	-	50.7	60.8
Sanitation	4.5	4.7	-	-	4.5	4.7
Health and welfare	29.7	29.9	-	-	29.7	29.9
Culture and recreation	35.6	34.6	-	-	35.6	34.6
Interest on long-term debt	13.7	15.7	-	-	13.7	15.7
Water Utility	-	-	60.7	50.1	60.7	50.1
Sewer Utility	-	-	46.8	43.7	46.8	43.7
Airport Authority	-	-	28.7	26.8	28.7	26.8
Stormwater Utility	-	-	8.5	7.9	8.5	7.9
Transit	-	-	15.3	15.1	15.3	15.1
Golf Course System	-	-	4.9	4.8	4.9	4.8
Total expenses	<u>313.2</u>	<u>319.8</u>	<u>164.9</u>	<u>148.4</u>	<u>478.1</u>	<u>468.2</u>
Excess before transfers and prior period adjustments	49.2	5.2	38.0	48.7	87.2	53.9
Transfers	(4.7)	2.4	4.7	(2.4)	-	-
Increase in net position	<u>44.5</u>	<u>7.6</u>	<u>42.7</u>	<u>46.3</u>	<u>87.2</u>	<u>53.9</u>
Net position, beginning of year	985.3	989.2	1,066.0	1,022.7	2,051.3	2,011.9
Prior period adjustments	-	(11.5)	-	(3.0)	-	(14.5)
Net position, end of year	<u>\$ 1,029.8</u>	<u>\$ 985.3</u>	<u>\$ 1,108.7</u>	<u>\$ 1,066.0</u>	<u>\$ 2,138.5</u>	<u>\$ 2,051.3</u>



**Governmental activities:** The net position of governmental activities increased \$44.5 million in 2014. During the current fiscal year, governmental revenues, excluding transfers, increased \$37.4 million over 2013 levels. The most significant increase in revenues was in capital grants and contributions, which recorded a \$27.7 million increase. Excluding the impact of state sales tax reimbursements for STAR bond funded projects recorded in 2013, sales tax revenue increased \$2.3 million in 2014 from the prior year.

The \$6.6 million decrease in expenses for governmental activities largely consists of a \$10.1 million reduction in highways and streets expenses and a \$2 million reduction in interest on long-term debt, with offsetting increases in other areas. The reduction in highways and streets reflects fewer maintenance and equipment expenses, while the reduction in interest on long-term debt reflects savings related to prior year crossover refundings that were defeased in 2014.

Net investment in governmental capital assets decreased \$16.3 million as a result of bonding several capital projects which had previously been cash funded. Construction of freeways and arterial streets was the major focus of capital spending, in addition to replacement of fire apparatus and fleet equipment.

Cash and equivalents were \$17.7 million higher at the close of 2014 due to the timing of long-term debt issuance. With some exceptions, improvements are customarily financed with available cash and cash is then later replenished with the issuance of temporary notes and long-term debt.

**Business-type activities:** A \$42.7 million increase in the net position of business-type activities was recorded, resulting from control of expenses, combined with increases in revenue. The greatest increase in net position resulted from activities in the Water Utility Fund, followed by activities in the Airport Authority Fund.

In addition to experiencing a 3.5% increase in volume, the Water Utility implemented a tiered rate increase in 2014, which resulted in an overall increase in charges for services of \$10.2 million. In combination with controlling expenses in the Water Utility, this increase in revenue resulted in program revenues in excess of expenses in the amount of \$19.3 million. The Airport Authority Fund continued to record federal revenue for the ongoing construction of a new terminal building, which was opened to the public in June 2015. Program revenues from Airport activities exceeded expenses by \$6.2 million. The Sewer Utility also implemented a rate increase, which increased its annual revenue. Program revenue in excess of expenses in the Sewer Utility totaled \$6.5 million.

At year-end, non-current liabilities increased \$229.6 million, while other liabilities declined \$202 million when compared to last year. The increase in non-current liabilities primarily resulted from the issuance of \$198.1 million in bonds to finance improvements, including \$135.9 million in general obligation bonds to finance the Aquifer Storage and Recovery (ASR) project of the Water Utility. Other liabilities declined, in part, due to the redemption of \$160 million in temporary notes that were issued to provide interim financing for the ASR project.

*Discretely presented component unit activities:* The Wichita Public Building Commission (WPBC) is a discretely presented component unit of the City of Wichita that acquires and finances assets for the City of Wichita or other governmental units. At December 31 2014, all debt held by the WPBC was considered defeased. A receivable was held by the WPBC at December 31, 2014 for amounts related to an operating lease.

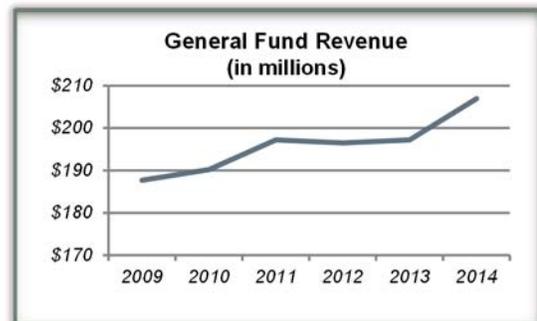
**ANALYSIS OF THE GOVERNMENT’S FUNDS**

**Governmental Funds.** The City of Wichita uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and budgetary compliance. The focus of the governmental funds is to provide information on near-term inflows, outflows, and spendable resources.

The governmental funds reported a combined ending fund balance of \$110 million compared to \$68.6 million at the close of 2013. The \$41.4 million rise in fund balance largely results from an increase in bond proceeds received from the issuance of capital debt, offset by payments on refunded bonds in 2014.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2014, the unassigned fund balance of the General Fund and its combined subfunds was \$27.9 million compared to \$26.3 million last year. Revenue of the General Fund and its subfunds, excluding transfers, was \$9.3 million above last year, with expenditures \$3.6 million higher than last year.

In 2010 and 2011, a portion of the mill levy for debt service was redirected to the General Fund to maintain services following the economic downturn. In 2013, a portion of that property tax was restored for debt service and capital investment purposes. Increases were recorded in sales and franchise taxes, while other revenue remained relatively flat. Management took measures to control expenditures, with expenditures increasing for public safety and general government only, while expenditures in other functions remained flat or had small decreases.



General Fund Expenditures by Function  
Fiscal years 2010 through 2014\*  
(dollars in millions)

	2010	2011	2012	2013	2014	2014 Percent of Total
General government	\$ 28.8	\$ 30.9	\$ 30.5	\$ 32.0	\$ 32.3	15.7%
Public safety	112.3	114.5	117.3	119.6	120.8	58.7%
Highways and streets	19.1	22.4	18.1	16.7	18.4	8.9%
Sanitation	3.0	2.9	2.6	2.6	2.7	1.3%
Health and welfare	4.0	3.4	3.6	3.8	3.6	1.8%
Culture and recreation	28.7	28.0	28.3	27.5	27.9	13.6%
Total expenses	<u>\$ 195.9</u>	<u>\$ 202.1</u>	<u>\$ 200.4</u>	<u>\$ 202.2</u>	<u>\$ 205.7</u>	<u>100.0%</u>

\*Information for 2010 restated to reflect GASB 54 fund consolidations implemented in 2011.

The fund balance of the Debt Service Fund and its subfunds decreased \$47 million in 2014, due primarily to the retirement of \$48.9 million of refunded debt. Revenue in the Debt Service Fund remained consistent with 2013 levels, increasing by \$0.9 million.

In the Street Improvement Fund and other governmental funds, which includes the nonmajor capital improvement funds, the issuance of long-term debt totaling \$108.4 million contributed to increased fund balances. The fund balance of the Street Improvement Fund increased \$64.2 million and fund balances of other governmental funds rose \$22.6 million from 2013. Capital expenditures of \$55.5 million were recorded in 2014, \$32.1 million or 36.7% less than in 2013. Revenue, expenditures and fund balances of the nonmajor special revenue funds remained relatively stable in 2014.

**Proprietary Funds.** The combined net position of the proprietary funds increased \$41.7 million from 2014 operations, primarily from increases in the Water Utility, Sewer Utility and Airport Authority Funds.

The Water Utility, which accounts for the operation and maintenance of the water supply system, implemented a rate increase at the beginning of 2014 to ensure adequate resources for operations, capital maintenance and capital investment. After a year of unusually low sales in 2013, operations in 2014 recorded a 3.5% increase in volume. The Utility continued to control expenses, resulting in an increase in net position of \$20.2 million.

The Airport Authority Fund captures the financial activity for Dwight D. Eisenhower National Airport, serving commercial airlines, and Jabara Airport, serving smaller aircraft. The net position of the Airport Authority Fund increased \$8.4 million during 2014 compared to \$14.6 million in 2013. While federal grants were still being received in 2014 related to the construction of the new terminal, 2013 recorded the peak in federal funding for the project. The project was completed and opened to the public in June 2015. With the opening of the new terminal building, the airport formerly known as the Mid-Continent Airport was renamed the Dwight D. Eisenhower National Airport.

The Sewer Utility, which accounts for the wastewater treatment system, also implemented a 2014 rate increase, which resulted in \$1.5 million of additional revenue, which was offset by increased operating expenses. The operating income of \$12.5 million, combined with nonoperating expenses and capital contributions reasonably comparable to 2013 levels, yielded a \$7.5 million increase in the net position of the Sewer Utility.

The Stormwater Utility is funded from fees paid by customers with the last rate increase in 2007. The Utility operates eleven pump stations, which move excess surface water from heavy rains. The Utility also maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the City. The net position of the Stormwater Utility Fund rose \$2.3 million in 2014, with 61.7% of the increase from capital contributions. Revenue and expenditures of the Utility were stable in 2014 and yielded operating income of \$1.6 million.

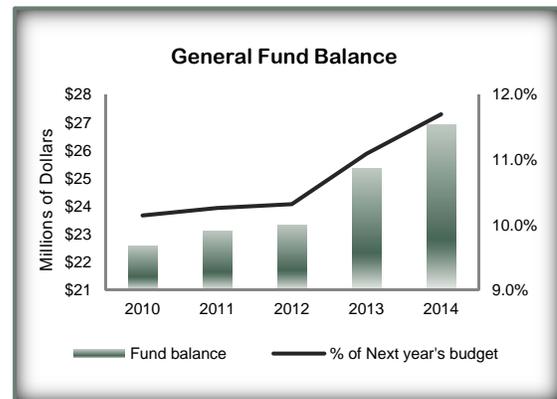
In the nonmajor business-type funds, revenue and expenses of the Golf Fund were consistent with 2013, continuing to lower the fund's net position overall. At the end of 2014, the Golf Fund reported a negative net position of \$128,441. To provide financial assistance to the fund, an interfund loan with a long-term repayment plan is in place.

Also in the nonmajor business-type funds, the Transit Fund has benefited from temporary loans to strengthen the fund's financial position. A loss of \$4.3 million before contributions and transfers was recognized for 2014. With capital contributions and transfers from other funds, the fund's net position increased \$3.7 million in 2014. On December 31, 2014, \$1.2 million in interfund loans were outstanding. Additionally, as cash needs fluctuate, operations are augmented with the City's pooled funds to address temporary cash deficiencies.

**General Fund Budgetary Highlights.** Total revenue at year-end fell short of projections in the original and final budgets, but was \$10 million greater than in 2013. Expenditures were also below the projections of the adopted and final budgets, but were 2.5% above 2013 expenditures. After transfers, the General Fund unencumbered fund balance increased \$1.6 million in 2014.

Beginning in 2010, property tax was shifted from the Debt Service Fund to the General Fund to maintain vital services while the City adapted operations to a lower level of resources. The 2013 Adopted Budget restored a portion of the mill levy back to the Debt Service Fund for capital purposes, resulting in \$1.5 million less in property tax revenue for the General Fund in 2013. Also key to the increased fund balance were the rise in franchise and sales taxes.

Net Position of Proprietary Funds (dollars in thousands)		
	2014	2013
Water Utility	\$ 455,075	\$ 434,900
Sewer Utility	285,678	278,171
Airport Authority	200,056	191,617
Stormwater Utility	146,403	144,087
Transit	18,779	15,069
Golf Course System	(128)	340
<b>Total</b>	<b>\$ 1,105,863</b>	<b>\$ 1,064,184</b>



Expenditures remained relatively flat in all areas except highways and streets, public safety and general government functions. Within general government, Public Works administration and Building Services comprised 70% of the \$1.3 million increase for expenditures in this function. Police and Fire services represent the bulk of public safety services and comprise the largest portion of General Fund expenditures. The higher cost of personnel is the most significant reason for the increase in public safety expenditures.

On a budgetary basis, the General Fund ended 2014 with a fund balance of \$26.9 million, which is 11.7% of the 2015 Adopted Budget which includes an appropriated reserve of \$12 million for emergency needs.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of 2014, the City of Wichita reported \$2.8 billion in capital assets net of depreciation, compared to \$2.7 billion at the end of 2013. Assets are acquired through the City's direct investments, grants and from street and right-of-way dedications. The net investment in capital assets includes land, buildings, machinery, equipment, vehicles, parks, roads, water and sewer treatment facilities, airports, golf courses and many other assets. Additional information on changes in capital assets can be found in Note 6 to the Financial Statements.

	Capital Assets Net of Depreciation						
	As of December 31						
	(in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2014	2013	2014	2013	2014	2013	
Land	\$ 297	\$ 294	\$ 43	\$ 43	\$ 340	\$ 337	0.9%
Airfields	-	-	35	39	35	39	(10.3%)
Buildings and improvements	218	219	1,143	966	1,361	1,185	14.9%
Equipment	35	35	96	45	131	80	63.8%
Infrastructure	617	586	-	-	617	586	5.3%
Construction in progress	67	73	285	430	352	503	(30.0%)
Total	<u>\$ 1,234</u>	<u>\$ 1,207</u>	<u>\$ 1,602</u>	<u>\$ 1,523</u>	<u>\$ 2,836</u>	<u>\$ 2,730</u>	3.9%

Major asset additions in 2014 in governmental activities included the following projects:

- Major arterial streets, including freeway expansion and interchange improvements totaling \$38.1 million.
- Bridge improvements totaling \$7.2 million.
- Neighborhood paving projects totaling \$7.4 million.
- Continued improvements at Botanica, the Wichita Gardens totaling \$0.5 million.
- Various improvements of park facilities and playgrounds totaling \$0.8 million.
- Replacement of fire apparatus totaling \$3.2 million.
- Replacement of heavy fleet equipment totaling \$2.1 million.

The most significant capital asset investments of 2014 in the business-type activities are listed below:

- Automated water meter project totaling \$8.8 million.
- Water utility standby power facilities totaling \$3 million.
- Repairs and rehabilitation of water mains totaling \$3.8 million.
- Phase II of the aquifer storage and recharge project with additions totaling \$1.1 million.
- Sanitary sewer reconstruction and rehabilitation totaling \$6.2 million.
- Airport terminal construction totaling \$41.5 million.
- Airport parking facility construction totaling \$18.4 million.

**Long-term Debt.** The City finances capital projects with general obligation bonds/notes, revenue bonds, grants, and cash. The most significant of the financing tools are general obligation bonds based on the full faith and credit of the City and revenue bonds based on the future earnings of the business-type activities. Projects that rely most heavily upon property taxes for repayment of general obligation bonds include arterial streets, bridges, parks and other public improvements. Capital financing costs are also repaid from

enterprise, internal service and special revenue funds, using a combination of resources, including a dedicated portion of the county-wide local sales tax.

The City adopts a ten-year Capital Improvement Program (CIP). The first two years of the plan serve as a capital budget for purposes of project initiation and the remaining period is a planning tool. The City of Wichita holds a AA+ rating from Standard and Poor's and a rating of Aa1 from Moody's Investor Service. The Water and Sewer Utilities hold a AA- rating from Standard and Poor's.

At year-end, the City had \$1.03 billion in outstanding bonds. The City also held \$185.3 million in general obligation temporary notes. The most significant temporary notes outstanding were held as follows: \$130.6 million in the Airport Authority Fund and \$52.5 million in governmental capital project funds. Bonded debt of the City of Wichita increased by \$138.1 million in 2014.

General Obligation and Revenue Bonds  
As of December 31  
(in millions of dollars)

Revenue source	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Ad valorem property taxes	\$ 76.9	\$ 75.9	\$ -	\$ -	\$ 76.9	\$ 75.9
Special assessments	192.6	216.6	-	-	192.6	216.6
Tax increment	25.3	20.8	-	-	25.3	20.8
Transient guest tax	2.5	0.2	-	-	2.5	0.2
Local sales tax	150.4	122.2	-	-	150.4	122.2
G.O. and revenue	-	-	584.2	456.5	584.2	456.5
Wichita Public Building Commission	-	-	-	1.6	-	1.6
<b>Total</b>	<b>\$ 447.7</b>	<b>\$ 435.7</b>	<b>\$ 584.2</b>	<b>\$ 458.1</b>	<b>\$ 1,031.9</b>	<b>\$ 893.8</b>

Kansas state statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2014 limitation for the City was \$1 billion, with a legal debt margin of \$859.1 million. More detailed information regarding long-term debt is located in Note 9 to the Financial Statements, in the Additional Information Section and in the Statistical Section of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET<sup>1</sup>**

Measured by unemployment, the local economy continues to perform better than the national economy. Wichita's unemployment rate averaged 5.3% in 2014 compared to the national rate of 6.2%. The Wichita Metropolitan Statistical Area (MSA) fared even better averaging 4.8% in 2014.

After dropping in 2011 and 2012, Wichita home prices began to recover, appreciating by 0.4% in 2014. Staney Longhofer, director for the WSU Center for Real Estate, forecasts that home prices in Wichita will continue to increase in 2015 and anticipates a 1% increase in home sales in 2015.<sup>3</sup>

Important to the community is the continued revitalization of downtown, along with improving the walkability of the area. In addition to the new residential construction, the Wichita Downtown Development Corp. indicates there are four other downtown projects either under construction or in the planning stage. The projects include the Douglas Avenue streetscape development, renovations at the former IRS

	Average Annual Unemployment Rate <sup>2</sup>		
	Wichita	Wichita MSA	Nation
2009	8.9%	8.1%	9.3%
2010	9.6%	8.8%	9.6%
2011	8.7%	7.9%	8.9%
2012	7.5%	6.8%	8.1%
2013	7.0%	6.3%	7.4%
2014	5.3%	4.8%	6.2%

<sup>1</sup>Economic information was compiled by Wichita State University, Center for Economic Development and Business Research.

<sup>2</sup>Unemployment statistics reflect revisions made by the Kansas Department of Labor to the data as originally reported.

<sup>3</sup>Longhofer, Stanley, D. *2015 Kansas Housing Markets Forecast*, Center for Real Estate, W. Frank Barton School of Business, Wichita State University, [http://realestate.wichita.edu/draft/research/Web/Forecast/2015/Wichita 2015 separated.pdf](http://realestate.wichita.edu/draft/research/Web/Forecast/2015/Wichita%2015%20separated.pdf).

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Building, renovations at the former Exchange Place, and the transformation of the historic Union Station into a multimillion-dollar destination attraction.

As the economy has improved in the Wichita area, consumer confidence has grown, as well. Consequently, inflation-adjusted taxable retail sales grew 2.4% in 2013 and 3.5% in 2014.

Nationally, auto sales have been growing strongly since 2010, and in 2014 sales almost exceeded their pre-recession peak. In Wichita, Audi Wichita opened in 2014, giving Wichita the only Audi dealership in Kansas. New national and regional retail stores have opened in the Wichita area since 2013, including Costco, a second Sam's Club location, and Ashley Furniture. Hobby Lobby moved into a new store in east Wichita in late 2013 as well. The Old Town and Delano Districts have also experienced growth in recent years, expanding and adding additional shops.

The Wichita City Council decided in June 2011 to move forward with the construction of a new terminal at Wichita's Dwight D. Eisenhower National Airport. The state-of-the-art facility, which won the "Gold Award in the Unbuilt Category" from the International Interior Design Association, will be capable of accommodating two million passengers annually with the potential for an easy expansion to accommodate 2.4 million passengers annually. The \$160 million terminal at Dwight D. Eisenhower National Airport opened on June 3, 2015. The positive developments at Wichita's airport have the potential to attract more visitors and business to the Wichita area.

Increased home sales, retail expansion and a declining unemployment rate are indicators pointing to recovery from the recent recession. Change and uncertainty are always components of an economy, but at this time in Wichita, slow and steady growth continues.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Wichita's finances for individuals with such an interest. Additional information is provided within the Notes to the Financial Statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Wichita, Kansas, 455 North Main Street, 12th Floor, Wichita, KS 67202.

# CITY OF WICHITA, KANSAS

## STATEMENT OF NET POSITION December 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
<b>ASSETS</b>				
Cash and cash equivalents	\$ 210,941,503	\$ 69,060,140	\$ 280,001,643	\$ -
Investments	2,972,734	-	2,972,734	-
Receivables (net of allowances for uncollectibles)	292,059,052	17,040,818	309,099,870	-
Internal balances	5,169,446	(5,169,446)	-	-
Prepaid items	202,920	920,728	1,123,648	-
Inventories	1,083,831	2,936,588	4,020,419	-
Due from other agencies	1,983,743	10,797,478	12,781,221	-
Notes receivable	4,653,767	-	4,653,767	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	175,662,046	175,662,046	51,749
Receivables	-	-	-	435,226
Net investment in direct financing leases	-	11,310,000	11,310,000	-
Permanently restricted:				
Cash and cash equivalents	168,919	-	168,919	-
Investments	66,518	-	66,518	-
Capital assets :				
Land and construction in progress	364,834,958	328,296,019	693,130,977	-
Other capital assets, net of depreciation	869,615,479	1,273,280,175	2,142,895,654	-
Total capital assets	<u>1,234,450,437</u>	<u>1,601,576,194</u>	<u>2,836,026,631</u>	<u>-</u>
Total assets	<u>1,753,752,870</u>	<u>1,884,134,546</u>	<u>3,637,887,416</u>	<u>486,975</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized refunding costs	<u>1,627,040</u>	<u>6,306,330</u>	<u>7,933,370</u>	<u>-</u>
Total deferred outflows of resources	<u>1,627,040</u>	<u>6,306,330</u>	<u>7,933,370</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	22,683,064	13,483,089	36,166,153	-
Accrued interest payable	4,088,349	6,848,204	10,936,553	-
Temporary notes payable	52,521,353	36,183,647	88,705,000	-
Deposits	1,532,276	4,530,818	6,063,094	-
Unearned revenue	-	3,489,447	3,489,447	-
Due to other agencies	47,210	-	47,210	486,975
Noncurrent liabilities, including claims payable:				
Due within one year	72,983,973	131,976,463	204,960,436	-
Due in more than one year	475,047,159	585,233,613	1,060,280,772	-
Total liabilities	<u>628,903,384</u>	<u>781,745,281</u>	<u>1,410,648,665</u>	<u>486,975</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	<u>96,718,013</u>	<u>-</u>	<u>96,718,013</u>	<u>-</u>
Total deferred inflows of resources	<u>96,718,013</u>	<u>-</u>	<u>96,718,013</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	714,088,498	908,334,765	1,622,423,263	-
Restricted for:				
Capital projects	24,909,129	31,221,724	56,130,853	-
Debt service	221,876,867	-	221,876,867	-
Revenue bond covenants	-	107,356,514	107,356,514	-
Cemetery:				
Expendable	514,000	-	514,000	-
Nonexpendable	235,437	-	235,437	-
Other purposes	19,617,819	-	19,617,819	-
Unrestricted	48,516,763	61,782,592	110,299,355	-
Total net position	<u>\$ 1,029,758,513</u>	<u>\$ 1,108,695,595</u>	<u>\$ 2,138,454,108</u>	<u>\$ -</u>

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

# CITY OF WICHITA, KANSAS

## STATEMENT OF ACTIVITIES

For the year ended December 31, 2014

<u>Functions/Programs</u>	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
General government	\$ 46,349,898	\$ 15,777,898	\$ 2,381,657
Public safety	132,601,154	6,588,016	2,405,496
Highways and streets	50,698,103	4,558,158	14,374,790
Sanitation	4,488,536	1,114,843	-
Health and welfare	29,668,379	3,820,624	21,753,823
Culture and recreation	35,629,394	4,798,212	4,171,989
Interest on long-term debt	13,728,851	-	-
Total governmental activities	313,164,315	36,657,751	45,087,755
Business-type activities:			
Water	60,654,122	75,172,899	-
Sewer	46,800,862	51,290,694	-
Airport	28,691,377	23,687,132	-
Stormwater	8,476,333	9,315,466	-
Transit	15,339,965	2,035,247	8,858,958
Golf Course System	4,886,393	4,301,221	-
Total business-type activities	164,849,052	165,802,659	8,858,958
Total primary government	\$ 478,013,367	\$ 202,460,410	\$ 53,946,713
Component unit:			
Wichita Public Building Commission	\$ -	\$ -	\$ -

General revenues:  
 Property taxes  
 Sales taxes  
 Franchise taxes  
 Motor vehicle taxes  
 Transient guest taxes  
 Investment earnings  
 Miscellaneous  
 Transfers  
 Total general revenues and transfers

Change in net position from operations

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wichita Public Building Commission
\$ -	\$ (28,190,343)	\$ -	\$ (28,190,343)	\$ -
279,058	(123,328,584)	-	(123,328,584)	-
38,516,593	6,751,438	-	6,751,438	-
-	(3,373,693)	-	(3,373,693)	-
-	(4,093,932)	-	(4,093,932)	-
-	(26,659,193)	-	(26,659,193)	-
-	(13,728,851)	-	(13,728,851)	-
<u>38,795,651</u>	<u>(192,623,158)</u>	<u>-</u>	<u>(192,623,158)</u>	<u>-</u>
4,746,517	-	19,265,294	19,265,294	-
1,989,597	-	6,479,429	6,479,429	-
11,241,424	-	6,237,179	6,237,179	-
1,202,538	-	2,041,671	2,041,671	-
3,690,510	-	(755,250)	(755,250)	-
-	-	(585,172)	(585,172)	-
<u>22,870,586</u>	<u>-</u>	<u>32,683,151</u>	<u>32,683,151</u>	<u>-</u>
<u>\$ 61,666,237</u>	<u>(192,623,158)</u>	<u>32,683,151</u>	<u>(159,940,007)</u>	<u>-</u>
<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	105,989,180	-	105,989,180	-
	56,142,981	-	56,142,981	-
	41,863,247	-	41,863,247	-
	14,396,816	-	14,396,816	-
	6,754,302	-	6,754,302	-
	1,422,420	42,356	1,464,776	-
	15,288,517	5,169,681	20,458,198	-
	(4,743,700)	4,743,700	-	-
	<u>237,113,763</u>	<u>9,955,737</u>	<u>247,069,500</u>	<u>-</u>
	44,490,605	42,638,888	87,129,493	-
	<u>985,267,908</u>	<u>1,066,056,707</u>	<u>2,051,324,615</u>	<u>-</u>
<u>\$ 1,029,758,513</u>	<u>\$ 1,108,695,595</u>	<u>\$ 2,138,454,108</u>	<u>\$ -</u>	<u>-</u>

# CITY OF WICHITA, KANSAS

## BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2014

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 45,792,848	\$ 29,684,595	\$ 13,277,267	\$ 69,144,016	\$ 157,898,726
Cash with fiscal agent	-	6,558,616	-	811,388	7,370,004
Investments	-	-	-	3,039,252	3,039,252
Receivables, net:					
Property taxes	70,782,960	25,059,371	-	-	95,842,331
Due from other agencies	-	-	-	1,983,743	1,983,743
Special assessments	-	186,220,533	-	-	186,220,533
Accounts	2,942,194	-	1,927,117	5,478,381	10,347,692
Due from other funds	800,000	5,365,378	-	9,927,098	16,092,476
Notes receivable	-	4,353,767	-	300,000	4,653,767
Inventories	78,312	-	-	56,742	135,054
Prepaid items	9,800	-	-	64,220	74,020
Total assets	\$ 120,406,114	\$ 257,242,260	\$ 15,204,384	\$ 90,804,840	\$ 483,657,598
<b>LIABILITIES</b>					
Accounts payable and other liabilities	\$ 13,843,402	\$ -	\$ 1,729,233	\$ 4,036,775	\$ 19,609,410
Accrued interest payable	-	-	7,935	3,721	11,656
Temporary notes payable	-	-	28,410,348	24,111,005	52,521,353
Deposits	997,376	293,246	62,876	178,778	1,532,276
Due to other agencies	-	-	-	47,210	47,210
Due to other funds	-	-	65,368	8,432,418	8,497,786
Total liabilities	14,840,778	293,246	30,275,760	36,809,907	82,219,691
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	70,782,960	25,059,371	-	-	95,842,331
Unavailable revenue - special assessments	-	186,220,533	-	-	186,220,533
Unavailable revenue - forgivable loans	650,900	-	-	-	650,900
Unavailable revenue - other	-	4,353,767	-	4,377,862	8,731,629
Total deferred inflows of resources	71,433,860	215,633,671	-	4,377,862	291,445,393
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	888,112	-	-	356,399	1,244,511
Restricted	-	41,315,343	-	59,275,313	100,590,656
Committed	-	-	-	16,526,572	16,526,572
Assigned	5,384,494	-	-	1,852,961	7,237,455
Unassigned	27,858,870	-	(15,071,376)	(28,394,174)	(15,606,680)
Total fund balances (deficits)	34,131,476	41,315,343	(15,071,376)	49,617,071	109,992,514
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 120,406,114	\$ 257,242,260	\$ 15,204,384	\$ 90,804,840	\$ 483,657,598

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

# CITY OF WICHITA, KANSAS

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2014

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance - governmental funds</b>	\$	109,992,514
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$	1,693,627,111
Accumulated depreciation		<u>(467,080,390)</u>
		1,226,546,721
Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General obligation bonds payable		253,514,924
Special assessment bonds payable		192,575,000
Sales tax revenue bonds payable		1,634,625
Premium on bonds payable		28,332,023
Discount on bonds payable		(30,331)
Accrued interest payable on the bonds		4,078,627
Compensated absences		9,026,313
Other post employment benefits		13,251,106
Environmental remediation liability		18,328,106
Liability for landfill closure and post-closure costs		12,558,457
Legal liability		2,284,557
Liability for termination benefits		<u>287,480</u>
		(535,840,887)
Deferred refunding resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements.		
		1,627,040
Accounts receivable not considered available to liquidate liabilities of the current period are deferred in the funds. They are recorded as revenue in the entity-wide statements.		
		7,855,947
Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are properly recognized as revenue in the entity-wide statements as soon as the related improvement is completed.		
		186,220,533
Internal service funds are used to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		
		<u>33,356,645</u>
<b>Total net position - governmental activities</b>	<b>\$</b>	<b><u>1,029,758,513</u></b>

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

# CITY OF WICHITA, KANSAS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the year ended December 31, 2014

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 84,071,030	\$ 31,888,159	\$ -	\$ 11,181,110	\$ 127,140,299
Special assessments	-	31,407,087	25,549	76,514	31,509,150
Franchise taxes	41,863,247	-	-	-	41,863,247
Local sales tax	27,839,177	159,088	-	28,144,716	56,142,981
Intergovernmental	16,302,277	-	12,139,209	29,088,116	57,529,602
Licenses and permits	2,504,438	-	-	4,736,766	7,241,204
Fines and penalties	9,850,624	-	-	6,870	9,857,494
Rentals	2,517,326	17,572	-	1,668,504	4,203,402
Sale of property	-	82,197	-	-	82,197
Interest earnings	846,114	546,972	-	63,052	1,456,138
Charges for services and sales	8,265,146	-	-	3,856,654	12,121,800
Other	13,811,430	843,213	1,263,290	6,116,609	22,034,542
Total revenues	<u>207,870,809</u>	<u>64,944,288</u>	<u>13,428,048</u>	<u>84,938,911</u>	<u>371,182,056</u>
<b>EXPENDITURES</b>					
Current:					
General government	32,262,489	-	-	5,105,615	37,368,104
Public safety	120,826,017	-	-	9,108,150	129,934,167
Highways and streets	18,415,915	-	-	-	18,415,915
Sanitation	2,711,481	-	-	1,654,697	4,366,178
Health and welfare	3,626,395	-	-	28,029,441	31,655,836
Culture and recreation	27,947,048	-	-	3,096,919	31,043,967
Debt service:					
Principal retirement	-	47,459,716	3,465,300	-	50,925,016
Interest and fiscal charges	-	16,648,479	59,422	85,714	16,793,615
Other	-	338,337	-	-	338,337
Capital outlay	-	-	55,511,884	20,867,332	76,379,216
Total expenditures	<u>205,789,345</u>	<u>64,446,532</u>	<u>59,036,606</u>	<u>67,947,868</u>	<u>397,220,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,081,464</u>	<u>497,756</u>	<u>(45,608,558)</u>	<u>16,991,043</u>	<u>(26,038,295)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term capital debt	-	304,140	77,913,249	30,152,236	108,369,625
Premiums on bonds sold	-	9,841,688	-	-	9,841,688
Discounts on bonds sold	-	-	-	(32,692)	(32,692)
Payments on refunded bonds	-	(48,905,000)	-	-	(48,905,000)
Transfers from other funds	6,267,338	28,318,320	32,582,605	23,567,308	90,735,571
Transfers to other funds	(6,771,100)	(37,034,538)	(735,000)	(48,062,706)	(92,603,344)
Total other financing sources (uses)	<u>(503,762)</u>	<u>(47,475,390)</u>	<u>109,760,854</u>	<u>5,624,146</u>	<u>67,405,848</u>
Net change in fund balances	<u>1,577,702</u>	<u>(46,977,634)</u>	<u>64,152,296</u>	<u>22,615,189</u>	<u>41,367,553</u>
Fund balances (deficits) - beginning	<u>32,553,774</u>	<u>88,292,977</u>	<u>(79,223,672)</u>	<u>27,001,882</u>	<u>68,624,961</u>
Fund balances (deficits) - ending	<u>\$ 34,131,476</u>	<u>\$ 41,315,343</u>	<u>\$ (15,071,376)</u>	<u>\$ 49,617,071</u>	<u>\$ 109,992,514</u>

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

# CITY OF WICHITA, KANSAS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the year ended December 31, 2014

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net change in position in total governmental funds</b>		\$ 41,367,553
Governmental funds report capital asset acquisition as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset acquisitions exceeded depreciation in the current period.		
Depreciation expense	\$ (31,443,878)	
Net capital asset acquisition	<u>62,041,827</u>	30,597,949
In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only cash proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of capital assets sold.		(2,781,195)
In the statement of activities, transfers of capital assets to governmental activities from business-type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there was no inward flow of current financial resources.		(1,018,120)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(108,369,625)
Bond premium proceeds provide current financial resources to governmental funds, but premiums on sales do not increase long-term liabilities in the statement of net position.		(9,841,688)
The amortization of bond premiums decreases the long-term liabilities in the statement of net position but does not provide current financial resources to governmental funds.		3,734,876
Bond discounts reduce current financial resources to governmental funds.		32,692
The amortization of bond discounts increases the long term liabilities in the statement of net position but does not consume current financial resources in the governmental funds.		(2,361)
The amortization of refunding costs reduces deferred outflows in the statement of net position but does not provide current financial resources to governmental funds.		(426,656)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General obligation bonds	57,254,715	
Special assessment bonds	39,110,000	
Bond anticipation notes	<u>3,465,300</u>	99,830,015
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.		(241,095)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). The compensated absences earned that exceed benefits paid are shown as an expense on the statement of activities.		(85,690)
Internal service funds are used to charge the costs of certain activities, such as insurance, to the individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		441,787
Special assessments are not considered available to liquidate liabilities of the current period and are therefore deferred in the funds. However, they are properly recognized as revenue in the statement of activities as soon as the related improvement has been completed.		(9,154,467)
In the statement of activities, an expense is recorded for post employment benefits other than pensions when earned. In the governmental funds, an expense is recorded when the benefits are paid.		(788,609)
In the statement of activities, proceeds from notes receivable are recognized when realizable and earned. In the governmental funds, the revenue is deferred until funds are received.		(282,963)
In the statement of activities, environmental remediation reimbursements are recognized when realizable and earned. In the governmental funds, the revenue is deferred until funds are received.		(180,266)
In the statement of activities, an expense is recorded for environmental remediation obligations when the expected outlay is reasonably estimable. In the governmental funds, an expense is recorded when paid.		1,236,608
In the statement of activities, an expense is recorded for termination benefits other than pensions when earned. In the governmental funds, an expense is recorded when benefits are paid.		161,537
In the statement of activities, costs estimated to be incurred for closure and post-closure care of the landfill are recorded as incurred. In the governmental funds, however, expenditures are measured by the amount of financial resources used. The changes in estimated costs incurred in excess of the amounts paid are shown as an expense on the statement of activities.		<u>260,323</u>
<b>Change in net position of governmental activities</b>		<u>\$ 44,490,605</u>

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

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# CITY OF WICHITA, KANSAS

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS

For the year ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 82,762,004	\$ 82,699,935	\$ 84,071,028	\$ 1,371,093
Franchise taxes	40,176,066	42,732,219	41,863,247	(868,972)
Local sales tax	28,075,417	27,996,072	27,839,177	(156,895)
Intergovernmental	16,004,528	16,078,345	16,302,277	223,932
Licenses and permits	2,766,464	2,775,444	2,504,438	(271,006)
Fines and penalties	12,131,388	10,613,000	9,850,624	(762,376)
Rentals	2,430,420	2,335,029	2,129,515	(205,514)
Interest earnings	180,000	480,000	846,114	366,114
Charges for services and sales	9,221,570	8,464,927	8,060,216	(404,711)
Other	7,606,399	14,695,857	13,757,588	(938,269)
<b>Total revenues</b>	<b>201,354,256</b>	<b>208,870,828</b>	<b>207,224,224</b>	<b>(1,646,604)</b>
<b>EXPENDITURES</b>				
Current:				
General government	29,914,855	29,914,855	29,871,442	43,413
Public safety	122,218,351	122,218,351	120,759,773	1,458,578
Highways and streets	19,111,281	19,320,472	19,013,898	306,574
Sanitation	2,874,972	2,841,597	2,711,508	130,089
Health and welfare	4,207,568	3,913,146	3,635,153	277,993
Culture and recreation	29,392,192	29,509,857	28,207,211	1,302,646
<b>Total expenditures</b>	<b>207,719,219</b>	<b>207,718,278</b>	<b>204,198,985</b>	<b>3,519,293</b>
Excess (deficiency) of revenues over (under) expenditures	(6,364,963)	1,152,550	3,025,239	1,872,689
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	13,099,910	5,583,338	5,227,338	(356,000)
Transfers to other funds	(6,734,947)	(6,735,888)	(6,667,420)	68,468
<b>Total other financing sources (uses)</b>	<b>6,364,963</b>	<b>(1,152,550)</b>	<b>(1,440,082)</b>	<b>(287,532)</b>
Net change in fund balance	-	-	1,585,157	1,585,157
Fund balance - beginning	25,158,811	25,339,974	25,339,974	-
<b>Fund balance - ending</b>	<b>\$ 25,158,811</b>	<b>\$ 25,339,974</b>	<b>\$ 26,925,131</b>	<b>\$ 1,585,157</b>

The accompanying notes to the financial statements are an integral part of this statement.  
The 2014 certified expenditure budget is \$228,454,166, including an appropriated reserve of \$14,000,000.

# CITY OF WICHITA, KANSAS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Airport
	Utility	Utility	Authority
<b>ASSETS</b>			
Current assets:			
Cash and temporary investments	\$ 8,409,881	\$ 16,131,912	\$ 32,543,464
Receivables, net	16,170,951	43,290	765,832
Due from other funds	-	-	-
Due from other agencies	-	-	8,490,470
Inventories	2,492,184	108,174	-
Prepaid items	1,054	919,674	-
Restricted assets:			
Cash and temporary investments	17,918,712	11,617,906	45,101,978
Total current assets	44,992,782	28,820,956	86,901,744
Noncurrent assets:			
Restricted assets:			
Cash and temporary investments	85,711,117	15,312,333	-
Net investment in direct financing leases	-	-	11,310,000
Capital assets:			
Land	10,121,680	4,394,049	17,886,413
Airfield	-	-	150,951,326
Buildings	124,346,861	108,399,025	55,809,768
Improvements other than buildings	616,300,433	407,265,108	50,478,286
Machinery, equipment and other assets	105,913,390	49,583,065	21,874,784
Construction in progress	72,101,898	11,043,653	186,804,720
Less accumulated depreciation	(217,764,161)	(159,194,748)	(201,676,778)
Total capital assets (net of accumulated depreciation)	711,020,101	421,490,152	282,128,519
Due from other funds	-	-	-
Total noncurrent assets	796,731,218	436,802,485	293,438,519
Total assets	841,724,000	465,623,441	380,340,263
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized refunding costs	2,596,719	3,709,611	-
Total deferred outflows of resources	2,596,719	3,709,611	-

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 11,533,012	\$ 441,871	\$ 69,060,140	\$ 45,841,692
-	60,745	17,040,818	299,396
-	65,368	65,368	-
-	2,307,008	10,797,478	-
-	336,230	2,936,588	948,777
-	-	920,728	128,900
-	-	74,638,596	-
<u>11,533,012</u>	<u>3,211,222</u>	<u>175,459,716</u>	<u>47,218,765</u>
-	-	101,023,450	-
-	-	11,310,000	-
7,938,561	2,608,718	42,949,421	-
-	-	150,951,326	-
8,704,097	15,437,228	312,696,979	74,243
150,195,401	14,942,454	1,239,181,682	74,907
5,485,881	25,316,200	208,173,320	41,511,316
14,979,868	416,459	285,346,598	-
<u>(25,430,439)</u>	<u>(33,657,006)</u>	<u>(637,723,132)</u>	<u>(33,756,750)</u>
<u>161,873,369</u>	<u>25,064,053</u>	<u>1,601,576,194</u>	<u>7,903,716</u>
-	-	-	407,160
<u>161,873,369</u>	<u>25,064,053</u>	<u>1,713,909,644</u>	<u>8,310,876</u>
<u>173,406,381</u>	<u>28,275,275</u>	<u>1,889,369,360</u>	<u>55,529,641</u>
-	-	6,306,330	-
-	-	6,306,330	-

(Continued)

**CITY OF WICHITA, KANSAS**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 1,391,570	\$ 1,077,760	\$ 10,385,516
Accrued interest payable	295,388	-	330,170
Temporary notes payable	-	-	34,063,306
Deposits	4,419,091	7,305	16,311
Current portion of long-term obligations:			
General obligation bonds payable	6,055,000	-	725,000
Bond anticipation notes	-	-	96,565,000
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	551,618	319,074	473,750
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	-	-	80,416
Accrued interest payable	4,128,218	2,010,590	-
Revenue bonds payable	13,790,494	9,607,316	-
Total current liabilities	<u>30,631,379</u>	<u>13,022,045</u>	<u>142,639,469</u>
Noncurrent liabilities:			
Unearned revenue	-	-	3,489,447
Due to other funds	-	-	-
General obligation bonds payable	129,850,000	-	22,810,000
General obligation bonds unamortized premium	11,343,242	-	-
Revenue bonds payable	206,177,580	158,984,342	11,310,000
Revenue bonds unamortized premium	11,226,872	11,639,187	19,822
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	16,444	9,512	15,054
Total noncurrent liabilities	<u>358,614,138</u>	<u>170,633,041</u>	<u>37,644,323</u>
Total liabilities	<u>389,245,517</u>	<u>183,655,086</u>	<u>180,283,792</u>
<b>NET POSITION</b>			
Net investment in capital assets	351,086,179	247,570,775	150,159,894
Restricted for:			
Capital projects	8,184,230	101,338	22,907,297
Revenue bond covenants	85,140,066	22,216,448	-
Unrestricted	10,664,727	15,789,405	26,989,280
Total net position	<u>\$ 455,075,202</u>	<u>\$ 285,677,966</u>	<u>\$ 200,056,471</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 87,618	\$ 460,209	\$ 13,402,673	\$ 3,071,720
487	2,899	628,944	-
2,120,341	-	36,183,647	-
-	88,111	4,530,818	-
2,777,912	695,000	10,252,912	-
-	-	96,565,000	-
-	-	-	7,628,929
-	-	-	90,381
107,339	308,960	1,760,741	360,865
-	-	80,416	-
80,452	-	6,219,260	-
-	-	23,397,810	-
<u>5,174,149</u>	<u>1,555,179</u>	<u>193,022,221</u>	<u>11,151,895</u>
-	-	3,489,447	-
-	8,067,218	8,067,218	-
21,372,164	-	174,032,164	-
454,088	-	11,797,330	-
-	-	376,471,922	-
-	-	22,885,881	-
-	-	-	7,924,492
-	-	-	250,729
2,720	2,586	46,316	13,476
<u>21,828,972</u>	<u>8,069,804</u>	<u>596,790,278</u>	<u>8,188,697</u>
<u>27,003,121</u>	<u>9,624,983</u>	<u>789,812,499</u>	<u>19,340,592</u>
135,148,864	24,369,053	908,334,765	7,562,606
-	28,859	31,221,724	-
-	-	107,356,514	-
11,254,396	(5,747,620)	58,950,188	28,626,443
<u>\$ 146,403,260</u>	<u>\$ 18,650,292</u>	<u>\$ 1,105,863,191</u>	<u>\$ 36,189,049</u>

Total net position \$ 1,105,863,191

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities

2,832,404

Net position of business-type activities

\$ 1,108,695,595

# CITY OF WICHITA, KANSAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the year ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Airport
	Utility	Utility	Authority
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 74,789,060	\$ 51,280,430	\$ 3,307,525
Fees	347,177	-	3,698,129
Rentals	36,662	10,264	16,681,478
Employer contributions	-	-	-
Employee contributions	-	-	-
Other	265,869	2,630	2,355,872
Total operating revenues	<u>75,438,768</u>	<u>51,293,324</u>	<u>26,043,004</u>
<b>OPERATING EXPENSES</b>			
Personnel services	10,510,200	10,042,187	8,846,762
Contractual services	12,320,970	8,306,471	3,921,130
Materials and supplies	4,874,712	4,315,238	5,134,471
Cost of materials used	-	-	-
Other	3,333,853	2,466,942	2,142,739
Administrative charges	684,319	304,520	283,604
Franchise taxes	3,230,905	2,486,537	-
Depreciation	16,012,669	10,901,558	7,470,417
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	<u>50,967,628</u>	<u>38,823,453</u>	<u>27,799,123</u>
Operating income (loss)	<u>24,471,140</u>	<u>12,469,871</u>	<u>(1,756,119)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	-	-
Gain on investments	16,387	21,105	4,864
Other revenues (expenses)	(78,401)	(49,288)	8,334
Interest expense	(9,480,911)	(8,032,769)	(1,068,593)
Gain (loss) from sale of assets	(482,496)	(11,407)	9,063
Actuarial reserve adjustment	-	-	-
Bond premium amortization	1,074,943	886,925	-
Total nonoperating revenues (expenses)	<u>(8,950,478)</u>	<u>(7,185,434)</u>	<u>(1,046,332)</u>
Income (loss) before contributions and transfers	15,520,662	5,284,437	(2,802,451)
Capital contributions and operating transfers:			
Capital contributions - cash	3,946,114	1,201,120	11,241,424
Capital contributions - non cash	931,798	1,021,327	-
Transfers from other funds	-	-	-
Transfers to other funds	(223,419)	-	-
Change in net position	<u>20,175,155</u>	<u>7,506,884</u>	<u>8,438,973</u>
Net position - beginning	<u>434,900,047</u>	<u>278,171,082</u>	<u>191,617,498</u>
Net position - ending	<u>\$ 455,075,202</u>	<u>\$ 285,677,966</u>	<u>\$ 200,056,471</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 9,315,466	\$ 2,462,040	\$ 141,154,521	\$ 15,545,234
-	2,829,718	6,875,024	-
-	1,044,710	17,773,114	8,613,779
-	-	-	33,802,664
-	-	-	10,857,543
-	383,099	3,007,470	3,047,035
<u>9,315,466</u>	<u>6,719,567</u>	<u>168,810,129</u>	<u>71,866,255</u>
2,409,648	9,982,271	41,791,068	7,648,984
1,566,568	5,051,919	31,167,058	7,671,084
346,279	2,747,951	17,418,651	7,978,268
-	-	-	288,041
587,689	80,175	8,611,398	-
89,198	478,664	1,840,305	556,941
-	-	5,717,442	-
2,717,430	2,047,615	39,149,689	3,133,582
-	-	-	39,392,643
-	-	-	4,795,141
<u>7,716,812</u>	<u>20,388,595</u>	<u>145,695,611</u>	<u>71,464,684</u>
<u>1,598,654</u>	<u>(13,669,028)</u>	<u>23,114,518</u>	<u>401,571</u>
-	8,858,958	8,858,958	-
-	-	42,356	-
-	(60,947)	(180,302)	(248,915)
(781,123)	(65,000)	(19,428,396)	(32,014)
-	(2,290)	(487,130)	327,763
-	-	-	2,810,973
70,126	-	2,031,994	-
<u>(710,997)</u>	<u>8,730,721</u>	<u>(9,162,520)</u>	<u>2,857,807</u>
887,657	(4,938,307)	13,951,998	3,259,378
995,367	3,690,510	21,074,535	-
432,811	149,559	2,535,495	391,496
-	4,340,495	4,340,495	250,000
-	-	(223,419)	(2,499,303)
<u>2,315,835</u>	<u>3,242,257</u>	<u>41,679,104</u>	<u>1,401,571</u>
<u>144,087,425</u>	<u>15,408,035</u>	<u>1,064,184,087</u>	<u>34,787,478</u>
<u>\$ 146,403,260</u>	<u>\$ 18,650,292</u>	<u>\$ 1,105,863,191</u>	<u>\$ 36,189,049</u>

Increase in net position per fund statements

\$ 41,679,104

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities

959,784

Change in net position of business-type activities

\$ 42,638,888

# CITY OF WICHITA, KANSAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 74,649,174	\$ 51,278,661	\$ 16,710,913
Cash payments to suppliers for goods and services	(22,984,717)	(15,241,849)	(9,392,456)
Cash payments to employees for services	(10,512,607)	(10,028,083)	(8,846,411)
Franchise taxes and payments in lieu of delinquent specials	(3,230,905)	(2,486,537)	-
Other operating revenues	265,869	10,263	2,367,430
Net cash provided by (used in) operating activities	<u>38,186,814</u>	<u>23,532,455</u>	<u>839,476</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	-	-
Interfund loans	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(223,419)	-	-
Net cash provided by (used in) noncapital financing activities	<u>(223,419)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Issuance of temporary notes	-	-	183,466,983
Retirement of temporary notes	(160,000,000)	-	(139,291,740)
Issuance of capital debt	166,190,000	23,905,000	8,010,000
Premiums on bonds sold	14,671,075	2,240,488	-
Bond issuance costs paid	(1,236,032)	(793,245)	19,822
Additions to property, plant and equipment	(20,446,680)	(7,569,812)	(78,798,738)
Debt service - principal refunded	(27,102,112)	(16,947,888)	-
Principal payment on long-term debt and capital lease	(13,165,520)	(9,323,815)	(540,000)
Interest payment on long-term debt and capital lease	(10,745,543)	(7,957,707)	(1,009,735)
Proceeds from sale of assets	-	-	33,563
Capital contributions	3,875,216	1,025,225	11,241,424
Net cash provided by (used in) capital and related financing activities	<u>(47,959,596)</u>	<u>(15,421,754)</u>	<u>(16,868,421)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	16,387	21,105	13,198
Net cash provided by investing activities	<u>16,387</u>	<u>21,105</u>	<u>13,198</u>
Net increase (decrease) in cash and temporary investments	(9,979,814)	8,131,806	(16,015,747)
Cash and temporary investments - January 1	<u>122,019,524</u>	<u>34,930,345</u>	<u>93,661,189</u>
Cash and temporary investments - December 31	<u>\$ 112,039,710</u>	<u>\$ 43,062,151</u>	<u>\$ 77,645,442</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 9,315,466	\$ 6,562,532	\$ 158,516,746	\$ 68,824,843
(2,810,790)	(8,306,112)	(58,735,924)	(60,394,638)
(2,411,205)	(9,949,516)	(41,747,822)	(7,646,979)
-	-	(5,717,442)	-
-	477,907	3,121,469	3,047,035
<u>4,093,471</u>	<u>(11,215,189)</u>	<u>55,437,027</u>	<u>3,830,261</u>
-	8,138,175	8,138,175	-
-	(304,620)	(304,620)	-
-	4,340,495	4,340,495	250,000
-	-	(223,419)	(2,499,303)
-	<u>12,174,050</u>	<u>11,950,631</u>	<u>(2,249,303)</u>
2,120,341	-	185,587,324	-
(1,209,446)	-	(300,501,186)	-
-	-	198,105,000	-
-	-	16,911,563	-
-	-	(2,009,455)	-
(1,839,078)	(4,559,223)	(113,213,531)	(3,225,290)
-	-	(44,050,000)	-
(2,715,284)	(218,801)	(25,963,420)	(93,960)
(821,821)	(67,750)	(20,602,556)	(32,014)
-	-	33,563	332,758
<u>1,183,187</u>	<u>3,731,991</u>	<u>21,057,043</u>	<u>-</u>
<u>(3,282,101)</u>	<u>(1,113,783)</u>	<u>(84,645,655)</u>	<u>(3,018,506)</u>
-	-	50,690	-
-	-	50,690	-
811,370	(154,922)	(17,207,307)	(1,437,548)
<u>10,721,642</u>	<u>596,793</u>	<u>261,929,493</u>	<u>47,279,240</u>
<u>\$ 11,533,012</u>	<u>\$ 441,871</u>	<u>\$ 244,722,186</u>	<u>\$ 45,841,692</u>

(Continued)

# CITY OF WICHITA, KANSAS

## STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS

For the year ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 24,471,140	\$ 12,469,871	\$ (1,756,119)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	16,012,669	10,901,558	7,470,417
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(660,204)	(4,400)	(6,843,753)
(Increase) decrease in inventory	(3,283)	11,492	-
Increase (decrease) in prepaid items	-	38,686	-
(Increase) in due from other funds	-	-	-
Increase (decrease) in accounts payable/accrued expenses	(1,767,580)	101,144	2,089,488
Increase (decrease) in deposits	136,479	-	151
(Decrease) in deferred revenue	-	-	(121,059)
Increase (decrease) in compensated absences	(2,407)	14,104	351
Total adjustments	13,715,674	11,062,584	2,595,595
Net cash provided by (used in) operating activities	\$ 38,186,814	\$ 23,532,455	\$ 839,476

**Supplemental Schedule of Non-Cash Investing and  
Financing Activities**

Contribution of capital assets	\$ 131,395	\$ 232,850	\$ -
Capital contributed for capital purposes	931,798	1,020,727	-
Interest income on investment in direct financing leases	-	-	794,195
Interest expense on revenue bonds payable	-	-	(794,195)

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

Business-type Activities - Enterprise Funds			Governmental Activities
Stormwater Utility	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,598,654	\$ (13,669,028)	\$ 23,114,518	\$ 401,571
2,717,430	2,047,615	39,149,689	3,133,582
-	237,422	(7,270,935)	18,283
-	(29,029)	(20,820)	(3,442)
-	-	38,686	-
-	-	-	(12,660)
(221,056)	79,125	281,121	290,922
-	85,951	222,581	-
-	-	(121,059)	-
(1,557)	32,755	43,246	2,005
2,494,817	2,453,839	32,322,509	3,428,690
\$ 4,093,471	\$ (11,215,189)	\$ 55,437,027	\$ 3,830,261

\$ 112,820	\$ 149,559	\$ 626,624	\$ 391,496
-	-	1,952,525	-
-	-	794,195	-
-	-	(794,195)	-

# CITY OF WICHITA, KANSAS

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2014

	Pension Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and temporary investments	\$ 794,368	\$ 2,377,625
Receivables:		
Investment sales pending	12,006,819	-
Interest and dividends	2,552,342	-
Accounts	1,145,887	2,134,661
Total receivables	15,705,048	2,134,661
Investments, at fair value:		
Government short-term investment fund	35,513,320	-
Government securities: long-term	44,528,189	2,385,807
Corporate debt instruments: long-term	92,164,438	-
Mortgage and asset-backed securities	77,938,194	-
Corporate stocks: domestic common	436,503,117	-
Corporate stocks: international common	101,310,183	-
Real estate	64,559,921	-
Timber	23,738,994	-
Value of interest in pooled funds: target date funds	3,294,383	-
Value of interest in pooled funds: commodities	26,302,992	-
Value of interest in pooled funds: international fixed income	7,307,090	-
Value of interest in pooled funds: high yield fixed income	8,473,410	-
Value of interest in pooled funds: U.S. TIPS	33,597,170	-
Value of interest in pooled funds: domestic equities	96,143,733	-
Value of interest in pooled funds: international equities	144,907,793	-
Securities lending short-term collateral investment pool	73,614,900	-
Total investments	1,269,897,827	2,385,807
Capital assets:		
Pension software	1,295,837	-
Accumulated depreciation	(1,187,771)	-
Capital assets net of depreciation	108,066	-
Total assets	1,286,505,309	6,898,093
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	2,232,594	2,178,902
Compensated absences	-	-
Investment purchases pending	26,177,044	-
Security lending obligations	73,614,900	-
Deposits	-	4,719,191
Total liabilities	102,024,538	6,898,093
<b>NET POSITION</b>		
Restricted for pensions	1,184,480,771	-
Total net position	\$ 1,184,480,771	\$ -

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

# CITY OF WICHITA, KANSAS

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended December 31, 2014

	Pension Trust Funds
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 24,076,878
Employee	8,113,496
Total contributions	32,190,374
Investment income:	
From investment activities	
Net appreciation in fair value of investments	34,129,623
Interest and dividends	20,462,431
Commission recapture	10,656,594
Total investment earnings	65,248,648
Less investment expense	5,949,536
Net income from investing activities	59,299,112
From securities lending activities:	
Securities lending income	223,665
Securities lending activities expenses:	
Borrower rebates	(193,023)
Management fees	120,883
Total securities lending activities expenses	(72,140)
Net income from securities lending activities	295,805
Total net investment income	59,594,917
Reclassifications due to participant conversion	2,942,734
Total additions	94,728,025
<b>DEDUCTIONS</b>	
Pension benefits	72,736,422
Pension administration	984,875
Depreciation	182,543
Employee contributions refunded	1,965,078
Reclassifications due to participant conversion	2,942,734
Total deductions	78,811,652
Net increase in net position	15,916,373
Net position - beginning	1,168,564,398
Net position - ending	\$ 1,184,480,771

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



**Table of Contents**

1. Summary of Significant Accounting Policies .....	A-35
2. Budgetary Control .....	A-41
3. Budgetary Basis of Accounting .....	A-42
4. Fund Balance Deficits .....	A-42
5. Cash, Investments and Securities Lending .....	A-42
6. Capital Assets .....	A-52
7. Retirement Funds.....	A-53
8. Self Insurance Fund .....	A-59
9. Long-term Debt .....	A-63
10. Defeasance of Debt .....	A-72
11. Temporary Notes Payable .....	A-72
12. Leases .....	A-73
13. Conduit Debt Obligations .....	A-74
14. Interfund Transfers.....	A-75
15. Interfund Receivables and Payables .....	A-75
16. Fund Balance Restrictions and Other Reservations.....	A-76
17. Passenger Facility Charges .....	A-76
18. Landfill Closure and Post-closure Care.....	A-77
19. Contingencies and Commitments .....	A-77
20. Subsequent Events.....	A-79

**1. Summary of Significant Accounting Policies****A. Reporting Entity**

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from the blended component unit is combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

Blended Component Units – The Airport Authority serves all citizens of the government and is governed by a board comprised of the government's elected council. Bond issuance authorizations are approved by the governing body of the primary government and the legal liability for the general obligation portion of the Authority's debt remains with the government. The Airport Authority is reported as an enterprise fund. Separate audited financial statements are not prepared by the Airport Authority.

Discretely Presented Component Unit – The Wichita Public Building Commission (WPBC) acquires and finances assets for the City of Wichita or other local, state and federal agencies, school districts, and the Wichita State University Board of Trustees. The nine-member board is appointed by the Mayor and City Council. Of the nine members, one member is recommended for appointment by the County Commissioners of Sedgwick County, Kansas, and one by the President of Wichita State University. The Kansas Secretary of Administration and the Superintendent of Unified School District Number 259 serve as provisional members of the board of the WPBC. Members of the WPBC Board may only be removed for just cause. The City of Wichita provides staff support and legal representation by the Department of Law. The WPBC is presented as a proprietary fund type. Additional information related to current lease agreement for the State Office Building is provided in Note 19E-Public Building Commission Lease. Separate audited financial statements are not prepared by the Wichita Public Building Commission.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position on page A-13 and the Statement of Activities on page A-14) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported discretely from the legally separate component unit for which the primary government is financially accountable.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and [2] grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they are both measurable

and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collectible within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Special assessments receivable that are not due within the current fiscal period and not susceptible to accrual are recorded as unearned revenue. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenues received by the General Fund. The Economic Development Fund is certified to the State of Kansas and reported as a subfund of the General Fund. Schedules for the certified fund and subfund are presented as supplemental information in the Governmental Funds Section of this report.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Street Improvement Fund accounts for capital improvements related to streets, arterials and freeway projects that are financed through the issuance of general obligation bonds, special assessments, local sales tax, Federal grants and other City funds.

The government reports the following major proprietary funds:

The Water Utility Fund accounts for the operation and maintenance of the water supply component of the combined utility.

The Sewer Utility Fund accounts for the operation and maintenance of the sewer component of the combined utility, including wastewater treatment plants, sewer laterals and mains.

The Airport Authority Fund accounts for the provision of air transportation services for the public, business and industry.

The Stormwater Utility Fund accounts for the acquisition, design, construction, maintenance and operation of the City's surface drainage system.

The government also reports the following fund types:

A permanent fund is used to report resources that are restricted for the maintenance and perpetual care of municipal cemeteries.

Internal service funds are used to account for information technology services, fleet management and risk management services (including claims for worker's compensation, general liability and employee health insurance) provided by one department to other departments of the City on a cost reimbursement basis.

Pension trust funds account for the activities of the Wichita Employees' Retirement System, Wichita Police and Fire Retirement System and the Wichita Employees' Retirement System-Plan 3, all of which accumulate resources for pension benefits for qualified employees.

Agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. Agency funds account for payroll liabilities, prepayments of special assessments, special neighborhood revitalization funds, community

improvement districts, special assessments letters of credit, and Wichita Area Metropolitan Planning Organization funds held on behalf of other local jurisdictions.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Eliminations of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include [1] charges to customers or applicants for goods, services, or privileges provided, [2] operating grants and contributions, and [3] capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses.

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds). The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. Investments of the pooled accounts consist primarily of certificates of deposits, U.S. government and agency securities, carried at amortized cost, which approximates fair value. Interest income earned is allocated to contributing funds based on average daily cash balances and in accordance with the adopted budget.

E. Investments

Investments of all funds, except the pension trust funds and the component unit, are recorded at amortized cost, which approximates fair value. For the pension trust funds, investments are reported at fair value. The pension trust funds invest in real estate through real estate investment trusts, timber through limited partnerships, Treasury strips and various asset backed securities, such as collateralized mortgage obligations and credit card trusts. Investments traded on national or international exchanges are valued at the last trade price of the day. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments. The fair value of real estate and timber investments are estimated using the net asset value of the shares owned in each fund. Investments that do not have an established market are reported at their estimated fair value.

F. Property Taxes and Other Receivables

In accordance with governing State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed as of January 1 and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows of resources on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.



Recognized State-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year. Federal and State grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

G. Revenue Recognition for Proprietary Funds

The proprietary funds recognize revenue on sales when services are rendered. The Water, Sewer, and Stormwater Utilities recognize revenues for unbilled services. All users, including other City departments are charged for services provided by the respective proprietary fund. Accounts receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

H. Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds, which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund or a liability in a City of Wichita revocable escrow account for prepaid special assessments. The escrow is revocable and, therefore, not technically public funds. The prepayment amount is discounted for the estimated interest earnings realized from investing the prepayment amount. The amount of interest plus prepayment equals the amount of debt service paid on outstanding bonds.

State statutes allow levying additional ad valorem property taxes in the City's Debt Service Fund to finance delinquent special assessments receivable, if necessary. Special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over a ten to twenty year period and the annual installments are due and payable with annual ad valorem property taxes. Delinquent assessments against property benefited by special assessments constitute a lien against such property. When assessments are two years in arrears, the assessments may be collected by foreclosure. On December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund with a corresponding amount recorded as a deferred inflow of resources.

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses that benefit future periods, other than those recorded in the proprietary funds, are recorded as expenditures during the year of purchase. Inventories are valued utilizing the average unit cost method.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual minimum cost ranging from \$5,000 to \$250,000, depending on the type of asset. Capital assets are valued at historical cost, or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. Additionally, in situations involving the acquisition of certain assets financed with the proceeds of tax-exempt borrowing, any interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining either capitalization rates or limitations on the

Assets Classification	Estimated Useful Life
Buildings and improvements	1-100
Improvements other than buildings	1-85
Equipment	1-33
Vehicles	1-20
Public domain infrastructure	15-60
Airfields	1-20

amount of interest costs to be capitalized. Capital assets of the primary government and its component unit are depreciated using the straight-line method. Estimated useful lives of asset categories are listed in the accompanying table.

K. Franchise Taxes

Franchise taxes are collected from utilities for the use right of ways. Annually, the Water Utility and Sewer Utility pay to the General Fund of the City amounts in lieu of franchise taxes in an amount not to exceed 5% of gross revenues for the preceding year, which is appropriated by the City and included in the annual budget.

L. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation and sick pay benefits. The City does not have a policy to pay accumulated sick pay benefits upon termination of employment; consequently, there is no liability for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for vacation pay is reported in governmental funds only if it has matured, for example, as a result of employee terminations and retirements.

M. Statement of Cash Flows

The reporting entity defines cash and cash equivalents used in the statement of cash flows as all cash and temporary investments (both restricted and unrestricted).

N. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charges on refundings in the business-type and government-wide statements of net position. The deferred charges on refundings results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from several sources: long-term accounts and notes receivable, forgivable loans, property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied.

O. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect: [1] the reported amounts of assets and liabilities, [2] disclosures such as contingencies, and [3] the reported amounts of revenues and expenditures or expenses included in the financial statements. Actual results could differ from those estimates.

P. Net Positions and Fund Balances

Net positions in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments imposed by law through state statute.

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental fund types classify fund balance as follows:

Nonspendable Fund Balance – Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances include amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Committed Fund Balance – The committed portion of fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – The assigned portion of the fund balance is that which the City of Wichita intends to use for a specified purpose as directed by the City Council. The portion of the fund balance that is appropriated by the City Council for the next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by the designated senior staff, are included in assigned fund balances. Additional information on encumbrance balances is provided in Note 19D to the financial statements.

Unassigned Fund Balance – The unassigned fund balance represents that portion has not otherwise been restricted, committed or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City of Wichita considers to have spent restricted funds first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first from the committed funds, then assigned funds, and finally unassigned funds, unless the City Council has provided otherwise in its commitment or assignment action.

The City of Wichita has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business of the City in a manner that available fund balance is at least equal to or greater than 10% of the next year's budgeted expenditures.

Q. Pending Governmental Accounting Standards Board Statements

GASB Statement 68, Accounting and Financial Reporting for Pensions, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Implementation of GASB Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability, and to more comprehensively measure the annual costs of pension benefits. The Statement enhances disclosure requirements in the notes and in required supplementary information by including the net pension liability for the Retirement Systems as disclosed in Note 7 to the financial statements. The provisions of GASB Statement 68 are effective for financial statements for the City's fiscal year ending December 31, 2015.

GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date, provides guidance related to accounting and reporting for contributions made by a state or local government employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The guidance amends GASB Statement 68 and is required to be applied simultaneously with the provisions of GASB Statement 68, which is effective for financial statements for the City's fiscal year ending December 31, 2015.

GASB Statement 72, Fair Value Measurement and Application, provides guidance for determining a fair value measurement for financial reporting purposes. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for the City's fiscal year ending December 31, 2016.

GASB Statement 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions replaces the requirements of GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The requirements of this statement are effective for financial statements for the City's fiscal year ending December 31, 2018.

## 2. Budgetary Control

Applicable Kansas statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Specific funds exempted from legally adopted budgets are all Federal and State assistance funds, all capital projects funds (including capital projects of proprietary funds), the Airport Authority, Golf Course System, Transit and all trust and agency funds. The component unit (Wichita Public Building Commission) is also exempt from legally adopted budgets. Controls over spending in funds and the component unit that are not subject to legal budgets are maintained by the use of internal spending limits established by management. K.S.A. 79-2926 et. seq. provides the following sequence and timetable for adoption of budgets:

1. Preparation of budget for the succeeding calendar year on or before August 1 of each year.
2. Publication of proposed budget on or before August 5 of each year. A minimum of ten days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
3. Adoption of final budget on or before August 25 of each year.

K.S.A. 79-2927 requires that all money to be raised by taxation and from all other sources for the ensuing budget year be appropriated. The law does not permit an appropriation for sundry or miscellaneous purposes in excess of 10% of the total. The budget for each fund may include a non-appropriated balance not to exceed 5% of the total of each fund. The City of Wichita appropriates amounts for fund balance reserves in the various governmental funds on a budgetary basis. Appropriated fund balance reserves are not intended to finance routine expenditures and are reflected in the budgets only to the extent utilized.

Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted expenditure budget of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level. Kansas statutes permit the transfer of budgeted amounts from one object or purpose to another and allow original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held at which time the governing body may amend the budget.

**3. Budgetary Basis of Accounting**

Budgets are prepared on a basis (budgetary basis), different from generally accepted accounting principles (GAAP basis). For budgeting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, except for special assessments of the debt service fund that are recognized on the cash basis. The major difference between GAAP basis and budgetary basis is the reporting of encumbrances, (purchase orders, contracts, and other commitments) as expenditures for budgetary purposes. Adjustments necessary to convert the net change in fund balances and the ending fund balances from GAAP basis to budgetary basis for the general fund are provided in the following table.

	Net Change in Fund Balance from Prior Year	Fund Balances at End of Year
General Fund - GAAP basis	\$ 1,577,702	\$ 34,131,476
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	608,150	(17,372)
Cancellation of prior year encumbrances	371,676	-
Expenditures due to current year encumbrances	(1,465,521)	(1,465,521)
Less subfund balances included for GAAP		
Permanent Reserve Subfund*	-	(1,821,848)
Economic Development Subfund	493,150	(3,901,604)
General Fund - budgetary basis	<u>\$ 1,585,157</u>	<u>\$ 26,925,131</u>

\*Budget authority was not established for the Permanent Reserve Subfund for 2014. Therefore, a budgetary comparison schedule is not presented.

**4. Fund Balance Deficits**

At December 31, 2014, fund balance deficits are shown in the accompanying table. The Street Improvement fund balance deficit and the deficit fund balances in other nonmajor governmental capital project funds will be financed through the sale of bonds authorized by the City Council but not yet sold on December 31, 2014. The Golf Course System fund plans to reduce its fund balance deficit in future years by controlling expenditures.

Primary Government	Fund Balance Deficits
Governmental Funds:	
Street Improvement fund	\$ 15,071,376
Water Main Extension	1,970,105
Park Bond Construction	805,802
Public Improvement Construction	16,913,875
Sewer Construction	8,704,392
Business-type funds:	
Golf Course System	128,441
Total Reporting Entity	<u>\$ 43,593,991</u>

**5. Cash, Investments and Securities Lending**

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent investor rule" as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 *et seq.* and amendments thereto and shall be applied in the context of managing an overall portfolio.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure or failure of the investment counterparty, the City's deposits may not be returned to the City, or the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires that all investment transactions be settled delivery versus payment with an independent third party safekeeping agent under contract with the City. The City requires compliance within the provisions of state law for the collateralization of all deposits and allowable securities are further limited to:

1. Direct obligations of, or obligations insured by, the U.S. government or any agency thereof;

2. Obligations and securities of U.S. sponsored corporations, which under federal law, may be accepted as security for public funds;
3. Bonds of any Kansas municipalities that have been refunded and are secured by U.S. obligations;
4. State of Kansas bonds, general obligation bonds or notes of any municipality within the State of Kansas;
5. Approved Kansas municipality revenue bonds;
6. Warrants of any Kansas municipality payable from a mandatory tax levy;
7. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investor service or AA by Standard & Poor's Corporation;
8. Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest ratings by a nationally recognized investment rating firm;
9. Approved corporate surety bond having an aggregate value at least equal to the amount of deposits less the amount insured by the federal deposit insurance corporation;
10. Personal bond in double the amount which is on deposit.

Financial institutions are required to pledge or assign for the City's benefit sufficient securities, the market value of which is at least 105% of the total deposits.

As of December 31, 2014, the City had deposits in five banks totaling \$31,903,065 with assets pledged by the banks as collateral with a fair value of \$44,603,779.

State law (K.S.A. 12-1675 and 12-1677b) allows monies, not otherwise regulated by statute, to be invested in the following instruments:

1. Temporary notes or no-fund warrants of the City of Wichita;
2. Time deposits, open accounts or certificates of deposits with maturities of not more than four years;
3. Repurchase agreements with banks, savings and loan associations and savings banks, or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York;
4. United States treasury bills or notes with maturities not exceeding four years;
5. U.S. Government agency securities with a maturity of not more than four years that do not have any more interest rate risk than U.S. Government obligations of similar maturities;
6. The municipal investment pool fund established by K.S.A. 12-1677a and amendments thereto. The municipal investment pool fund is operated by the Kansas Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the PMIB investments approximates the value of pool shares; and
7. Municipal investment pools established through the trust department of banks which have offices located in Sedgwick County.

A. Pooled Investments of the Primary Government

On December 31, 2014, the City's pooled funds were invested as follows:

Investment type	Book Value	Modified Duration (years)	Percent of Total Pooled Funds
U.S. agency coupon securities	\$ 152,582,204	1.436	37.8%
U.S. agency callable securities	12,995,663	3.074	3.2%
U.S. agency discount securities	168,792,699	0.428	41.8%
Municipal Investment Pool-Overnight*	41,049,244	-	10.2%
Collateralized deposits	28,658,008	-	7.0%
Total value	<u>\$ 404,077,818</u>		<u>100.0%</u>
Portfolio modified duration		<u>0.847</u>	

\*The weighted average maturity of the Municipal Investment Pool was 131.7 days at December 31, 2014.

**Interest Rate Risk:** The City of Wichita uses the methodology of modified duration to construct a portfolio of bonds to fund its future cash needs and to disclose the portfolio's exposure to changes in interest rates. The

investment policy of the City of Wichita seeks to limit the modified duration of the portfolio to 1.4 years. The investment policy also requires that portfolio maturities be staggered in a way that avoids undue concentration of assets in a specific maturity sector, and that the investment portfolio remain sufficiently liquid to enable the City to meet all operating requirements which might reasonably be anticipated. Additionally, the investment policy limits investments to a maximum stated maturity of four years.

Credit Risk: As described earlier in this section, Kansas law limits the types of investments that can be made by the City of Wichita. The City's investment policy does not impose limitations beyond those of the State of Kansas. On December 31, 2014, the City's investments in U.S. agency obligations not directly guaranteed by the U.S. Government included only instruments rated Aaa by Moody's. The City also held investments in the Kansas Municipal Investment Pool, which is rated AAAf/S1+ by Standard & Poor's.

Concentration of Credit Risk: The City's investment policy limits the amount of investments that can be placed with a single U.S. agency to 40% of the total portfolio. Maximum limits, by instrument, are also established for the City's investments of pooled funds and provided in the accompanying table.

Instrument	Maximum
Demand deposits/repurchase agreement	5%
Municipal Investment Pool	15%
Certificates of deposit	100%
Temporary notes	10%
U.S. Treasury notes and bills	100%
U.S. agency obligations	95%
Bullet/Discount	95%
Agency callable	30%
Agency floater	10%

To allow efficient and effective placement of bond proceeds and County tax distributions, the limit of repurchase agreements and deposits with the Municipal Investment Pool may be exceeded up to 50% for a maximum of ten days following receipt of proceeds during adverse market conditions.

Additionally, to allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and Municipal Investment Pool deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date. At December 31, 2014, the City's investments in pooled funds by issuer are shown in the table at the right.

Investment Type	Book Value	Percent of Total Pooled Funds
Federal Farm Credit Bank	\$ 58,505,869	14.5%
Federal Home Loan Bank	114,413,654	28.3%
Federal Home Loan Mortgage Corp.	76,406,579	18.9%
Federal National Mortgage Assoc.	85,044,464	21.0%
Municipal Investment Pool	41,049,244	10.2%
Collateralized deposits	28,658,008	7.1%
Total value	\$ 404,077,818	100.0%

B. Investments of the Primary Government Not Pooled

State law (K.S.A. 10-131) allows investment of the proceeds of bonds and temporary notes in:

1. Investments authorized by K.S.A. 12-1675, and amendments thereto;
2. The municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto;
3. Direct obligations of the U.S. Government or any agency thereof;
4. Temporary notes of the City of Wichita issued pursuant to K.S.A. 10-123, and amendments thereto;
5. Time deposits with banks and trust companies in Sedgwick County;
6. FNMA, FHLB and FHLMC obligations;
7. Collateralized repurchase agreements;
8. Investment agreements with or other obligations of a financial institution whose obligations are rated in one of the three highest rating categories by either Moody's or Standard & Poor's;
9. Mutual funds with portfolios consisting entirely of obligations of the U.S. Government, U.S. Government agencies, FNMA, FHLB or FHLMC;
10. Certain Kansas municipal bonds.

Although individual bond covenants include certain restrictive provisions regarding the types of investments and their maturities, the City does not have a formal investment policy that addresses interest rate risk, credit risk or concentration of credit risk for the investment of bond proceeds.

On December 31, 2014, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility Funds were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Bond Proceeds Investments
U.S. Treasury	\$ 17,700,780	0.038	100.0%
Total value	\$ 17,700,780		100.0%
Total modified duration		0.038	

General obligation temporary note proceeds for the Airport Authority's construction of a new airport terminal and parking garage were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Note Proceeds Investments
Municipal Investment Pool-Overnight*	\$ 24,251,868	-	100.0%
Total value	\$ 24,251,868		100.0%
Total modified duration		-	

\*The weighted average maturity of the Municipal Investment Pool was 131.7 days at December 31, 2014.

In accordance with the Code of Federal Regulations, unexpended Passenger Facility revenue of the Airport Authority is held in other interest bearing instruments. As of December 31, 2014, \$11,952,033 was invested with the Municipal Investment Pool-Overnight. The weighted average maturity of the Municipal Investment Pool was 131.7 days at December 31, 2014.

City Ordinance (47-721; section 2.52.100) authorizes the Group Life Insurance Fund to hold investments in the following categories:

1. U.S. Government securities;
2. Corporate bonds of A quality or better, as listed in Moody's or Standard & Poor's;
3. Not more than 50% may be invested in equity mutual funds.

On December 31, 2014 no investments were held directly by the Group Life Insurance Fund and all cash was invested in the City's pooled investment portfolio.

The City does not maintain a formal investment policy pertaining to investments held in the Airport Authority Fund, Special Assessment Advance Payments Fund, the Cemetery Fund or the Federal and State Assistance Fund for the Wichita Housing Authority. Funds for which a formal investment policy is not maintained are authorized to be prudently invested at the discretion of the City's Director of Finance. On December 31, 2014, these Funds held investments in U.S. Government and agency obligations, stocks and money market instruments.

**Interest Rate Risk:** The City of Wichita uses a duration methodology to construct a portfolio of bonds to fund its future cash needs and utilizes a modified duration to disclose the portfolio's exposure to changes in interest rates. The City seeks to limit the modified duration of the Group Life Insurance portfolio to five years.

**Credit Risk:** City ordinance limits the types of investments of the Group Life Insurance Fund to U.S. Government securities, corporate bonds of A quality or better, as rated by Moody's or Standard & Poor's, and not more than 50% may be invested in equity mutual funds.

C. Investments of the Wichita Public Building Commission

On December 31, 2014, deposits and investments of the Wichita Public Building Commission totaled \$51,749 and are included in the City's pooled investments.

D. Investments of the Pension Trust Funds

City Ordinance (49-036; section 2.28.090) authorizes the Wichita Employees' Retirement System and City Charter Ordinance (215, section 12) authorizes the Police and Fire Retirement System to invest trust fund assets in accordance with the prudent person rule, subject to the following limitations: 1) The proportion of funds invested in corporate preferred and common stock shall not exceed 70%; and (2) the proportion of funds invested in foreign securities shall not exceed 35%. Additionally, the Systems are not permitted to invest directly or indirectly in any:

1. Real estate, except in certain pooled arrangements with the amount of such investment not to exceed 10% of the Fund;
2. Private equity, except in a commingled fund-of funds vehicle operated by a registered investment advisor or a bank with the amount of such investment not to exceed 10% of the Fund;
3. Timber, except in a commingled fund vehicle operated by a registered investment advisor or a bank. The amount of such investment shall not exceed 10% of the Fund;
4. Mortgages secured by real estate, except insured mortgages under Titles 203, 207, 220 and 221 of the Federal Housing Act;
5. Oil and gas leases or royalties; or
6. Commodities (including, but not limited to, wheat, gold, gasoline, options, or financial futures); provided however, that the restriction on investments contained in this paragraph shall not apply to funds which are invested in a mutual fund, separate account or commingled fund operated by a registered investment advisor or insurance company.

All of the deposits and investments of the Wichita Employees' and Police and Fire Retirement Systems are held in a joint investment fund that is invested by outside money managers and are held under a custodial agreement. The Pension Boards have adopted the Strategic Plan and Investment Policies which set forth in detail the asset allocation for the fund and restrictions applicable to specific investment types to mitigate risk. The policies permit investment in six asset types: domestic equities, international equities, domestic fixed income, real estate, timber and commodities.

The investments of the Wichita Retirement Systems (WRS) on December 31, 2014 are listed in the accompanying table.

The pension funds invest in various asset-backed securities such as collateralized mortgage obligations (CMO's) and credit card trusts to maximize yields and reduce the impact of interest rate changes. These securities are based on cash flows from principal and interest payments on the underlying assets. For example, CMO's break up the cash flows from mortgages into categories with defined risk and

Type of Investment	Fair Value
Government short-term investment fund	\$ 35,513,320
Government securities, long-term	44,528,189
Corporate debt instruments, long-term	92,164,438
Mortgage and asset-backed securities	77,938,194
Corporate stocks, domestic common	436,503,117
Corporate stocks, international common	101,310,183
Real estate	64,559,921
Timber	23,738,994
Value of interest in pooled funds, target date funds	3,294,383
Value of interest in pooled funds, commodities	26,302,992
Value of interest in pooled funds, international fixed income	7,307,090
Value of interest in pooled funds, high yield fixed income	8,473,410
Value of interest in pooled funds, U.S. TIPS	33,597,170
Value of interest in pooled funds, domestic equities	96,143,733
Value of interest in pooled funds, international equities	144,907,793
Securities lending short-term collateral investment pool	73,614,900
Total investments	\$ 1,269,897,827

return characteristics called tranches. The tranches are differentiated by when the principal payments are received from the mortgage pool. Changes in interest and mortgage prepayment rates may affect the amount and timing of cash flows, which would also affect the reported estimated fair values. The pension funds utilize a combination of asset-backed securities, which vary in their degree of volatility. Although considerable variability is inherent in such estimates, management believes the estimated fair values are reasonable estimates.

The pension funds also invest in real estate through real estate investment trusts (REITS). The fair values of these investments are estimated using the net asset value of the Systems' shares owned in each trust. Market conditions have had an impact on the estimated fair value of real estate investments. Restrictions on the availability of real estate financing, as well as economic uncertainties, have affected the volume of purchase and sale transactions. As a result, the estimates and assumptions used in determining the fair values of the real estate investments are inherently subject to uncertainty.

**Custodial Credit Risk:** The custodial credit risk for deposits is the risk that in the event of a bank failure, the WRS' deposits may not be recovered. On December 31, 2014, the WRS' cash deposits in the amount of \$794,368 were included in the City's pooled cash and temporary investments. The WRS' debt securities investments were registered in the name of WRS and were held in the possession of the WRS' custodial bank, State Street.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is managed using the modified duration methodology. Duration is a measure of a fixed income's cash flow using present values, weighted for cash flows as a percentage of the investment's full price. The modified duration methodology estimates the sensitivity of a bond's price to interest rate changes. The WRS manage their exposure to fair value loss arising from increasing interest rates by complying with the following policies:

1. Fixed income managers have full discretion over the issuers selected and may hold any mix of fixed income securities and cash equivalents.
2. Portfolio duration for nominal fixed income managers must not be less than 80% or more than 120% of the duration of the Barclays Capital Aggregate Bond Index, unless the Joint Investment Committee prospectively grants a written exception. As of December 31, 2014, the duration of the Index was 5.55 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.44 years and 6.66 years, respectively.

Portfolio duration for Treasury Inflation Protected Securities (TIPS) fixed income managers must not be less than 80% or more than 120% of the duration of the Barclays Capital US TIPS Index. As of December 31, 2014, the duration of the Index was 7.84 years, which equated to a minimum and maximum range for each TIPS portfolio of 6.27 years and 9.41 years, respectively. The modified duration of investments on December 31, 2014 is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of all Fixed Income</u>	<u>Weighted Average Modified Duration</u>
Government securities, long-term	\$ 44,528,189	30.8%	4.1
Corporate debt instruments, long-term	92,164,438	26.0	6.1
Mortgage and asset-backed securities	77,938,194	14.9	10.0
Actively managed investments	214,630,821	71.7	6.2
Government short-term investment fund	35,513,320	11.9	0.1
Pooled U.S. TIPS fund	33,597,170	11.2	7.7
Pooled high yield fixed income securities	8,473,410	2.8	2.1
Pooled international fixed income securities	7,307,090	2.4	4.9
Total investment in debt securities	<u>\$ 299,521,811</u>	<u>100.0%</u>	

Credit Risk of Debt Securities: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The WRS manages exposure to investment credit risk by adhering to the following policies : (1) For active core domestic fixed income investments, at the time of purchase, bonds and preferred stocks must be rated at least "A2/A/A" or higher using the middle rating of Moody's, Standard and Poor's, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") rating is used. When a rating from only one agency is available, that rating is used to determine credit quality; and (2) For core-plus domestic fixed income investments, the weighted average credit quality of the portfolio will not fall below "A2/A/A" or equivalent; when determining credit quality, the middle rating of Moody's, Standard and Poor's, and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") rating is used. When a rating from only one agency is available, that rating is used to determine credit quality. Throughout 2014, no securities were purchased that were below the established credit quality minimum in the active core portfolio and the weighted average credit quality of the active core plus portfolio did not fall below the established credit quality rating.

Quality Rating	Total Debt Securities
AAA	\$ 40,186,899
AA+	95,439,990
AA	5,088,752
AA-	4,775,768
A+	13,752,183
A	25,384,900
A-	24,785,942
BBB+	16,785,278
BBB	5,377,417
BBB-	5,880,872
BB+	2,543,622
BB	1,385,699
BB-	4,216,864
B+	6,155,553
B	364,707
B-	1,308,955
CCC+	125,413
CCC	1,862,101
CCC-	227,271
CC	-
D	1,562,274
Not rated	6,798,031
Total credit risk debt securities	264,008,491
Government short-term investment fund*	35,513,320
Total investment in debt securities	\$ 299,521,811

\* While the government short-term investment fund itself is not rated, the average quality of the holdings of the Government Short-Term Investment Fund on December 31, 2014 was A-1+P1.

The table at the right shows the debt investments held by the WRS on December 31, 2014 and their respective ratings by Standard and Poor's, or an equivalent nationally recognized statistical rating organization.

Credit risk for investment derivative instruments results from counterparty risk assumed by the WRS. This is essentially the risk that the counterparty to a WRS' transaction will be unable to meet its obligation. Information regarding the WRS' credit risk related to derivatives is found in the derivatives disclosures following in these notes.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an entity's investment with a single issuer. The WRS' investment in debt securities had no single issuer of investments that represented 5% or more of the plan assets, with exception of investments issued or implicitly guaranteed by the U.S. government and investments in mutual funds, as delineated in the WRS' investment policy.

Rate of Return: The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.18% for the year ended December 31, 2014. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Actuarial Rate of Return Assumption: The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the system. Several factors are considered in evaluating the long-term rate of return assumption, including long term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by targeting the asset allocation percentage and then adding expected inflation. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return (net of 2.25% inflation assumption) for each major asset class as summarized in the accompanying table.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Broad US equity	40%	5.35%
Broad international	22%	5.25%
Broad US fixed income	22%	0.75%
TIPS	3%	0.75%
Real estate	5%	3.90%
Timber	5%	4.65%
Commodities	3%	0.80%
Total	100%	

\*Geometric mean, net of investment expenses

Derivatives: Investment derivative instruments are financial contracts for which the value of the contract is dependent on the values of one or more underlying asset, reference rate, or financial index. They include futures contracts, swap contracts, options contracts, rights, and forward foreign currency exchanges. While the WRS has no formal policy specific to investment derivatives, the WRS, through its external investment managers, held a variety of these instruments as of December 31, 2014. The WRS enters into these investment derivative instruments primarily to enhance the performance, reduce the volatility of its investment portfolio, and to manage interest rate risk. The investment derivative instruments held by the WRS on and during the year ended December 31, 2014 are shown in the following table. The notional values associated with these derivative instruments are generally not recorded in the financial statements; however, the exposure amounts on these instruments are included in the fair value of investments in the Statement of Fiduciary Net Position and the total changes in fair value for the year are included as investment income in the Statement of Changes in Fiduciary Net Position.

The fair value of derivative investments is based on the exchanges when available. When an exchange is not available, estimated fair values are determined in good faith by using information from J.P. Morgan traders and other market participants, including methods and assumptions considering market conditions and risks existing at the date of the Statement of Fiduciary Net Position. Such methods and assumptions incorporate standard valuation conventions and techniques, such as discounted cash flow analysis and option pricing models. All methods utilized to estimate fair values result only in general approximations of value.

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Value	Counterparty (Counterparty Rating)
Investment revenue:				
Credit default swap bought	\$ 21,448	\$ -	\$ -	Goldman Sachs CME (A-)
Credit default swap written	944	160,000	910	Deutsche Bank Securities Inc. (A)
Credit default swap written	6,066	270,000	-	Deutsche Bank AG New York (A)
Credit default swap written	18,852	-	-	Goldman Sachs CME (A-)
Fixed income futures long	838,528	15,200,000	225,005	
Foreign currency futures short	61,881	(375,000)	12,863	
Foreign currency options written	7,944	-	-	
Futures options written	143,874	(212,500)	(19,938)	
FX forwards	424,693	2,503,425	80,436	Citibank N.A. London (A)
FX forwards	66,734	838,564	27,636	Barclays Bank PLC Wholesale (A)
Receive fixed interest rate swaps	13,558	-	-	Goldman Sachs CME (A-)
Rights	513	9,487	-	
Investment loss:				
Credit default swap written	(643)	130,000	963	Barclays DeZoete Wedd (A)
Fixed income futures short	(690,210)	(17,650,000)	(238,444)	
Foreign currency options bought	(17,907)	19,700	8,770	
Futures options bought	(70,311)	33,000	13,922	
FX forwards	(34,286)	1,151,695	(34,286)	Bank of America N.A. (A)
FX forwards	(78,632)	-	-	State Street Bank London (AA-)
Pay fixed interest rate swaps	(18,429)	-	-	Goldman Sachs CME (A-)
	<u>\$ 694,617</u>	<u>\$ 2,078,371</u>	<u>\$ 77,837</u>	

**Foreign Currency Risk:** Currency risk arises due to foreign exchange rate fluctuations. The WRS' investment policies manage the exposure to foreign currency risk by allowing international securities investment managers to enter into forward exchange or future contracts on foreign currency provided such contracts have a maturity of less than one year. Currency contracts are only to be utilized for the settlement of securities transactions and defensive hedging of currency positions. The WRS' exposure to foreign currency risk on December 31, 2014 is presented in the accompanying table.

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	\$ 5,458	\$ -	\$ 6,897,682
Danish krone	-	-	1,119,581
Euro	180,175	-	36,020,892
Hong Kong dollar	6	-	3,427,759
Japanese yen	-	-	21,206,237
Mexican Peso	122,088	2,239,231	-
New Zealand dollar	-	-	684,625
Norwegian krone	7,915	-	713,640
Pound sterling	80,461	-	19,839,818
Singapore dollar	27,043	-	1,176,409
Swedish krona	-	-	1,687,280
Swiss franc	23,207	-	8,457,004
International mutual funds (various currencies)	-	7,307,090	-
Total subject to foreign currency risk	<u>\$ 446,353</u>	<u>\$ 9,546,321</u>	<u>\$ 101,230,927</u>

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2014, the Systems held forward currency contracts with an unrealized gain of \$73,787. If held, sales of forward currency contracts are receivables and are reported as investment sales pending in the financial statements.

Securities Lending Transactions: Policies of the Board of Trustees for the Wichita Employees' Retirement and Police and Fire Retirement Systems permit the lending of securities to broker-dealers and other entities (borrowers) with a simultaneous agreement to return the collateral for the same securities in the future. The WRS' custodial bank, State Street, is the lending agent for the Systems' domestic securities for initial collateral of 102% of the fair value of the loaned securities, international equity securities for initial collateral of 105% of the fair value of such securities, and the initial collateral received for loans of United Kingdom (UK) Gilts shall have a value of at least 102.5% of the fair value of such UK Gilts. Collateral may consist of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, irrevocable bank letters of credit issued by a person other than the securities borrower or affiliate, if determined appropriate by the agent under the securities lending programs it administers and such other collateral as the parties may agree to in writing.

The collateral securities cannot be pledged or sold by the WRS unless the borrower defaults. The lending agent shall require additional collateral from the borrower whenever the value of loaned securities exceeds the value of the collateral in the agent's possession, so that collateral always equals or exceeds 100% of the fair value of the loaned securities. Contracts with the lending agent require them to indemnify the WRS, if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the WRS for income distributions by the securities' issuers while the securities are on loan.

At year-end, the WRS had no credit risk exposure to borrowers because the amounts the WRS owe the borrowers exceeded the amounts the borrowers owed the Systems. All securities loans, whether domestic or international, are open loans and can be terminated on demand by either the system or the borrower. At year-end, loaned securities were secured with cash collateral, securities collateral or letters of credit. The amount shown on the Statement of Fiduciary Net Position only reflects transactions where cash collateral was received. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted average maturity of 31 days. The relationship between the maturities of the investment pool and the Wichita Retirement Systems' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Wichita Retirement Systems cannot determine. Also, since securities loans are terminable at will, the duration of the securities loans do not generally match the duration of the investments made with the cash collateral received from the borrower.

Custodial Credit Risk Related to Securities Lending: Custodial credit risk for lent securities is the risk that, in the event of the failure of the counterparty, the WRS will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Consistent with the WRS' securities lending policy, \$73,614,900 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2014.

**6. Capital Assets**

Capital asset activity of the primary government for the year ended December 31, 2014 presented in the following table (expressed in thousands of dollars).

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 293,623	\$ 5,578	\$ (1,800)	\$ (1)	\$ 297,400
Construction in progress	<u>72,944</u>	<u>44,947</u>	<u>(50,456)</u>	<u>-</u>	<u>67,435</u>
Total capital assets, not being depreciated	<u>366,567</u>	<u>50,525</u>	<u>(52,256)</u>	<u>(1)</u>	<u>364,835</u>
Capital assets, being depreciated:					
Buildings	288,525	104	(11)	188	288,806
Improvements other than buildings	90,183	5,051	(30)	(510)	94,694
Machinery, equipment and other assets	112,522	8,637	(5,518)	(232)	115,409
Infrastructure	<u>821,567</u>	<u>51,180</u>	<u>(1,202)</u>	<u>-</u>	<u>871,545</u>
Total capital assets being depreciated	<u>1,312,797</u>	<u>64,972</u>	<u>(6,761)</u>	<u>(554)</u>	<u>1,370,454</u>
Less accumulated depreciation for:					
Buildings	(125,894)	(3,354)	10	(154)	(129,392)
Improvements other than buildings	(33,436)	(3,194)	31	-	(36,599)
Machinery, equipment and other assets	(77,404)	(8,044)	5,058	81	(80,309)
Infrastructure	<u>(235,208)</u>	<u>(19,985)</u>	<u>656</u>	<u>-</u>	<u>(254,537)</u>
Total accumulated depreciation	<u>(471,942)</u>	<u>(34,577)</u>	<u>5,755</u>	<u>(73)</u>	<u>(500,837)</u>
Total capital assets, being depreciated, net	<u>840,855</u>	<u>30,395</u>	<u>(1,006)</u>	<u>(627)</u>	<u>869,617</u>
Governmental activities capital assets, net	<u>\$ 1,207,422</u>	<u>\$ 80,920</u>	<u>\$ (53,262)</u>	<u>\$ (628)</u>	<u>\$ 1,234,452</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 42,498	\$ 450	\$ -	\$ 1	\$ 42,949
Construction in progress	<u>430,361</u>	<u>116,579</u>	<u>(261,593)</u>	<u>-</u>	<u>285,347</u>
Total capital assets, not being depreciated	<u>472,859</u>	<u>117,029</u>	<u>(261,593)</u>	<u>1</u>	<u>328,296</u>
Capital assets, being depreciated:					
Airfields	150,951	-	-	-	150,951
Buildings	253,328	60,048	(491)	(188)	312,697
Improvements other than buildings	1,098,340	141,509	(1,177)	510	1,239,182
Machinery, equipment and other assets	<u>151,947</u>	<u>62,000</u>	<u>(6,006)</u>	<u>232</u>	<u>208,173</u>
Total capital assets being depreciated	<u>1,654,566</u>	<u>263,557</u>	<u>(7,674)</u>	<u>554</u>	<u>1,911,003</u>
Less accumulated depreciation for:					
Airfields	(111,944)	(4,400)	-	-	(116,344)
Buildings	(112,889)	(4,948)	263	154	(117,420)
Improvements other than buildings	(273,005)	(18,400)	117	-	(291,288)
Machinery, equipment and other assets	<u>(107,059)</u>	<u>(11,402)</u>	<u>5,871</u>	<u>(81)</u>	<u>(112,671)</u>
Total accumulated depreciation	<u>(604,897)</u>	<u>(39,150)</u>	<u>6,251</u>	<u>73</u>	<u>(637,723)</u>
Total capital assets, being depreciated, net	<u>1,049,669</u>	<u>224,407</u>	<u>(1,423)</u>	<u>627</u>	<u>1,273,280</u>
Business-type activities capital assets, net	<u>\$ 1,522,528</u>	<u>\$ 341,436</u>	<u>\$ (263,016)</u>	<u>\$ 628</u>	<u>\$ 1,601,576</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Fiduciary Activities:</b>					
Capital assets, being depreciated:					
Machinery, equipment and other assets	\$ 1,296	\$ -	\$ -	\$ -	\$ 1,296
Less accumulated depreciation for:					
Machinery, equipment and other assets	(1,005)	(183)	-	-	(1,188)
Total capital assets, being depreciated, net	<u>291</u>	<u>(183)</u>	<u>-</u>	<u>-</u>	<u>108</u>
Fiduciary activities capital assets, net	<u>\$ 291</u>	<u>\$ (183)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108</u>

Depreciation expense was charged to function/programs of the primary government, as follows (in thousands of dollars):

	<u>Current Year Depreciation</u>
<b>Governmental activities:</b>	
General government	\$ 2,410
Public safety	3,255
Highways and streets, including depreciation of general infrastructure assets	20,925
Sanitation	111
Health and welfare	740
Culture and recreation	4,002
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	<u>3,134</u>
Total depreciation expense-governmental activities	<u>\$ 34,577</u>
<b>Business-type activities:</b>	
Water Utility	\$ 16,013
Sewer Utility	10,902
Airport Authority	7,470
Stormwater Utility	2,717
Nonmajor enterprise funds	<u>2,048</u>
Total depreciation expense-business-type activities	<u>\$ 39,150</u>
<b>Fiduciary activities</b>	
Pension Trust Funds	<u>\$ 183</u>

**7. Retirement Funds**

The reporting entity contributes to two single-employer defined benefit pension plans and a single-employer defined contribution plan, covering all full-time employees. The defined benefit plans include the Wichita Employees' Retirement System (WERS) and the Police and Fire Retirement System of Wichita (PFRS). Each system is governed by a separate Board of Trustees.

The WERS Board of Trustees is comprised of 16 members including the City Manager or the City Manager's designee, one employee appointed by the City Manager, seven members appointed by the City Council, and seven employees elected by the WER employee members. The single-employer defined contribution plan consists of the Wichita Employees' Retirement System Plan 3 that is also governed by the Wichita Employees' Retirement System Board of Trustees. The PFRS Board of Trustees is comprised of 16 members including the

City Manager or the City Manager's designee, the Chief of the Police Department, the Chief of the Fire Department, seven members appointed by the City Council, three fire officers elected by PFRS employee members in the fire department or the airport and three police officers elected by PFRS employee members in the police department.

The Wichita Retirement Systems (WRS) issue a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for WERS and PFRS. The financial report may be obtained by writing to the WRS, City Hall, 12th Floor, 455 N. Main, Wichita, KS 67202 or by calling (316) 268-4544.

#### Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The Wichita Employees' Retirement System, the Police and Fire Retirement System of Wichita, and the Wichita Employees' Retirement System Plan 3 are reported as pension trust funds in the City's financial statements and use the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost plus accrued interest, which approximates fair value. Securities traded on national or international exchanges are valued at the last trade price of the day. If no close price exists, then a bid price is used. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar investments. The fair value of real estate and timber investments is based on independent appraisals. Investments that do not have an established market are reported at their estimated fair value.

Management of Plan Assets: The Boards of Trustees of the Systems have contractual arrangements with independent money managers for investment of the assets of the Systems. The firms have been granted discretionary authority concerning purchases and sales of investments within guidelines established by City Ordinances and the Strategic Plan and Investment Policies adopted by the Boards of Trustees. The Boards of Trustees of the Systems also have contractual arrangements with independent firms which monitor the investment decisions of the Systems' investment managers.

Reserves and Concentrations of Credit Risks: There are no assets legally reserved for purposes other than the payment of System member benefits. The Systems held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) where the fair value exceeded 5% or more of net assets available for benefits. There are no long-term contracts for contributions.

Accounting Standards: The Plans have adopted GASB Statement 67, Financial Reporting for Pension Plans, for the year ended December 31, 2014. However, GASB Statement 27, the currently effective guidance for state and local government employers reporting pensions, still requires the City to disclose certain information including annual pension cost and net pension obligation, funding status and funding progress. This information is presented in the notes to the financial statements and required supplementary information. For the year ending December 31, 2015, GASB Statement 68 and GASB Statement 71 will be implemented, superseding GASB Statement 27 and eliminating the requirement for this disclosure.

#### A. Wichita Employees' Retirement System

Plan Description: The WERS was established to provide retirement and survivor annuities, disability benefits, death benefits, and other benefits for all regular full-time civilian employees of the reporting entity and their dependents. Plan 1 was established by City Ordinance on January 1, 1948 and became closed to new entrants as of July 19, 1981. With the initiation of Plan 2, which was established by City Ordinance on July 18, 1981, all covered employees of Plan 1 were given the option of converting to the new plan. Plan 2 was closed to new entrants with the establishment of Plan 3 by City Ordinance, effective January 1, 1994. However, upon completion of seven years of service, employees participating in Plan 3 may convert to participation in Plan 2. Establishment of, and amendments to, the benefit provisions for the WERS are authorized by the City Council.

Deferred Retirement Option Plan (DROP) Provision: The benefit structure of the Wichita Employees' Retirement System includes a Deferred Retirement Option Plan (DROP). Both Plan 1 and Plan 2 provide a DROP provision. Members must be eligible to retire early under early reduced or normal age and/or service requirements to participate in the DROP. The maximum DROP period is five years. The monthly benefit amount is computed as of the DROP election date based on the final average salary and years of service as of that date. The benefit is paid into the member's notional DROP account during the deferral or DROP period. The member and City both continue to make the required contributions during the deferral period. These contributions are not credited to the member's DROP account, but are credited to general Plan assets to improve the System's funding. Interest at an annual rate of 5.0%, compounded monthly, is credited to the notional DROP account. Voluntary termination of employment during the DROP period results in loss of accrued interest. When the member terminates employment, the balance of the DROP account is paid as a lump sum and future monthly benefits are paid to the member. The balance of the notional DROP accounts as of December 31, 2014 is \$3,470,883.

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. Members of Plan 1 and 2 are required to contribute 6.4% and 4.7% of covered salaries, respectively. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2014 was 13.2% of annual covered payroll for both Plans 1 and 2. The City may provide for pension expenses by levying ad valorem property taxes each year in the amount necessary to meet its obligation as determined by the WERS consulting actuary.

Annual Pension Cost and Net Pension Obligation: The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2014, the City's annual pension cost of \$8,464,927 was equal to the required and actual contributions.

The employer's annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the Entry Age Normal actuarial cost method. The most recent experience study, dated July 15, 2014, covered the five-year period ending December 31, 2013. Significant actuarial assumptions used in this valuation included (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually (3.25% attributable to inflation and 4.50% real rate of return over price inflation), (b) projected salary increases of 4.0% per year compounded annually (3.25% attributable to inflation and 0.75% attributable to productivity), (c) additional projected salary increases ranging from .25% to 3.20% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 3.0% per year (non-compounded) after retirement for Plan 1 and 2.0% per year (non-compounded) for Plan 2. Pre-retirement mortality rates were based on the RP-2000 Employee Table (ages set forward 2 years for males, 0 for females) with adjustments for mortality improvements based on Scale AA. Post-retirement mortality rates were based on the RP-2000 Healthy Annuitant Table (ages set forward 2 years for males, 0 for females) with adjustments for mortality improvements based on Scale AA. Disabled mortality rates were based on the RP-2000 Disabled Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The fair value of assets is not used directly in the calculation of the City's contribution rate. An asset valuation method is used to smooth the effect of market fluctuations and determine the value of assets used in the valuation, called the actuarial value of assets. The actuarial value of assets is equal to the expected value (calculated using the actuarial assumed rate of return of 7.75%), plus 25% of the difference between the fair value and expected value.

With the smoothing method, portions of investment gains are deferred and currently represent about 1% of the fair value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$6.8 million deferred gain is expected to have a positive impact on the future funded ratio and actuarial contribution requirements. If the deferred gain was recognized immediately in the actuarial value of assets, the funded percentage would increase from 95% to 96% and the actuarially determined contribution rate would decrease from 11.6% to 10.9%.

The actuarial accrued liability, as determined by the Entry Age Normal actuarial cost method, is the portion of the actuarial present value of pension plan benefits and expenses not provided for by future normal costs. The unfunded actuarial liability (surplus) represents the difference between the actuarial accrued liability and the actuarial value of assets. The unfunded actuarial liability (surplus) is amortized as a level percent of projected payroll on an open basis. At December 31, 2014, the amortization period was 20 years.

Funding Status and Funding Progress: The funded status for the WERS as of December 31, 2014, the most recent actuarial valuation date, is illustrated in the following table. (Dollars are in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 560,032	\$ 590,115	\$ 30,083	94.9%	\$ 71,391	42.1%

The schedule of funding progress, presented as required supplementary information (following the notes to the financial statements), reflects multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three Year Trend Information SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/12	\$ 6,471,423	100%	\$ -
12/31/13	7,990,502	100%	-
12/31/14	8,464,927	100%	-

Total Pension Liability and Net Pension Liability of the City:

The components of net pension liability (the City's liability, determined in accordance with Governmental Accounting Standards Board Statement No. 67, less the fiduciary net position) as of December 31, 2014, are shown in the accompanying table. Actuarial valuation of an ongoing plan involves estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The total pension liability was determined by an actuarial valuation as of December 31, 2014. The actuarial assumptions used in the actuarial valuation to determine the net pension liability under GASB 67 are identical to those described above under Annual Pension Cost and Net Pension Obligation.

	2014
Total pension liability	\$ 590,115,082
Less: fiduciary net position	(566,807,293)
Net pension liability	<u>\$ 23,307,789</u>
Ratio of fiduciary net position to total pension liability	<u>96.05%</u>

\*Total pension liability and fiduciary net position include amounts attributable to Plan 3 members who have not made an irrevocable election to remain in Plan 3b. At December 31, 2014, net position attributable to those members amounted to \$14,574,469.

Discount Rate: The discount rate used to measure the total pension liability at December 31, 2014 was 7.75%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that plan contributions from members and the City of Wichita will be made using actuarially determined rates. Employees of Plan 1 will contribute 6.4% of total compensation and 4.7% of base salary and longevity pay for Plan 2. The Employer will contribute the difference between the employer actuarial contribution rate and 4.7% multiplied by Plan 3 pensionable compensation (excluding compensation attributable to members who have made an irrevocable election to remain in the defined contribution plan) to Plan 2. In addition, the Employer contributes the full actuarial contribution rate on pensionable compensation for all Plan 1 and Plan 2 members. The expected contribution rate was modeled for all future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected

rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Sensitivity Analysis: GASB 67 also requires the disclosure of the sensitivity of the net pension liability to changes in the discount rate. The accompanying table presents the net pension liability using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

	Rate	Employers' Net Pension Liability
1.0% decrease	6.75%	\$ 90,648,959
Current rate	7.75%	23,307,789
1.0% increase	8.75%	(33,624,491)

B. Police and Fire Retirement System of Wichita

Plan Description: The PFRS consists of three plans: Plan A, Plan B, and Plan C 79. The plans were established to provide retirement and survivor annuities, disability benefits, death benefits, and other benefits for Police and Fire Officers of the reporting entity and their dependents. All full-time active "commissioned" Police and Fire department personnel are required to participate in the plans. Plans A and B were established by City Ordinance on January 1, 1965 and Plan C 79 was established January 1, 1979 by City Ordinance. Plan B was closed to new entrants as of January 1, 1965 and Plan A was closed to new entrants as of December 31, 1978. Establishment of and amendments to the benefit provisions for the PFRS are authorized by the City Council.

Backward Deferred Retirement Option Plan (DROP) Provision: The benefit structure of the Wichita Police and Fire Retirement System includes a Backward Deferred Retirement Option Plan (DROP). The Backward DROP is available to plan C-79 members. Members must be eligible to receive a service retirement benefit as of the backward DROP retirement date. The DROP period is one to sixty months. The DROP period is the time between the backward DROP retirement date and the date the employee terminates service. The retirement benefit is calculated as of the day prior to the backward DROP retirement date. The employee's monthly retirement benefits (for the DROP period) plus applicable post retirement adjustments and interest at an annual rate of 5.0%, compounded monthly, is payable upon the employee's termination of service. When the member terminates employment, the balance of the DROP account is paid as a lump sum and the member begins to receive monthly retirement benefits on the month following termination of service.

Funding Policy: The contribution requirements of plan members and the reporting entity are established by City Ordinance and may be amended by the governing body. PFRS members are required to contribute 6% to 8% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2014 was 22.4% of annual covered payroll. The City may provide for pension expenses by levying ad valorem property taxes each year in the amount necessary to meet its obligation as determined by the PFRS consulting actuary.

Annual Pension Cost and Net Pension Obligation: The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2014, the City's annual pension cost of \$14,464,181 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2012 actuarial valuation using the Entry Age Normal actuarial cost method. The most recent experience study, dated July 15, 2014, covered the five-year period ending December 31, 2013. Significant actuarial assumptions used included (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually (3.5% attributable to inflation and 4.25% real rate of return over price inflation), (b) projected salary increases of 4.0% per year compounded annually (3.25% attributable to inflation and 0.75% attributable to productivity), (c) additional projected salary increases ranging from 1.0% to 2.75% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.0% per year (non-compounded) commencing 36 months after retirement. Pre-retirement mortality rates were based on the RP-2000 Employee Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA. Post-retirement mortality rates were based on the RP-2000 Healthy Annuitant Table for males and females, as appropriate, with adjustments for mortality improvements based

on Scale AA. Disabled mortality rates were based on the RP-2000 Disabled Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The fair value of assets is not used directly in the calculation of the City's contribution rate. An asset valuation method is used to smooth the effect of market fluctuations and determine the value of assets used in the valuation, called the actuarial value of assets. The actuarial value of assets is equal to the expected value (calculated using the actuarial assumed rate of return of 7.75%), plus 25% of the difference between the fair value and expected value.

With the smoothing method, portions of investment gains are deferred and currently represent about 2% of the fair value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$10.2 million deferred gain is expected to have a positive impact on the future funded ratio and actuarial contribution requirements. If the deferred gain was recognized immediately in the actuarial value of assets, the funded percentage would increase from 95% to 97% and the actuarially determined contribution rate would decrease from 18.8% to 17.7%.

The actuarial accrued liability, as determined by the Entry Age Normal actuarial cost method, is the portion of the actuarial present value of pension plan benefits and expenses not provided for by future normal costs. The unfunded actuarial liability (surplus) represents the difference between the actuarial accrued liability and the actuarial value of assets. The unfunded actuarial accrued liability (surplus) is amortized as a level percentage of projected payroll on an open basis. At December 31, 2014, the amortization period was 20 years.

**Funding Status and Funding Progress:** The funded status of WPFRS as of December 31, 2014, the most recent actuarial valuation date, is as follows (dollars in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 600,860	\$ 631,904	\$ 31,044	95.1%	\$ 64,572	48.1%

The schedule of funding progress, presented as required supplementary information (following the notes to the financial statements), reflects multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three Year Trend Information SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/12	\$ 14,113,014	100%	\$ -
12/31/13	14,889,714	100%	-
12/31/14	14,464,181	100%	-

**Total Pension Liability and Net Pension Liability of the City:** The components of net pension liability (the City's liability, determined in accordance with Governmental Accounting Standards Board Statement No. 67, less the fiduciary net position) as of December 31, 2014, are shown in the accompanying table. Actuarial valuation of an ongoing plan involves estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The total pension liability was determined by an actuarial valuation as of December 31, 2014. The actuarial assumptions used in the actuarial valuation to determine the net pension liability under GASB 67 are identical to those described above under Annual Pension Cost and Net Pension Obligation.

	2014
Total pension liability	\$ 631,904,401
Less: fiduciary net position	(611,091,056)
Net pension liability	\$ 20,813,345
Ratio of fiduciary net position to total pension liability	96.71%

Discount Rate: The discount rate used to measure the total pension liability at December 31, 2014 was 7.75%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that plan contributions from members and the City will be made using the actuarially determined rates. Employees will contribute 8.0% of salary for Plan A, 6.0% of salary for Plan B, and 7.0% of salary for Plan C. In addition, the City will contribute the full actuarial contribution rate on pensionable compensation for all plan members. The expected contribution rate was modeled for all future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Sensitivity Analysis: GASB 67 also requires the disclosure of the sensitivity of the net pension liability to changes in the discount rate. The accompanying table presents the net pension liability using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

	Rate	Employers' Net Pension Liability
1.0% decrease	6.75%	\$ 94,983,635
Current rate	7.75%	20,817,350
1.0% increase	8.75%	(48,035,870)

C. Wichita Employees' Retirement System Plan 3

The reporting entity provides pension benefits for all of its full-time civilian employees hired or rehired on or after January 1, 1994. This is a defined contribution plan; therefore, benefits depend solely on amounts contributed to the plan plus investment earnings. At December 31, 2014, membership totaled 606. Plan 3, established by City Ordinance on April 9, 1993 and amended on February 8, 2000, requires that both the employee and the reporting entity contribute an amount equal to 4.7% covered salaries. The reporting entity's contributions and earnings for each employee are 25% vested after three years of service, 50% vested after five years and are fully vested after seven years of service.

Upon completion of seven years of service, employees participating in the Plan will be converted to the WERS Plan 2, a defined benefit plan, unless they make an irrevocable election to remain in Plan 3 within 90 days thereafter. If an employee converts to Plan 2, the employee's Plan 3 account becomes part of Plan 2. Fully vested employees who elect to continue participation in Plan 3 may contribute additional amounts into the plan as permitted by the rules of the Internal Revenue Code in effect at the time of the contribution. Contributions of the reporting entity and earnings forfeited by employees who leave employment before seven years of service are used to reduce the reporting entity's contribution requirements.

For the year ending December 31, 2014, employee and employer contributions to Plan 3 totaled \$1,147,770 and \$1,147,770, respectively.

8. Self Insurance Fund

The City established a self insurance fund in 1987 to account for self insurance programs of workers' compensation, group health insurance, group life insurance, employee liability, property damage, auto liability and general liability for the reporting entity.

For funds paying insurance costs, the contributions are recorded as expenses in the paying fund and revenues in the Self Insurance Fund. The City records liabilities for known claims and estimated liabilities incurred but not reported at year-end. The claims are reflected under accounts payable and accrued liabilities in the internal service funds. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

A. Health Insurance

The employee health insurance program is offered to all full-time employees of the reporting entity and their dependents. The health insurance program is open to retirees and dependents up to 65 years of age. With the exception of one member that the City self insures up to \$1 million, the City self insures health benefits up to \$450,000 per member with a stop-loss secondary coverage for costs above \$450,000. The self insured prescription drug plan is included in the monthly premium. At December 31, 2014, the City recorded a liability of \$4,262,607 for estimated claims pending. Net position on December 31, 2014 was \$7,914,549.

B. Workers' Compensation

The workers' compensation program is a partially self funded program covering substantially all full-time and part-time employees of the reporting entity. The annual requirements of the workers' compensation program are determined based on current claims outstanding and estimates of future liability based on pending claims, recorded at a confidence level of 90%. The City has reinsured for liabilities exceeding \$750,000 per occurrence with coverage provided through Safety National Casualty Corporation. The retention is taken into consideration in actuarial projections of the City's liability. The City maintains a reserve to meet State and actuarial requirements and to provide contingency funding. At December 31, 2014, the City recorded a liability of \$7,878,872 for estimated probable claims pending. Net position at December 31, 2014 was \$7,287,293.

C. Life Insurance

The life insurance program offered by the City is a fully insured program administered by Standard Insurance Company. The program provides basic life, dependent life, and accidental death and dismemberment with conversion privileges to participants. The cost of basic employee life insurance is funded approximately one third by the employee and two thirds by the City.

Benefit levels are based on employee compensation. The City offers additional supplemental, voluntary accidental death and dismemberment insurance for employees and eligible dependents, the total cost of which is paid by the employee. Contributions (employee and employer), plus interest earned on investments, are used for premium payments. All full-time employees of the reporting entity are eligible to participate in the plans. Coverage is terminated, if the participant fails to make contributions toward the cost of insurance, if the participant terminates employment with the City and does not elect the conversion or portability option, or if the plan is terminated. At December 31, 2014, net position totaled \$699,198.

D. General Liability

The City's general liability program provides for legal defense and claims against employees of the reporting entity when an incident arises out of City operations. The program also includes vehicle liability and building and content insurance. The deductible portion of the building and content insurance coverage is paid from the self insurance fund. The deductible is \$100,000 per occurrence for most covered losses, except wind and hail, which is \$1,000,000 per occurrence.

The City is self insured for tort liability claims against the reporting entity. The Kansas Tort Claims Act provides a liability limitation of \$500,000 per occurrence. The City maintains an excess policy of insurance for federal actions because the limitations under the State's Tort Claims Act do not apply to federal actions. The policy provides coverage of \$15 million occurrence limit and a \$30 million self insured retention.

At December 31, 2014, the City recorded a liability of \$3,386,942 for pending tort claims at a 90% confidence level and to provide for the loss of excess liability coverage and potential environmental liability exposure. At December 31, 2014, net position totaled \$6,684,737.

Changes in the balances of claims liabilities during the past two years are as follows:

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2013	\$ 2,963,958	\$ 10,693,230	\$ (512,649)	\$10,180,581	\$ 2,883,308
2014	2,805,498	10,180,581	(2,301,709)	7,878,872	2,080,760
General Liability					
2013	2,504,303	5,391,308	(519,824)	4,871,484	1,619,448
2014	1,989,643	4,871,484	(1,484,542)	3,386,942	1,260,561
Health Insurance					
2013	32,515,764	3,184,816	102,513	3,287,329	3,287,329
2014	38,706,103	3,287,329	975,278	4,262,607	4,262,608

E. Other Postemployment Healthcare Benefits

**Description:** Kansas statute provides that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The accounting for the health insurance for retirees is included in the City's Self Insurance Fund, with the subsidy provided from the Self Insurance Fund. Separate audited financial statements are not prepared by the Plan.

**Funding Policy:** The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statute, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125% of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100% of the blended premium cost of active employees up to age 60 (including the employer and employee share). Participating retirees between the ages of 60 and 65 are required to contribute 75% of the blended premium cost of active employees (including the employer and employee share).

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the Self Insurance Fund. In 2014, retired plan members receiving benefits contributed \$1,840,106 to the plan compared to City's contribution of \$3,063,078.

**Annual OPEB Cost and Net OPEB Obligation:**

The City's annual OPEB (other post-employment benefit) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of not to exceed thirty years. The accompanying table presents the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are shown in the table below.

OPEB Component	Amount
Annual required contribution-amortized liability	\$ 4,041,507
Interest on net OPEB obligation	498,500
Adjustment to annual required contribution	(688,320)
Annual OPEB cost (expense)	3,851,687
Contributions made	(3,063,078)
Increase in net OPEB obligation	788,609
Net OPEB obligation January 1, 2014	12,462,497
Net OPEB obligation December 31, 2014	\$ 13,251,106



Funded Status and Funding Progress: As of the actuarial valuation date January 1, 2013, the actuarial accrued liability for benefits was \$33,936,474. On December 31, 2013, the covered payroll (annual payroll of active employees covered by the plan) was \$140.8 million, and the ratio of the UAAL to the covered payroll was 24.1%. The City's policy is to fund the benefits on a pay as you go basis from the Self Insurance Fund, resulting in an unfunded actuarial accrued liability (UAAL) of \$33,936,474 on December 31, 2014.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 4,261,091	61.7%	\$ 10,646,048
2013	3,851,687	52.8%	12,462,497
2014	3,851,687	79.5%	13,251,106

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, will present, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

The December 31, 2013 actuarial valuation applied the projected unit credit method with linear proration to decrement. The actuarial assumptions included a 3.0% inflation rate implicitly included in the 4.0% rate of return, which is a blended rate of the expected long-term investment returns on the City's pooled funds and investments. The valuation assumed annual healthcare cost trend rates of 9.0%, declining to 7.0% in the first five years and 6.5%, declining to a rate of 5.0% after five years. The valuation did not include changes in the benefits over the valuation period. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The 2013 UAAL is being amortized on a level dollar basis utilizing an open 30-year period. Prior year UAAL amortizations were amortized on a level dollar basis utilizing a closed 30-year period.

F. Termination Benefits

Description: The City offered a one-time termination incentive to employees eligible for normal or reduced retirement in the Wichita Employees Retirement System between November 1, 2011 and December 24, 2011. Eligible employees were offered a choice between two retirement incentive options: 1) The employee could elect to purchase single or family health insurance at the active employee contribution rate for five years or until the age of 65, whichever comes first or 2) the employee could elect a one-time payment of \$25,000 subject to applicable payroll and tax withholding. Voluntary termination was elected by 104 employees: 47 employees elected the cash payout option and 57 employees elected to continue in the health insurance program. The City funded cash incentives from operations and will fund the health insurance benefits to retirees and their dependents on a pay-as-you-go basis.

The December 31, 2013 actuarial valuation assumed annual healthcare cost trend rates of 9% declining to 8%, discounted to the present value utilizing a 4% discount rate. The net present value of the health benefits in governmental funds on December 31, 2011 was \$1,080,822. In 2011, the City recorded one-time termination expenses totaling \$1,175,000. In 2014, \$161,537 of the liability associated with termination benefits was amortized, leaving an unamortized liability in the governmental funds of \$287,480. Liabilities for termination benefits are liquidated by the funds in which they originated.

**9. Long-Term Debt**

**A. General Obligation Bonds**

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the City and pledge the full faith and credit of the government. The bonds generally are issued as 10-year, 15-year or 20-year serial bonds, all with equal amounts of principal maturing each year.

General Obligation Bonds Outstanding on December 31, 2014 (dollars in thousands)		
Payable From	Interest Rates	Amount
Governmental activities:		
Ad valorem property taxes	1.00% - 5.75%	\$ 76,915
Transient guest tax	3.00 - 3.85%	2,485
Tax increment financing	1.00% - 5.00%	25,345
Local sales tax	2.25% - 5.00%	148,770
Subtotal governmental activities		253,515
Business-type activities:		
Stormwater Utility	2.00% - 5.00%	24,150
Golf Course System	3.25%	695
Airport Authority	2.25% - 5.00%	23,535
Water Utility	2.00% - 3.85%	135,905
Subtotal business-type activities		184,285
Total general obligation bonds		\$ 437,800

Annual debt service requirements to maturity for general obligation bonds are presented in the accompanying tables.

Annual Debt Service Requirements General Obligation Bonds (dollars in thousands)				
Year ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 29,920	\$ 9,112	\$ 10,253	\$ 8,169
2016	30,621	7,733	8,044	6,873
2017	31,270	6,690	7,562	6,523
2018	28,177	5,610	7,882	6,192
2019	25,355	4,545	8,216	5,845
2020 - 2024	72,297	12,755	42,800	23,572
2025 - 2029	33,495	3,527	44,733	14,370
2030 - 2034	2,380	322	47,970	6,345
2035 - 2039	-	-	3,625	1,108
2040 - 2044	-	-	3,200	228
Totals	\$ 253,515	\$ 50,294	\$ 184,285	\$ 79,225

The City of Wichita also issues special assessment bonds to provide funds for the construction of infrastructure in residential developments. Special assessment bonds will be repaid from amounts levied against the property owners benefited by the new infrastructure. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

Annual Debt Service Requirements Special Assessment Bonds (dollars in thousands)		
Year ending December 31	Governmental Activities	
	Principal	Interest
2015	\$ 21,632	\$ 7,615
2016	20,330	6,714
2017	19,708	5,936
2018	19,416	5,122
2019	17,889	4,335
2020 - 2024	63,924	12,022
2025 - 2029	26,571	3,122
2030 - 2034	3,105	171
Totals	<u>\$ 192,575</u>	<u>\$ 45,037</u>

B. Revenue Bonds

Revenue bonds are also issued by the City of Wichita, where income derived from the acquired or constructed assets is pledged to pay debt service. A summary of revenue bonds outstanding is presented in the following tables.

Revenue Bonds Outstanding on December 31, 2014 (dollars in thousands)			
	Interest Rates	Final Maturity Date	Amount
Governmental Activities			
Local sales tax	7.55%	2028	\$ 1,635
Subtotal governmental activities			<u>1,635</u>
Business-type Activities			
Water Utilities:			
2000A Water	4.69%	2021	1,211
2000B Water	4.69%	2021	2,084
2005B Water & Sewer Refunding	5.00%	2016	6,390
2006 Water & Sewer	4.00% - 5.00%	2031	38,870
2008A Water & Sewer	3.625% - 5.00%	2032	24,155
2009A Water & Sewer	3.50% - 5.00%	2039	107,090
2009B Water & Sewer	4.27% - 5.36%	2019	7,240
2010A Water & Sewer	3.00% - 4.00%	2030	26,950
2010B Water & Sewer	3.00% - 5.35%	2030	14,690
2011A Water & Sewer Refunding	4.00% - 5.00%	2028	89,910
2012A Water & Sewer	2.00% - 4.00%	2032	15,780
2014A Water & Sewer	3.00% - 5.00%	2030	41,405
2014B Water & Sewer	2.00% - 5.00%	2034	12,785
Airport Authority:			
Yingling Aircraft – Series 2001	7.50%	2021	1,300
FlightSafety – Series A 2003	Variable*	2031	2,660
Yingling Aircraft – Series A 2005	6.00%	2025	1,500
Cessna Aircraft Co. – Series A 2005	5.00%	2025	5,850
Subtotal business-type activities			<u>399,870</u>
Total Revenue Bonds			<u>\$ 401,505</u>

\*The FlightSafety – Series A, 2003 bonds have a variable interest rate, adjustable weekly based on the rate at which the bonds can be remarketed at par, as determined by a remarketing agent, with an interest rate ceiling of 15%. The interest rate utilized to calculate the debt service requirements was the effective rate on December 31, 2014 of 0.04%.

The City has issued \$36,325,000 of Sales Tax Special Obligation Revenue Bonds (STAR bonds) in connection with an approved STAR Bond District under K.S.A. 12-17, 160 et al., known as the STAR Bonds Financing Act. Pursuant to issuance of the STAR bonds, the City and State of Kansas entered into a STAR Bond Tax Distribution Agreement. The agreement provides that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales tax generated within the District. The City's proportional share is approximately 4.5%. This proportional share may change in the future if the sales taxes assessed by the local or state governments are modified.

These bonds are special, limited obligations of the City, payable solely from revenues generated within the STAR Bond District. The bonds do not constitute a pledge of the full faith and credit of the City, and do not obligate the City to levy any form of taxation or to make any appropriation for their payment. As such, the City has only recorded 4.5% of its proportional share of the outstanding obligation for this bond issue. At December 31, 2014, STAR bonds outstanding consisted of \$1,634,625 recorded by the City, with the remaining \$34,690,375 being a liability of the State of Kansas.

Pledged Revenue for Revenue Bond Debt Service Requirements					
(dollars in thousands)					
Amount of Pledge	Type of Pledged Revenue	Term of Commitment	Percent of Revenue Pledged	2014 Principal & Interest	2014 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:					
\$ 559,620	Utility revenues	Through 2039	100%	\$ 66,539	\$ 66,539
Airport Authority Special Facility Revenue Bonds:					
\$ 15,923	Direct financing leases	Through 2031	100%	\$ 481	\$ 481
Wichita Public Building Commission Revenue Bonds:					
\$ -	Direct financing leases	Through 2014	100%	\$ 1,657	\$ 1,657

Revenue bond debt service requirements to maturity are presented in the following table.

Annual Debt Service Requirements- Revenue Bonds				
(dollars in thousands)				
Year ending December 31	Business-type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2015	\$ 23,398	\$ 18,711	\$ -	\$ 123
2016	24,842	17,473	78	123
2017	22,872	16,391	84	118
2018	24,009	15,327	91	111
2019	21,336	14,186	98	104
2020 - 2024	112,373	54,903	609	400
2025 - 2029	103,860	27,939	675	132
2030 - 2034	56,355	9,170	-	-
2035 - 2040	10,825	1,624	-	-
Totals	\$ 399,870	\$ 175,724	\$ 1,635	\$ 1,111

#### C. Capital Leases

The City entered into a five-year lease in 2013 with a principal total of \$463,180 to fund printers, copiers and related software. The interest rate on the lease for the capital acquisitions is 3.963%. On December 31, 2014, debt service requirements to maturity consist of principal payments totaling \$341,110 and interest payments totaling \$26,509. Additional information on the operating portion of the lease is reported in Note 12-Leases.

D. Other Long-Term Obligations

The City's municipal solid waste facility, Brooks Landfill, closed operations October 9, 2001. Kansas and federal laws and regulations require the City to perform maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 25, 2003. Estimated post-closure costs for the remaining 18.56 years total \$10,022,994 or \$540,032 annually.

The City's Chapin municipal solid waste facility closed operations in December 1980. Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 1, 1989. In June 2008, landfill gas was determined to have migrated off-site from the Chapin Landfill. The estimated additional post-closure care for the remaining 4.48 years is \$410,789 or \$91,694 annually.

Additionally, the City operates three limited landfills. The City's construction and demolition landfill has cumulative closure costs of \$1,886,102 on December 31, 2014, based on the use of 86.6% of the estimated capacity. The industrial monofill landfill for asbestos waste has cumulative closure costs of \$238,572, based on the use of 25.5% of the estimated capacity. In March 2008, the City began operation of a composting facility for yard waste at the existing Brooks Landfill site for which the capacity used was too small to measure, as yard waste moves in and compost moves out.

As of December 31, 2014 the accumulated costs for the landfills are recorded as a long-term liability in the governmental activities on the Statement of Net Position. The costs will be liquidated from prior years' landfill fees accumulated in the Landfill Post-closure Fund. Note 18-Landfill Closure and Post-closure Care provides further disclosure.

E. Refunding of Long-Term Debt

For reporting purposes of a crossover advance refunding bond issue, the original issue is not considered defeased until the bonds are retired. As with advance refunding bond issues, the proceeds from the crossover advance refunding bonds are placed into an escrow account. However, unlike other types of advance refundings, the escrowed funds in a crossover advance refunding are not immediately dedicated to debt service principal and interest payments on the refunded debt. Instead the resources in the escrow account are temporarily used to meet debt service requirements on the refunding bonds. At a later date, known as the "crossover date", the resources in the escrow account are dedicated exclusively for the payment of principal and interest on the refunded debt. Crossover refundings do not result in the defeasance of debt prior to the crossover date.

Related to a crossover refundings in prior years, the City has recorded the outstanding debt of both the refunding issues and the refunded issues, which are not considered defeased. In addition, the related funds in escrow have been recorded as "cash with fiscal agent."

Refunding Issue	Refunded Issue	Refunded Principal	Call Date
General Obligation Refunding Series 2012A	Series 794	\$ 6,090,000	September 1, 2015

*Current and Advance Refunding:* On August 1, 2014, the City issued Series 2014A Water and Sewer Utility refunding revenue bonds in the amount of \$41,405,000 with a net interest cost of 2.64% due October 1, 2030. The bond proceeds were used to refund \$14,595,000 of Series 2005A Water and Sewer Utility refunding revenue bonds on a current basis and to advance refund \$35,720,000 of Series 2005C Water and Sewer Utility revenue bonds. The net proceeds related to the advance refunding of the Series 2005C bonds of \$38,475,395 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2005C bonds. As a result, a portion of the Series 2005C bonds is considered to be defeased and the liability for those bonds has been removed from the statement of net position. The City completed the refunding to reduce its total debt service payments by \$11,985,663 and to obtain an economic gain (the difference between the present value of the old and new debt service payments) of \$11,235,755.

## F. Environmental Remediation Obligations

Gilbert and Mosley Groundwater Contamination (Plumes ABE): In the late 1980s and early 1990s, under a Cooperative Agreement with the U.S. Environmental Protection Agency (EPA), the Kansas Department of Health and Environment (KDHE) conducted a preliminary assessment and investigation of an area near the City's downtown, known as the Gilbert and Mosley site. The studies identified contaminants of volatile organic compounds and the concentrations of the compounds. On March 26, 1991, the City and KDHE finalized a "Settlement Agreement for Remedial Investigation and Feasibility Study, and for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (Settlement Agreement).

The City performed the Remedial Investigation (RI) and the Feasibility Study (FS) with final reports approved by KDHE in September 1994. In 1999, the City issued an RI/FS addendum and with subsequent investigations, identified the nature, extent and sources of contamination. In October 2000, KDHE approved the final design for a pump-and-treat alternative to address the site-wide groundwater contamination (Plumes ABE). In 2002, the City completed the installation of the extraction wells, piping and treatment facility. The system has been in continuous operation since December 30, 2002.

The City has ongoing costs associated with the operations, maintenance, monitoring and reporting activities for the groundwater remediation system for the ABE plume contamination. Accordingly, a liability of \$8,751,437 has been recorded in the government-wide financial statements, in addition to a receivable of \$3,502,180 for settlements from potentially responsible parties. The liability and recovery amounts are based on an engineering estimate which was defended in the United States District Court (United States District Court Case No. 98-1360-MLB), as well as based on actual costs incurred. The potential for change to the liability is moderate, due to the potential of reducing the groundwater contamination plume to acceptable concentrations prior to the 70-year projection contained in the engineering estimate, offset with future inflationary cost increases. The probability of continued operation of the treatment system after 40 years of operations is estimated to be 30%.

Harcross/TriState Central Site: Within the Gilbert and Mosley District, some specific source areas have been identified as requiring source control measures. The Harcross/TriState Central site has been identified as contaminated by volatile organic compounds resulting from various industrial spills and processes, in addition to contamination from food grade chemicals. Some reported contaminant concentrations have exceeded KDHE standards. Based on the Gilbert and Mosley Settlement Agreement, the City is responsible for cleanup of the site. The City has performed a site investigation and is in the process of implementing the remediation which consists of two vapor mitigation systems which were installed in residential houses in September 2005. An additional vapor mitigation system was installed in a third residential property in 2006, in conjunction with offsite excavations of soil. An air sparge/soil vapor extraction system was installed in 2007 and is in operation. Remediation operations are expected to continue into 2016 or 2017.

The City has ongoing costs associated with the remediation of the Harcross/TriState Central site. The estimated liability is based on engineering estimates and actual costs incurred since the beginning of the project to the present. A liability of \$1,161,120 has been recorded in the government-wide financial statements for the ongoing remediation costs. The potential for changes in the liability is low with any changes likely to be immaterial.

WaterWalk Site: Within the Gilbert & Mosley district, the WaterWalk site has been identified as contaminated by total petroleum hydrocarbons (TPH) and metals in soils and groundwater above KDHE standards. The contamination is being addressed under the Gilbert and Mosley Settlement Agreement. The City has submitted a draft Comprehensive Investigation Work Plan, which has been approved by KDHE, to delineate the horizontal and vertical extent of the contamination. A utility corridor excavated on the site in 2006 resulted in excavated soils being screened and segregated based on contaminate and concentration. Lead-impacted soils were landfilled, and petroleum-impacted soils were treated at a local asphalt plant until the soils reached residential contact standards for TPH.

A liability of \$4,848 has been recorded in the government-wide financial statements for the estimated liability for the ongoing remediation activities. The potential for changes to the liability is moderate pending completion of the investigation.

South Washington and English Site (SWE): The SWE site has soil and groundwater contaminated by chlorinated solvents associated with dry cleaning and other industrial processes. The impacted areas have concentrations that exceed KDHE standards. The City is responsible for cleanup of the site based on the Gilbert and Mosley Settlement Agreement. The City performed a site investigation and selected a remediation plan consisting of excavation and offsite disposal of select soils, electrical resistance heating of subsurface soils, and soil vapor extraction.

Remedial action was initiated in 2010 including excavation and disposal of contaminated soils, the initiation of the electrical resistance heating design and additional investigation. The project is expected to continue in 2015. As a result of the need to secure the property for remediation, property was purchased which is planned to be sold after the remediation process is complete. Proceeds from the sale of the property are estimated to be approximately \$210,000.

The City recorded a net liability for remediation and monitoring activities of \$832,785 in the government-wide financial statements, based on engineering estimates and actual costs incurred from the start of the project to the present. The potential for change is moderate. Changes resulting from adjustments as the remediation project nears completion are expected to be immaterial.

APCO Chemical Company (APCO): The APCO site has been identified as contaminated by chlorinated volatile organic compounds (VOCs) and petroleum related hydrocarbons. Soil and groundwater concentrations exceed KDHE standards and require remediation efforts. The KDHE Underground Storage Tank Trust Fund (UST Trust) has installed an air sparging/soil vapor extraction system to address the petroleum hydrocarbon contamination. The KDHE Underground Storage Tank Trust Fund has installed a system to address the petroleum related hydrocarbons. Based on the Settlement Agreement, the KDHE identified the City as the responsible party for cleanup of the chlorinated VOCs associated with the site when the responsible party declared bankruptcy in 2005. As a result of the 2008 APCO Trust Bankruptcy Trial, the City of Wichita received a \$450,000 judgment against APCO Trust for remediation at this site. Payment of that judgment was received in early 2014.

The City has performed a site investigation and is in the process of evaluating whether additional remediation is needed. The potential for reductions in the liability is high based on the level of remediation being conducted by KDHE. The City has recorded a liability of \$1,033,200 for future costs based on an engineering estimate and actual costs incurred.

Automotive Fleet Services, Inc. (AFS): The AFS site, within the Gilbert and Mosley district, has been identified as contaminated by volatile organic compounds related to vehicle maintenance with reported contaminant concentrations in groundwater exceeding KDHE standards. Based on the Gilbert and Mosley Settlement Agreement, the City is responsible for cleanup of the site. The City has begun the process investigating and evaluating remediation alternatives. Investigation findings are still pending. The City has ongoing costs for investigation, remediation and monitoring. A liability is recorded in the amount of \$395,529 in the government-wide financial statements. The liability is based on a 2005 engineering estimate and actual costs incurred from the start of the project to the present. The potential for change to the liability is moderate pending the results of the investigations.

Reid Supply, Inc. (RSI): The RSI site, within the Gilbert and Mosley district, has been identified as contaminated by chlorinated solvents with some contaminant concentrations exceeding KDHE soil and groundwater standards. RSI has been named as the responsible party for cleanup of the site; however, the City may be named as partially or fully responsible at a future date. Because the City has not been named either partially or fully responsible for the site, a remediation option has not been selected.

An estimated liability, based on a 2002 engineering estimate and actual costs incurred from the start of the project to the present, has been recorded in the government-wide financial statements in the amount of \$999,002. The potential for change to the liability is moderate due to the need for additional investigation.

North Industrial Corridor (NIC) Site-wide Groundwater Contamination: In the 1980s, the Environmental Protection Agency identified the presence of volatile organic compounds in groundwater produced from two industrial wells. Subsequent investigations revealed widespread contamination in the groundwater in what is

known as the North Industrial Corridor. In 1987, the Wichita North Industrial District Group (WNID Group) organized with the City as a member. The WNID Group entered into a consent agreement with KDHE September 1989. A portion of the NIC site was listed on the National Priorities List by the EPA in February 1990. In 1994, the City petitioned for the removal of the site from the National Priorities List. The EPA published notice of removal in April 1996.

To restore economic viability to the area, the City signed a "Settlement Agreement for Remedial Investigation and Feasibility Study for Certain Remedial Actions to be Determined Following Opportunity for Public Involvement" (NIC Settlement Agreement) in 1995. In May 1996, the City entered into a participation agreement with potentially responsible parties for the NIC contamination. The remedial investigation report was completed in June 2004, with an addendum to the report completed in 2005. The reports were approved by KDHE in March 2007. The KDHE approved the feasibility study in 2011 and in March 2012, issued a Final Corrective Action Decision for interim groundwater remediation. The North Industrial Corridor site has been divided into six groundwater units for evaluation and remedial actions. The Corrective Action Decision focuses on the remedial action alternatives within Groundwater Units 1 through 4.

The Corrective Action Decision includes pre-design data acquisition, long-term groundwater remediation and surface water monitoring, five-year reviews and institutional controls for each groundwater unit. Pre-design data acquisition will be conducted to optimize the selected remedy and evaluate the need for contingency implementation. A comprehensive groundwater and surface water monitoring plan will be developed to evaluate performance of the remedy applied and monitor contaminant migration. Five-year reviews will be conducted as long as contamination remains at the site at concentrations above levels which will permit unrestricted use. The reviews will provide an opportunity to review the overall effectiveness of the remedial strategy. Continued enforcement of City of Wichita ordinances which prohibit the installation of new water wells and use of pre-existing water wells for personal use in contaminated areas will help ensure protection of human health until the site cleanup is complete.

The pre-design data acquisition is underway, in addition to continued source control efforts and site-wide pre-design acquisition activities. The KDHE approved remedial action provides multiple alternatives to be implemented in each groundwater unit. The alternative actions delineated in the KDHE Final Corrective Action Decision may be effected individually or multiple alternatives may be required to achieve acceptable results. Cost estimates for each remediation alternative were developed based on standardized engineering practices and expected cash flows. For each approved remediation alternative, the expected cash flow technique method was applied.

Based on current cost commitments and cost estimates of the preferred remediation action, the net present value of the liability for site-wide costs and the site specific remediation preferred remediation has been estimated at \$57.6 million. The liability could change over time due to changes in costs of goods and services, changes in remediation technology or changes in laws and regulations. Estimated recoveries from potentially responsible parties are estimated at \$52.5 million, resulting in a net liability of \$5,120,480 on the entity-wide financial statements. Actual costs of remedial actions and anticipated recoveries are expected to be within a range of minus 30% and plus 50% over a period of 70 years.

John's Sludge Pond: The John's Sludge Pond site was formerly used for disposal of waste oil and oily sludge generated in the recycling/reclamation process of an oil refinery. A portion of the site was purchased by the City in 1983 to provide drainage for interstate highway. A private estate owns the remainder of the site. Investigations by the City of Wichita found the sludge and water in the pond to be very acidic and the sludge was found to contain elevated concentrations of lead, low levels of PCBs, other metals and organics.

The site was placed on the National Priorities List (NPL) by the EPA in 1983. Remedial actions consisted of stabilizing the sludge with pozzolanic material and capping the site in 1985. The site was removed from the NPL in 1992. The need for ongoing site monitoring will be re-evaluated with the next review.

The City has ongoing costs associated with monitoring of the site. A liability of \$27,205 has been recorded in the government-wide financial statements with low potential for changes in the liability.

Mid-town Bike Path: A portion of the City's Mid-town Bike Path was acquired from abandoned Union Pacific Railroad line in north central Wichita. The City has converted a portion of the abandoned rail line into a bicycle pathway. The shallow soils along the proposed pathway are impacted by total petroleum hydrocarbons (TPH) and metals. As part of the remedial strategy, the impacted soils were capped with clean soils to prevent dermal contact and limit potential infiltration and leaching of the materials to the groundwater.

KDHE requires an annual inspection of the conditions and maintenance of the site. The City has recorded a liability of \$2,500 for costs associated with monitoring and reporting.

Wichita Mid-Continent Airport Fuel and Fire Training Facility Site: Contaminates of petroleum related volatile organic compounds were found in solid samples collected between 1989 and 1993. Due to the low level of contaminants reported in the groundwater at the Fuel Farm and the absence of contaminants in the groundwater at the nearby Fire Training Facility, KDHE requires monitoring of groundwater only. Annual monitoring of the site is completed in compliance with the KDHE requirements.

The City has recorded a liability of \$5,000 in the Airport Authority Fund financial statements for costs associated with site monitoring and reporting.

G. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds of the respective enterprise funds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2014, the City was in compliance with all significant reserve requirements of the respective Water and Sewer Utility revenue bond resolutions and ordinances. Additional information on the reserve funds is provided in Note 16-Fund Balance Restrictions and Other Reservations.

H. Liquidation of Other Long-Term Obligations

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of the internal service funds are included as part of the following totals for governmental activities. At year-end, compensated absences totaling \$374,341 were in the governmental amounts below. Compensated absences for the governmental funds are generally liquidated by the General Fund.

Claims payable are liquidated from the Self Insurance Fund. Post-employment benefits other than pensions are recorded at the entity-wide level and are generally liquidated from the Self Insurance Fund. Environmental remediation liabilities are recorded at the entity wide level and are generally liquidated from the Environmental TIF Funds.

Long-term liability activity for the year ended December 31, 2014, follows (expressed in thousands of dollars) is summarized in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds Payable:					
General obligation bonds	\$ 75,935	\$ 10,910	\$ (9,930)	\$ 76,915	\$ 10,195
With government commitment					
Special assessment	216,625	15,060	(39,110)	192,575	21,632
Tax increment financing	20,798	13,495	(8,948)	25,345	2,515
Transient guest tax	167	2,485	(167)	2,485	-
Local sales tax	122,195	64,785	(38,210)	148,770	17,210
Unamortized premium	22,225	9,842	(3,735)	28,332	-
Revenue bonds					
Local sales tax	-	1,635	-	1,635	-
Unamortized discount	-	(33)	2	(31)	-
Total bonds payable	<u>457,945</u>	<u>118,179</u>	<u>(100,098)</u>	<u>476,026</u>	<u>51,552</u>
Bond anticipation notes	3,465	-	(3,465)	-	-
Capital lease	435	-	(94)	341	90
Compensated absences	9,313	9,265	(9,177)	9,401	9,120
Claims payable	18,364	40,693	(43,501)	15,553	7,629
Other post-employment benefits	12,462	3,852	(3,063)	13,251	-
Termination benefits	449	-	(162)	287	186
Environmental remediation	19,570	362	(1,604)	18,328	3,775
Landfill closure-post-closure care	12,819	253	(513)	12,559	632
Legal liability	<u>2,285</u>	<u>-</u>	<u>-</u>	<u>2,285</u>	<u>-</u>
Total long-term liabilities – Governmental activities	<u>\$ 537,107</u>	<u>\$ 172,604</u>	<u>\$ (161,677)</u>	<u>\$ 548,031</u>	<u>\$ 72,984</u>
<b>Business-type activities</b>					
Bonds payable:					
General obligation bonds	\$ 44,285	\$ 143,915	\$ (3,915)	\$ 184,285	\$ 10,253
Unamortized premium	549	11,487	(239)	11,797	-
Bond anticipation notes	7,933	96,565	(7,933)	96,565	96,565
Revenue bonds	412,219	54,190	(66,539)	399,870	23,398
Unamortized premium	<u>20,853</u>	<u>5,425</u>	<u>(3,392)</u>	<u>22,886</u>	<u>-</u>
Total bonds payable	<u>485,839</u>	<u>311,582</u>	<u>(82,018)</u>	<u>715,403</u>	<u>130,216</u>
Environmental remediation	5	5	(5)	5	5
Compensated absences	<u>1,764</u>	<u>1,807</u>	<u>(1,764)</u>	<u>1,807</u>	<u>1,761</u>
Total long-term liabilities – Business-type activities	<u>\$ 487,608</u>	<u>\$ 313,394</u>	<u>\$ (83,787)</u>	<u>\$ 717,215</u>	<u>\$ 131,982</u>
<b>Wichita Public Building Commission</b>					
Bonds payable:					
Revenue bonds	\$ 1,595	\$ -	\$ (1,595)	\$ -	\$ -
Total long-term liabilities-WPBC	<u>\$ 1,595</u>	<u>\$ -</u>	<u>\$ (1,595)</u>	<u>\$ -</u>	<u>\$ -</u>

**10. Defeasance of Debt**

In 2014, the City defeased Water and Sewer Utility refunding revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements of the reporting entity. At December 31, 2014, bonds totaling \$33,985,000 were considered defeased.

In prior years, the City and the Wichita Public Building Commission defeased certain general obligation, revenue, and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements of the reporting entity. At December 31, 2014, bonds totaling \$390,000 from the Wichita Public Building Commission were considered defeased.

**11. Temporary Notes Payable**

Kansas Statutes permit the issuance of temporary notes to finance certain capital improvement projects that will be refinanced with general obligation bonds. Prior to the issuance of temporary notes, the governing body must take necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing, and have a maturity date not later than four years from the date of issuance. During 2014, the City issued \$ 318,101,372, retired \$459,106,372 and reclassified \$96,565,000 of temporary notes for various capital improvements as bond anticipation notes. Temporary notes outstanding at December 31, 2014 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	\$ 78,612,491	\$ 132,514,048	\$ 158,605,186	\$ 52,521,353
Business-type Activities				
Water Utility Fund	160,000,000	-	160,000,000	-
Airport Authority Fund	86,453,063	183,466,983	139,291,740	130,628,306
Stormwater Utility	1,209,446	2,120,341	1,209,446	2,120,341
Total Business-type Activities	247,662,509	185,587,324	300,501,186	132,748,647
Total temporary notes	<u>\$ 326,275,000</u>	<u>\$ 318,101,372</u>	<u>\$ 459,106,372</u>	<u>\$ 185,270,000</u>

On December 31, 2014, the Airport Authority Fund held proceeds totaling \$22,194,681 from the issuance of general obligation temporary notes for future capital construction. Temporary notes also replace operating cash which has been used to finance capital construction in other funds as provided in the following table. Some construction costs may have occurred in prior periods.

Primary Government	Interest Rate	Amount Outstanding	Maturity Date
Governmental-Capital Project Funds:			
Street and Bridge Improvements - Series 268	0.25%	\$ 27,800,806	10/15/15
Water Main Construction - Series 268	0.25%	982,727	10/15/15
Park Bond Construction - Series 268	0.25%	780,874	10/15/15
Public Improvement Construction - Series 253	0.32%	609,542	10/15/15
Public Improvement Construction - Series 268	0.25%	17,802,829	10/15/15
Sewer Construction - Series 268	0.25%	4,544,575	10/15/15
Subtotal governmental activities		52,521,353	
Enterprise Funds:			
Airport Authority - Series 253	0.32%	9,675,458	10/15/15
Airport Authority - Series 268	0.25%	26,517,848	10/15/15
Airport Authority - Series 270	0.30%	94,435,000	10/15/15
Stormwater Utility - Series 268	0.25%	2,120,341	10/15/15
Subtotal business-type activities		132,748,647	
Total Reporting Entity		\$ 185,270,000	

## 12. Leases

Rents Receivable Under Operating Leases: The City and the Airport Authority lease facilities and land to airlines, concessionaires, commercial entities and others. The leases are for varying periods, from one month to 45 years, and require the payment of minimum annual rentals. The future minimum rentals of non-cancelable operating leases are reflected in the accompanying table in this note. Summarized in the following table, the future value of operating leases does not include contingent rentals that may be received under certain leases. Such contingent rentals totaled \$3,306,068 in 2014.

The Wichita Public Building Commission (WPBC) has assisted in the financing of buildings and facilities for other public entities through the issuance of revenue bonds and by entering into lease agreements. All revenue bonds were retired in 2014. When the bonds were retired, the lease agreement was renewed through June 2015, with the option to extend on a month-to-month basis through the end of 2015. Operating lease rentals through June 2015 amount to \$638,614.

The Airport Authority has authorized the construction of buildings on Authority-owned land by 45 tenants. Tenants lease the land from the Airport Authority for periods ranging from one month to 43 years with renewal options ranging from five years to 27 years. The Airport Authority has assisted in the financing of certain of these buildings through the issuance of Airport Facility Revenue Bonds.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2015	\$ 6,177,446
2016	4,899,295
2017	4,219,347
2018	3,978,686
2019	3,830,067
2020 - 2024	14,452,277
2025 - 2029	8,423,888
2030 - 2034	5,810,992
2035 - 2039	5,024,530
2040- 20443	3,320,177
2045 - thereafter	4,500,018
Total minimum future rentals	\$ 64,636,723

The financing of the facilities by the Airport Authority represents direct financing leases. Accordingly, the net investments of such leases are recorded on the enterprise fund balance sheet as restricted assets. The following tables provide the components of the net investment in direct financing leases as of December 31, 2014 and the future minimum lease rentals to be received under the leases.

Investments in Direct Financing Leases As of December 31, 2014		Future Minimum Lease Rentals Under Direct Financing Leases As of December 31, 2014	
	Airport Authority	Year ending December 31	Airport Authority
Total minimum lease payments to be received	\$ 15,923,609	2015	\$ 481,064
Less: unearned income	4,613,609	2016	481,064
Net investment in direct financing leases	<u>\$ 11,310,000</u>	2017	481,064
		2018	481,064
		2019	481,064
		2020 - 2024	3,335,091
		2025 - 2029	7,521,070
		2030 - 2031	<u>2,662,128</u>
		Total minimum future rentals	<u>\$ 15,923,609</u>

*Rentals Payable Under Operating Leases:* The City entered into a five-year lease agreement in 2013 in which the City is the lessee of printers, software and accessories. The operating lease is a component of the lease agreement that is disclosed in Note 9-Long-Term Debt. On December 31, 2014 the future minimum lease payments totaled \$312,662, with the lease expiring in 2018.

**13. Conduit Debt Obligations**

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The industrial revenue bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity 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 as liabilities in the accompanying financial statements. At December 31, 2014, 109 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$2,071,880,040.

Special facility revenue bonds have been issued by the Airport Authority to provide for the construction of buildings on Authority-owned land. The bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of rentals to be received from lease agreements between the Authority and various tenants. The bonds do not constitute a debt or pledge of the faith and credit of the City or the Airport Authority. At December 31, 2014, four series of special facility revenue bonds were outstanding totaling \$11,310,000 but are reported as a long-term liability of the Airport Authority. Note 9 provides additional disclosure on the long-term debt. Note 12 provides further disclosure on the direct financing leases.

**14. Interfund Transfers**

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended.

During the year ended December 31, 2014, transfer revenue and transfer expenditures each totaled \$95,326,066. Included in that amount was the reduction of the excess reserve in the Landfill Post-closure Fund with an \$8,000,000 transfer to the Debt Service Fund.

Summary of Interfund Transfers For Year Ended December 31, 2014		
Fund	Transfers Out	Transfers In
<b>Major Funds:</b>		
General Fund	\$ 6,771,100	\$ 6,267,338
Debt Service Fund	37,034,538	28,318,320
Street Improvement Fund	735,000	32,582,605
Water Utility Fund	223,419	-
Nonmajor governmental funds	48,062,706	23,567,308
Nonmajor enterprise funds	-	4,340,495
Internal service funds	2,499,303	250,000
Total transfers	<u>\$ 95,326,066</u>	<u>\$ 95,326,066</u>

Of routine nature are the Debt Service Fund transfers of \$37 million to the Street Improvement Fund and other capital project funds to retire temporary notes and cash fund projects. Also routine were transfers from the Sales Tax Construction Pledge Fund to the Debt Service Fund of \$17.6 million and \$8.4 million to the Local Sales Tax CIP fund to cash fund freeway and major arterial projects.

**15. Interfund Receivables and Payables**

Interfund receivables and payables result from product or services provided to other funds or loans between funds. Individual fund receivable and payable balances at December 31, 2014 are presented in the following tables.

Interfund receivables and payables at the end of December 2014 totaled \$16,565,004, including a long-term Golf Fund payable to the Debt Service Fund to assist with the restructuring of long-term debt. In addition, temporary loans from the General Fund-Permanent Reserve Subfund and Self Insurance Fund to the Transit Fund have been extended until transit operations recover from the recent years of capital replacement and expansion.

Interfund Receivables As of December 31, 2014		Interfund Payables As of December 31, 2014	
Fund	Receivables	Fund	Payables
<b>Major funds:</b>		<b>Major funds:</b>	
General Fund	\$ 800,000	Street Improvement Fund	\$ 65,368
Debt Service Fund	5,365,378	<b>Nonmajor governmental funds:</b>	
<b>Nonmajor governmental funds:</b>		Homelessness Assistance Fund	10,329
Landfill Post-Closure Fund	2,026,010	WAMPO*	521,001
Local Sales Tax CIP Fund	7,901,088	Water Main Extension Fund	955,812
<b>Enterprise funds:</b>		Park Bond Construction Fund	21,464
Transit Fund	65,368	Public Improvement Construction Fund	2,281,438
<b>Internal service funds:</b>		Sewer Construction Fund	4,642,374
Self Insurance Fund	407,160	<b>Nonmajor enterprise funds:</b>	
Total interfund receivables	<u>\$ 16,565,004</u>	Golf Course System Fund	5,365,378
		Transit Fund	2,701,840
		Total interfund payables	<u>\$ 16,565,004</u>

\*Wichita Area Metropolitan Planning Organization

**16. Fund Balance Restrictions and Other Reservations**

Governmental fund balance designations denote portions of the fund balance that are either (1) non-spendable due to form, legal or contractual constraints; (2) restricted under an externally imposed constraint; (3) committed to a specific purpose by the City Council; (4) assigned with intentions for a specific purpose; or (5) unassigned without any constraints.

The City maintains the Cemetery Fund, a permanent fund for the perpetual care of the Jamesburg and Highland Cemeteries, as well as the Old Mission Mausoleum. The non-expendable portion of the fund balance is \$235,437. The remainder is expendable for care of the cemeteries. In the governmental funds, fund balance designations are reported in the following table.

Governmental Fund Balance Designations					
As of December 31, 2014					
	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Street Improvement Fund		
<b>Nonspendable:</b>					
Inventories & prepaids	\$ 88,112	\$ -	\$ -	\$ 120,962	\$ 209,074
Receivables, long-term	800,000	-	-	-	800,000
Permanent fund	-	-	-	235,437	235,437
<b>Restricted for:</b>					
General government	-	-	-	6,409,323	6,409,323
Public safety	-	-	-	1,625,049	1,625,049
Highways and streets	-	-	-	24,921,144	24,921,144
Health and welfare	-	-	-	21,765,713	21,765,713
Culture and recreation	-	-	-	4,553,527	4,553,527
Debt service	-	41,315,343	-	-	41,315,343
<b>Committed to:</b>					
General government	-	-	-	1,144,734	1,144,734
Public safety	-	-	-	1,306,268	1,306,268
Sanitation	-	-	-	14,075,570	14,075,570
<b>Assigned to:</b>					
Economic development	3,901,604	-	-	-	3,901,604
General government	172,088	-	-	-	172,088
Public safety	41,683	-	-	-	41,683
Highways and streets	961,398	-	-	-	961,398
Sanitation	1,557	-	-	1,852,961	1,854,518
Health and welfare	9,113	-	-	-	9,113
Culture and recreation	297,051	-	-	-	297,051
<b>Unassigned:</b>	<u>27,858,870</u>	<u>-</u>	<u>(15,071,376)</u>	<u>(28,393,617)</u>	<u>(15,606,123)</u>
<b>Total</b>	<u>\$34,131,476</u>	<u>\$ 41,315,343</u>	<u>\$(15,071,376)</u>	<u>\$ 49,617,071</u>	<u>\$ 109,992,514</u>

**17. Passenger Facility Charges**

In 1994, the Airport Authority first received approval from the Federal Aviation Administration to impose and use a passenger facility charge (PFC) of \$3 for each eligible passenger utilizing Mid-Continent Airport, effective December 1, 1994. The first funds were received by the Airport Authority in January 1995. On May 1, 2005 the PFC increased to \$4.50 for each eligible passenger.

The charge is collected by all carriers and remitted to the Airport Authority, less a \$.08 per passenger handling fee since April 2004. Beginning May 1, 2004, the handling fee increased to \$.11 per passenger. The proceeds from the PFC are restricted for certain FAA approved capital improvement projects. As of December 31, 2014

the Airport Authority has submitted and received approval on seven applications. The approved applications represent a total amended authorized amount of \$199,528,281. The charge expiration date for the current program is estimated to be May 1, 2046.

#### **18. Landfill Closure and Post-closure Care**

The City's municipal solid waste facility, Brooks Landfill, closed operations October 9, 2001. Applicable Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for thirty years after the regulatory closure date of July 25, 2003. Accordingly, a liability of \$10,022,994 for post-closure care for the remaining 18.56 years has been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2014.

The City's Chapin municipal solid waste facility stopped accepting waste December 19, 1980. Applicable Kansas and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for 30 years after the regulatory closure date of July 1, 1989. In June 2008, landfill gas was determined to have migrated off-site from the Chapin Landfill. Accordingly, an additional liability of \$410,789 for post-closure care for the remaining 4.48 years has been reported as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2014.

Additionally, the City has permission to operate three limited landfills, all located at the Brooks Landfill site. Kansas and federal laws and regulations require the City to place a final cover when the landfills close and perform certain maintenance and monitoring functions for 30 years after regulatory closure. Based on the capacity used in each landfill, the accumulated closure costs for each of the landfills is recorded as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2014.

During 2001, the City was granted permission to operate a construction and demolition landfill. The landfill began operation on October 1, 2001. As of December 31, 2014, a long-term liability of \$1,886,102 is recorded representing the cumulative liability based on 86.6% usage of the estimated capacity. The City will recognize the remaining closure costs of \$291,845 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2017, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. As of December 31, 2014, a long-term liability of \$238,572 is recorded, based on 25.5% usage of the estimated capacity. The City will recognize the remaining closure costs of \$697,004 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2063, or as capacity is reached.

In March, 2008, the City began operation of a composting facility for yard waste. Yard waste moves into the landfill and compost moves out of the landfill. As of December 31, 2014, the capacity used was too small to estimate, thus the total estimated closure and post-closure care of \$92,123 will be recognized as capacity is filled.

The cost estimates are subject to change due to inflation, deflation, technology, laws and regulations. Financial assurance for closure and post-closure care costs of the landfills has been demonstrated by the local government financial test, as specified in 40 CFR 258.74(f), adopted by reference for use in Kansas by K.A.R. 28-29-98. The Landfill Post-Closure Fund and landfill tipping fees will provide the primary source of funding for the landfills' closure and post-closure costs. Additional financing needs beyond those met by the fund and user fees will potentially require the sale of bonds.

#### **19. Contingencies and Commitments**

##### **A. Legal Matters**

The reporting entity generally follows the practice of recording liabilities resulting from claims and legal actions only when it is probable that a liability has been incurred and the amount can be reasonably estimated. The reporting entity is vigorously defending its interest in all of the various legal actions and claims against the reporting entity presently pending involving personal injury (including workers'

compensation claims), property damages, civil rights complaints, and other claims.

Under Kansas Statutes, should the courts sustain any litigation against the reporting entity, the City may issue no-fund warrants to cover any resulting over-expenditures not anticipated in the current year budget. The City is then required to levy sufficient ad valorem property taxes in the first levying period following issuance to retire such warrants. This tax levy is without limitation.

B. Grant Programs

The City participates in a number of Federal and State assisted grant programs, which are subject to financial and compliance requirements with each applicable grant. Any disallowed costs resulting from financial and compliance audits could become a liability of the City. In the opinion of management, any such disallowed costs will not have a material effect on the basic financial statements of the City at December 31, 2014.

C. Construction and Capital Commitments

The City has outstanding construction and capital commitments for freeway and arterial street construction and other capital purchases and improvements of \$38.5 million in the governmental funds and \$70.2 million in the enterprise funds. This amount is reflected as reserve for encumbrances in capital projects funds.

D. Encumbrances

Encumbrances included in fund balances are reported in the accompanying table:

Primary Government	Encumbrances
General Fund	\$ 2,152,909
Street Improvement Fund	31,573,568
Water Utility Funds	19,248,460
Sewer Utility Funds	5,015,681
Airport Authority Funds	44,184,422
Stormwater Utility Funds	695,211
Nonmajor governmental funds	10,980,479
Nonmajor enterprise funds	4,782,295
Internal service funds	2,193,860
Total Reporting Entity	\$ 120,826,885

E. Public Building Commission Lease

The City of Wichita, in cooperation with Sedgwick County, entered into a lease agreement dated March 1, 1993 with the Wichita Public Building Commission in conjunction with the issuance of \$18,620,000 Revenue Bonds, Series H, 1993, to finance the acquisition, renovation, construction, and other specified improvements of a State Office Building and related parking facilities in downtown Wichita. In 2003, the original bonds on the State Office Building were refunded with the issuance of \$13,880,000 Revenue Bonds, Series N, 2003, to refinance the remaining debt at a lower interest cost. On October 1, 2014, the Revenue Bonds, Series N, were retired.

The Wichita Public Building Commission previously entered into a lease agreement for the project with the State of Kansas regarding the acquisition and renovation of the former "Dillard's" building to provide rentable office space. The City/County lease was intended to be a "wrap-around" obligation wherein the City and County are contingently liable and would make rental payments, if necessary, to supplement the rental payments to be paid by the State pursuant to the State lease so that the total shall be sufficient to pay the principal of, premium, if any, and interest on the bonds. In 2014, no such payments were required. The City of Wichita also serves as the property manager for the State Office Building and related parking facilities for the term of the lease. An amendment to the lease agreement was negotiated with the State of Kansas to expire on June 30, 2015.

F. Economic Development Activities

The City has established tax increment financing districts to support economic development activities. The City's contributions to these projects include streets, stormwater drainage, public art, water features and public parking, which are financed through the issuance of bonds of which \$25.3 million are outstanding.

In the event that property and guest tax revenues generated by the tax increment financing districts and other revenue sources are not available, under State law, the City would be required to levy additional property tax on all taxable tangible property in the City to meet debt service requirements for these projects.

In 2001, the City acquired the Hyatt Hotel adjacent to the Century II and Expo Hall Convention Center to insure that the hotel maintained premiere service for convention business. The Hyatt Hotel is managed

under contract by the Hyatt Corporation and the operations of the Hyatt Hotel are not related to the operations of the City in any manner.

## 20. Subsequent Events

On March 26, 2015, the City issued \$45,965,000 of 10-year general obligation refunding bonds (Series 2015A) with a true interest cost of 1.53% and \$38,380,000 of 16-year Water and Sewer Utility Refunding Revenue Bonds (Series 2015B) with a true interest cost of 2.47%.

On May 13, 2015, the City issued \$18,235,000 of 30-year general obligation airport bonds (Series 2015A) with a true interest cost of 3.68%, \$8,685,000 of 30-year taxable general obligation airport bonds (Series 2015B) with a true interest cost of 4.04%, and \$67,615,000 of 30-year general obligation airport bonds subject to AMT (Series 2015C) with a true interest cost of 4.22%.

Accordingly, temporary notes payable as of December 31, 2014 totaling \$96,565,000 were reclassified as bond anticipation notes and recorded as long-term liabilities in the governmental funds. The notes were refinanced through the issuance of general obligation bonds on May 13, 2015.

On June 25, 2015, the City also issued \$16,150,000 Series 272 general obligation temporary notes with a true interest cost of 0.43%.

On June 3, 2015, the terminal building at the Dwight D. Eisenhower International Airport opened for operations. The construction costs, reported as construction in progress as of December 31, 2014, were capitalized in 2015.

# CITY OF WICHITA, KANSAS

## PENSION REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>Wichita Employees' Retirement System</b>						
12/31/12	\$ 520,320	\$ 571,805	\$ 51,485	91.0	\$ 70,783	72.7 %
12/31/13	542,157	582,386	40,229	93.1	70,953	56.7 %
12/31/14	560,032	590,115	30,083	94.9	71,391	42.1 %
<b>Wichita Police and Fire Retirement System</b>						
12/31/12	\$ 533,381	\$ 589,074	\$ 55,693	90.5	\$ 64,150	86.8 %
12/31/13	571,262	617,748	46,486	92.5	65,306	71.2 %
12/31/14	600,860	631,904	31,044	95.1	64,572	48.1 %

Additional disclosures, required under GASB Statement 67, are provided in the Wichita Retirement Systems (WRS) publicly available comprehensive annual financial report. The financial report may be obtained by writing to the WRS, City Hall, 12th Floor, 455 N. Main Street, Wichita, KS 67202 or by calling (316)268-4544.

## OTHER POST EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

### Health Insurance Post Employment Benefits

(Dollar amounts in thousands)

Fiscal Year Ending	Actuarial Valuation Date <sup>1</sup>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	1/1/2009	\$ -	\$ 30,038	\$ 30,038	-	\$ 141,534	21.2 %
12/31/11	12/31/2011	-	39,121	39,121	-	137,304	28.5 %
12/31/13	12/31/2013	-	33,936	33,936	-	140,810	24.1 %

<sup>1</sup> Assumptions in the 2013 valuation follow.

The amortization method changed from a closed 30-year period to an open 30-year period.

Mortality, disability retirement and termination assumptions were updated to be consistent with the Wichita Employees' Retirement System and the Police and Fire Retirement System actuarial valuation for fiscal year ended December 31, 2013.

Disability incidence was not explicitly stated in the prior actuarial report. For the 2013 valuation, all disability incidences for Police and Fire employees are considered in the line of duty while only 50% of disability incidences are considered in the line of duty for other City employees.

Past valuations assumed 40% of active employees elected health coverage at retirement. Assumptions of this valuation are:

General employees:

- 65% of employees retiring under age 60 elect health coverage
- 80% of employees retiring on or after age 60 elect health coverage

Police and Fire employees:

- 55% of employees retiring under age 60 elect health coverage
- 95% of employees retiring on or after age 60 elect health coverage

Employees not carrying health coverage as an active employee are assumed not to elect coverage at retirement.

Trend rate assumptions of the past and current valuation:

Year 1	9.0%
Year 2	8.5%
Year 3	8.0%
Year 4	7.5%
Year 5	7.0%
Year 6	6.5%
Year 7	6.0%
Year 8	5.5%
Beyond	5.0%

# CITY OF WICHITA, KANSAS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUND TYPES December 31, 2014

	Governmental Fund Types			Total
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 48,138,293	\$ 20,836,804	\$ 168,919	\$ 69,144,016
Cash with fiscal agent	-	811,388	-	811,388
Investments	2,458,815	-	580,437	3,039,252
Receivables, net:				
Due from other agencies	1,983,743	-	-	1,983,743
Accounts	5,478,300	-	81	5,478,381
Due from other funds	2,026,010	7,901,088	-	9,927,098
Notes receivable	300,000	-	-	300,000
Inventories	56,742	-	-	56,742
Prepaid items	64,220	-	-	64,220
Total assets	\$ 60,506,123	\$ 29,549,280	\$ 749,437	\$ 90,804,840
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 3,018,821	\$ 1,017,954	\$ -	\$ 4,036,775
Accrued interest payable	-	3,721	-	3,721
Temporary notes payable	-	24,111,005	-	24,111,005
Deposits	178,778	-	-	178,778
Due to other agencies	47,210	-	-	47,210
Due to other funds	531,330	7,901,088	-	8,432,418
Total liabilities	3,776,139	33,033,768	-	36,809,907
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	4,377,862	-	-	4,377,862
Total deferred inflows of resources	4,377,862	-	-	4,377,862
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	120,962	-	235,437	356,399
Restricted	33,851,627	24,909,686	514,000	59,275,313
Committed	16,526,572	-	-	16,526,572
Assigned	1,852,961	-	-	1,852,961
Unassigned	-	(28,394,174)	-	(28,394,174)
Total fund balances (deficits)	52,352,122	(3,484,488)	749,437	49,617,071
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 60,506,123	\$ 29,549,280	\$ 749,437	\$ 90,804,840

# CITY OF WICHITA, KANSAS

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2014

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 4,042,938	\$ 757,818
Investments	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts	12,367	150,000	-
Due from other funds	-	-	-
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	\$ 12,367	\$ 4,192,938	\$ 757,818
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable and other liabilities	\$ 2,038	\$ -	\$ 81
Deposits	-	-	-
Due to other agencies	-	-	-
Due to other funds	10,329	-	-
Total liabilities	12,367	-	81
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	-	4,192,938	757,737
Committed	-	-	-
Assigned	-	-	-
Total fund balances (deficits)	-	4,192,938	757,737
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 12,367	\$ 4,192,938	\$ 757,818

Special Parks and Recreation	Landfill	Landfill Post-closure	Metropolitan Area Building and Construction
\$ 43,469	\$ 3,403,672	\$ 10,509,727	\$ 1,949,175
-	-	-	-
-	-	-	-
-	-	933	-
-	-	2,026,010	-
-	-	-	-
-	-	-	-
<u>\$ 43,469</u>	<u>\$ 3,403,672</u>	<u>\$ 12,536,670</u>	<u>\$ 1,949,175</u>
\$ -	\$ 2,790	\$ 9,021	\$ 594,407
-	-	-	48,500
-	-	-	-
-	-	-	-
<u>-</u>	<u>2,790</u>	<u>9,021</u>	<u>642,907</u>
-	-	-	-
-	-	-	-
-	-	-	-
43,469	-	-	-
-	3,400,882	10,674,688	1,306,268
-	-	1,852,961	-
<u>43,469</u>	<u>3,400,882</u>	<u>12,527,649</u>	<u>1,306,268</u>
<u>\$ 43,469</u>	<u>\$ 3,403,672</u>	<u>\$ 12,536,670</u>	<u>\$ 1,949,175</u>

(Continued)

# CITY OF WICHITA, KANSAS

## COMBINING BALANCE SHEET (CONTINUED) NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2014

	Downtown Parking	State Office Building	Environmental TIF Districts
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,122,331	\$ 2,093,724	\$ 22,214,544
Investments	-	-	-
Receivables, net:			
Due from other agencies	-	-	-
Accounts	38,594	-	3,502,180
Due from other funds	-	-	-
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	\$ 1,160,925	\$ 2,093,724	\$ 25,716,724
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable and other liabilities	\$ 16,191	\$ 1,764,913	\$ 8,924
Deposits	-	-	-
Due to other agencies	-	-	-
Due to other funds	-	-	-
Total liabilities	16,191	1,764,913	8,924
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	3,502,180
Total deferred inflows of resources	-	-	3,502,180
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	-	328,811	22,205,620
Committed	1,144,734	-	-
Assigned	-	-	-
Total fund balances (deficits)	1,144,734	328,811	22,205,620
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,160,925	\$ 2,093,724	\$ 25,716,724

Self-Supported Municipal Improvement District	City - County	Grant Assistance	Wichita Area Metropolitan Planning Organization	Total
\$ 10,159	\$ 201,914	\$ 1,788,822	\$ -	\$ 48,138,293
-	-	2,458,815	-	2,458,815
-	-	1,481,828	501,915	1,983,743
-	-	1,722,028	52,198	5,478,300
-	-	-	-	2,026,010
-	-	300,000	-	300,000
-	-	56,742	-	56,742
-	-	64,220	-	64,220
<u>\$ 10,159</u>	<u>\$ 201,914</u>	<u>\$ 7,872,455</u>	<u>\$ 554,113</u>	<u>\$ 60,506,123</u>
\$ 10,159	\$ 132,541	\$ 444,644	\$ 33,112	\$ 3,018,821
-	-	130,278	-	178,778
-	-	47,210	-	47,210
-	-	-	521,001	531,330
<u>10,159</u>	<u>132,541</u>	<u>622,132</u>	<u>554,113</u>	<u>3,776,139</u>
-	-	875,682	-	4,377,862
-	-	875,682	-	4,377,862
-	-	120,962	-	120,962
-	69,373	6,253,679	-	33,851,627
-	-	-	-	16,526,572
-	-	-	-	1,852,961
<u>-</u>	<u>69,373</u>	<u>6,374,641</u>	<u>-</u>	<u>52,352,122</u>
<u>\$ 10,159</u>	<u>\$ 201,914</u>	<u>\$ 7,872,455</u>	<u>\$ 554,113</u>	<u>\$ 60,506,123</u>

# CITY OF WICHITA, KANSAS

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2014

	Water Main Extension	Park Bond Construction	Public Improvement Construction	Sewer Construction
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 3,279,284	\$ 548,922
Cash with fiscal agent	-	-	811,388	-
Due from other funds	-	-	-	-
Total assets	\$ -	\$ -	\$ 4,090,672	\$ 548,922
<b>LIABILITIES</b>				
Accounts payable and other liabilities	\$ 31,250	\$ 3,464	\$ 916,875	\$ 66,365
Accrued interest payable	316	-	3,405	-
Temporary notes payable	982,727	780,874	17,802,829	4,544,575
Due to other funds	955,812	21,464	2,281,438	4,642,374
Total liabilities	1,970,105	805,802	21,004,547	9,253,314
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	-
Unassigned	(1,970,105)	(805,802)	(16,913,875)	(8,704,392)
Total fund balances (deficits)	(1,970,105)	(805,802)	(16,913,875)	(8,704,392)
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ 4,090,672	\$ 548,922

Local Sales Tax CIP	Sales Tax Construction Pledge	ARRA Projects	Total
\$ 6,595,491	\$ 10,412,550	\$ 557	\$ 20,836,804
-	-	-	811,388
7,901,088	-	-	7,901,088
<u>\$ 14,496,579</u>	<u>\$ 10,412,550</u>	<u>\$ 557</u>	<u>\$ 29,549,280</u>
-	-	-	1,017,954
-	-	-	3,721
-	-	-	24,111,005
-	-	-	7,901,088
<u>-</u>	<u>-</u>	<u>-</u>	<u>33,033,768</u>
14,496,579	10,412,550	557	24,909,686
-	-	-	(28,394,174)
<u>14,496,579</u>	<u>10,412,550</u>	<u>557</u>	<u>(3,484,488)</u>
<u>\$ 14,496,579</u>	<u>\$ 10,412,550</u>	<u>\$ 557</u>	<u>\$ 29,549,280</u>

# CITY OF WICHITA, KANSAS

## COMBINING BALANCE SHEET GENERAL FUND December 31, 2014

	Economic Development	General Fund	Combined General Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,573,131	\$ 42,219,717	\$ 45,792,848
Receivables, net:			
Property taxes	-	70,782,960	70,782,960
Accounts	1,323,086	1,619,108	2,942,194
Due from other funds	-	800,000	800,000
Inventories	-	78,312	78,312
Prepaid items	-	9,800	9,800
Total assets	\$ 4,896,217	\$ 115,509,897	\$ 120,406,114
<b>LIABILITIES</b>			
Accounts payable and other liabilities	\$ 333,713	\$ 13,509,689	\$ 13,843,402
Deposits	10,000	987,376	997,376
Total liabilities	343,713	14,497,065	14,840,778
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	70,782,960	70,782,960
Unavailable revenue-forgivable loans	650,900	-	650,900
Total deferred inflows of resources	650,900	70,782,960	71,433,860
<b>FUND BALANCES</b>			
Nonspendable	-	888,112	888,112
Assigned	3,901,604	1,482,890	5,384,494
Unassigned	-	27,858,870	27,858,870
Total fund balances	3,901,604	30,229,872	34,131,476
Total liabilities, deferred inflows of resources and fund balances	\$ 4,896,217	\$ 115,509,897	\$ 120,406,114

# CITY OF WICHITA, KANSAS

## COMBINING BALANCE SHEET

### DEBT SERVICE FUND

December 31, 2014

	Economic Development TIF Districts	Debt Service Fund	Combined Debt Service Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,022,803	\$ 28,661,792	\$ 29,684,595
Cash with fiscal agent	-	6,558,616	6,558,616
Receivables, net:			
Property taxes	-	25,059,371	25,059,371
Special assessments	-	186,220,533	186,220,533
Due from other funds	-	5,365,378	5,365,378
Notes receivable	-	4,353,767	4,353,767
Total assets	\$ 1,022,803	\$ 256,219,457	\$ 257,242,260
<b>LIABILITIES</b>			
Deposits	\$ -	\$ 293,246	\$ 293,246
Total liabilities	-	293,246	293,246
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	25,059,371	25,059,371
Unavailable revenue-special assessments	-	186,220,533	186,220,533
Unavailable revenue-other	-	4,353,767	4,353,767
Total deferred inflows of resources	-	215,633,671	215,633,671
<b>FUND BALANCES</b>			
Restricted	1,022,803	40,292,540	41,315,343
Total fund balances	1,022,803	40,292,540	41,315,343
Total deferred inflows of resources, liabilities and fund balances	\$ 1,022,803	\$ 256,219,457	\$ 257,242,260

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUND TYPES For the year ended December 31, 2014

	Governmental Fund Types			Total
	Special Revenue Funds	Capital Projects Funds	Permanent Fund Cemetery	
<b>REVENUES</b>				
Taxes	\$ 11,181,110	\$ -	\$ -	\$ 11,181,110
Special assessments	-	76,514	-	76,514
Local sales tax	-	28,144,716	-	28,144,716
Intergovernmental	29,088,116	-	-	29,088,116
Licenses and permits	4,734,416	-	2,350	4,736,766
Fines and penalties	6,870	-	-	6,870
Rentals	1,668,504	-	-	1,668,504
Interest earnings	29,334	-	33,718	63,052
Charges for services and sales	3,856,654	-	-	3,856,654
Other	4,549,079	1,567,180	350	6,116,609
Total revenues	55,114,083	29,788,410	36,418	84,938,911
<b>EXPENDITURES</b>				
Current:				
General government	5,056,850	-	48,765	5,105,615
Public safety	9,108,150	-	-	9,108,150
Sanitation	1,654,697	-	-	1,654,697
Health and welfare	28,029,441	-	-	28,029,441
Culture and recreation	3,096,919	-	-	3,096,919
Debt service:				
Interest and fiscal charges	-	85,714	-	85,714
Capital outlay	-	20,867,332	-	20,867,332
Total expenditures	46,946,057	20,953,046	48,765	67,947,868
Excess (deficiency) of revenues over (under) expenditures	8,168,026	8,835,364	(12,347)	16,991,043
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term capital debt	-	30,152,236	-	30,152,236
Discounts on bonds sold	-	(32,692)	-	(32,692)
Transfers from other funds	2,018,868	21,548,440	-	23,567,308
Transfers to other funds	(13,201,160)	(34,861,546)	-	(48,062,706)
Total other financing sources (uses)	(11,182,292)	16,806,438	-	5,624,146
Net change in fund balances	(3,014,266)	25,641,802	(12,347)	22,615,189
Fund balances (deficits) - beginning	55,366,388	(29,126,290)	761,784	27,001,882
Fund balances (deficits) - ending	\$ 52,352,122	\$ (3,484,488)	\$ 749,437	\$ 49,617,071

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the year ended December 31, 2014

	Homelessness Assistance	Tourism and Convention	Special Alcohol Program	Special Parks and Recreation
<b>REVENUES</b>				
Taxes	\$ -	\$ 6,754,302	\$ -	\$ -
Intergovernmental	162,005	-	1,867,486	1,867,486
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rentals	-	-	-	-
Interest earnings	-	-	-	-
Charges for services and sales	-	-	-	-
Other	-	-	-	-
Total revenues	162,005	6,754,302	1,867,486	1,867,486
 <b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	324,422	-	1,803,225	-
Culture and recreation	-	2,642,010	-	-
Total expenditures	324,422	2,642,010	1,803,225	-
Excess (deficiency) of revenues over (under) expenditures	(162,417)	4,112,292	64,261	1,867,486
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	162,350	-	-	-
Transfers to other funds	-	(2,845,366)	-	(1,867,348)
Total other financing sources (uses)	162,350	(2,845,366)	-	(1,867,348)
Net change in fund balances	(67)	1,266,926	64,261	138
Fund balances (deficits), beginning	67	2,926,012	693,476	43,331
Fund balances, ending	\$ -	\$ 4,192,938	\$ 757,737	\$ 43,469

(Continued)

## CITY OF WICHITA, KANSAS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) NONMAJOR SPECIAL REVENUE FUNDS For the year ended December 31, 2014

	Landfill	Landfill Post-closure	Metropolitan Area Building and Construction	Downtown Parking	State Office Building
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses and permits	-	-	4,734,416	-	-
Fines and penalties	-	-	6,870	-	-
Rentals	4,032	-	-	117,583	84,952
Interest earnings	-	-	-	-	-
Charges for services and sales	1,001,230	-	868,575	1,533,980	37,954
Other	2,010	1,136,066	98,286	102,981	-
Total revenues	<u>1,007,272</u>	<u>1,136,066</u>	<u>5,708,147</u>	<u>1,754,544</u>	<u>122,906</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	687,334	269,484
Public safety	-	-	5,365,507	-	-
Sanitation	1,249,114	405,583	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>1,249,114</u>	<u>405,583</u>	<u>5,365,507</u>	<u>687,334</u>	<u>269,484</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(241,842)</u>	<u>730,483</u>	<u>342,640</u>	<u>1,067,210</u>	<u>(146,578)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	(8,000,000)	-	(10,500)	-
Total other financing sources (uses)	<u>-</u>	<u>(8,000,000)</u>	<u>-</u>	<u>(10,500)</u>	<u>-</u>
Net change in fund balances	<u>(241,842)</u>	<u>(7,269,517)</u>	<u>342,640</u>	<u>1,056,710</u>	<u>(146,578)</u>
Fund balances (deficits), beginning	<u>3,642,724</u>	<u>19,797,166</u>	<u>963,628</u>	<u>88,024</u>	<u>475,389</u>
Fund balances, ending	<u>\$ 3,400,882</u>	<u>\$ 12,527,649</u>	<u>\$ 1,306,268</u>	<u>\$ 1,144,734</u>	<u>\$ 328,811</u>

Environmental TIF Districts	Self-Supported Municipal Improvement District	City - County	Grant Assistance	Wichita Area Metropolitan Planning Organization	Total
\$ 3,852,492	\$ 574,316	\$ -	\$ -	\$ -	\$ 11,181,110
-	-	1,696,151	22,280,962	1,214,026	29,088,116
-	-	-	-	-	4,734,416
-	-	-	-	-	6,870
-	-	-	1,461,937	-	1,668,504
-	-	-	29,334	-	29,334
-	-	162,544	252,371	-	3,856,654
485,938	-	-	2,721,298	2,500	4,549,079
<u>4,338,430</u>	<u>574,316</u>	<u>1,858,695</u>	<u>26,745,902</u>	<u>1,216,526</u>	<u>55,114,083</u>
-	574,316	1,577,936	759,593	1,188,187	5,056,850
-	-	2,023,232	1,719,411	-	9,108,150
-	-	-	-	-	1,654,697
1,284,133	-	-	24,617,661	-	28,029,441
-	-	-	454,909	-	3,096,919
<u>1,284,133</u>	<u>574,316</u>	<u>3,601,168</u>	<u>27,551,574</u>	<u>1,188,187</u>	<u>46,946,057</u>
3,054,297	-	(1,742,473)	(805,672)	28,339	8,168,026
-	-	1,696,151	160,367	-	2,018,868
(350,700)	-	(14,000)	(113,246)	-	(13,201,160)
(350,700)	-	1,682,151	47,121	-	(11,182,292)
<u>2,703,597</u>	<u>-</u>	<u>(60,322)</u>	<u>(758,551)</u>	<u>28,339</u>	<u>(3,014,266)</u>
<u>19,502,023</u>	<u>-</u>	<u>129,695</u>	<u>7,133,192</u>	<u>(28,339)</u>	<u>55,366,388</u>
<u>\$ 22,205,620</u>	<u>\$ -</u>	<u>\$ 69,373</u>	<u>\$ 6,374,641</u>	<u>\$ -</u>	<u>\$ 52,352,122</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS For the year ended December 31, 2014

	Water Main Extension	Park Bond Construction	Public Improvement Construction
<b>REVENUES</b>			
Special assessments	\$ 27,297	\$ -	\$ -
Local sales tax	-	-	-
Other	-	-	1,523,303
Total revenues	27,297	-	1,523,303
<b>EXPENDITURES</b>			
Debt service:			
Interest and fiscal charges	1,728	1,792	66,614
Capital outlay	1,280,369	1,333,416	13,424,715
Total expenditures	1,282,097	1,335,208	13,491,329
Excess (deficiency) of revenues over (under) expenditures	(1,254,800)	(1,335,208)	(11,968,026)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of long-term capital debt	901,289	1,651,497	19,069,155
Discounts on bonds sold	-	-	(32,692)
Transfers from other funds	-	1,908,306	9,624,554
Transfers to other funds	-	-	(138,522)
Total other financing sources (uses)	901,289	3,559,803	28,522,495
Net change in fund balances	(353,511)	2,224,595	16,554,469
Fund balances (deficits) - beginning	(1,616,594)	(3,030,397)	(33,468,344)
Fund balances (deficits) - ending	\$ (1,970,105)	\$ (805,802)	\$ (16,913,875)

Sewer Construction	Local Sales Tax CIP	Sales Tax Construction Pledge	ARRA Projects	Total
\$ 49,217	\$ -	\$ -	\$ -	\$ 76,514
-	-	28,144,716	-	28,144,716
-	43,877	-	-	1,567,180
<u>49,217</u>	<u>43,877</u>	<u>28,144,716</u>	<u>-</u>	<u>29,788,410</u>
15,580	-	-	-	85,714
4,805,406	-	-	23,426	20,867,332
<u>4,820,986</u>	<u>-</u>	<u>-</u>	<u>23,426</u>	<u>20,953,046</u>
<u>(4,771,769)</u>	<u>43,877</u>	<u>28,144,716</u>	<u>(23,426)</u>	<u>8,835,364</u>
6,015,165	-	-	2,515,130	30,152,236
-	-	-	-	(32,692)
1,600,000	8,410,000	-	5,580	21,548,440
-	(8,723,121)	(25,999,903)	-	(34,861,546)
<u>7,615,165</u>	<u>(313,121)</u>	<u>(25,999,903)</u>	<u>2,520,710</u>	<u>16,806,438</u>
<u>2,843,396</u>	<u>(269,244)</u>	<u>2,144,813</u>	<u>2,497,284</u>	<u>25,641,802</u>
<u>(11,547,788)</u>	<u>14,765,823</u>	<u>8,267,737</u>	<u>(2,496,727)</u>	<u>(29,126,290)</u>
<u>\$ (8,704,392)</u>	<u>\$ 14,496,579</u>	<u>\$ 10,412,550</u>	<u>\$ 557</u>	<u>\$ (3,484,488)</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GENERAL FUND

For the year ended December 31, 2014

	<u>Economic Development</u>	<u>General Fund</u>	<u>Combined General Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ 84,071,030	\$ 84,071,030
Franchise taxes	-	41,863,247	41,863,247
Local sales tax	-	27,839,177	27,839,177
Intergovernmental	-	16,302,277	16,302,277
Licenses and permits	-	2,504,438	2,504,438
Fines and penalties	-	9,850,624	9,850,624
Rentals	387,811	2,129,515	2,517,326
Interest earnings	-	846,114	846,114
Charges for services and sales	204,930	8,060,216	8,265,146
Other	425,523	13,385,907	13,811,430
Total revenues	<u>1,018,264</u>	<u>206,852,545</u>	<u>207,870,809</u>
<b>EXPENDITURES</b>			
General government	2,447,734	29,814,755	32,262,489
Public safety	-	120,826,017	120,826,017
Highways and streets	-	18,415,915	18,415,915
Sanitation	-	2,711,481	2,711,481
Health and welfare	-	3,626,395	3,626,395
Culture and recreation	-	27,947,048	27,947,048
Total expenditures	<u>2,447,734</u>	<u>203,341,611</u>	<u>205,789,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,429,470)</u>	<u>3,510,934</u>	<u>2,081,464</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	1,040,000	5,227,338	6,267,338
Transfers to other funds	(103,680)	(6,667,420)	(6,771,100)
Total other financing sources (uses)	<u>936,320</u>	<u>(1,440,082)</u>	<u>(503,762)</u>
Net change in fund balances	<u>(493,150)</u>	<u>2,070,852</u>	<u>1,577,702</u>
Fund balances - beginning	<u>4,394,754</u>	<u>28,159,020</u>	<u>32,553,774</u>
Fund balances - ending	<u>\$ 3,901,604</u>	<u>\$ 30,229,872</u>	<u>\$ 34,131,476</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DEBT SERVICE FUND

For the year ended December 31, 2014

	<u>Economic Development TIF Districts</u>	<u>Debt Service Fund</u>	<u>Combined Debt Service Fund</u>
<b>REVENUES</b>			
Taxes	\$ 2,458,685	\$ 29,429,474	\$ 31,888,159
Special assessments	-	31,407,087	31,407,087
Local sales tax	-	159,088	159,088
Rentals	17,572	-	17,572
Sale of property	-	82,197	82,197
Interest earnings	-	546,972	546,972
Other	110,289	732,924	843,213
Total revenues	2,586,546	62,357,742	64,944,288
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	-	47,459,716	47,459,716
Interest and fiscal charges	-	16,648,479	16,648,479
Other	-	338,337	338,337
Total expenditures	-	64,446,532	64,446,532
Excess (deficiency) of revenues over (under) expenditures	2,586,546	(2,088,790)	497,756
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of long-term capital debt	-	304,140	304,140
Premiums on bonds sold	-	9,841,688	9,841,688
Payments on refunded bonds	-	(48,905,000)	(48,905,000)
Transfers from other funds	-	28,318,320	28,318,320
Transfers to other funds	(2,087,742)	(34,946,796)	(37,034,538)
Total other financing sources (uses)	(2,087,742)	(45,387,648)	(47,475,390)
Net change in fund balances	498,804	(47,476,438)	(46,977,634)
Fund balances - beginning	523,999	87,768,978	88,292,977
Fund balances - ending	\$ 1,022,803	\$ 40,292,540	\$ 41,315,343

**CITY OF WICHITA, KANSAS**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with	2013 Actual Amounts
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Local government taxes					
Property taxes	\$ 70,447,851	\$ 70,177,399	\$ 71,249,459	\$ 1,072,060	\$ 72,629,055
Delinquent property taxes	2,000,000	2,100,000	1,898,051	(201,949)	2,369,036
IRBs, in-lieu-of-taxes	8,000	50,000	47,229	(2,771)	48,016
WHA, in-lieu-of-taxes	50,000	50,000	47,708	(2,292)	45,858
Motor vehicle tax	10,256,153	10,322,536	10,828,581	506,045	10,070,871
Local sales tax	28,075,417	27,996,072	27,839,177	(156,895)	27,071,126
Franchise taxes	40,176,066	42,732,219	41,863,247	(868,972)	39,282,857
<b>Total local government taxes</b>	<b>151,013,487</b>	<b>153,428,226</b>	<b>153,773,452</b>	<b>345,226</b>	<b>151,516,819</b>
Licenses and permits	2,766,464	2,775,444	2,504,438	(271,006)	2,511,065
Fines and penalties	12,131,388	10,613,000	9,850,624	(762,376)	9,385,629
Intergovernmental	16,004,528	16,078,345	16,302,277	223,932	15,922,483
Charges for services and sales	9,221,570	8,464,927	8,060,216	(404,711)	7,894,592
Rental/lease income	2,430,420	2,335,029	2,129,515	(205,514)	2,267,190
Interest earnings	180,000	480,000	846,114	366,114	562,029
Reimbursed expenditures	4,287,729	11,388,092	10,482,217	(905,875)	3,831,237
Administrative fees	3,318,670	3,307,765	3,275,371	(32,394)	3,340,436
<b>Total revenues</b>	<b>201,354,256</b>	<b>208,870,828</b>	<b>207,224,224</b>	<b>(1,646,604)</b>	<b>197,231,480</b>
<b>EXPENDITURES</b>					
City Council:					
Personnel services	629,840	635,226	618,931	16,295	597,853
Contractual services	100,600	115,780	91,678	24,102	107,233
Materials and supplies	20,100	30,100	29,171	929	21,027
<b>Total City Council</b>	<b>750,540</b>	<b>781,106</b>	<b>739,780</b>	<b>41,326</b>	<b>726,113</b>
City Manager:					
Personnel services	1,843,145	1,883,289	1,858,139	25,150	1,781,053
Contractual services	568,512	472,199	245,070	227,129	263,861
Materials and supplies	70,710	69,960	17,005	52,955	14,057
Contingency	50,000	50,000	-	50,000	-
<b>Total City Manager</b>	<b>2,532,367</b>	<b>2,475,448</b>	<b>2,120,214</b>	<b>355,234</b>	<b>2,058,971</b>
Department of Finance:					
Personnel services	3,857,982	3,897,292	3,465,797	431,495	3,333,597
Contractual services	755,367	754,321	634,033	120,288	654,791
Materials and supplies	27,480	27,480	22,912	4,568	19,669
Other expenditures	150,000	150,000	-	150,000	-
<b>Total Department of Finance</b>	<b>4,790,829</b>	<b>4,829,093</b>	<b>4,122,742</b>	<b>706,351</b>	<b>4,008,057</b>
Law Department:					
Personnel services	2,270,700	2,315,483	1,998,743	316,740	2,024,755
Contractual services	267,523	328,875	327,753	1,122	320,551
Materials and supplies	16,520	16,520	6,136	10,384	6,054
Contingency	-	(40,000)	-	(40,000)	-
<b>Total Law Department</b>	<b>2,554,743</b>	<b>2,620,878</b>	<b>2,332,632</b>	<b>288,246</b>	<b>2,351,360</b>

**CITY OF WICHITA, KANSAS**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Municipal Court:					
Personnel services	\$ 5,071,088	\$ 5,063,684	\$ 4,537,216	\$ 526,468	\$ 4,304,783
Contractual services	1,740,545	1,780,448	1,524,130	256,318	1,514,845
Materials and supplies	59,699	59,770	44,945	14,825	33,971
<b>Total Municipal Court</b>	<b>6,871,332</b>	<b>6,903,902</b>	<b>6,106,291</b>	<b>797,611</b>	<b>5,853,599</b>
Fire Department:					
Personnel services	39,138,797	39,232,189	39,223,443	8,746	39,335,115
Contractual services	2,457,742	2,545,627	2,510,809	34,818	2,460,219
Materials and supplies	1,036,159	1,011,650	919,159	92,491	987,903
Contingency	(330,920)	-	-	-	-
<b>Total Fire Department</b>	<b>42,301,778</b>	<b>42,789,466</b>	<b>42,653,411</b>	<b>136,055</b>	<b>42,783,237</b>
Police Department:					
Personnel services	71,941,293	70,701,054	68,226,197	2,474,857	67,154,999
Contractual services	7,169,642	7,318,336	7,287,408	30,928	6,954,883
Materials and supplies	2,509,300	2,621,472	2,271,048	350,424	2,468,287
Other expenditures	35,430	35,430	36,781	(1,351)	10,000
Contingency	(2,176,175)	(1,632,431)	-	(1,632,431)	-
<b>Total Police Department</b>	<b>79,479,490</b>	<b>79,043,861</b>	<b>77,821,434</b>	<b>1,222,427</b>	<b>76,588,169</b>
Housing & Community Services:					
Personnel services	87,701	134,793	78,965	55,828	38,886
Contractual services	3,590	23,590	51	23,539	-
Contingency	-	(50,000)	-	(50,000)	-
<b>Total Housing &amp; Community Services</b>	<b>91,291</b>	<b>108,383</b>	<b>79,016</b>	<b>29,367</b>	<b>38,886</b>
Library:					
Personnel services	6,240,194	6,122,660	5,688,650	434,010	5,578,703
Contractual services	1,172,953	1,199,255	1,156,518	42,737	1,081,934
Materials and supplies	757,412	757,482	757,461	21	758,418
Contingency	(99,840)	(78,191)	-	(78,191)	-
Engineering overhead	-	-	-	-	3,119
<b>Total Library</b>	<b>8,070,719</b>	<b>8,001,206</b>	<b>7,602,629</b>	<b>398,577</b>	<b>7,422,174</b>
CMO - Cultural Arts Division:					
Personnel services	4,767,022	4,272,666	4,177,327	95,339	4,007,646
Contractual services	2,779,327	3,236,622	3,231,847	4,775	3,263,863
Materials and supplies	221,500	186,283	163,593	22,690	176,337
Other expenditures	60,000	60,000	52,544	7,456	58,018
Contingency	6,801	(50,804)	-	(50,804)	-
<b>Total CMO - Cultural Arts Division</b>	<b>7,834,650</b>	<b>7,704,767</b>	<b>7,625,311</b>	<b>79,456</b>	<b>7,505,864</b>

## CITY OF WICHITA, KANSAS

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with	2013
	Original	Final		Final Budget - Positive (Negative)	
<b>Public Works &amp; Utilities:</b>					
Personnel services	\$ 7,398,039	\$ 6,587,321	\$ 6,591,190	\$ (3,869)	\$ 6,580,566
Contractual services	6,963,059	7,214,162	7,388,817	(174,655)	7,120,758
Materials and supplies	831,874	935,330	903,108	32,222	925,003
Capital outlay	-	-	-	-	14,833
Contingency	(173,922)	(92,621)	-	(92,621)	-
<b>Total Public Works &amp; Utilities</b>	<b>15,019,050</b>	<b>14,644,192</b>	<b>14,883,115</b>	<b>(238,923)</b>	<b>14,641,160</b>
<b>Park:</b>					
Personnel services	8,544,169	8,403,830	7,617,189	786,641	7,697,502
Contractual services	4,474,129	4,935,710	4,554,858	380,852	4,094,802
Materials and supplies	847,118	957,564	742,727	214,837	699,425
Capital outlay	20,000	33,000	30,174	2,826	5,595
Other expenditures	37,225	55,070	34,322	20,748	27,186
Contingency	(435,818)	(581,290)	-	(581,290)	-
<b>Total Park</b>	<b>13,486,823</b>	<b>13,803,884</b>	<b>12,979,270</b>	<b>824,614</b>	<b>12,524,510</b>
<b>Non Departmental:</b>					
Personnel services	1,236,936	-	1,328	(1,328)	-
Contractual services	3,214,485	4,040,985	3,738,822	302,163	3,253,237
Materials and supplies	46,485	46,485	23,072	23,413	30,410
Contingency	(2,927,713)	(2,420,847)	45,440	(2,466,287)	44,223
<b>Total Non Departmental</b>	<b>1,570,193</b>	<b>1,666,623</b>	<b>3,808,662</b>	<b>(2,142,039)</b>	<b>3,327,870</b>
<b>Metropolitan Area Building &amp; Construction:</b>					
Personnel services	522,292	529,223	524,450	4,773	455,436
Contractual services	335,711	321,469	317,353	4,116	317,533
Materials and supplies	12,084	18,984	7,010	11,974	11,578
<b>Total Metropolitan Area Building &amp; Construction</b>	<b>870,087</b>	<b>869,676</b>	<b>848,813</b>	<b>20,863</b>	<b>784,547</b>
<b>Human Resources:</b>					
Personnel services	1,234,218	1,275,840	1,200,061	75,779	1,006,874
Contractual services	118,917	128,665	115,236	13,429	126,810
Materials and supplies	11,000	11,000	8,537	2,463	9,191
<b>Total Human Resources</b>	<b>1,364,135</b>	<b>1,415,505</b>	<b>1,323,834</b>	<b>91,671</b>	<b>1,142,875</b>

**CITY OF WICHITA, KANSAS**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Public Works-Gas Tax:					
Personnel services	\$ 10,204,512	\$ 10,375,376	\$ 8,938,048	\$ 1,437,328	\$ 8,562,879
Contractual services	7,341,519	7,660,336	7,232,252	428,084	6,458,305
Materials and supplies	2,713,272	3,250,615	2,827,718	422,897	2,285,641
Capital outlay	120,000	122,000	50,000	72,000	86,188
Other expenditures	-	-	-	-	26,266
Contingency	(476,111)	(1,576,039)	-	(1,576,039)	-
Engineering overhead	228,000	228,000	103,813	124,187	117,262
Total Public Works-Gas Tax	<u>20,131,192</u>	<u>20,060,288</u>	<u>19,151,831</u>	<u>908,457</u>	<u>17,536,541</u>
Total expenditures	<u>207,719,219</u>	<u>207,718,278</u>	<u>204,198,985</u>	<u>3,519,293</u>	<u>199,293,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,364,963)</u>	<u>1,152,550</u>	<u>3,025,239</u>	<u>1,872,689</u>	<u>(2,062,453)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	13,099,910	5,583,338	5,227,338	(356,000)	10,637,891
Transfers to other funds	<u>(6,734,947)</u>	<u>(6,735,888)</u>	<u>(6,667,420)</u>	<u>68,468</u>	<u>(6,572,427)</u>
Total other financing sources (uses)	<u>6,364,963</u>	<u>(1,152,550)</u>	<u>(1,440,082)</u>	<u>(287,532)</u>	<u>4,065,464</u>
Net change in fund balances	-	-	1,585,157	1,585,157	2,003,011
Unencumbered fund balances - beginning	<u>25,158,811</u>	<u>25,158,811</u>	<u>25,339,974</u>	<u>181,163</u>	<u>23,336,963</u>
Unencumbered fund balances - ending	<u>\$ 25,158,811</u>	<u>\$ 25,158,811</u>	<u>\$ 26,925,131</u>	<u>\$ 1,766,320</u>	<u>\$ 25,339,974</u>

The 2014 certified expenditure budget is \$228,454,166 including an appropriated reserve of \$14,000,000.

**CITY OF WICHITA, KANSAS**

**GENERAL FUND - ECONOMIC DEVELOPMENT SUBFUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 192,500	\$ 192,500	\$ 204,930	\$ 12,430	\$ 338,503
Rental/lease income	396,656	396,656	387,811	(8,845)	520,251
Other revenue	115,695	115,695	138,316	22,621	177,313
Administrative fees	300,000	300,000	287,601	(12,399)	336,975
<b>Total revenues</b>	<b>1,004,851</b>	<b>1,004,851</b>	<b>1,018,658</b>	<b>13,807</b>	<b>1,373,042</b>
<b>EXPENDITURES</b>					
General Government:					
Personnel services	456,574	456,574	435,682	20,892	449,996
Contractual services	1,424,835	1,424,835	1,475,008	(50,173)	1,913,958
Materials and supplies	22,450	22,450	3,691	18,759	14,979
Capital outlay	-	-	-	-	907
Other operating expenditures	2,313,734	2,313,734	117,391	2,196,343	612,873
<b>Total expenditures</b>	<b>4,217,593</b>	<b>4,217,593</b>	<b>2,031,772</b>	<b>2,185,821</b>	<b>2,992,713</b>
Excess (deficiency) of revenues over (under) expenditures	(3,212,742)	(3,212,742)	(1,013,114)	2,199,628	(1,619,671)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	1,040,000	1,040,000	1,040,000	-	1,040,000
Transfers to other funds	(103,680)	(103,680)	(103,680)	-	(114,180)
<b>Total other financing sources (uses)</b>	<b>936,320</b>	<b>936,320</b>	<b>936,320</b>	<b>-</b>	<b>925,820</b>
Net change in fund balances	(2,276,422)	(2,276,422)	(76,794)	2,199,628	(693,851)
Unencumbered fund balances - beginning	2,487,104	2,487,104	3,308,379	821,275	4,002,230
Unencumbered fund balances - ending	<u>\$ 210,682</u>	<u>\$ 210,682</u>	<u>\$ 3,231,585</u>	<u>\$ 3,020,903</u>	<u>\$ 3,308,379</u>

**CITY OF WICHITA, KANSAS**  
**HOMELESSNESS ASSISTANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 191,368	\$ 191,368	\$ 162,005	\$ (29,363)	\$ 169,846
Total revenues	<u>191,368</u>	<u>191,368</u>	<u>162,005</u>	<u>(29,363)</u>	<u>169,846</u>
<b>EXPENDITURES</b>					
Health and Welfare:					
Contractual services	382,736	382,736	324,355	58,381	340,115
Total expenditures	<u>382,736</u>	<u>382,736</u>	<u>324,355</u>	<u>58,381</u>	<u>340,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,368)</u>	<u>(191,368)</u>	<u>(162,350)</u>	<u>29,018</u>	<u>(170,269)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	191,368	191,368	162,350	(29,018)	170,269
Total other financing sources (uses)	<u>191,368</u>	<u>191,368</u>	<u>162,350</u>	<u>(29,018)</u>	<u>170,269</u>
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WICHITA, KANSAS**  
**TOURISM AND CONVENTION PROMOTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 6,222,452	\$ 6,222,452	\$ 6,754,302	\$ 531,850	\$ 6,360,256
Other revenue	-	-	63,283	63,283	59,175
Total revenues	6,222,452	6,222,452	6,817,585	595,133	6,419,431
<b>EXPENDITURES</b>					
Culture and Recreation:					
Contractual services	2,694,909	2,694,909	3,155,214	(460,305)	2,582,537
Total expenditures	2,694,909	2,694,909	3,155,214	(460,305)	2,582,537
Excess (deficiency) of revenues over (under) expenditures	3,527,543	3,527,543	3,662,371	134,828	3,836,894
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(5,452,644)	(5,452,644)	(2,845,366)	2,607,278	(3,838,572)
Total other financing sources (uses)	(5,452,644)	(5,452,644)	(2,845,366)	2,607,278	(3,838,572)
Net change in fund balances	(1,925,101)	(1,925,101)	817,005	2,742,106	(1,678)
Unencumbered fund balances - beginning	2,319,498	2,319,498	2,694,832	375,334	2,696,510
Unencumbered fund balances - ending	\$ 394,397	\$ 394,397	\$ 3,511,837	\$ 3,117,440	\$ 2,694,832

**CITY OF WICHITA, KANSAS**  
**SPECIAL ALCOHOL PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 1,867,348	\$ 1,867,348	\$ 1,867,486	\$ 138	\$ 1,862,049
Other revenue	-	-	-	-	207,763
Total revenues	<u>1,867,348</u>	<u>1,867,348</u>	<u>1,867,486</u>	<u>138</u>	<u>2,069,812</u>
<b>EXPENDITURES</b>					
Health and Welfare:					
Contractual services	1,789,829	1,789,829	1,627,073	162,756	1,829,763
Other operating expenditures	175,000	175,000	175,000	-	125,000
Total expenditures	<u>1,964,829</u>	<u>1,964,829</u>	<u>1,802,073</u>	<u>162,756</u>	<u>1,954,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,481)</u>	<u>(97,481)</u>	<u>65,413</u>	<u>162,894</u>	<u>115,049</u>
Net change in fund balances	(97,481)	(97,481)	65,413	162,894	115,049
Unencumbered fund balances - beginning	<u>134,460</u>	<u>134,460</u>	<u>394,730</u>	<u>260,270</u>	<u>279,681</u>
Unencumbered fund balances - ending	<u>\$ 36,979</u>	<u>\$ 36,979</u>	<u>\$ 460,143</u>	<u>\$ 423,164</u>	<u>\$ 394,730</u>

**CITY OF WICHITA, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 1,867,348	\$ 1,867,348	\$ 1,867,486	\$ 138	\$ 1,862,049
Total revenues	1,867,348	1,867,348	1,867,486	138	1,862,049
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(1,867,348)	(1,867,348)	(1,867,348)	-	(1,818,718)
Total other financing sources (uses)	(1,867,348)	(1,867,348)	(1,867,348)	-	(1,818,718)
Net change in fund balances	-	-	138	138	43,331
Unencumbered fund balances - beginning	-	-	43,331	43,331	-
Unencumbered fund balances - ending	\$ -	\$ -	\$ 43,469	\$ 43,469	\$ 43,331

**CITY OF WICHITA, KANSAS**

**LANDFILL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 1,135,160	\$ 1,135,160	\$ 1,001,230	\$ (133,930)	\$ 1,143,761
Rental/lease income	64,000	64,000	4,032	(59,968)	13,122
Other revenue	-	-	2,010	2,010	7,743
<b>Total revenues</b>	<b>1,199,160</b>	<b>1,199,160</b>	<b>1,007,272</b>	<b>(191,888)</b>	<b>1,164,626</b>
<b>EXPENDITURES</b>					
Sanitation:					
Personnel services	-	-	5,469	(5,469)	47,498
Contractual services	921,783	921,783	890,000	31,783	539,038
Materials and supplies	11,971	11,971	3,608	8,363	7,888
Other operating expenditures	3,350,000	3,350,000	350,000	3,000,000	-
<b>Total expenditures</b>	<b>4,283,754</b>	<b>4,283,754</b>	<b>1,249,077</b>	<b>3,034,677</b>	<b>594,424</b>
Excess (deficiency) of revenues over (under) expenditures	(3,084,594)	(3,084,594)	(241,805)	2,842,789	570,202
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	-	-	-	-	(300,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(300,000)</b>
<b>Net change in fund balances</b>	<b>(3,084,594)</b>	<b>(3,084,594)</b>	<b>(241,805)</b>	<b>2,842,789</b>	<b>270,202</b>
Unencumbered fund balances - beginning	3,245,947	3,245,947	3,641,621	395,674	3,371,419
Unencumbered fund balances - ending	\$ 161,353	\$ 161,353	\$ 3,399,816	\$ 3,238,463	\$ 3,641,621

**CITY OF WICHITA, KANSAS**  
**LANDFILL POST-CLOSURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Other revenue	\$ -	\$ -	\$ 1,136,066	\$ 1,136,066	\$ -
Total revenues	-	-	1,136,066	1,136,066	-
<b>EXPENDITURES</b>					
Sanitation:					
Personnel services	280,077	227,836	213,533	14,303	202,221
Contractual services	703,904	604,691	192,319	412,372	186,512
Materials and supplies	18,895	118,523	11,817	106,706	20,027
Capital outlay	-	-	15,999	(15,999)	-
Other operating expenditures	16,803,503	-	-	-	-
Total expenditures	17,806,379	951,050	433,668	517,382	408,760
Excess (deficiency) of revenues over (under) expenditures	(17,806,379)	(951,050)	702,398	1,653,448	(408,760)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(450,000)	(8,000,000)	(8,000,000)	-	(300,000)
Total other financing sources (uses)	(450,000)	(8,000,000)	(8,000,000)	-	(300,000)
Net change in fund balances	(18,256,379)	(8,951,050)	(7,297,602)	1,653,448	(708,760)
Unencumbered fund balances - beginning	19,121,191	19,121,191	19,707,762	586,571	20,416,522
Unencumbered fund balances - ending	<u>\$ 864,812</u>	<u>\$ 10,170,141</u>	<u>\$ 12,410,160</u>	<u>\$ 2,240,019</u>	<u>\$ 19,707,762</u>

**CITY OF WICHITA, KANSAS**  
**METROPOLITAN AREA BUILDING AND CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with	2013
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 586	\$ 586	\$ -	\$ (586)	\$ -
Licenses	610,215	610,215	561,066	(49,149)	583,596
Permits	4,286,963	4,286,963	4,173,350	(113,613)	4,371,934
Fines and penalties	11,988	11,988	6,870	(5,118)	5,513
Charges for services and sales	900,832	900,832	868,575	(32,257)	908,863
Other revenue	1,000	1,000	98,286	97,286	-
Total revenues	<u>5,811,584</u>	<u>5,811,584</u>	<u>5,708,147</u>	<u>(103,437)</u>	<u>5,869,906</u>
<b>EXPENDITURES</b>					
Public Safety:					
Personnel services	3,967,682	3,967,682	3,641,236	326,446	3,917,287
Contractual services	1,131,526	1,131,526	1,586,503	(454,977)	1,205,269
Materials and supplies	70,098	70,098	67,735	2,363	80,002
Other operating expenditures	1,073,183	1,073,183	73,989	999,194	762,431
Total expenditures	<u>6,242,489</u>	<u>6,242,489</u>	<u>5,369,463</u>	<u>873,026</u>	<u>5,964,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(430,905)</u>	<u>(430,905)</u>	<u>338,684</u>	<u>769,589</u>	<u>(95,083)</u>
Net change in fund balances	(430,905)	(430,905)	338,684	769,589	(95,083)
Unencumbered fund balances - beginning	<u>672,268</u>	<u>672,268</u>	<u>962,447</u>	<u>290,179</u>	<u>1,057,530</u>
Unencumbered fund balances - ending	<u>\$ 241,363</u>	<u>\$ 241,363</u>	<u>\$ 1,301,131</u>	<u>\$ 1,059,768</u>	<u>\$ 962,447</u>

**CITY OF WICHITA, KANSAS**  
**DOWNTOWN PARKING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with	2013
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Charges for services and sales	\$ 770,081	\$ 770,081	\$ 1,533,980	\$ 763,899	\$ 274,110
Rental/lease income	460,000	460,000	117,583	(342,417)	644
Other revenue	33,600	33,600	102,981	69,381	-
Total revenues	<u>1,263,681</u>	<u>1,263,681</u>	<u>1,754,544</u>	<u>490,863</u>	<u>274,754</u>
<b>EXPENDITURES</b>					
General Government:					
Personnel services	-	-	1,618	(1,618)	-
Contractual services	1,042,767	1,042,767	597,463	445,304	197,800
Materials and supplies	20,120	20,120	10,736	9,384	-
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenditures	667,695	667,695	77,725	589,970	66,841
Total expenditures	<u>1,740,582</u>	<u>1,740,582</u>	<u>687,542</u>	<u>1,053,040</u>	<u>264,641</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(476,901)</u>	<u>(476,901)</u>	<u>1,067,002</u>	<u>1,543,903</u>	<u>10,113</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	590,757	590,757	-	(590,757)	-
Transfers to other funds	(110,500)	(110,500)	(10,500)	100,000	-
Total other financing sources (uses)	<u>480,257</u>	<u>480,257</u>	<u>(10,500)</u>	<u>(490,757)</u>	<u>-</u>
Net change in fund balances	3,356	3,356	1,056,502	1,053,146	10,113
Unencumbered fund balances - beginning	<u>77,863</u>	<u>77,863</u>	<u>87,976</u>	<u>10,113</u>	<u>77,863</u>
Unencumbered fund balances - ending	<u>\$ 81,219</u>	<u>\$ 81,219</u>	<u>\$ 1,144,478</u>	<u>\$ 1,063,259</u>	<u>\$ 87,976</u>

**CITY OF WICHITA, KANSAS**  
**STATE OFFICE BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ -	\$ -	\$ 37,954	\$ 37,954	\$ 40,215
Rental/lease income	65,000	65,000	84,952	19,952	130,171
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>122,906</u>	<u>57,906</u>	<u>170,386</u>
<b>EXPENDITURES</b>					
General Government:					
Personnel services	-	-	-	-	155
Contractual services	66,276	66,276	268,077	(201,801)	292,708
Materials and supplies	-	-	1,032	(1,032)	6,980
Other operating expenditures	575,000	575,000	360	574,640	-
Total expenditures	<u>641,276</u>	<u>641,276</u>	<u>269,469</u>	<u>371,807</u>	<u>299,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(576,276)</u>	<u>(576,276)</u>	<u>(146,563)</u>	<u>429,713</u>	<u>(129,457)</u>
Net change in fund balances	(576,276)	(576,276)	(146,563)	429,713	(129,457)
Unencumbered fund balances - beginning	<u>604,466</u>	<u>604,466</u>	<u>475,355</u>	<u>(129,111)</u>	<u>604,812</u>
Unencumbered fund balances - ending	<u>\$ 28,190</u>	<u>\$ 28,190</u>	<u>\$ 328,792</u>	<u>\$ 300,602</u>	<u>\$ 475,355</u>

**CITY OF WICHITA, KANSAS**  
**GILBERT AND MOSLEY TIF DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 2,670,440	\$ 2,670,440	\$ 2,681,555	\$ 11,115	\$ 2,721,226
Other revenue	110,000	110,000	513,807	403,807	261,326
Total revenues	<u>2,780,440</u>	<u>2,780,440</u>	<u>3,195,362</u>	<u>414,922</u>	<u>2,982,552</u>
<b>EXPENDITURES</b>					
Health and Welfare:					
Contractual services	1,219,481	1,219,481	423,786	795,695	335,151
Materials and supplies	48,124	48,124	28,995	19,129	27,170
Other operating expenditures	6,893,138	6,893,138	192,470	6,700,668	189,837
Total expenditures	<u>8,160,743</u>	<u>8,160,743</u>	<u>645,251</u>	<u>7,515,492</u>	<u>552,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,380,303)</u>	<u>(5,380,303)</u>	<u>2,550,111</u>	<u>7,930,414</u>	<u>2,430,394</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(372,595)</u>	<u>(372,595)</u>	<u>(350,700)</u>	<u>21,895</u>	<u>(366,910)</u>
Total other financing sources (uses)	<u>(372,595)</u>	<u>(372,595)</u>	<u>(350,700)</u>	<u>21,895</u>	<u>(366,910)</u>
Net change in fund balances	(5,752,898)	(5,752,898)	2,199,411	7,952,309	2,063,484
Unencumbered fund balances - beginning	<u>6,068,593</u>	<u>6,068,593</u>	<u>8,554,641</u>	<u>2,486,048</u>	<u>6,491,157</u>
Unencumbered fund balances - ending	<u>\$ 315,695</u>	<u>\$ 315,695</u>	<u>\$ 10,754,052</u>	<u>\$ 10,438,357</u>	<u>\$ 8,554,641</u>

**CITY OF WICHITA, KANSAS**  
**NORTH INDUSTRIAL CORRIDOR TIF DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with	2013
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 1,165,500	\$ 1,165,500	\$ 1,170,937	\$ 5,437	\$ 1,176,956
Other revenue	-	-	7,683	7,683	-
Total revenues	1,165,500	1,165,500	1,178,620	13,120	1,176,956
<b>EXPENDITURES</b>					
Health and Welfare:					
Contractual services	1,459,878	1,459,878	447,622	1,012,256	500,728
Materials and supplies	3,961	3,961	7,409	(3,448)	-
Capital outlay	-	-	200,652	(200,652)	-
Other operating expenditures	7,993,138	7,993,138	192,470	7,800,668	189,837
Total expenditures	9,456,977	9,456,977	848,153	8,608,824	690,565
Excess (deficiency) of revenues over (under) expenditures	(8,291,477)	(8,291,477)	330,467	8,621,944	486,391
Net change in fund balances	(8,291,477)	(8,291,477)	330,467	8,621,944	486,391
Unencumbered fund balances - beginning	8,673,939	8,673,939	9,648,937	974,998	9,162,546
Unencumbered fund balances - ending	\$ 382,462	\$ 382,462	\$ 9,979,404	\$ 9,596,942	\$ 9,648,937

**CITY OF WICHITA, KANSAS**

**SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 578,688	\$ 578,688	\$ 574,316	\$ (4,372)	\$ 584,171
Other revenue	44,122	44,122	-	(44,122)	-
Total revenues	<u>622,810</u>	<u>622,810</u>	<u>574,316</u>	<u>(48,494)</u>	<u>584,171</u>
<b>EXPENDITURES</b>					
General Government:					
Contractual services	<u>622,810</u>	<u>622,810</u>	<u>574,316</u>	<u>48,494</u>	<u>584,171</u>
Total expenditures	<u>622,810</u>	<u>622,810</u>	<u>574,316</u>	<u>48,494</u>	<u>584,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WICHITA, KANSAS**  
**CITY/COUNTY FLOOD CONTROL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 1,020,209	\$ 1,020,209	\$ 978,215	\$ (41,994)	\$ 898,967
Charges for services and sales	-	-	5,959	5,959	-
Other revenue	-	-	37,078	37,078	173
<b>Total revenues</b>	<b>1,020,209</b>	<b>1,020,209</b>	<b>1,021,252</b>	<b>1,043</b>	<b>899,140</b>
<b>EXPENDITURES</b>					
Public Safety:					
Personnel services	1,194,426	1,194,426	1,170,729	23,697	1,075,391
Contractual services	533,524	533,524	617,906	(84,382)	483,401
Materials and supplies	309,964	309,964	210,832	99,132	239,315
Other operating expenditures	2,504	2,504	-	2,504	-
<b>Total expenditures</b>	<b>2,040,418</b>	<b>2,040,418</b>	<b>1,999,467</b>	<b>40,951</b>	<b>1,798,107</b>
Excess (deficiency) of revenues over (under) expenditures	(1,020,209)	(1,020,209)	(978,215)	41,994	(898,967)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	1,020,209	1,020,209	978,215	(41,994)	898,967
<b>Total other financing sources (uses)</b>	<b>1,020,209</b>	<b>1,020,209</b>	<b>978,215</b>	<b>(41,994)</b>	<b>898,967</b>
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF WICHITA, KANSAS**  
**CITY/COUNTY METROPOLITAN AREA PLANNING DEPARTMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 740,341	\$ 740,341	\$ 717,936	\$ (22,405)	\$ 685,404
Charges for services and sales	182,343	182,343	156,585	(25,758)	168,794
Other revenue	-	-	-	-	20
Total revenues	922,684	922,684	874,521	(48,163)	854,218
<b>EXPENDITURES</b>					
General Government:					
Personnel services	1,460,645	1,460,645	1,467,068	(6,423)	1,408,231
Contractual services	134,909	134,909	103,163	31,746	100,627
Materials and supplies	17,080	17,080	8,226	8,854	16,764
Other operating expenditures	36,391	36,391	-	36,391	-
Total expenditures	1,649,025	1,649,025	1,578,457	70,568	1,525,622
Excess (deficiency) of revenues over (under) expenditures	(726,341)	(726,341)	(703,936)	22,405	(671,404)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	740,341	740,341	717,936	(22,405)	685,404
Transfers to other funds	(14,000)	(14,000)	(14,000)	-	(14,000)
Total other financing sources (uses)	726,341	726,341	703,936	(22,405)	671,404
Net change in fund balances	-	-	-	-	-
Unencumbered fund balances - beginning	-	-	-	-	-
Unencumbered fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF WICHITA, KANSAS**  
**SALES TAX CONSTRUCTION PLEDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 28,075,417	\$ 28,075,417	\$ 28,144,716	\$ 69,299	\$ 27,270,769
Total revenues	28,075,417	28,075,417	28,144,716	69,299	27,270,769
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(34,685,956)	(34,685,956)	(25,999,903)	8,686,053	(28,003,853)
Total other financing sources (uses)	(34,685,956)	(34,685,956)	(25,999,903)	8,686,053	(28,003,853)
Net change in fund balances	(6,610,539)	(6,610,539)	2,144,813	8,755,352	(733,084)
Unencumbered fund balances - beginning	8,137,956	8,137,956	8,267,737	129,781	9,000,821
Unencumbered fund balances - ending	<u>\$ 1,527,417</u>	<u>\$ 1,527,417</u>	<u>\$ 10,412,550</u>	<u>\$ 8,885,133</u>	<u>\$ 8,267,737</u>

**CITY OF WICHITA, KANSAS**

**DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with	2013
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 24,990,465	\$ 24,878,930	\$ 25,266,668	\$ 387,738	\$ 23,868,654
Delinquent property taxes	900,000	900,000	617,662	(282,338)	777,267
Special assessments	34,872,055	34,358,473	29,034,879	(5,323,594)	30,309,890
Delinquent special assessments	2,140,161	2,140,161	2,372,208	232,047	2,745,704
Motor vehicle tax	3,636,784	3,658,022	3,545,144	(112,878)	3,307,653
Local sales tax	-	-	159,088	159,088	77,325
Sale of property	-	-	82,197	82,197	-
Interest earnings	-	-	347,549	347,549	10,785
Other revenue	1,282,963	1,282,963	732,925	(550,038)	275,954
<b>Total revenues</b>	<b>67,822,428</b>	<b>67,218,549</b>	<b>62,158,320</b>	<b>(5,060,229)</b>	<b>61,373,232</b>
<b>EXPENDITURES</b>					
Interest on general obligation bonds	-	6,942,086	6,250,891	691,195	8,016,062
Interest on special assessment bonds	-	9,200,632	7,818,064	1,382,568	8,578,057
Interest on HUD Section 108 loan	-	-	-	-	22,155
Interest on STAR bonds	-	-	119,643	(119,643)	-
Retirement of general obligation bonds	78,750,652	26,206,680	25,174,716	1,031,964	27,871,665
Retirement of special assessment bonds	-	25,569,475	22,285,000	3,284,475	23,450,000
Retirement of HUD Section 108 loan	-	-	-	-	350,000
Reimbursements-interfund & interdepartmental	-	-	264,892	(264,892)	112,705
Bond issuance expenditures	-	-	73,445	(73,445)	-
Other expenditures	-	5,500	-	5,500	5,542
<b>Total expenditures</b>	<b>78,750,652</b>	<b>67,924,373</b>	<b>61,986,651</b>	<b>5,937,722</b>	<b>68,406,186</b>
Excess (deficiency) of revenues over (under) expenditures	(10,928,224)	(705,824)	171,669	877,493	(7,032,954)
<b>OTHER FINANCING SOURCES (USES)</b>					
Premiums on bonds sold	-	-	146,419	146,419	646,440
Special obligation - STAR bonds	-	-	304,140	304,140	-
Transfers from other funds	25,187,026	27,489,256	28,318,320	829,064	23,170,180
Transfers to other funds - retirement of temporary notes	(18,000,000)	(28,800,000)	(25,251,527)	3,548,473	(8,948,448)
<b>Total other financing sources (uses)</b>	<b>7,187,026</b>	<b>(1,310,744)</b>	<b>3,517,352</b>	<b>4,828,096</b>	<b>14,868,172</b>
Net change in unencumbered cash balances	(3,741,198)	(2,016,568)	3,689,021	5,705,589	7,835,218
Unencumbered fund balances - as previously reported	8,703,371	30,249,054	30,249,054	-	17,799,596
Prior period adjustment	-	-	-	-	4,614,240
Unencumbered fund balances - beginning as restated	8,703,371	30,249,054	30,249,054	-	22,413,836
Unencumbered fund balances - ending	\$ 4,962,173	\$ 28,232,486	\$ 33,938,075	\$ 5,705,589	\$ 30,249,054

**CITY OF WICHITA, KANSAS**

**DEBT SERVICE FUND - EAST BANK TIF DISTRICT SUBFUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 1,581,988	\$ 1,581,988	\$ 1,625,019	\$ 43,031	\$ 1,639,473
Rental/lease income	-	-	17,572	17,572	50,027
Total revenues	1,581,988	1,581,988	1,642,591	60,603	1,689,500
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(1,580,000)	(1,580,000)	(1,580,000)	-	(1,580,000)
Total other financing sources (uses)	(1,580,000)	(1,580,000)	(1,580,000)	-	(1,580,000)
Net change in fund balances	1,988	1,988	62,591	60,603	109,500
Unencumbered fund balances - beginning	2,035	2,035	109,547	107,512	47
Unencumbered fund balances - ending	<u>\$ 4,023</u>	<u>\$ 4,023</u>	<u>\$ 172,138</u>	<u>\$ 168,115</u>	<u>\$ 109,547</u>

**CITY OF WICHITA, KANSAS**

**DEBT SERVICE FUND - 21ST STREET AND GROVE TIF DISTRICT SUBFUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 169,954	\$ 169,954	\$ 135,244	\$ (34,710)	\$ 142,587
Total revenues	169,954	169,954	135,244	(34,710)	142,587
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(165,000)	(165,000)	(155,887)	9,113	(165,000)
Total other financing sources (uses)	(165,000)	(165,000)	(155,887)	9,113	(165,000)
Net change in fund balances	4,954	4,954	(20,643)	(25,597)	(22,413)
Unencumbered fund balances - beginning	48,010	48,010	20,643	(27,367)	43,056
Unencumbered fund balances - ending	\$ 52,964	\$ 52,964	\$ -	\$ (52,964)	\$ 20,643

**CITY OF WICHITA, KANSAS**

**DEBT SERVICE FUND - OLD TOWN CINEMA TIF DISTRICT SUBFUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 350,000	\$ 350,000	\$ 291,982	\$ (58,018)	\$ 289,217
Rental/lease income	50,404	50,404	-	(50,404)	49,296
Other revenue	-	-	45,000	45,000	45,000
Total revenues	<u>400,404</u>	<u>400,404</u>	<u>336,982</u>	<u>(63,422)</u>	<u>383,513</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(400,000)	(400,000)	(336,982)	63,018	(383,513)
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(336,982)</u>	<u>63,018</u>	<u>(383,513)</u>
Net change in fund balances	404	404	-	(404)	-
Unencumbered fund balances - beginning	404	404	-	(404)	-
Unencumbered fund balances - ending	<u>\$ 808</u>	<u>\$ 808</u>	<u>\$ -</u>	<u>\$ (808)</u>	<u>\$ -</u>

**CITY OF WICHITA, KANSAS**

**DEBT SERVICE FUND - NORTHEAST REDEVELOPMENT TIF DISTRICT SUBFUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 31,600	\$ 31,600	\$ 14,779	\$ (16,821)	\$ 31,694
Total revenues	31,600	31,600	14,779	(16,821)	31,694
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(31,600)	(31,600)	(14,873)	16,727	(31,600)
Total other financing sources (uses)	(31,600)	(31,600)	(14,873)	16,727	(31,600)
Net change in fund balances	-	-	(94)	(94)	94
Unencumbered fund balances - beginning	-	-	94	94	-
Unencumbered fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ 94

**CITY OF WICHITA, KANSAS**  
**CEMETERY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Licenses	\$ 2,650	\$ 2,650	\$ 2,350	\$ (300)	\$ 1,860
Interest earnings	12,000	12,000	33,718	21,718	23,057
Other revenue	-	-	350	350	-
Total revenues	<u>14,650</u>	<u>14,650</u>	<u>36,418</u>	<u>21,768</u>	<u>24,917</u>
<b>EXPENDITURES</b>					
General Government:					
Personnel services	4,284	4,284	-	4,284	-
Contractual services	78,058	78,058	48,668	29,390	53,031
Materials and supplies	3,500	3,500	97	3,403	-
Total expenditures	<u>85,842</u>	<u>85,842</u>	<u>48,765</u>	<u>37,077</u>	<u>53,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,192)</u>	<u>(71,192)</u>	<u>(12,347)</u>	<u>58,845</u>	<u>(28,114)</u>
Net change in fund balances	(71,192)	(71,192)	(12,347)	58,845	(28,114)
Unencumbered fund balances - beginning	<u>718,706</u>	<u>718,706</u>	<u>761,784</u>	<u>43,078</u>	<u>789,898</u>
Unencumbered fund balances - ending	<u>\$ 647,514</u>	<u>\$ 647,514</u>	<u>\$ 749,437</u>	<u>\$ 101,923</u>	<u>\$ 761,784</u>

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# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS

December 31, 2014

	Golf Course System	Transit	Total
<b>ASSETS</b>			
Current assets:			
Cash and temporary investments	\$ 441,871	\$ -	\$ 441,871
Receivables, net	4,363	56,382	60,745
Due from other funds	-	65,368	65,368
Due from other agencies	-	2,307,008	2,307,008
Inventories	-	336,230	336,230
Total current assets	446,234	2,764,988	3,211,222
Noncurrent assets:			
Capital assets:			
Land	727,968	1,880,750	2,608,718
Buildings	2,820,781	12,616,447	15,437,228
Improvements other than buildings	14,316,362	626,092	14,942,454
Machinery, equipment and other assets	1,847,597	23,468,603	25,316,200
Construction in progress	-	416,459	416,459
Less accumulated depreciation	(13,948,068)	(19,708,938)	(33,657,006)
Total noncurrent assets	5,764,640	19,299,413	25,064,053
Total assets	6,210,874	22,064,401	28,275,275
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	73,532	386,677	460,209
Accrued interest payable	2,899	-	2,899
Deposits	88,111	-	88,111
Current portion of long-term obligations:			
General obligation bonds payable	695,000	-	695,000
Compensated absences	111,809	197,151	308,960
Total current liabilities	971,351	583,828	1,555,179
Noncurrent liabilities:			
Due to other funds	5,365,378	2,701,840	8,067,218
Compensated absences	2,586	-	2,586
Total noncurrent liabilities	5,367,964	2,701,840	8,069,804
Total liabilities	6,339,315	3,285,668	9,624,983
<b>NET POSITION</b>			
Net investment in capital assets	5,069,640	19,299,413	24,369,053
Restricted for capital projects	-	28,859	28,859
Unrestricted	(5,198,081)	(549,539)	(5,747,620)
Total net position	\$ (128,441)	\$ 18,778,733	\$ 18,650,292

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS

For the year ended December 31, 2014

	Golf Course System	Transit	Total
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 524,102	\$ 1,937,938	\$ 2,462,040
Fees	2,829,718	-	2,829,718
Rentals	947,401	97,309	1,044,710
Other revenue	-	383,099	383,099
Total operating revenues	4,301,221	2,418,346	6,719,567
<b>OPERATING EXPENSES</b>			
Personnel services	2,475,280	7,506,991	9,982,271
Contractual services	844,124	4,207,795	5,051,919
Materials and supplies	653,071	2,094,880	2,747,951
Other	80,175	-	80,175
Administrative charges	175,886	302,778	478,664
Depreciation	625,257	1,422,358	2,047,615
Total operating expenses	4,853,793	15,534,802	20,388,595
Operating loss	(552,572)	(13,116,456)	(13,669,028)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	8,858,958	8,858,958
Other expenses	-	(60,947)	(60,947)
Interest expense	(65,000)	-	(65,000)
Loss from sale of assets	-	(2,290)	(2,290)
Total nonoperating revenues (expenses)	(65,000)	8,795,721	8,730,721
Loss before contributions and transfers	(617,572)	(4,320,735)	(4,938,307)
Capital contributions and operating transfers:			
Capital contributions - cash	-	3,690,510	3,690,510
Capital contributions - noncash	149,559	-	149,559
Transfers from other funds	-	4,340,495	4,340,495
Change in net position	(468,013)	3,710,270	3,242,257
Net position - beginning	339,572	15,068,463	15,408,035
Net position - ending	\$ (128,441)	\$ 18,778,733	\$ 18,650,292

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS

For the year ended December 31, 2014

	Golf Course System	Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 4,384,572	\$ 2,177,960	\$ 6,562,532
Cash payments to suppliers for goods and services	(1,783,663)	(6,522,449)	(8,306,112)
Cash payments to employees for services	(2,466,779)	(7,482,737)	(9,949,516)
Other operating revenues	(2,501)	480,408	477,907
Net cash provided (used) by operating activities	131,629	(11,346,818)	(11,215,189)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	8,138,175	8,138,175
Interfund loans	-	(304,620)	(304,620)
Transfers from other funds	-	4,340,495	4,340,495
Net cash provided (used) by noncapital financing activities	-	12,174,050	12,174,050
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Additions to property, plant and equipment	-	(4,559,223)	(4,559,223)
Principal payment on long-term debt	(218,801)	-	(218,801)
Interest payment on long-term debt	(67,750)	-	(67,750)
Capital contributions	-	3,731,991	3,731,991
Net cash provided (used) by capital and related financing activities	(286,551)	(827,232)	(1,113,783)
Net decrease in cash and temporary investments	(154,922)	-	(154,922)
Cash and temporary investments - January 1	596,793	-	596,793
Cash and temporary investments - December 31	\$ 441,871	\$ -	\$ 441,871
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (552,572)	\$ (13,116,456)	\$ (13,669,028)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	625,257	1,422,358	2,047,615
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,600)	240,022	237,422
(Increase) decrease in inventory	-	(29,029)	(29,029)
Increase (decrease) in accounts payable/accrued expenses	(32,908)	112,033	79,125
Increase in deposits	85,951	-	85,951
Increase in compensated absences	8,501	24,254	32,755
Total adjustments	684,201	1,769,638	2,453,839
Net cash provided (used) by operating activities	\$ 131,629	\$ (11,346,818)	\$ (11,215,189)

**Noncash, investing, capital and financing activities:**

Contribution of capital assets	\$ 149,559	\$ -	\$ 149,559
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**CITY OF WICHITA, KANSAS**

**WATER UTILITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 82,026,600	\$ 82,434,050	\$ 77,055,290	\$ (5,378,760)	\$ 66,858,814
Fees	-	312,000	347,177	35,177	135,901
Rental/lease income	28,560	28,560	36,662	8,102	35,469
Interest earnings	-	-	14,777	14,777	129,722
Other revenue	1,000	1,000	269,472	268,472	193,474
<b>Total revenues</b>	<b>82,056,160</b>	<b>82,775,610</b>	<b>77,723,378</b>	<b>(5,052,232)</b>	<b>67,353,380</b>
<b>EXPENDITURES</b>					
Personnel services	9,546,300	9,892,709	10,488,045	(595,336)	9,549,396
Contractual services	12,622,504	12,629,168	12,129,117	500,051	11,811,395
Materials and supplies	4,862,585	5,218,962	4,883,165	335,797	4,385,141
Capital outlay	3,610,479	3,593,719	894,537	2,699,182	708,656
Other operating expenditures	779,445	3,333,853	3,333,853	-	761,172
Interest - deferred refunding revenue bonds	167,605	167,605	273,915	(106,310)	277,188
City administrative charges	684,319	684,319	684,319	-	738,797
Debt service	33,860,045	33,860,045	23,857,630	10,002,415	24,820,694
Other non-operating expenditures	6,750	6,750	183,366	(176,616)	44,491
Cost of materials used	2,110,000	2,110,000	-	2,110,000	346,010
Bond amortization cost	(304,837)	(304,837)	(1,074,943)	770,106	(859,176)
Contingency	1,049,432	-	-	-	-
Franchise taxes	3,859,335	3,230,905	3,230,905	-	4,099,364
<b>Total expenditures</b>	<b>72,853,962</b>	<b>74,423,198</b>	<b>58,883,909</b>	<b>15,539,289</b>	<b>56,683,128</b>
Excess (deficiency) of revenues over (under) expenditures	9,202,198	8,352,412	18,839,469	10,487,057	10,670,252
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(2,765,744)	(223,419)	(223,419)	-	(2,427,898)
<b>Total other financing sources (uses)</b>	<b>(2,765,744)</b>	<b>(223,419)</b>	<b>(223,419)</b>	<b>-</b>	<b>(2,427,898)</b>
Net change in unencumbered cash balances	6,436,454	8,128,993	18,616,050	10,487,057	8,242,354
Unencumbered cash - beginning	94,933,062	82,676,153	82,676,153	-	90,900,904
Decrease in other cash flows	-	-	(14,657,965)	(14,657,965)	(16,467,105)
<b>Unencumbered cash - ending</b>	<b>\$ 101,369,516</b>	<b>\$ 90,805,146</b>	<b>\$ 86,634,238</b>	<b>\$ (4,170,908)</b>	<b>\$ 82,676,153</b>

**CITY OF WICHITA, KANSAS**

**SEWER UTILITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 52,200,320	\$ 52,005,820	\$ 52,305,654	\$ 299,834	\$ 50,273,026
Rental/lease income	-	-	10,264	10,264	8,717
Interest earnings	-	-	19,900	19,900	8,667
Other revenue	160,000	185,000	14,890	(170,110)	102,443
<b>Total revenues</b>	<b>52,360,320</b>	<b>52,190,820</b>	<b>52,350,708</b>	<b>159,888</b>	<b>50,392,853</b>
<b>EXPENDITURES</b>					
Personnel services	10,326,464	10,127,489	10,037,544	89,945	9,585,333
Contractual services	7,649,630	9,560,958	8,608,191	952,767	7,461,545
Materials and supplies	4,029,697	4,201,225	4,130,924	70,301	3,550,573
Capital outlay	2,010,000	1,765,396	1,545,516	219,880	1,843,702
Other operating expenditures	482,706	2,466,942	2,466,942	-	459,994
Interest - deferred refunding revenue bonds	108,825	108,825	314,845	(206,020)	315,372
City administrative charges	304,520	304,520	304,520	-	279,057
Debt service	23,678,524	23,678,524	17,281,522	6,397,002	18,623,017
Other non-operating expenditures	1,500	1,500	53,898	(52,398)	1,500
Bond amortization cost	(246,047)	(246,047)	(886,925)	640,878	(847,116)
Contingency	274,151	25,000	-	25,000	-
Franchise taxes	2,474,107	2,486,537	2,486,537	-	2,353,603
<b>Total expenditures</b>	<b>51,094,077</b>	<b>54,480,869</b>	<b>46,343,514</b>	<b>8,137,355</b>	<b>43,626,580</b>
Excess (deficiency) of revenues over (under) expenditures	1,266,243	(2,290,049)	6,007,194	8,297,243	6,766,273
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(2,121,833)	-	-	-	(1,872,215)
<b>Total other financing sources (uses)</b>	<b>(2,121,833)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,872,215)</b>
Net change in unencumbered cash balances	(855,590)	(2,290,049)	6,007,194	8,297,243	4,894,058
Unencumbered cash - beginning	23,287,585	24,352,851	24,352,851	-	26,199,964
(Increase) decrease in other cash flows	-	-	2,386,322	2,386,322	(6,741,171)
<b>Unencumbered cash - ending</b>	<b>\$ 22,431,995</b>	<b>\$ 22,062,802</b>	<b>\$ 32,746,367</b>	<b>\$ 10,683,565</b>	<b>\$ 24,352,851</b>

**CITY OF WICHITA, KANSAS**  
**STORMWATER UTILITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNENCUMBERED CASH**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 9,062,170	\$ 9,063,670	\$ 9,315,446	\$ 251,776	\$ 9,170,164
Other revenue	-	-	89,736	89,736	31,462
Total revenues	9,062,170	9,063,670	9,405,182	341,512	9,201,626
<b>EXPENDITURES</b>					
Personnel services	2,482,469	2,482,688	2,378,423	104,265	2,251,091
Contractual services	1,881,634	1,885,916	1,804,541	81,375	1,877,704
Materials and supplies	358,154	363,688	346,809	16,879	341,368
Capital outlay	415,000	415,000	339,542	75,458	183,135
Other operating expenditures	-	587,688	587,688	-	-
City administrative charges	89,198	89,198	89,198	-	92,560
Debt service	4,697,562	4,690,244	3,536,939	1,153,305	3,832,484
Other non-operating expenditures	9,653	-	31,225	(31,225)	39,638
Bond amortization cost	-	-	(70,126)	70,126	(70,126)
Contingency	6,050,000	100,000	-	100,000	-
Total expenditures	15,983,670	10,614,422	9,044,239	1,570,183	8,547,854
Excess (deficiency) of revenues over (under) expenditures	(6,921,500)	(1,550,752)	360,943	1,911,695	653,772
<b>OTHER FINANCING USES</b>					
Transfers to other funds	(587,688)	-	-	-	(520,972)
Total other financing uses	(587,688)	-	-	-	(520,972)
Net change in unencumbered cash balances	(7,509,188)	(1,550,752)	360,943	1,911,695	132,800
Unencumbered cash - beginning	8,230,422	9,667,976	9,667,976	-	9,636,518
Decrease in other cash flows	-	-	(1,220,645)	(1,220,645)	(101,342)
Unencumbered cash - ending	\$ 721,234	\$ 8,117,224	\$ 8,808,274	\$ 691,050	\$ 9,667,976

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

December 31, 2014

	Information Technology	Fleet	Self Insurance	Total
<b>ASSETS</b>				
Current assets:				
Cash and temporary investments	\$ 1,597,122	\$ 4,232,929	\$ 40,011,641	\$ 45,841,692
Receivables, net	234	-	299,162	299,396
Inventories	-	948,777	-	948,777
Prepaid items	-	-	128,900	128,900
Total current assets	<u>1,597,356</u>	<u>5,181,706</u>	<u>40,439,703</u>	<u>47,218,765</u>
Noncurrent assets:				
Capital assets:				
Buildings	44,288	29,955	-	74,243
Improvements other than buildings	74,907	-	-	74,907
Machinery, equipment and other assets	13,960,959	27,280,757	269,600	41,511,316
Less accumulated depreciation	(12,465,991)	(21,021,159)	(269,600)	(33,756,750)
Total capital assets (net of accumulated depreciation)	<u>1,614,163</u>	<u>6,289,553</u>	<u>-</u>	<u>7,903,716</u>
Due from other funds	-	-	407,160	407,160
Total noncurrent assets	<u>1,614,163</u>	<u>6,289,553</u>	<u>407,160</u>	<u>8,310,876</u>
Total assets	<u>3,211,519</u>	<u>11,471,259</u>	<u>40,846,863</u>	<u>55,529,641</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	218,308	175,808	2,677,604	3,071,720
Current portion of long-term obligations:				
Claims payable	-	-	7,628,929	7,628,929
Capital leases payable	90,381	-	-	90,381
Compensated absences	176,596	155,542	28,727	360,865
Total current liabilities	<u>485,285</u>	<u>331,350</u>	<u>10,335,260</u>	<u>11,151,895</u>
Noncurrent liabilities:				
Claims payable	-	-	7,924,492	7,924,492
Capital leases payable	250,729	-	-	250,729
Compensated absences	8,199	3,943	1,334	13,476
Total noncurrent liabilities	<u>258,928</u>	<u>3,943</u>	<u>7,925,826</u>	<u>8,188,697</u>
Total liabilities	<u>744,213</u>	<u>335,293</u>	<u>18,261,086</u>	<u>19,340,592</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,273,053	6,289,553	-	7,562,606
Unrestricted	1,194,253	4,846,413	22,585,777	28,626,443
Total net position	<u>\$ 2,467,306</u>	<u>\$ 11,135,966</u>	<u>\$ 22,585,777</u>	<u>\$ 36,189,049</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

For the year ended December 31, 2014

	Information Technology	Fleet	Self Insurance	Total
<b>OPERATING REVENUES</b>				
Charges for services and sales	\$ 9,804,094	\$ 5,741,140	\$ -	\$ 15,545,234
Rentals	-	8,613,779	-	8,613,779
Employer contributions	-	-	33,802,664	33,802,664
Employee contributions	-	-	10,857,543	10,857,543
Other	-	185,933	2,861,102	3,047,035
Total operating revenues	<u>9,804,094</u>	<u>14,540,852</u>	<u>47,521,309</u>	<u>71,866,255</u>
<b>OPERATING EXPENSES</b>				
Personnel services	4,044,957	2,948,889	655,138	7,648,984
Contractual services	3,801,372	778,608	3,091,104	7,671,084
Materials and supplies	244,955	7,701,101	32,212	7,978,268
Cost of materials used	-	288,041	-	288,041
Administrative charges	355,369	169,907	31,665	556,941
Depreciation	428,325	2,705,257	-	3,133,582
Employee benefits	-	-	39,392,643	39,392,643
Insurance claims	-	-	4,795,141	4,795,141
Total operating expenses	<u>8,874,978</u>	<u>14,591,803</u>	<u>47,997,903</u>	<u>71,464,684</u>
Operating income (loss)	<u>929,116</u>	<u>(50,951)</u>	<u>(476,594)</u>	<u>401,571</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other expenses	-	(248,915)	-	(248,915)
Interest expense	(32,014)	-	-	(32,014)
Gain (loss) on sale of assets	-	327,763	-	327,763
Actuarial reserve adjustment	-	-	2,810,973	2,810,973
Total nonoperating revenues (expenses)	<u>(32,014)</u>	<u>78,848</u>	<u>2,810,973</u>	<u>2,857,807</u>
Income before contributions and transfers	897,102	27,897	2,334,379	3,259,378
Capital contributions - noncash	391,496	-	-	391,496
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,499,303)	-	(1,000,000)	(2,499,303)
Change in net position	(210,705)	27,897	1,584,379	1,401,571
Net position - beginning	<u>2,678,011</u>	<u>11,108,069</u>	<u>21,001,398</u>	<u>34,787,478</u>
Net position - ending	<u>\$ 2,467,306</u>	<u>\$ 11,135,966</u>	<u>\$ 22,585,777</u>	<u>\$ 36,189,049</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the year ended December 31, 2014

	Information Technology	Fleet	Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 9,804,113	\$ 14,371,083	\$ 44,649,647	\$ 68,824,843
Cash payments to suppliers for goods and services	(4,442,018)	(8,986,202)	(46,966,418)	(60,394,638)
Cash payments to employees for services	(4,026,122)	(2,966,740)	(654,117)	(7,646,979)
Other operating revenues	-	185,933	2,861,102	3,047,035
Net cash provided by operating activities	<u>1,335,973</u>	<u>2,604,074</u>	<u>(109,786)</u>	<u>3,830,261</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	250,000	250,000
Transfers to other funds	(1,499,303)	-	(1,000,000)	(2,499,303)
Net cash used in noncapital financing activities	<u>(1,499,303)</u>	<u>-</u>	<u>(750,000)</u>	<u>(2,249,303)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Additions to property, plant and equipment	(7,027)	(3,218,263)	-	(3,225,290)
Principal payment on capital lease	(93,960)	-	-	(93,960)
Interest payment on capital lease	(32,014)	-	-	(32,014)
Proceeds from sale of assets	-	332,758	-	332,758
Net cash (provided by) used in capital and related financing activities	<u>(133,001)</u>	<u>(2,885,505)</u>	<u>-</u>	<u>(3,018,506)</u>
Net decrease in cash and temporary investments	(296,331)	(281,431)	(859,786)	(1,437,548)
Cash and temporary investments - January 1	1,893,453	4,514,360	40,871,427	47,279,240
Cash and temporary investments - December 31	<u>\$ 1,597,122</u>	<u>\$ 4,232,929</u>	<u>\$ 40,011,641</u>	<u>\$ 45,841,692</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	<u>\$ 929,116</u>	<u>\$ (50,951)</u>	<u>\$ (476,594)</u>	<u>\$ 401,571</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	428,325	2,705,257	-	3,133,582
Changes in assets and liabilities:				
Decrease in accounts receivable	19	16,164	2,100	18,283
Increase in inventory	-	(3,442)	-	(3,442)
Increase in due from other funds	-	-	(12,660)	(12,660)
Increase (decrease) in accounts payable and accrued expenses	(40,322)	(45,103)	376,347	290,922
Increase (decrease) in compensated absences	18,835	(17,851)	1,021	2,005
Total adjustments	<u>406,857</u>	<u>2,655,025</u>	<u>366,808</u>	<u>3,428,690</u>
Net cash provided by (used in) operating activities	<u>\$ 1,335,973</u>	<u>\$ 2,604,074</u>	<u>\$ (109,786)</u>	<u>\$ 3,830,261</u>

**Supplemental Schedule of Noncash Investing and Financing Activities**

Contribution of capital assets	\$ 391,496	\$ -	\$ -	\$ 391,496
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# CITY OF WICHITA, KANSAS

## COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION SELF INSURANCE FUNDS

For the year ended December 31, 2014

	Life Insurance	Health Insurance	Workers' Compensation	General Liability	Total
<b>OPERATING REVENUES</b>					
Employer contributions	\$ 204,747	\$ 28,026,919	\$ 3,462,333	\$ 2,108,665	\$ 33,802,664
Employee contributions	483,101	10,374,442	-	-	10,857,543
Other	-	1,257,558	1,425,403	178,141	2,861,102
Total operating revenues	<u>687,848</u>	<u>39,658,919</u>	<u>4,887,736</u>	<u>2,286,806</u>	<u>47,521,309</u>
<b>OPERATING EXPENSES</b>					
Personnel services	-	165,975	111,670	377,493	655,138
Contractual services	-	2,384,972	572,978	133,154	3,091,104
Materials and supplies	-	7,109	162	24,941	32,212
Administrative charges	841	-	20,594	10,230	31,665
Employee benefits	686,540	38,706,103	-	-	39,392,643
Insurance claims	-	-	2,805,498	1,989,643	4,795,141
Total operating expenses	<u>687,381</u>	<u>41,264,159</u>	<u>3,510,902</u>	<u>2,535,461</u>	<u>47,997,903</u>
Operating income (loss)	<u>467</u>	<u>(1,605,240)</u>	<u>1,376,834</u>	<u>(248,655)</u>	<u>(476,594)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Actuarial reserve adjustment	-	(975,278)	2,301,709	1,484,542	2,810,973
Total nonoperating revenues (expenses)	<u>-</u>	<u>(975,278)</u>	<u>2,301,709</u>	<u>1,484,542</u>	<u>2,810,973</u>
Income (loss) before operating transfers	467	(2,580,518)	3,678,543	1,235,887	2,334,379
Operating transfers:					
Transfers from other funds	-	-	-	250,000	250,000
Transfers to other funds	-	-	-	(1,000,000)	(1,000,000)
Change in net position	467	(2,580,518)	3,678,543	485,887	1,584,379
Net position - beginning	<u>698,731</u>	<u>10,495,067</u>	<u>3,608,750</u>	<u>6,198,850</u>	<u>21,001,398</u>
Net position - ending	<u>\$ 699,198</u>	<u>\$ 7,914,549</u>	<u>\$ 7,287,293</u>	<u>\$ 6,684,737</u>	<u>\$ 22,585,777</u>

**CITY OF WICHITA, KANSAS**  
**INFORMATION TECHNOLOGY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED CASH**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 9,744,712	\$ 9,744,712	\$ 9,804,095	\$ 59,383	\$ 9,750,909
Other revenue	-	-	7,652	7,652	2,291
Total revenues	9,744,712	9,744,712	9,811,747	67,035	9,753,200
<b>EXPENDITURES</b>					
Personnel services	4,219,240	4,250,637	4,044,957	205,680	3,618,347
Contractual services	3,710,249	3,882,671	3,822,045	60,626	3,565,000
Materials and supplies	223,350	283,561	244,955	38,606	216,525
Capital outlay	-	7,025	7,025	-	-
City administrative charges	355,369	355,369	355,369	-	347,781
Debt service	194,298	123,243	125,974	(2,731)	194,624
Other operating expenditures	-	-	-	-	2,976
Cost of materials used	40,000	40,000	-	40,000	-
Contingency	400,000	-	-	-	-
Total expenditures	9,142,506	8,942,506	8,600,325	342,181	7,945,253
Excess of revenues over expenditures	602,206	802,206	1,211,422	409,216	1,807,947
<b>OTHER FINANCING USES</b>					
Transfers to other funds	(1,160,898)	(1,360,898)	(1,499,302)	(138,404)	(1,353,023)
Total other financing uses	(1,160,898)	(1,360,898)	(1,499,302)	(138,404)	(1,353,023)
Net change in unencumbered cash balances	(558,692)	(558,692)	(287,880)	270,812	454,924
Unencumbered cash - beginning	1,034,664	1,034,664	1,574,891	540,227	1,138,069
Decrease in other cash flows	-	-	18,853	18,853	(18,102)
Unencumbered cash - ending	\$ 475,972	\$ 475,972	\$ 1,305,864	\$ 829,892	\$ 1,574,891

**CITY OF WICHITA, KANSAS**

**FLEET FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED CASH  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Charges for services and sales	\$ 6,501,299	\$ 6,501,299	\$ 6,073,898	\$ (427,401)	\$ 6,975,228
Rental/lease income	8,921,900	8,921,900	8,613,779	(308,121)	8,570,524
Other revenue	549,171	549,171	190,241	(358,930)	76,902
<b>Total revenues</b>	<b>15,972,370</b>	<b>15,972,370</b>	<b>14,877,918</b>	<b>(1,094,452)</b>	<b>15,622,654</b>
<b>EXPENDITURES</b>					
Personnel services	3,733,708	3,733,708	2,948,889	784,819	2,965,950
Contractual services	910,420	910,420	837,600	72,820	794,580
Materials and supplies	7,413,290	7,413,290	7,710,936	(297,646)	8,438,752
Capital outlay	3,779,293	3,779,293	3,032,695	746,598	2,895,642
Other operating expenditures	-	-	248,915	(248,915)	-
City administrative charges	169,907	169,907	169,907	-	213,214
Other non-operating expenditures	9,129	9,129	-	9,129	-
Cost of materials used	-	-	301,381	(301,381)	(280,407)
Contingency	1,190,000	1,190,000	-	1,190,000	-
<b>Total expenditures</b>	<b>17,205,747</b>	<b>17,205,747</b>	<b>15,250,323</b>	<b>1,955,424</b>	<b>15,027,731</b>
Excess (deficiency) of revenues over (under) expenditures	(1,233,377)	(1,233,377)	(372,405)	(3,049,876)	594,923
Net change in unencumbered cash balances	(1,233,377)	(1,233,377)	(372,405)	860,972	594,923
Unencumbered cash - beginning	1,898,883	1,898,883	2,515,315	616,432	1,940,311
Decrease in other cash flows	-	-	(5,129)	(5,129)	(19,919)
Unencumbered cash - ending	\$ 665,506	\$ 665,506	\$ 2,137,781	\$ 1,472,275	\$ 2,515,315

**CITY OF WICHITA, KANSAS**

**SELF INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNENCUMBERED CASH  
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Employer contributions	\$ 38,484,511	\$ 38,484,511	\$ 33,802,663	\$ (4,681,848)	\$ 32,723,684
Employee contributions	11,431,432	11,431,432	10,857,543	(573,889)	8,579,414
Other revenue	840,743	840,743	2,861,102	2,020,359	1,268,450
<b>Total revenues</b>	<b>50,756,686</b>	<b>50,756,686</b>	<b>47,521,308</b>	<b>(3,235,378)</b>	<b>42,571,548</b>
<b>EXPENDITURES</b>					
Personnel services	1,680,855	1,850,272	1,594,502	255,770	1,532,708
Contractual services	48,038,153	47,254,030	45,467,009	1,787,021	38,902,895
Materials and supplies	114,386	130,100	32,212	97,888	45,146
Capital outlay	10,000	10,000	-	10,000	-
Other operating expenditures	246,693	241,643	241,644	(1)	243,398
City administrative charges	60,518	31,665	31,665	-	28,524
Other non-operating expenditures	658,160	808,160	731,686	76,474	849,541
Contingency	708,224	1,491,119	-	1,491,119	-
<b>Total expenditures</b>	<b>51,516,989</b>	<b>51,816,989</b>	<b>48,098,718</b>	<b>3,718,271</b>	<b>41,602,212</b>
Excess (deficiency) of revenues over (under) expenditures	(760,303)	(1,060,303)	(577,410)	482,893	969,336
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	250,000	250,000	250,000	-	250,000
Transfers to other funds	(1,300,000)	(1,000,000)	(1,000,000)	-	(700,000)
<b>Total other financing sources (uses)</b>	<b>(1,050,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>-</b>	<b>(450,000)</b>
<b>Net change in unencumbered cash balances</b>	<b>(1,810,303)</b>	<b>(1,810,303)</b>	<b>(1,327,410)</b>	<b>482,893</b>	<b>519,336</b>
Unencumbered cash - beginning	17,635,123	17,635,123	22,359,877	4,724,754	25,649,262
Decrease in other cash flows	-	-	1,022,935	1,022,935	(3,808,721)
<b>Unencumbered cash - ending</b>	<b>\$ 15,824,820</b>	<b>\$ 15,824,820</b>	<b>\$ 22,055,402</b>	<b>\$ 6,230,582</b>	<b>\$ 22,359,877</b>

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# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS December 31, 2014

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
<b>ASSETS</b>				
Cash and temporary investments	\$ 477,041	\$ 279,968	\$ 37,359	\$ 794,368
Receivables:				
Investment sales pending	6,210,395	5,619,380	177,044	12,006,819
Interest and dividends	1,320,171	1,194,536	37,635	2,552,342
Other	607,254	489,955	48,678	1,145,887
Total receivables	<u>8,137,820</u>	<u>7,303,871</u>	<u>263,357</u>	<u>15,705,048</u>
Investments, at fair value:				
Government short-term investment fund	18,368,874	16,620,791	523,655	35,513,320
Government securities: long-term	23,023,664	20,832,452	672,073	44,528,189
Corporate debt instruments: long-term	47,654,375	43,119,006	1,391,057	92,164,438
Mortgage and asset-backed securities	40,298,580	36,463,277	1,176,337	77,938,194
Corporate stocks: domestic common	225,697,502	204,217,386	6,588,230	436,503,117
Corporate stocks: international common	52,383,258	47,397,830	1,529,095	101,310,183
Real estate	33,381,234	30,204,271	974,416	64,559,921
Timber	12,274,441	11,106,255	358,297	23,738,994
Value of interest in pooled funds:				
Target date funds	-	-	3,294,383	3,294,383
Commodities	13,600,177	12,305,819	396,996	26,302,992
International fixed income	3,778,191	3,418,612	110,287	7,307,090
High yield fixed income	4,381,246	3,964,273	127,891	8,473,410
U.S. TIPS	17,371,691	15,718,390	507,089	33,597,170
Domestic equities	49,711,902	44,980,714	1,451,117	96,143,733
International equities	74,951,961	67,819,123	2,136,709	144,907,793
Securities lending short-term collateral investment pool	38,076,497	34,452,929	1,085,474	73,614,900
Total investments	<u>654,953,593</u>	<u>592,621,128</u>	<u>22,323,106</u>	<u>1,269,897,827</u>
Capital assets:				
Pension software	453,543	453,543	388,751	1,295,837
Less accumulated depreciation	(415,718)	(415,718)	(356,335)	(1,187,771)
Total capital assets (net of depreciation)	<u>37,825</u>	<u>37,825</u>	<u>32,416</u>	<u>108,066</u>
Total assets	<u>663,606,279</u>	<u>600,242,792</u>	<u>22,656,238</u>	<u>1,286,505,309</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	898,938	1,305,771	27,885	2,232,594
Investment purchases pending	13,539,788	12,251,268	385,988	26,177,044
Securities lending obligations	38,076,497	34,452,929	1,085,474	73,614,900
Total liabilities	<u>52,515,223</u>	<u>48,009,968</u>	<u>1,499,347</u>	<u>102,024,538</u>
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 611,091,056</u>	<u>\$ 552,232,824</u>	<u>\$ 21,156,891</u>	<u>\$ 1,184,480,771</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the year ended December 31, 2014

	Police and Fire Retirement System	Employees' Retirement System	Employees' Retirement Plan 3	Total
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 14,464,181	\$ 8,464,927	\$ 1,147,770	\$ 24,076,878
Employee	4,529,895	2,435,831	1,147,770	8,113,496
Total contributions	<u>18,994,076</u>	<u>10,900,758</u>	<u>2,295,540</u>	<u>32,190,374</u>
Investment income:				
From investment activities				
Net appreciation in fair value of investments	17,482,735	15,935,619	711,269	34,129,623
Interest and dividends	16,009,243	3,970,701	482,487	20,462,431
Commission recapture	11,105	10,645,153	336	10,656,594
Total investing activity income	<u>33,503,083</u>	<u>30,551,473</u>	<u>1,194,092</u>	<u>65,248,648</u>
Less investment expense	<u>(3,059,394)</u>	<u>(2,795,662)</u>	<u>(94,480)</u>	<u>(5,949,536)</u>
Net income from investing activities	30,443,689	27,755,811	1,099,612	59,299,112
From securities lending activities				
Securities lending income	114,088	105,401	4,176	223,665
Securities lending activities expenses:				
Borrower rebates	(100,165)	(89,782)	(3,076)	(193,023)
Management fees	61,875	56,368	2,640	120,883
Total securities lending activities expenses	<u>(38,290)</u>	<u>(33,414)</u>	<u>(436)</u>	<u>(72,140)</u>
Net income from securities lending activities	152,378	138,815	4,612	295,805
Total net investment income	<u>30,596,067</u>	<u>27,894,626</u>	<u>1,104,224</u>	<u>59,594,917</u>
Reclassifications due to participant conversion	-	2,942,734	-	2,942,734
Total additions	<u>49,590,143</u>	<u>41,738,118</u>	<u>3,399,764</u>	<u>94,728,025</u>
<b>DEDUCTIONS</b>				
Pension benefits	35,957,733	36,778,689	-	72,736,422
Pension administration	478,320	441,869	64,686	984,875
Depreciation	63,887	63,888	54,768	182,543
Employee contributions refunded	457,423	400,433	1,107,222	1,965,078
Reclassifications due to participant conversion	-	-	2,942,734	2,942,734
Total deductions	<u>36,957,363</u>	<u>37,684,879</u>	<u>4,169,410</u>	<u>78,811,652</u>
Change in net position	12,632,780	4,053,239	(769,646)	15,916,373
Net position - beginning	<u>598,458,276</u>	<u>548,179,585</u>	<u>21,926,537</u>	<u>1,168,564,398</u>
Net position - ending	<u>\$ 611,091,056</u>	<u>\$ 552,232,824</u>	<u>\$ 21,156,891</u>	<u>\$ 1,184,480,771</u>

# CITY OF WICHITA, KANSAS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

For the year ended December 31, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Payroll Liability Fund</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ -	\$ 127,117,059	\$ 127,117,059	\$ -
Accounts receivable	984,085	1,147,046	-	2,131,131
Total assets	\$ 984,085	\$ 128,264,105	\$ 127,117,059	\$ 2,131,131
<b>LIABILITIES</b>				
Accounts payable	\$ 984,085	\$ 182,428,065	\$ 181,281,019	\$ 2,131,131
Total liabilities	\$ 984,085	\$ 182,428,065	\$ 181,281,019	\$ 2,131,131
 <u>Special Assessment Advance Payments Fund</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 2,403,721	\$ 2,866,277	\$ 3,295,582	\$ 1,974,416
Investments	2,369,564	2,017,493	2,001,250	2,385,807
Total assets	\$ 4,773,285	\$ 4,883,770	\$ 5,296,832	\$ 4,360,223
<b>LIABILITIES</b>				
Accounts payable	\$ 444	\$ 4,597	\$ 5,041	\$ -
Deposits	4,772,841	865,028	1,277,646	4,360,223
Total liabilities	\$ 4,773,285	\$ 869,625	\$ 1,282,687	\$ 4,360,223
 <u>Neighborhood Revitalization Fund</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 51,084	\$ 701,940	\$ 605,581	\$ 147,443
Total assets	\$ 51,084	\$ 701,940	\$ 605,581	\$ 147,443
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 605,581	\$ 605,581	\$ -
Deposits	51,084	701,940	605,581	147,443
Total liabilities	\$ 51,084	\$ 1,307,521	\$ 1,211,162	\$ 147,443
 <u>CID-Community Improvement Districts</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 48,358	\$ 609,283	\$ 613,400	\$ 44,241
Accounts receivable	6,257	-	2,727	3,530
Total assets	\$ 54,615	\$ 609,283	\$ 616,127	\$ 47,771
<b>LIABILITIES</b>				
Accounts payable	\$ 54,615	\$ 578,956	\$ 585,800	\$ 47,771
Total liabilities	\$ 54,615	\$ 578,956	\$ 585,800	\$ 47,771

(Continued)

## CITY OF WICHITA, KANSAS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED) AGENCY FUNDS (CONTINUED)

For the year ended December 31, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Special Assessment Letters of Credit</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 3,595	\$ -	\$ -	\$ 3,595
Total assets	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595</u>
<b>LIABILITIES</b>				
Deposits	\$ 3,595	\$ -	\$ -	\$ 3,595
Total liabilities	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595</u>
 <u>WAMPO - Funding from Local Jurisdictions</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 166,669	\$ 162,264	\$ 121,003	\$ 207,930
Accounts receivable	-	2,388	2,388	-
Total assets	<u>\$ 166,669</u>	<u>\$ 164,652</u>	<u>\$ 123,391</u>	<u>\$ 207,930</u>
<b>LIABILITIES</b>				
Deposits	\$ 166,669	\$ 162,504	\$ 121,243	\$ 207,930
Total liabilities	<u>\$ 166,669</u>	<u>\$ 162,504</u>	<u>\$ 121,243</u>	<u>\$ 207,930</u>
 <u>Totals - All Agency Funds</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 2,673,427	\$ 131,456,823	\$ 131,752,625	\$ 2,377,625
Investments	2,369,564	2,017,493	2,001,250	2,385,807
Accounts receivable	990,342	1,149,434	5,115	2,134,661
Total assets	<u>\$ 6,033,333</u>	<u>\$ 134,623,750</u>	<u>\$ 133,758,990</u>	<u>\$ 6,898,093</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,039,144	\$ 183,617,199	\$ 182,477,441	\$ 2,178,902
Deposits	4,994,189	1,729,472	2,004,470	4,719,191
Total liabilities	<u>\$ 6,033,333</u>	<u>\$ 185,346,671</u>	<u>\$ 184,481,911</u>	<u>\$ 6,898,093</u>

# CITY OF WICHITA, KANSAS

## STATEMENT OF CASH FLOWS COMPONENT UNIT - WICHITA PUBLIC BUILDING COMMISSION

For the year ended December 31, 2014

(With comparative totals for the year ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS PROVIDE BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Received on direct financing lease	\$ 1,337,768	\$ 2,890,000
Received for debt refunding	-	5,725,006
Debt service - principal	(1,595,000)	(2,890,000)
Debt service - refunded principal	-	(6,735,000)
Debt service - interest	(62,075)	(490,246)
Reimbursed expenses	135,035	-
Disbursement of excess on direct financing lease	-	(799,017)
	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) capital and related financing activities	(184,272)	(2,299,257)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on lease investments	3,427	10,856
Trustee fees	(3,317)	-
	<u>                    </u>	<u>                    </u>
Net cash provided by investing activities	110	10,856
	<u>                    </u>	<u>                    </u>
Net decrease in cash and temporary investments	(184,162)	(2,288,401)
Cash and temporary investments, beginning of year	235,911	2,524,312
	<u>                    </u>	<u>                    </u>
Cash and temporary investments, end of year	<u>\$ 51,749</u>	<u>\$ 235,911</u>

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**CITY OF WICHITA, KANSAS**

**COMBINED SCHEDULE OF CHANGES IN BONDS PAYABLE**

Year ended December 31, 2014

	Balance December 31, 2013	Issued	Retired	Balance December 31, 2014
General obligation bonds payable from:				
Ad valorem property taxes	\$ 75,934,638	\$ 10,910,000	\$ 9,929,714	\$ 76,914,924
Special assessments	216,625,000	15,060,000	39,110,000	192,575,000
Tax increment financing	20,797,576	13,495,000	8,947,576	25,345,000
Transient guest tax	167,425	2,485,000	167,425	2,485,000
Airport Authority	16,065,000	8,010,000	540,000	23,535,000
Golf Course System	1,355,000	-	660,000	695,000
Local sales tax	122,195,000	64,785,000	38,210,000	148,770,000
Stormwater Utility	26,865,360	-	2,715,284	24,150,076
Water Utility	-	135,905,000	-	135,905,000
Revenue bonds payable from:				
Water Utility	229,950,710	30,285,000	40,267,636	219,968,074
Sewer Utility	170,958,360	23,905,000	26,271,702	168,591,658
Airport special facilities	11,310,000	-	-	11,310,000
Local sales tax	-	1,634,625	-	1,634,625
Wichita Public Building Commission	1,595,000	-	1,595,000	-
	<u>\$ 893,819,069</u>	<u>\$ 306,474,625</u>	<u>\$ 168,414,337</u>	<u>\$ 1,031,879,357</u>

**RECONCILIATION OF BONDS PAYABLE**

December 31, 2014

General obligation bonds	\$ 630,375,000
Revenue bonds	<u>401,504,357</u>
Total bonds payable	<u>\$ 1,031,879,357</u>
Serial bonds payable exclusive of bond anticipation notes	\$ 447,724,549
Bonds payable from proprietary funds	<u>584,154,808</u>
Total bonds payable	<u>\$ 1,031,879,357</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES  
BASED ON BONDED DEBT AS OF DECEMBER 31, 2014**

Year	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
	Principal	Interest	Debt Service Charges	Stormwater Utility		Debt Service Charges
				Principal	Interest	
2015	\$ 10,195,239	\$ 2,406,064	\$ 12,601,303	\$ -	\$ 109,127	\$ 109,127
2016	10,480,998	2,048,351	12,529,349	-	93,538	93,538
2017	10,820,267	1,720,531	12,540,798	5,000	93,413	98,413
2018	11,146,804	1,346,710	12,493,514	5,000	93,163	98,163
2019	11,500,294	967,353	12,467,647	10,000	92,788	102,788
2020	7,930,523	632,544	8,563,067	15,000	92,163	107,163
2021	4,730,472	426,835	5,157,307	20,000	91,287	111,287
2022	4,872,831	290,038	5,162,869	25,000	90,162	115,162
2023	2,785,069	155,156	2,940,225	30,000	88,788	118,788
2024	1,792,428	73,477	1,865,905	35,000	87,162	122,162
2025	448,219	25,689	473,908	40,000	85,287	125,287
2026	49,052	7,771	56,823	50,000	83,537	133,537
2027	51,388	5,763	57,151	55,000	81,962	136,962
2028	54,502	3,611	58,113	65,000	80,162	145,162
2029	56,838	1,243	58,081	70,000	78,137	148,137
2030	-	-	-	80,000	75,888	155,888
2031	-	-	-	80,000	73,088	153,088
2032	-	-	-	95,000	69,588	164,588
2033	-	-	-	105,000	65,718	170,718
2034	-	-	-	1,700,000	31,875	1,731,875
	<u>\$ 76,914,924</u>	<u>\$ 10,111,136</u>	<u>\$ 87,026,060</u>	<u>\$ 2,485,000</u>	<u>\$ 1,656,833</u>	<u>\$ 4,141,833</u>

Year	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	2,615,000	637,365	3,252,365	17,525,000	4,953,975	22,478,975
2017	2,685,000	569,540	3,254,540	17,760,000	4,306,531	22,066,531
2018	2,745,000	493,715	3,238,715	14,280,000	3,676,606	17,956,606
2019	2,425,000	415,003	2,840,003	11,420,000	3,069,516	14,489,516
2020	2,485,000	351,340	2,836,340	8,830,000	2,669,437	11,499,437
2021	2,245,000	283,542	2,528,542	9,145,000	2,293,338	11,438,338
2022	2,310,000	220,147	2,530,147	9,410,000	1,904,137	11,314,137
2023	1,420,000	153,525	1,573,525	6,360,000	1,503,687	7,863,687
2024	1,290,000	110,645	1,400,645	6,565,000	1,237,287	7,802,287
2025	540,000	82,525	622,525	6,745,000	961,275	7,706,275
2026	570,000	64,338	634,338	6,935,000	769,088	7,704,088
2027	600,000	44,290	644,290	6,355,000	566,125	6,921,125
2028	280,000	28,680	308,680	5,050,000	358,050	5,408,050
2029	300,000	17,945	317,945	5,180,000	181,300	5,361,300
2030	320,000	6,160	326,160	-	-	-
	<u>\$ 25,345,000</u>	<u>\$ 4,241,667</u>	<u>\$ 29,586,667</u>	<u>\$ 148,770,000</u>	<u>\$ 34,284,067</u>	<u>\$ 183,054,067</u>

Year	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2016	30,620,998	7,733,229	38,354,227	20,330,291	6,713,929	27,044,220
2017	31,270,267	6,690,015	37,960,282	19,707,956	5,935,902	25,643,858
2018	28,176,804	5,610,194	33,786,998	19,415,620	5,122,395	24,538,015
2019	25,355,294	4,544,660	29,899,954	17,889,063	4,335,097	22,224,160
2020	19,260,523	3,745,484	23,006,007	16,911,727	3,576,911	20,488,638
2021	16,140,472	3,095,002	19,235,474	14,799,391	2,915,334	17,714,725
2022	16,617,831	2,504,484	19,122,315	12,702,055	2,325,166	15,027,221
2023	10,595,069	1,901,156	12,496,225	10,953,941	1,815,830	12,769,771
2024	9,682,428	1,508,571	11,190,999	8,556,605	1,389,164	9,945,769
2025	7,773,219	1,154,776	8,927,995	7,143,282	1,068,937	8,212,219
2026	7,604,052	924,734	8,528,786	5,680,948	817,738	6,498,686
2027	7,061,388	698,140	7,759,528	5,363,612	602,960	5,966,572
2028	5,449,502	470,503	5,920,005	4,420,498	402,047	4,822,545
2029	5,606,838	278,625	5,885,463	3,963,162	230,077	4,193,239
2030	400,000	82,048	482,048	1,750,000	87,543	1,837,543
2031	80,000	73,088	153,088	425,000	39,651	464,651
2032	95,000	69,588	164,588	355,000	25,186	380,186
2033	105,000	65,718	170,718	310,000	13,984	323,984
2034	1,700,000	31,875	1,731,875	265,000	4,472	269,472
	<u>\$ 253,514,924</u>	<u>\$ 50,293,703</u>	<u>\$ 303,808,627</u>	<u>\$ 192,575,000</u>	<u>\$ 45,037,100</u>	<u>\$ 237,612,100</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES**

PAYABLE FROM PROPRIETARY FUND REVENUES

BASED ON BONDED DEBT AS OF DECEMBER 31, 2014

**PROPRIETARY FUNDS**

Year	Airport Authority		Golf Course System		Stormwater Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 725,000	\$ 1,038,450	\$ 695,000	\$ 20,601	\$ 2,777,912	\$ 738,912
2016	760,000	1,013,188	-	-	2,843,711	647,993
2017	700,000	987,612	-	-	2,196,777	552,140
2018	730,000	962,338	-	-	2,257,576	485,406
2019	760,000	935,106	-	-	2,315,643	415,920
2020	790,000	904,950	-	-	2,172,750	346,538
2021	820,000	871,094	-	-	1,630,137	280,098
2022	770,000	835,381	-	-	1,670,114	231,297
2023	805,000	799,225	-	-	1,715,990	177,844
2024	840,000	761,362	-	-	1,755,967	121,075
2025	875,000	722,987	-	-	1,143,499	74,527
2026	910,000	684,492	-	-	825,000	38,550
2027	955,000	644,006	-	-	845,000	13,575
2028	990,000	600,746	-	-	-	-
2029	1,035,000	554,829	-	-	-	-
2030	1,085,000	505,657	-	-	-	-
2031	1,130,000	453,267	-	-	-	-
2032	645,000	408,335	-	-	-	-
2033	675,000	370,939	-	-	-	-
2034	710,000	331,172	-	-	-	-
2035	520,000	293,795	-	-	-	-
2036	1,330,000	259,338	-	-	-	-
2037	565,000	223,393	-	-	-	-
2038	595,000	185,587	-	-	-	-
2039	615,000	146,107	-	-	-	-
2040	645,000	104,848	-	-	-	-
2041	1,625,000	61,683	-	-	-	-
2042	295,000	33,419	-	-	-	-
2043	310,000	20,563	-	-	-	-
2044	325,000	6,988	-	-	-	-
	<u>\$ 23,535,000</u>	<u>\$ 15,720,857</u>	<u>\$ 695,000</u>	<u>\$ 20,601</u>	<u>\$ 24,150,076</u>	<u>\$ 4,123,875</u>

Year	Water Utility		Totals		Debt Service Charges
	Principal	Interest	Principal	Interest	
2015	\$ 6,055,000	\$ 6,370,874	\$ 10,252,912	\$ 8,168,837	\$ 18,421,749
2016	4,440,000	5,211,350	8,043,711	6,872,531	14,916,242
2017	4,665,000	4,983,725	7,561,777	6,523,477	14,085,254
2018	4,895,000	4,744,725	7,882,576	6,192,469	14,075,045
2019	5,140,000	4,493,850	8,215,643	5,844,876	14,060,519
2020	5,400,000	4,230,350	8,362,750	5,481,838	13,844,588
2021	5,670,000	3,953,600	8,120,137	5,104,792	13,224,929
2022	5,950,000	3,663,100	8,390,114	4,729,778	13,119,892
2023	6,250,000	3,358,100	8,770,990	4,335,169	13,106,159
2024	6,560,000	3,037,850	9,155,967	3,920,287	13,076,254
2025	6,890,000	2,701,600	8,908,499	3,499,114	12,407,613
2026	7,235,000	2,420,825	8,970,000	3,143,867	12,113,867
2027	7,450,000	2,200,550	9,250,000	2,858,131	12,108,131
2028	7,675,000	1,973,675	8,665,000	2,574,421	11,239,421
2029	7,905,000	1,739,975	8,940,000	2,294,804	11,234,804
2030	8,140,000	1,499,300	9,225,000	2,004,957	11,229,957
2031	8,385,000	1,209,500	9,515,000	1,662,767	11,177,767
2032	8,720,000	867,400	9,365,000	1,275,735	10,640,735
2033	9,070,000	522,938	9,745,000	893,877	10,638,877
2034	9,410,000	176,438	10,120,000	507,610	10,627,610
2035	-	-	520,000	293,795	813,795
2036	-	-	1,330,000	259,338	1,589,338
2037	-	-	565,000	223,393	788,393
2038	-	-	595,000	185,587	780,587
2039	-	-	615,000	146,107	761,107
2040	-	-	645,000	104,848	749,848
2041	-	-	1,625,000	61,683	1,686,683
2042	-	-	295,000	33,419	328,419
2043	-	-	310,000	20,563	330,563
2044	-	-	325,000	6,988	331,988
	<u>\$ 135,905,000</u>	<u>\$ 59,359,725</u>	<u>\$ 184,285,076</u>	<u>\$ 79,225,058</u>	<u>\$ 263,510,134</u>

**CITY OF WICHITA, KANSAS**

**SUMMARY OF REVENUE BOND DEBT SERVICE CHARGES  
PAYABLE FROM PROPRIETARY AND GOVERNMENTAL FUND REVENUES  
BASED ON BONDED DEBT AS OF DECEMBER 31, 2014**

**PROPRIETARY FUNDS**

Year	Water Utility		Sewer Utility		Stormwater Utility		Wichita Airport Authority	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 13,790,494	\$ 10,356,372	\$ 9,607,316	\$ 7,870,942	\$ -	\$ -	\$ -	\$ 483,990
2016	14,661,664	9,593,995	10,180,496	7,394,643	-	-	-	483,990
2017	11,904,446	8,946,841	10,967,983	6,959,846	-	-	-	483,990
2018	12,465,552	8,398,036	11,543,107	6,445,599	-	-	-	483,990
2019	11,477,256	7,809,220	9,858,640	5,892,430	-	-	-	483,990
2020	11,774,575	7,273,752	9,944,615	5,422,715	-	-	-	483,990
2021	12,257,249	6,719,950	10,376,339	4,949,287	1,300,000	-	-	406,261
2022	12,188,025	6,160,262	10,836,975	4,458,406	-	-	-	386,490
2023	12,711,726	5,578,992	11,328,274	3,936,887	-	-	-	386,490
2024	11,047,935	4,964,191	8,607,065	3,389,085	-	-	-	386,490
2025	11,619,551	4,433,084	9,165,449	2,976,868	7,350,000	-	-	169,740
2026	11,034,672	3,883,890	8,820,328	2,549,648	-	-	-	3,990
2027	11,099,794	3,381,549	8,355,206	2,149,402	-	-	-	3,990
2028	11,538,028	2,879,463	8,716,972	1,770,464	-	-	-	3,990
2029	9,995,686	2,355,967	6,164,314	1,373,131	-	-	-	3,990
2030	10,389,886	1,912,843	6,405,114	1,104,330	-	-	-	3,990
2031	7,742,977	1,451,036	4,347,023	822,134	2,660,000	-	-	3,990
2032	6,376,043	1,088,965	3,668,957	630,373	-	-	-	-
2033	4,418,873	783,659	2,846,127	466,941	-	-	-	-
2034	4,564,712	568,071	2,935,288	333,474	-	-	-	-
2035	1,381,786	345,446	783,214	195,804	-	-	-	-
2036	1,381,786	276,356	783,214	156,644	-	-	-	-
2037	1,381,786	207,267	783,214	117,483	-	-	-	-
2038	1,381,786	138,178	783,214	78,322	-	-	-	-
2039	1,381,786	69,089	783,214	39,161	-	-	-	-
	<u>\$ 219,968,074</u>	<u>\$ 99,576,474</u>	<u>\$ 168,591,658</u>	<u>\$ 71,484,019</u>	<u>\$ 11,310,000</u>	<u>\$ -</u>	<u>\$ 4,663,351</u>	

		Totals		
Principal	Interest	Principal	Interest	Debt Service Charges
\$ -	\$ 123,414	\$ 23,397,810	\$ 18,834,718	\$ 42,232,528
78,300	123,414	24,920,460	17,596,042	42,516,502
84,240	117,503	22,956,669	16,508,180	39,464,849
90,585	111,142	24,099,244	15,438,767	39,538,011
97,425	104,303	21,433,321	14,289,943	35,723,264
104,760	96,948	21,823,950	13,277,405	35,101,355
112,680	89,038	24,046,268	12,164,536	36,210,804
121,185	80,531	23,146,185	11,085,689	34,231,874
130,365	71,381	24,170,365	9,973,750	34,144,115
140,175	61,539	19,795,175	8,801,305	28,596,480
150,750	50,956	28,285,750	7,630,648	35,916,398
162,135	39,574	20,017,135	6,477,102	26,494,237
174,420	27,333	19,629,420	5,562,274	25,191,694
187,605	14,165	20,442,605	4,668,082	25,110,687
-	-	16,160,000	3,733,088	19,893,088
-	-	16,795,000	3,021,163	19,816,163
-	-	14,750,000	2,277,160	17,027,160
-	-	10,045,000	1,719,338	11,764,338
-	-	7,265,000	1,250,600	8,515,600
-	-	7,500,000	901,545	8,401,545
-	-	2,165,000	541,250	2,706,250
-	-	2,165,000	433,000	2,598,000
-	-	2,165,000	324,750	2,489,750
-	-	2,165,000	216,500	2,381,500
-	-	2,165,000	108,250	2,273,250
<u>\$ 1,634,625</u>	<u>\$ 1,111,241</u>	<u>\$ 401,504,357</u>	<u>\$ 176,835,085</u>	<u>\$ 578,339,442</u>

**CITY OF WICHITA, KANSAS**  
**SCHEDULE OF INSURANCE IN FORCE**  
December 31, 2014

Company	Policy Period		Details of Coverage	Terms	Deductible	Value Limits
	From	To				
Zurich	01-14	01-15	All risk coverage on real and personal property for which the City is legally liable, per I.A.W. statement of values on replacement cost basis	Per occurrence Total insured values of \$815,408,164	\$ 100,000; 1,000,000 wind and hail	\$ 200,000,000
Zurich	01-14	01-15	Comprehensive coverage for steam boilers, air conditioners and electric motors. On repair or replacement cost basis.	Per occurrence	10,000	Included
Zurich	01-14	01-15	Data processing property protection	Hardware	100,000	Included
Hartford Fire	01-14	01-15	Burglary and/or theft coverage for monies and securities	Per occurrence	10,000	1,000,000
Housing Authority Risk Retention Group	06-14	06-15	WHA commercial liability	Per occurrence	10,000	5,000,000
Housing Authority Property Insurance	06-14	06-15	Commercial property coverage	Per occurrence	5,000	\$71,795,532 combined limit based on individual property values
Philadelphia Indemnity Insurance	12-13	12-14	WHA flood insurance on owned units -29 units	Per occurrence	5,000	\$48,000 per unit
Safety National Casualty Corporation	01-14	01-15	Excess workers' compensation	Per occurrence-liability imposed by law	750,000	Statutory
			Employers' liability	Per occurrence	-	1,000,000
Zurich	01-14	01-15	Travel accident insurance	Per person/occurrence	-	100,000
				Aggregate	-	500,000
ACE American Ins. Co.	01-14	01-15	Foreign package-General liability	Per occurrence	-	1,000,000
Old Republic Ins. Co.	01-14	01-15	Helicopter liability cargo coverage	Per occurrence	-	250,000
Old Republic Ins. Co.	01-14	01-15	Helicopter hull coverage-in motion	Per occurrence	12,000	1,200,000
Old Republic Ins. Co.	01-14	01-15	Helicopter hull coverage-not in motion	Per occurrence	-	1,200,000
Ins. Co. of State of PA	01-14	01-15	Special liability	Per occurrence	2,000,000	15,000,000
<b>WICHITA AIRPORT</b>						
National Union Fire Ins.	01-14	01-15	Comprehensive general liability	Per occurrence	1,000	100,000,000
Great American Alliance Insurance Company	01-14	01-15	Underground storage tank liability	Per occurrence	10,000	1,000,000
<b>WICHITA ART</b>						
Ace American Insurance and AXA Art Insurance	01-14	01-15	All risk coverage for fine arts collections, on premises, worldwide transit coverage and other locations	Per occurrence at insured's premises	1,000	200,000,000
				Per occurrence not at insured's premises	1,000	100,000,000
				Art in transit	1,000	100,000,000
<b>WICHITA PUBLIC BUILDING COMMISSION - STATE OFFICE BUILDING</b>						
Travelers	01-14	01-15	Property - buildings and earnings State office building and parking facility \$39,548,345 insured value	Per occurrence as scheduled	5,000; 25,000 wind/hail	39,548,345
Travelers	01-14	01-15	Comprehensive general liability	Per occurrence	-	1,000,000
				General aggregate	-	2,000,000
Travelers	01-14	01-15	Umbrella	Aggregate limits	-	1,000,000

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# CITY OF WICHITA, KANSAS

## NET POSITION BY COMPONENT

For years ended December 31, 2005 through December 31, 2014  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities					
Net investment in capital assets	\$ 376,630	\$ 457,432	\$ 488,829	\$ 512,459	\$ 521,613
Restricted for:					
Capital projects	34,397	25,275	69,899	57,352	43,927
Highways and streets	11,641	8,898	6,712	4,126	810
Debt service	261,354	252,783	228,627	234,767	264,080
Perpetual care	839	831	859	902	889
Other purposes	19,409	18,524	19,673	6,470	6,470
Unrestricted	28,625	(8,843)	(12,955)	(5,937)	43,898
Total governmental activities net position	<u>\$ 732,895</u>	<u>\$ 754,900</u>	<u>\$ 801,644</u>	<u>\$ 810,139</u>	<u>\$ 881,687</u>
Business-type activities					
Net investment in capital assets	\$ 664,564	\$ 684,433	\$ 744,184	\$ 777,044	\$ 762,395
Restricted for:					
Capital projects	5,233	10,456	15,391	14,688	17,032
Debt service	3,206	3,660	3,523	3,704	-
Revenue bond covenants	48,145	55,714	30,186	23,401	74,822
Unrestricted	34,814	32,620	25,868	23,480	20,001
Total business-type activities net position	<u>\$ 755,962</u>	<u>\$ 786,883</u>	<u>\$ 819,152</u>	<u>\$ 842,317</u>	<u>\$ 874,250</u>
Primary government					
Net investment in capital assets	\$ 1,041,194	\$ 1,141,865	\$ 1,233,013	\$ 1,289,503	\$ 1,284,008
Restricted for:					
Capital projects	39,630	35,731	85,290	72,040	60,959
Highways and streets	11,641	8,898	6,712	4,126	810
Debt service	264,560	256,443	232,150	238,471	264,080
Revenue bond covenants	48,145	55,714	30,186	23,401	74,822
Perpetual care	839	831	859	902	889
Other purposes	19,409	18,524	19,673	6,470	6,470
Unrestricted	63,439	23,777	12,913	17,543	63,899
Total primary government net position	<u>\$ 1,488,857</u>	<u>\$ 1,541,783</u>	<u>\$ 1,620,796</u>	<u>\$ 1,652,456</u>	<u>\$ 1,755,937</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 554,371	\$ 615,404	\$ 659,114	\$ 730,439	\$ 714,088
Restricted for:					
Capital projects	40,177	48,939	38,986	23,033	24,909
Highways and streets	-	-	-	-	-
Debt service	309,669	296,468	277,226	226,947	221,877
Perpetual care	852	814	790	762	749
Other purposes	8,009	12,468	11,135	15,372	19,618
Unrestricted	17,248	5,386	1,918	(11,285)	48,517
Total governmental activities net position	<u>\$ 930,326</u>	<u>\$ 979,479</u>	<u>\$ 989,169</u>	<u>\$ 985,268</u>	<u>\$ 1,029,758</u>
Business-type activities					
Net investment in capital assets	\$ 792,751	\$ 828,696	\$ 820,105	\$ 854,195	\$ 908,335
Restricted for:					
Capital projects	18,915	13,682	32,308	53,653	31,221
Debt service	-	-	-	-	-
Revenue bond covenants	90,814	95,954	131,943	117,763	107,357
Unrestricted	26,859	42,979	38,391	40,446	61,782
Total business-type activities net position	<u>\$ 929,339</u>	<u>\$ 981,311</u>	<u>\$ 1,022,747</u>	<u>\$ 1,066,057</u>	<u>\$ 1,108,695</u>
Primary government					
Net investment in capital assets	\$ 1,347,122	\$ 1,444,100	\$ 1,479,219	\$ 1,584,634	\$ 1,622,423
Restricted for:					
Capital projects	59,092	62,621	71,294	76,686	56,130
Highways and streets	-	-	-	-	-
Debt service	309,669	296,468	277,226	226,947	221,877
Revenue bond covenants	90,814	95,954	131,943	117,763	107,357
Perpetual care	852	814	790	762	749
Other purposes	8,009	12,468	11,135	15,372	19,618
Unrestricted	44,107	48,365	40,309	29,161	110,299
Total primary government net position	<u>\$ 1,859,665</u>	<u>\$ 1,960,790</u>	<u>\$ 2,011,916</u>	<u>\$ 2,051,325</u>	<u>\$ 2,138,453</u>

# CITY OF WICHITA, KANSAS

## CHANGES IN NET POSITION

For years ended December 31, 2005 through December 31, 2014

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Expenses</b>					
Governmental activities:					
General government	\$ 36,835	\$ 47,248	\$ 36,810	\$ 41,906	\$ 37,210
Public safety	97,962	104,819	114,507	119,123	119,073
Highways and streets	104,570	109,643	94,502	123,526	74,460
Sanitation	2,700	3,680	3,729	5,441	3,648
Health and welfare	33,833	34,561	33,088	33,324	34,924
Culture and recreation	33,814	33,242	34,294	41,031	37,601
Interest on long-term debt	20,901	20,605	20,922	22,264	20,634
Total governmental activities expenses	<u>330,615</u>	<u>353,798</u>	<u>337,852</u>	<u>386,615</u>	<u>327,550</u>
Business-type activities:					
Water	34,417	36,233	38,130	41,670	44,994
Sewer	29,328	31,001	31,983	34,958	40,991
Airport	24,324	25,619	25,789	27,416	29,672
Stormwater	4,078	5,270	5,490	5,542	7,415
Transit	11,923	12,185	12,928	13,767	13,876
Golf	4,589	5,017	4,985	4,997	4,539
Total business-type activities expenses	<u>108,659</u>	<u>115,325</u>	<u>119,305</u>	<u>128,350</u>	<u>141,487</u>
Total primary government expenses	<u>\$ 439,274</u>	<u>\$ 469,123</u>	<u>\$ 457,157</u>	<u>\$ 514,965</u>	<u>\$ 469,037</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 15,137	\$ 14,390	\$ 16,258	\$ 16,008	\$ 13,166
Public safety	5,565	5,949	6,713	5,730	4,919
Highways and streets	4,459	5,077	4,940	5,784	5,231
Sanitation	518	978	817	744	1,026
Health and welfare	3,179	1,767	2,960	3,816	5,891
Culture and recreation	4,874	4,876	4,546	4,814	4,773
Operating grants and contributions	50,659	50,167	49,594	50,859	45,514
Capital grants and contributions	67,817	86,328	78,098	87,891	82,537
Total governmental activities program revenues	<u>152,208</u>	<u>169,532</u>	<u>163,926</u>	<u>175,646</u>	<u>163,057</u>
Business-type activities:					
Charges for services					
Water	36,036	40,658	37,486	38,356	51,022
Sewer	28,669	28,868	31,875	33,789	34,490
Airport	18,856	20,321	20,635	21,598	20,713
Stormwater	5,868	7,063	8,273	8,405	8,497
Transit	1,754	1,708	1,738	1,931	1,811
Golf	3,574	4,365	3,981	4,159	4,298
Operating grants and contributions	4,075	4,849	5,561	5,469	5,940
Capital grants and contributions	47,139	31,209	33,867	34,176	40,269
Total business-type activities program revenues	<u>145,971</u>	<u>139,041</u>	<u>143,416</u>	<u>147,883</u>	<u>167,040</u>
Total primary government program revenues	<u>\$ 298,179</u>	<u>\$ 308,573</u>	<u>\$ 307,342</u>	<u>\$ 323,529</u>	<u>\$ 330,097</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ (178,407)	\$ (184,266)	\$ (173,926)	\$ (210,969)	\$ (164,493)
Business-type activities	37,312	23,716	24,111	19,533	25,553
Total primary government net expense	<u>\$ (141,095)</u>	<u>\$ (160,550)</u>	<u>\$ (149,815)</u>	<u>\$ (191,436)</u>	<u>\$ (138,940)</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities:					
General government	\$ 52,488	\$ 55,191	\$ 52,538	\$ 44,510	\$ 46,350
Public safety	126,329	125,525	129,684	129,627	132,601
Highways and streets	49,482	54,168	62,484	60,735	50,698
Sanitation	4,156	3,643	3,567	4,700	4,489
Health and welfare	36,986	34,848	35,358	29,919	29,668
Culture and recreation	39,559	38,344	36,090	34,624	35,629
Interest on long-term debt	19,877	19,277	13,676	15,656	13,729
Total governmental activities expenses	<u>328,877</u>	<u>330,996</u>	<u>333,397</u>	<u>319,771</u>	<u>313,164</u>
Business-type activities:					
Water	43,408	47,621	48,613	50,066	60,654
Sewer	36,865	37,673	38,577	43,743	46,801
Airport	26,967	26,703	32,651	26,781	28,691
Stormwater	7,504	7,048	8,540	7,933	8,476
Transit	14,485	15,156	15,152	15,139	15,340
Golf	4,705	4,586	4,594	4,765	4,887
Total business-type activities expenses	<u>133,934</u>	<u>138,787</u>	<u>148,127</u>	<u>148,427</u>	<u>164,849</u>
Total primary government expenses	<u>\$ 462,811</u>	<u>\$ 469,783</u>	<u>\$ 481,524</u>	<u>\$ 468,198</u>	<u>\$ 478,013</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 18,706	\$ 22,011	\$ 14,210	\$ 12,432	\$ 15,778
Public safety	6,506	6,774	7,093	6,636	6,588
Highways and streets	4,151	5,199	4,423	4,313	4,558
Sanitation	1,005	875	1,103	1,265	1,115
Health and welfare	1,905	3,931	4,110	5,138	3,821
Culture and recreation	4,799	4,781	5,494	4,634	4,798
Operating grants and contributions	51,904	50,393	47,413	46,950	45,088
Capital grants and contributions	66,923	60,292	33,870	11,133	38,795
Total governmental activities program revenues	<u>155,899</u>	<u>154,256</u>	<u>117,716</u>	<u>92,501</u>	<u>120,541</u>
Business-type activities:					
Charges for services					
Water	65,003	79,547	80,088	64,790	75,173
Sewer	37,247	44,089	45,979	49,754	51,291
Airport	21,588	21,597	22,112	21,964	23,687
Stormwater	8,515	9,282	9,057	9,170	9,315
Transit	1,828	1,972	2,146	2,050	2,035
Golf	4,111	4,017	4,726	4,182	4,301
Operating grants and contributions	6,305	7,183	6,689	7,139	8,859
Capital grants and contributions	37,797	20,357	15,381	33,102	22,871
Total business-type activities program revenues	<u>182,394</u>	<u>188,044</u>	<u>186,178</u>	<u>192,151</u>	<u>197,532</u>
Total primary government program revenues	<u>\$ 338,293</u>	<u>\$ 342,300</u>	<u>\$ 303,894</u>	<u>\$ 284,652</u>	<u>\$ 318,073</u>
Net (Expense) Revenue					
Governmental activities	\$ (172,978)	\$ (176,740)	\$ (215,681)	\$ (227,270)	\$ (192,623)
Business-type activities	48,460	49,257	38,051	43,724	32,683
Total primary government net expense	<u>\$ (124,518)</u>	<u>\$ (127,483)</u>	<u>\$ (177,630)</u>	<u>\$ (183,546)</u>	<u>\$ (159,940)</u>

(Continued)

# CITY OF WICHITA, KANSAS

## CHANGES IN NET POSITION (CONTINUED)

For years ended December 31, 2005 through December 31, 2014  
(accrual basis of accounting)  
(dollars expressed in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>General Revenues and Other Charges in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 85,573	\$ 89,682	\$ 94,959	\$ 101,311	\$ 106,500
Sales taxes	45,181	47,705	49,256	51,255	49,444
Franchise taxes	30,702	31,851	32,157	34,272	33,720
Motor vehicle taxes	12,168	12,590	13,060	13,287	13,309
Transient guest taxes	5,064	5,035	5,709	6,325	6,015
Investment earnings	8,296	10,866	11,535	8,874	3,703
Miscellaneous	12,263	7,747	12,329	16,928	23,843
Transfers	(9,976)	545	1,101	557	(493)
Prior period adjustments	(758)	251	564	(13,345)	-
<b>Total governmental activities</b>	<b>188,513</b>	<b>206,272</b>	<b>220,670</b>	<b>219,464</b>	<b>236,041</b>
Business-type activities:					
Investment earnings	6,199	7,277	8,466	6,710	4,912
Miscellaneous	566	856	793	825	974
Transfers	9,976	(545)	(1,101)	(557)	494
Prior period adjustments	-	(383)	-	(3,346)	-
<b>Total business-type activities</b>	<b>16,741</b>	<b>7,205</b>	<b>8,158</b>	<b>3,632</b>	<b>6,380</b>
<b>Total primary government</b>	<b>\$ 205,254</b>	<b>\$ 213,477</b>	<b>\$ 228,828</b>	<b>\$ 223,096</b>	<b>\$ 242,421</b>
<b>Change in Net Position</b>					
Governmental activities	10,106	22,005	46,744	8,495	71,548
Business-type activities	54,053	30,921	32,269	23,165	31,933
<b>Total primary government</b>	<b>\$ 64,159</b>	<b>\$ 52,926</b>	<b>\$ 79,013</b>	<b>\$ 31,660</b>	<b>\$ 103,481</b>

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>General Revenues and Other Charges in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 105,113	\$ 105,089	\$ 105,874	\$ 106,347	\$ 109,534
Sales taxes	48,240	54,919	54,095	58,519	56,143
Franchise taxes	36,923	36,779	37,407	39,283	41,864
Motor vehicle taxes	13,094	12,898	13,116	13,398	10,852
Transient guest taxes	5,689	6,041	6,100	6,360	6,754
Investment earnings	2,001	1,003	530	828	1,422
Miscellaneous	17,498	7,397	5,683	7,755	15,289
Transfers	(1,237)	1,766	2,566	2,406	(4,744)
Prior period adjustments	-	-	-	(11,527)	-
Total governmental activities	<u>221,617</u>	<u>225,892</u>	<u>225,371</u>	<u>223,369</u>	<u>237,114</u>
Business-type activities:					
Investment earnings	3,692	3,803	3,813	487	42
Miscellaneous	1,700	679	2,138	4,464	5,170
Transfers	1,236	(1,766)	(2,566)	(2,406)	4,744
Prior period adjustments	-	-	-	(2,960)	-
Total business-type activities	<u>6,628</u>	<u>2,716</u>	<u>3,385</u>	<u>(415)</u>	<u>9,956</u>
Total primary government	<u>\$ 228,245</u>	<u>\$ 228,608</u>	<u>\$ 228,756</u>	<u>\$ 222,954</u>	<u>\$ 247,070</u>
<b>Change in Net Position</b>					
Governmental activities	48,639	49,152	9,690	(3,901)	44,491
Business-type activities	55,088	51,973	41,436	43,309	42,639
Total primary government	<u>\$ 103,727</u>	<u>\$ 101,125</u>	<u>\$ 51,126</u>	<u>\$ 39,408</u>	<u>\$ 87,130</u>

**CITY OF WICHITA, KANSAS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

For years ended December 31, 2005 through December 31, 2014  
 (modified accrual basis of accounting)  
 (dollars expressed in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>General Fund</b>					
Reserved	\$ 3,887	\$ 2,767	\$ 3,485	\$ 2,462	\$ 2,175
Unreserved	22,867	23,026	23,051	22,451	22,447
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<u>\$ 26,754</u>	<u>\$ 25,793</u>	<u>\$ 26,536</u>	<u>\$ 24,913</u>	<u>\$ 24,622</u>
<b>Debt Service Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 699
Unreserved	57,287	40,945	16,107	6,231	21,522
Restricted	-	-	-	-	-
<b>Total Debt Service Fund</b>	<u>\$ 57,287</u>	<u>\$ 40,945</u>	<u>\$ 16,107</u>	<u>\$ 6,231</u>	<u>\$ 22,221</u>
<b>All other governmental funds</b>					
Reserved	\$ 115,661	\$ 137,531	\$ 112,903	\$ 101,176	\$ 66,458
Unreserved reported in:					
Special revenue funds	60,404	57,387	60,417	57,993	56,712
Capital projects funds	(137,842)	(207,404)	(152,103)	(158,110)	(100,612)
Permanent fund	603	594	623	666	650
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 38,826</u>	<u>\$ (11,892)</u>	<u>\$ 21,840</u>	<u>\$ 1,725</u>	<u>\$ 23,208</u>

<sup>1</sup>Amounts reported for periods prior to 2011 have not been restated for the implementation of GASB Statement 54.

	Fiscal Year				
	2010	2011 <sup>1</sup>	2012	2013	2014
General Fund					
Reserved	\$ 1,993	\$ -	\$ -	\$ -	\$ -
Unreserved	22,514	-	-	-	-
Nonspendable	-	882	841	847	888
Assigned	-	5,761	6,035	5,392	5,384
Unassigned	-	24,091	24,291	26,315	27,859
Total General Fund	<u>\$ 24,507</u>	<u>\$ 30,734</u>	<u>\$ 31,167</u>	<u>\$ 32,554</u>	<u>\$ 34,131</u>
Debt Service Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	51,730	-	-	-	-
Restricted	-	85,545	114,344	88,293	41,315
Total Debt Service Fund	<u>\$ 51,730</u>	<u>\$ 85,545</u>	<u>\$ 114,344</u>	<u>\$ 88,293</u>	<u>\$ 41,315</u>
All other governmental funds					
Reserved	\$ 55,616	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:					
Special revenue funds	58,322	-	-	-	-
Capital projects funds	(87,391)	-	-	-	-
Permanent fund	605	-	-	-	-
Nonspendable	-	310	314	345	356
Restricted	-	73,986	66,502	54,354	59,275
Committed	-	24,740	25,206	15,590	16,527
Assigned	-	-	-	8,901	1,853
Unassigned	-	(76,125)	(83,499)	(131,412)	(43,465)
Total all other governmental funds	<u>\$ 27,152</u>	<u>\$ 22,911</u>	<u>\$ 8,523</u>	<u>\$ (52,222)</u>	<u>\$ 34,546</u>

## CITY OF WICHITA, KANSAS

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For years ended December 31, 2005 through December 31, 2014

(accrual basis of accounting)

(dollars expressed in thousands)

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Revenues</b>					
Taxes	\$ 147,986	\$ 155,011	\$ 162,985	\$ 172,176	\$ 175,277
Special assessments	27,099	29,102	30,082	32,573	33,887
Franchise taxes	30,702	31,851	32,157	34,273	33,720
Intergovernmental	87,953	98,988	96,660	94,087	74,089
Charges for services	10,310	10,398	9,946	10,748	10,542
Licenses and permits	6,494	7,048	7,478	6,511	5,892
Fines and penalties	8,666	8,801	9,948	9,444	10,430
Rentals	3,848	3,956	5,568	5,571	4,446
Interest earnings	7,699	9,944	10,375	8,160	3,594
Other revenue	18,036	12,179	16,242	19,566	35,209
Total revenues	<u>348,793</u>	<u>367,278</u>	<u>381,441</u>	<u>393,109</u>	<u>387,086</u>
<b>Expenditures</b>					
General government	30,524	34,193	31,576	36,065	32,855
Public safety	94,353	103,315	110,745	116,580	117,087
Highways and streets	21,569	22,833	22,784	22,838	20,937
Sanitation	3,082	3,304	3,609	3,872	4,372
Health and welfare	32,900	33,482	31,758	31,864	35,986
Culture and recreation	29,256	29,650	30,171	32,720	31,892
Capital outlay	126,314	170,129	150,383	165,767	121,256
Debt service:					
Principal	65,492	59,867	58,496	57,823	79,460
Interest	20,517	20,418	20,332	22,849	19,924
Total expenditures	<u>424,007</u>	<u>477,191</u>	<u>459,854</u>	<u>490,378</u>	<u>463,769</u>
Excess of revenues over (under) expenditures	<u>(75,214)</u>	<u>(109,913)</u>	<u>(78,413)</u>	<u>(97,269)</u>	<u>(76,683)</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	67,897	94,789	109,209	111,156	82,417
Transfers to other funds	(68,088)	(92,973)	(107,707)	(109,811)	(80,210)
Refunding bonds issued	-	-	-	-	43,715
Bonds issued	57,172	48,879	101,620	64,165	109,180
Premiums on bonds issued	83	159	628	169	2,573
Discount on bonds issued	-	-	-	-	-
Payments on refunded bonds	(19,175)	(8,845)	(15,615)	-	(43,810)
Total other financing sources (uses)	<u>37,889</u>	<u>42,009</u>	<u>88,135</u>	<u>65,679</u>	<u>113,865</u>
Prior period adjustment	<u>(354)</u>	<u>(117)</u>	<u>(86)</u>	<u>(24)</u>	<u>-</u>
Total changes in fund balances	<u>\$ (37,679)</u>	<u>\$ (68,021)</u>	<u>\$ 9,636</u>	<u>\$ (31,614)</u>	<u>\$ 37,182</u>
Debt service as a percentage of noncapital expenditures	23.2%	21.0%	21.5%	19.5%	26.1%

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues</b>					
Taxes	\$ 172,374	\$ 178,947	\$ 179,185	\$ 184,625	\$ 183,283
Special assessments	34,251	33,648	33,327	33,669	31,509
Franchise taxes	36,923	36,779	37,407	39,283	41,863
Intergovernmental	72,228	64,003	61,057	59,823	57,530
Charges for services	10,673	12,019	10,647	11,052	12,122
Licenses and permits	6,648	6,735	7,427	7,468	7,241
Fines and penalties	10,641	10,345	10,476	9,391	9,858
Rentals	4,578	4,266	4,737	4,400	4,203
Interest earnings	2,160	1,022	551	851	1,456
Other revenue	23,219	21,283	12,986	13,354	22,117
Total revenues	<u>373,695</u>	<u>369,047</u>	<u>357,800</u>	<u>363,916</u>	<u>371,182</u>
<b>Expenditures</b>					
General government	34,659	36,587	34,643	36,414	37,368
Public safety	120,792	122,930	126,734	129,573	129,934
Highways and streets	19,125	22,450	18,185	16,676	18,416
Sanitation	5,243	4,264	3,722	3,774	4,366
Health and welfare	40,109	35,379	32,134	31,854	31,656
Culture and recreation	31,720	30,793	31,061	30,379	31,044
Capital outlay	83,658	82,901	109,959	108,380	76,379
Debt service:					
Principal	86,867	52,743	65,923	62,137	50,925
Interest	21,955	19,929	20,027	20,438	17,132
Total expenditures	<u>444,128</u>	<u>407,976</u>	<u>442,388</u>	<u>439,625</u>	<u>397,220</u>
Excess of revenues over (under) expenditures	<u>(70,433)</u>	<u>(38,929)</u>	<u>(84,588)</u>	<u>(75,709)</u>	<u>(26,038)</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	72,657	73,059	95,855	82,035	90,735
Transfers to other funds	(68,369)	(68,280)	(92,540)	(77,826)	(92,603)
Refunding bonds issued	48,805	72,730	51,325	-	-
Bonds issued	74,352	28,313	57,280	16,290	108,370
Premiums on bonds issued	5,566	11,952	10,003	646	9,842
Discount on bonds issued	-	-	-	-	(33)
Payments on refunded bonds	(29,240)	(43,045)	(22,490)	(35,460)	(48,905)
Total other financing sources (uses)	<u>103,771</u>	<u>74,729</u>	<u>99,433</u>	<u>(14,315)</u>	<u>67,406</u>
Prior period adjustment	-	-	-	4,614	-
Net changes in fund balances	<u>\$ 33,338</u>	<u>\$ 35,800</u>	<u>\$ 14,845</u>	<u>\$ (85,410)</u>	<u>\$ 41,368</u>
Debt service as a percentage of noncapital expenditures	28.2%	19.0%	25.4%	23.1%	20.3%

# CITY OF WICHITA, KANSAS

## GOVERNMENTAL OWN SOURCE REVENUES BY SOURCE

For years ended December 31, 2005 through December 31, 2014

(modified accrual basis of accounting)

(dollars expressed in thousands)

<u>Year</u>	<u>Property Taxes<sup>1</sup></u>	<u>Special Assessments<sup>2</sup></u>	<u>Franchise Taxes</u>
2005	97,740	26,452	30,702
2006	102,264	28,013	31,851
2007	108,018	29,529	32,157
2008	114,598	31,786	34,273
2009	119,809	33,349	33,720
2010	118,207	33,723	36,923
2011	117,986	33,557	36,779
2012	118,990	32,800	37,407
2013	119,745	33,056	39,283
2014	120,385	31,407	41,863

<sup>1</sup>Property taxes include motor vehicle taxes.

<sup>2</sup>Special assessment includes the assessments for improvements.  
Nuisance assessments are not included above.

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## CITY OF WICHITA, KANSAS

### GOVERNMENTAL REVENUES BY SOURCE

For fiscal years 2005 through 2014  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

Year	Taxes	Special Assessments <sup>1</sup>	Franchise Taxes	Local Sales Tax	Intergovernmental	Licenses and Permits
2005	\$ 102,805	\$ 27,099	\$ 30,702	\$ 45,181	\$ 87,953	\$ 6,494
2006	107,307	29,102	31,851	47,705	98,988	7,047
2007	113,728	30,082	32,157	49,256	96,660	7,478
2008	120,922	32,573	34,273	51,255	94,087	6,511
2009	125,834	33,887	33,720	49,444	74,089	5,892
2010	124,135	34,251	36,923	48,240	72,228	6,647
2011	124,028	33,648	36,779	54,919	64,003	6,735
2012	125,089	33,327	37,407	54,095	61,057	7,427
2013	126,106	33,669	39,283	58,519	59,823	7,468
2014	127,140	31,509	41,863	56,143	57,530	7,241

<sup>1</sup>Includes all collections through specials, including nuisance collections.

### GOVERNMENTAL EXPENDITURES BY FUNCTION

For fiscal years 2005 through 2014  
(modified accrual basis of accounting)  
(dollars expressed in thousands)

Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
2005	\$ 30,524	\$ 94,352	\$ 21,569	\$ 3,082	\$ 32,900	\$ 29,256
2006	34,193	103,315	22,833	3,305	33,482	29,650
2007	31,576	110,745	22,783	3,609	31,758	30,171
2008	36,064	116,580	22,838	3,872	31,864	32,720
2009	32,855	117,087	20,937	4,372	35,986	31,892
2010	34,640	120,792	19,144	5,243	40,109	31,720
2011	36,588	122,930	22,450	4,264	35,379	30,793
2012	34,643	126,734	18,186	3,722	32,134	31,061
2013	36,414	129,574	16,676	3,774	31,854	30,379
2014	37,368	129,934	18,416	4,366	31,656	31,044

<u>Fines and Penalties</u>	<u>Rentals</u>	<u>Interest Earnings</u>	<u>Charges for Services and Sales</u>	<u>Other Revenues</u>	<u>Total</u>	<u>Year</u>
\$ 8,666	\$ 3,848	\$ 7,699	\$ 10,310	\$ 18,036	\$348,793	2005
8,801	3,956	9,944	10,398	12,179	367,278	2006
9,948	5,568	10,375	9,946	16,241	381,440	2007
9,444	5,571	8,160	10,747	19,566	393,109	2008
10,430	4,446	3,594	10,541	35,209	387,086	2009
10,641	4,578	2,160	10,673	23,219	373,695	2010
10,345	4,266	1,022	12,019	21,283	369,047	2011
10,476	4,737	551	10,647	12,987	357,800	2012
9,391	4,400	851	11,052	13,354	363,916	2013
9,857	4,203	1,456	12,122	22,118	371,182	2014

<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Year</u>
\$ 86,009	\$ 126,314	\$ 424,006	2005
80,284	170,129	477,191	2006
78,828	150,383	459,853	2007
80,673	165,767	490,378	2008
98,454	122,187	463,770	2009
108,821	83,658	444,127	2010
72,672	82,901	407,977	2011
85,949	109,959	442,388	2012
82,574	108,380	439,625	2013
68,057	76,412	397,253	2014

## CITY OF WICHITA, KANSAS

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2005 through December 31, 2014

(dollars expressed in thousands of dollars)

Year <sup>1</sup>	Real Property		Personal Property		State Assessed Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$ 2,265,832	\$ 15,804,145	\$ 276,669	\$ 1,136,938	\$ 125,534	\$ 380,408
2006	2,434,211	16,932,177	284,827	1,165,037	114,675	347,499
2007	2,633,615	18,234,004	248,988	1,019,861	109,702	332,430
2008	2,827,209	19,506,118	212,829	871,131	105,794	320,589
2009	2,875,134	19,881,261	177,540	729,638	98,981	299,941
2010	2,904,055	20,011,382	147,887	612,183	98,206	297,594
2011	2,916,488	20,142,275	136,190	559,157	99,311	300,943
2012	2,889,209	19,908,386	125,492	518,004	96,872	293,550
2013	2,910,786	20,007,283	118,751	491,029	94,794	287,253
2014	2,963,148	20,364,338	93,990	404,245	91,126	276,140

Year	Totals Assessed Property					
	Assessed Value	Estimated Actual Value	Assessed Value as a Percent of Actual Value	Total Direct Tax Rate <sup>2</sup>	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
2005	\$ 2,668,035	\$ 17,321,491	15.40%	5.03	\$ 369,682	\$ 3,037,717
2006	2,833,713	18,444,713	15.36%	4.95	379,910	3,213,623
2007	2,992,305	19,586,295	15.28%	4.96	392,292	3,384,597
2008	3,145,832	20,697,838	15.20%	4.96	401,805	3,547,637
2009	3,151,655	20,910,840	15.07%	5.16	396,701	3,548,356
2010	3,150,148	20,921,159	15.06%	5.14	387,036	3,537,184
2011	3,151,989	21,002,375	15.01%	5.06	381,608	3,533,597
2012	3,111,573	20,719,940	15.02%	5.21	385,358	3,496,931
2013	3,124,331	20,785,565	15.03%	5.16	396,435	3,520,766
2014	3,148,264	21,044,723	14.96%	5.10	404,427	3,552,691

<sup>1</sup>The assessed value and tax rate of the referenced year supports the budget of the subsequent year. For example, the assessed value of 2011 multiplied by the tax rate supports the budget of fiscal 2012. Excludes valuation of motor vehicles.

<sup>2</sup>Direct tax rates are per \$1,000 of actual value.

Source: Sedgwick County Clerk and Sedgwick County Appraiser

# CITY OF WICHITA, KANSAS

## PROPERTY TAX RATES

### DIRECT AND OVERLAPPING GOVERNMENTS

For years ended December 31, 2005 through December 31, 2014

Year <sup>1</sup>	City of Wichita			Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Debt Millage	Total Millage	State Levy	Sedgwick County	Unified School District 259	Total Overlapping	
2005	21.876	10.022	31.898	1.500	28.758	51.300	81.558	113.456
2006	21.936	10.017	31.953	1.500	31.315	51.296	84.111	116.064
2007	21.971	10.008	31.979	1.500	31.333	53.238	86.071	118.050
2008	23.034	9.022	32.056	1.500	30.377	53.309	85.186	117.242
2009	23.619	8.523	32.142	1.500	29.868	56.850	88.218	120.360
2010	24.742	7.530	32.272	1.500	29.359	56.928	87.787	120.059
2011	24.839	7.520	32.359	1.500	29.428	57.018	87.946	120.305
2012	24.443	8.028	32.471	1.500	29.447	57.184	88.131	120.602
2013	24.003	8.506	32.509	1.500	29.377	57.215	88.092	120.601
2014	24.114	8.537	32.651	1.500	29.478	53.735	84.713	117.364

<sup>1</sup>Represents the year taxes were levied to provide support for the subsequent budget year.

Source: Sedgwick County Clerk and Sedgwick County Appraiser

## CITY OF WICHITA, KANSAS

### PRINCIPAL PROPERTY TAXPAYERS

For years ended December 31, 2005 and December 31, 2014

(dollars expressed in thousands)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kansas Gas & Electric (Westar Energy Co.)	\$ 40,413	1	1.28 %	\$ 41,148	2	1.36 %
City of Wichita	30,558	2	0.97	-	-	-
Simon Property Group	25,807	3	0.82	30,457	4	1.00
Kansas Gas Service (Division of Oneok)	19,131	4	0.61	12,838	5	0.42
Southwestern Bell Telephone	13,887	5	0.44	43,932	1	1.45
Wal-Mart	13,459	6	0.43	-	-	-
Wesley Medical Center LLC (HCA)	10,732	7	0.34	36,660	3	1.21
Bradley Fair One LLC	9,763	8	0.31	6,799	10	0.22
Sam's Club	9,310	9	0.30	-	-	-
Target Corporation	6,977	10	0.22	10,047	7	0.33
Koch Real Estate Holdings	-	-	-	10,062	6	0.33
Boeing Military Airplane	-	-	-	8,319	8	0.27
Cox Communications Inc	-	-	-	7,539	9	0.25
	<u>\$ 180,037</u>		<u>5.72 %</u>	<u>\$ 207,801</u>		<u>6.84 %</u>

### PRINCIPAL EMPLOYERS, WICHITA AREA

For years ended December 31, 2005 and December 31, 2014

Employer	2014			2005		
	Total Full-time Wichita-area Employees	Rank	Percentage of Total City Employment	Total Full-time Wichita-area Employees	Rank	Percentage of Total City Employment
Spirit AeroSystems, Inc.	10,900	1	3.73 %	-	-	- %
Via Christi Health System	5,899	2	2.02	5,025	5	1.74
USD 259 Wichita	5,606	3	1.92	4,842	6	1.68
McConnell Air Force Base	5,094	4	1.74	-	-	-
State of Kansas	3,992	5	1.37	3,849	7	1.33
Koch Industries	3,300	6	1.13	-	-	-
Bombardier Learjet	2,855	7	0.98	2,560	10	0.89
City of Wichita	2,800	8	0.96	3,057	8	1.06
US Government	2,620	9	0.90	5,435	4	1.88
Sedgwick County	2,618	10	0.90	2,790	9	0.97
Boeing Aircraft Co.	-	-	-	12,300	1	4.26
Cessna Aircraft Co.	-	-	-	8,500	2	2.94
Raytheon Aircraft	-	-	-	6,462	3	2.24
Percent of total employment			<u>15.62 %</u>			<u>18.95 %</u>
Total employment	292,400			289,100		

Source: Wichita Business Journal; total employment U.S. Department of Labor, Bureau of Labor Statistics

# CITY OF WICHITA, KANSAS

## PROPERTY TAX LEVIES AND COLLECTIONS General and Debt Service Funds

For years ended December 31, 2005 through December 31, 2014  
(dollars expressed in thousands)

Year Ended December 31 <sup>1</sup>	Current Year Collections			Collections in Subsequent Years	Total Tax Collections	
	Taxes Levied	Amount	Percentage Levy		Amount	Percentage of Levy
2005	\$ 81,030	\$ 76,454	94.35 %	\$ 3,096	\$ 79,550	98.17 %
2006	85,103	80,692	94.82	2,776	83,468	98.08
2007	90,546	86,525	95.56	3,267	89,792	99.17
2008	95,692	91,161	95.27	4,116	95,277	99.57
2009	100,840	95,255	94.46	3,435	98,690	97.87
2010	101,298	95,319	94.10	3,137	98,456	97.19
2011	100,319	95,890	95.59	2,114	98,004	97.69
2012	101,997	96,611	94.72	1,090	97,701	95.79
2013	101,036	96,596	95.61	-	96,596	95.61
2014	101,569	97,108	95.61	-	97,108	95.61

## PROPERTY TAX LEVIES AND COLLECTIONS Tax Increment Financing Districts

For years ended December 31, 2005 through December 31, 2014  
(dollars expressed in thousands)

Year Ended December 31 <sup>1</sup>	Current Year Collections			Collections in Subsequent Years	Total Tax Collections	
	Taxes Levied <sup>2</sup>	Amount	Percentage Levy		Amount	Percentage of Levy <sup>2</sup>
2005	\$ 6,163	\$ 5,361	86.99 %	\$ 432	\$ 5,793	94.00 %
2006	6,169	5,766	93.47	354	6,120	99.21
2007	6,580	6,087	92.51	469	6,556	99.63
2008	7,038	5,752	81.73	51	5,803	82.45
2009	7,101	6,127	86.28	219	6,346	89.37
2010	6,196	6,372	102.84	101	6,473	104.47
2011	5,991	6,174	103.05	17	6,191	103.34
2012	6,021	5,820	96.66	161	5,981	99.34
2013	6,317	5,726	90.64	-	5,726	90.64
2014	5,732	5,921	103.30	-	5,921	103.30

## SPECIAL ASSESSMENT LEVIES AND COLLECTIONS

For years ended December 31, 2005 through December 31, 2014  
(dollars expressed in thousands)

Year Ended December 31 <sup>1</sup>	Assessments Certified to County <sup>3</sup>	Current Year Collections		Collections in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2005	\$ 25,034	\$ 23,869	95.35 %	\$ 1,097	\$ 24,966	99.73 %
2006	27,137	25,889	95.40	1,226	27,115	99.92
2007	28,797	27,272	94.70	1,516	28,788	99.97
2008	30,871	29,097	94.25	1,420	30,517	98.85
2009	30,687	29,756	96.97	772	30,528	99.48
2010	33,314	30,934	92.86	1,985	32,919	98.81
2011	34,882	32,010	91.77	671	32,681	93.69
2012	33,088	29,296	88.54	878	30,174	91.19
2013	31,857	29,090	91.31	-	29,090	91.31
2014	29,982	27,839	92.85	-	27,839	92.85

<sup>1</sup>The year shown is the year in which the collections were received. The levy or assessment is certified to the county the previous year.

<sup>2</sup>The amount reported as Taxes Levied is the estimated tax revenue from the certified budgets. Economic development tax increment financing districts collect all property taxes paid above the base year and do not have a district levy. As a result, collections may exceed the budgeted amounts.

<sup>3</sup>Special assessments of proprietary funds, advance payments and nuisance assessments are not included.

## CITY OF WICHITA, KANSAS

### RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

For years ending December 31, 2005 through December 31, 2014

(dollars expressed in thousands except per capita amounts)

Year	Assessed Value <sup>1</sup>	Gross Bonded Debt <sup>2</sup>	Less: Amounts Available in Debt Service Fund	Debt Payable From Local Sales Tax	Debt Payable from Transient Guest Tax
2005	\$ 3,037,717	\$ 433,104	\$ 57,287	\$ 113,500	\$ 8,890
2006	3,213,623	418,305	40,945	104,505	6,717
2007	3,384,597	448,457	16,107	138,205	5,554
2008	3,547,637	432,681	6,231	129,165	4,639
2009	3,548,356	466,111	22,221	119,540	3,737
2010	3,537,184	518,189	29,587	130,730	2,847
2011	3,533,597	525,794	23,648	123,455	1,956
2012	3,496,931	558,037	25,857	152,390	1,064
2013	3,520,766	480,005	26,142	122,195	167
2014	3,552,691	630,375	29,685	148,770	2,485

<sup>1</sup> Includes assessed value and motor vehicle valuations expressed in thousands.

<sup>2</sup> Includes all long-term general obligation debt repayable from governmental and proprietary funds.

<sup>3</sup> Based on most recent population data reported on page H-27.

Debt Payable from Proprietary Revenues	Debt Payable from Special Assessments	Net Bonded Debt Payable	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita <sup>3</sup>	Year
\$ 12,771	\$ 210,370	\$ 30,286	0.010	\$ 85.35	2005
16,401	217,705	32,032	0.010	89.55	2006
14,484	218,545	55,562	0.016	153.73	2007
12,492	227,550	52,604	0.015	143.71	2008
20,101	241,420	59,092	0.017	158.77	2009
26,723	255,270	73,032	0.021	191.00	2010
40,681	269,630	66,424	0.019	172.78	2011
48,360	254,955	75,411	0.022	195.58	2012
44,285	216,625	70,591	0.020	182.62	2013
184,285	192,575	72,575	0.020	189.80	2014

# CITY OF WICHITA, KANSAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

For years ended December 31, 2005 through December 31, 2014  
(dollars expressed in thousands except per capita amounts)

Fiscal Year	Proprietary Activities					Governmental Activities	
	Water Utility Bonds	Sewer Utility Bonds	Airport Authority Bonds	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Local Sales Tax Revenue Bonds
2005	\$ 145,759	\$ 129,887	\$ 77,825	\$ 12,771	\$ 6,223	\$ 420,333	\$ -
2006	167,473	146,810	76,557	16,401	-	401,904	-
2007	159,292	140,604	75,198	14,484	-	433,973	-
2008	175,877	138,620	74,897	12,492	4,170	420,189	-
2009	250,093	181,090	63,150	20,100	-	446,011	-
2010	266,444	195,165	62,700	26,723	12,624	491,466	-
2011	250,350	181,970	62,020	40,681	10,245	485,113	-
2012	243,497	181,249	11,370	48,360	-	509,676	-
2013	239,883	181,879	11,310	44,834	7,933	435,720	-
2014	231,195	180,231	11,330	196,102	96,565	474,391	1,635

Fiscal Year	Governmental Activities				Total Debt Per Capita <sup>1</sup>	Total Debt as a Percent of Per Capita Income
	HUD Section 108 Loan	Capital Lease Debt	Bond Anticipation Notes	Total Debt Primary Government		
2005	\$ 5,310	\$ -	\$ 18,629	\$ 816,737	\$ 2,302	6.63 %
2006	2,075	-	18,057	829,277	2,318	6.05
2007	1,825	1,681	14,180	841,237	2,328	5.85
2008	1,565	1,472	34,990	864,272	2,361	6.02
2009	1,285	1,178	39,501	1,002,408	2,693	7.14
2010	990	851	1,813	1,058,776	2,769	7.17
2011	680	510	14,158	1,045,727	2,720	7.05
2012	350	153	10,465	1,005,120	2,607	6.76
2013	-	435	3,465	925,459	2,394	5.82
2014	-	341	-	1,191,790	3,117	7.57

Fiscal Year	Component Unit
	Wichita Public Building Commission
2005	\$ 32,075
2006	29,315
2007	26,555
2008	24,230
2009	21,805
2010	16,705
2011	14,010
2012	11,220
2013	1,595
2014	-

<sup>1</sup>Expressed in dollars. Population figures are presented on page H-27 of this section.

## CITY OF WICHITA, KANSAS

### RATIOS OF GENERAL BONDED DEBT OUTSTANDING

For years ended December 31, 2005 through December 31, 2014

(dollars expressed in thousands except per capita amounts)

Fiscal Year	General Obligation Bonds <sup>1</sup>	Less: Amounts Available in Debt Service Fund	Total	Percent of Estimated Actual Value of Taxable Property <sup>2</sup>	Per Capita <sup>3</sup>
2005	\$ 433,104	\$ 57,287	\$ 375,817	2.17 %	\$ 1,059.0
2006	418,200	40,945	377,255	2.05	1,054.7
2007	448,457	16,107	432,350	2.21	1,196.3
2008	432,681	6,231	426,450	2.06	1,165.0
2009	466,111	22,221	443,890	2.12	1,192.7
2010	518,189	51,730	466,459	2.23	1,219.9
2011	525,794	85,545	440,249	2.10	1,145.2
2012	558,036	114,344	443,692	2.14	1,150.7
2013	480,005	88,293	391,712	1.88	1,013.3
2014	630,375	41,315	589,060	2.80	1,540.6

<sup>1</sup>Includes all general obligation debt.

<sup>2</sup>Excludes estimated actual value of motor vehicles.

<sup>3</sup>Population figures provided on page H-27 of this section.

### RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GOVERNMENT EXPENDITURES

For years ended December 31, 2005 through December 31, 2014

(dollars expressed in thousands)

Fiscal Year	Principal	Interest	Debt Service <sup>1</sup>	Total Governmental Expenditures <sup>2</sup>	Ratio of Debt Service to Government Expenditures
2005	\$ 42,111	\$ 17,301	\$ 59,412	\$ 424,007	14.01
2006	41,002	17,176	58,178	477,191	12.19
2007	40,189	16,880	57,069	459,853	12.41
2008	43,384	19,230	62,614	490,379	12.77
2009	44,190	17,673	61,863	463,770	13.34
2010	47,070	20,870	67,940	444,128	15.30
2011	50,619	18,441	69,060	407,977	16.93
2012	51,435	17,001	68,436	442,388	15.47
2013	51,322	16,594	67,916	439,625	15.45
2014	47,460	16,648	64,108	397,253	16.14

<sup>1</sup>Includes debt service related to all governmental activities except for that related to a Section 108 loan.

<sup>2</sup>Includes expenditures of all governmental fund types.

## CITY OF WICHITA, KANSAS

### LEGAL DEBT MARGIN INFORMATION

For years ended December 31, 2005 through December 31, 2014

(dollars expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 911,315	\$ 964,087	\$ 1,015,379	\$ 1,064,291
Total net debt applicable to limit	<u>227,053</u>	<u>232,818</u>	<u>197,179</u>	<u>202,312</u>
Legal debt margin	<u>\$ 684,262</u>	<u>\$ 731,269</u>	<u>\$ 818,200</u>	<u>\$ 861,979</u>
Total net debt applicable to limit as a percentage of debt limit	24.91%	24.15%	19.42%	19.01%

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,064,507	\$ 1,061,156	\$ 1,060,079	\$ 1,049,079	\$ 1,056,230	\$ 1,065,807
<u>221,768</u>	<u>226,525</u>	<u>197,552</u>	<u>169,407</u>	<u>137,511</u>	<u>206,722</u>
<u>\$ 842,739</u>	<u>\$ 834,631</u>	<u>\$ 862,527</u>	<u>\$ 879,672</u>	<u>\$ 918,719</u>	<u>\$ 859,085</u>

20.83%      21.35%      18.64%      16.15%      13.02%      19.40%

Total debt \$1,031,879,357

2014 Equalized assessed valuation of taxable tangible property	\$ 3,148,264
Add: 2014 Estimated tangible valuation of motor vehicles	<u>404,427</u>
Total assessed value	\$ 3,552,691

Debt limit (30% of equalized assessed value) \$ 1,065,807

Debt applicable to limit:	
General obligation bonds	\$ 244,903
Less: Amount set aside for repayment of general obligation debt	<u>38,181</u>
Total net debt applicable to limit	\$ 206,722

Legal debt margin \$ 859,085

## CITY OF WICHITA, KANSAS

### COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

As of December 31, 2012 through December 31, 2014

	December 31, 2012		December 31, 2013		December 31, 2014	
	Percent of Debt		Percent of Debt		Percent of Debt	
	Applicable to City	City of Wichita Share of Debt	Applicable to City	City of Wichita Share of Debt	Applicable to City	City of Wichita Share of Debt
Direct Debt:						
General obligation bonded debt						
Payable from ad valorem taxes		\$ 77,801,054		\$ 75,934,638		\$ 76,914,924
Temporary note debt		<u>221,245,000</u>		<u>326,275,000</u>		<u>185,270,000</u>
Total direct debt		299,046,054		402,209,638		262,184,924
Less - assets in debt service fund available for payment of principal		<u>18,325,399</u>		<u>26,142,120</u>		<u>29,684,595</u>
Total net direct debt		<u>280,720,655</u>		<u>376,067,518</u>		<u>232,500,329</u>
Overlapping debt:						
Sedgwick County	72.8%	108,881,019	72.6%	109,419,500	81.7%	152,043,700
USD 259	60.8%	265,686,880	60.6%	280,899,220	59.7%	265,760,520
Wichita Public Building Commission	72.8%	<u>6,990,000</u>	0.0%	<u>-</u>	0.0%	<u>-</u>
Total overlapping debt		<u>381,557,899</u>		<u>390,318,720</u>		<u>417,804,220</u>
Total direct and overlapping debt		<u>\$ 662,278,554</u>		<u>\$ 766,386,238</u>		<u>\$ 650,304,549</u>

Note: Percentage of overlapping debt based on assessed valuation.

# CITY OF WICHITA, KANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

For years 2005 through 2014

Fiscal Year	Population of Wichita	Population of Wichita MSA <sup>1</sup>	Personal Income of Wichita MSA (amounts expressed in thousands)	Per Capita Personal Income
2005	354,865	586,933	19,762,665	34,703
2006	357,698	589,279	22,080,831	38,318
2007	361,420	596,452	22,642,335	39,811
2008	366,046	603,716	23,650,151	39,207
2009	372,186	646,317	23,112,300	37,723
2010	382,368	623,061	24,098,234	38,610
2011	384,445	625,526	24,125,385	38,568
2012	385,577	636,105	26,176,679	41,152
2013	386,552	637,394	26,176,679	41,152
2014	382,368	637,989	26,425,504	42,999

Fiscal Year	Median Age	School Enrollment	Average Annual Unemployment Rates	
			City of Wichita	Wichita MSA
2005	34.2	48,865	6.0%	4.5%
2006	34.8	48,451	4.9%	4.0%
2007	35.0	48,705	4.4%	4.4%
2008	34.0	49,146	4.8%	4.3%
2009	34.3	50,042	8.9%	8.1%
2010	33.9	50,033	9.6%	8.8%
2011	34.3	50,103	8.7%	7.9%
2012	35.1	50,639	7.5%	6.8%
2013	35.1	51,169	7.0%	6.3%
2014	35.2	51,330	5.3%	4.8%

Data provided by the Center of Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University. The statistical information may reflect revisions made to data originally reported. All data for the current year may not be available.

<sup>1</sup> Wichita Metropolitan Statistical Area

# CITY OF WICHITA, KANSAS

## PLEGGED REVENUE COVERAGE

For years ended December 31, 2005 through December 31, 2014

(dollars expressed in thousands)

Water Revenue Bonds						
Less:						
Fiscal Year	Gross Earnings	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2005	\$ 42,081	\$ 21,014	\$ 21,067	\$ 6,279	\$ 5,321	1.82
2006	46,580	22,189	24,391	7,146	6,800	1.75
2007	43,901	22,924	20,977	8,181	7,588	1.33
2008	44,635	24,073	20,562	8,640	8,049	1.23
2009	55,251	23,938	31,313	9,321	8,273	1.78
2010	72,632	21,965	50,667	11,024	12,813	2.13
2011	81,368	29,136	52,232	13,119	12,337	2.05
2012	83,737	31,246	52,491	14,087	11,127	2.08
2013	69,355	32,522	36,833	13,546	11,274	1.48
2014	80,476	29,182	51,294	13,166	10,746	2.15

Sewer Revenue Bonds						
Less:						
Fiscal Year	Gross Earnings	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2005	\$ 30,685	\$ 17,328	\$ 13,357	\$ 4,842	\$ 5,364	1.31
2006	31,607	18,851	12,756	5,358	6,164	1.11
2007	34,994	19,049	15,945	6,205	6,797	1.23
2008	36,667	20,010	16,657	6,220	6,817	1.28
2009	36,295	20,247	16,048	6,613	6,664	1.21
2010	38,545	20,563	17,982	7,450	9,274	1.08
2011	45,304	21,682	23,622	9,424	9,665	1.24
2012	47,713	22,509	25,204	10,712	7,670	1.37
2013	52,074	23,389	28,685	10,290	8,333	1.54
2014	53,402	23,314	30,088	9,324	7,958	1.74

Combined Water and Sewer Revenue Bonds						
Less:						
Fiscal Year	Gross Earnings	Operating and Maintenance Expenses	Net Revenue Available for Debt Service	Principal	Interest	Coverage
2005	72,766	38,342	34,424	11,121	10,685	1.58
2006	78,187	41,040	37,147	12,504	12,964	1.46
2007	78,895	41,973	36,922	14,386	14,385	1.28
2008	81,302	44,083	37,219	14,860	14,866	1.25
2009	91,546	44,185	47,361	15,934	14,937	1.53
2010	111,177	42,528	68,649	18,474	22,087	1.69
2011	126,672	50,818	75,854	22,543	22,002	1.70
2012	131,450	53,755	77,695	24,799	18,797	1.78
2013	121,429	55,911	65,518	23,836	19,607	1.51
2014	133,878	52,496	81,382	22,490	18,704	1.98

Note: The covenants of the revenue bonds require the combined Utilities to produce net revenues for the debt service of the Utilities' revenue bonds of not less than 120% of the current year's debt service requirements.

# CITY OF WICHITA, KANSAS

## CAPITAL ASSET STATISTICS BY FUNCTION

For years ended December 31, 2005 through December 31, 2014

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety</b>										
Police stations	4	4	4	4	4	4	4	4	4	4
Police patrol units	175	175	175	175	175	175	173	183	175	171
Fire stations	18	18	19	19	22	22	22	22	22	22
<b>Highways and Streets</b>										
Streets (miles)	1,760	1,795	1,830	1,859	1,882	1,884	1,898	1,902	1,904	1,906
Signalized intersections	541	547	553	562	562	562	584	585	584	592
<b>Culture and Recreation</b>										
Parks acreage	4,327	4,458	5,281	5,281	4,892	4,892	4,886	4,903	4,905	4,904
Swimming pools	11	11	11	11	11	11	11	9	9	9
Interactive water features	5	5	6	6	6	6	5	5	5	5
Fishing ponds	12	13	13	13	13	13	13	13	13	13
Tennis courts	74	75	76	76	75	73	75	75	77	77
Exercise/fitness trails	12	12	12	12	16	16	13	13	13	13
Children's playgrounds	74	78	78	80	82	83	79	79	81	81
Community centers	10	10	10	10	10	10	9	9	9	9
Golf Courses	5	5	5	5	5	5	5	5	5	5
Libraries	9	9	9	9	9	9	9	9	9	9
<b>Water</b>										
Water mains (miles)	2,031	2,244	2,280	2,298	2,314	2,357	2,361	2,387	2,407	2,422
Maximum daily capacity (million gallons per day) <sup>1</sup>	106	119	108	160	160	160	160	160	160	160
<b>Sewer</b>										
Sanitary sewers (miles) <sup>2</sup>	1,925	1,935	1,986	2,011	2,013	2,134	2,134	2,016	2,016	2,022
Storm sewers (miles)	400	400	420	420	420	750	750	750	925	925
Maximum daily treatment capacity (million gallons per day)	61	61	59	59	62	62	62	62	62	62
<b>Airport</b>										
	2	2	2	2	2	2	2	2	2	2
<b>Transit</b>										
Bus fleet	56	56	53	53	53	53	55	54	56	56
Para-transit vans	22	22	20	23	24	24	24	24	24	22

<sup>1</sup>Estimated daily average

<sup>2</sup>Miles of sanitary sewers are estimates

Source: City of Wichita Operating Departments

# CITY OF WICHITA, KANSAS

## OPERATING INDICATORS BY FUNCTION

For years ended December 31, 2005 through December 31, 2014

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety</b>										
Police										
Dispatched calls for 911 service	243,166	245,200	206,453	234,578	238,766	286,507	226,047	227,787	231,290	218,614
Parking violations	19,816	20,500	30,885	23,922	22,011	21,234	17,105	14,917	14,276	16,012
Traffic violations	72,047	70,000	79,755	64,113	77,589	72,303	72,983	64,437	54,820	58,824
Fire										
Number of unit responses	60,830	60,012	67,170	68,818	69,332	69,680	72,226	73,389	73,184	76,539
Fires contained to room of origin	41%	69%	68%	78%	73%	64%	62%	71%	72%	69%
Inspections <sup>4</sup>	5,262	5,165	5,953	5,753	4,092	4,187	4,731	12,969	15,225	7,342
<b>Highways and Streets</b>										
Street resurfacing (miles)	36	36	33	18	11	11	14	22	14	22
Potholes repaired	55,000	42,000	96,731	93,880	51,241	70,306	54,075	47,851	54,661	56,558
<b>Culture and Recreation</b>										
Golf rounds played	181,934	188,883	164,013	164,140	172,096	161,179	158,124	178,886	155,460	155,611
Trees planted	4,764	3,907	2,498	2,189	2,090	1,624	702	1,944	291	909
Swim lessons	1,732	1,560	1,134	1,490	1,379	1,377	1,721	1,531	1,394	1,433
Botanica visitors	102,691	111,289	94,865	102,877	97,390	105,881	145,105	166,390	154,509	206,193
Convention & Performance Center <sup>1</sup>										
Conventions	39	29	25	28	18	29	30	29	26	28
Consumer shows	na	na	na	na	na	29	27	33	30	30
Performances	na	na	na	na	na	65	67	63	52	66
Other events	na	na	na	na	na	173	210	207	171	139
Library circulation	1,949,241	1,992,052	2,057,722	2,248,824	2,237,881	2,284,698	2,304,924	2,218,997	2,137,656	2,102,505
Library program attendance	77,038	65,169	68,296	69,597	70,030	70,528	68,507	71,714	62,291	56,944
<b>Water</b>										
Water customers <sup>2</sup>	141,249	144,780	144,336	141,622	142,196	144,529	144,710	144,190	144,261	144,106
Main breaks	263	311	280	198	165	242	339	340	233	214
(per 1,000 miles of mains)										
Average daily consumption <sup>3</sup>	57	61	58	54	54	57	61	60	51	52
(million gallons per day)										
<b>Sewer (wastewater)</b>										
Sewer customers <sup>2</sup>	130,496	133,759	131,235	133,160	133,799	134,508	134,534	134,491	133,952	136,019
Average daily sewage treated	38	35	36	40	37	36	27	29	38	37
(million gallons per day)										
<b>Airport</b>										
Number of passengers	1,486,590	1,460,331	1,596,229	1,619,075	1,505,607	1,549,395	1,536,354	1,509,206	1,512,507	1,533,669
Passenger enplanements	742,363	726,619	795,535	805,286	746,283	772,608	764,622	752,108	757,401	763,597
Number of daily flights	44	47	50	43	41	38	35	33	34	34
<b>Transit</b>										
Fixed route ridership	2,070,153	1,868,673	1,972,981	2,255,051	2,170,346	2,210,177	2,073,725	1,940,461	1,851,654	1,864,279
Para-transit ridership	327,781	326,303	318,122	325,433	342,500	352,043	343,138	309,872	301,465	260,906

<sup>1</sup>Convention and Performance Center event records not available in earliest years.

<sup>2</sup>Water and Sewer customers estimated.

<sup>3</sup>Fire Department increased enforcement efforts related code administration inspections beginning in 2012

Source: City of Wichita Operating Departments

# CITY OF WICHITA, KANSAS

## CITY GOVERNMENT EMPLOYEES BY FUNCTION

For years ended December 31, 2005 through December 31, 2014

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
City council & city manager	16	16	15	15	15	15	15	15	15	15
General government	19	17	16 #	28	25	24	23	36	24	19
Economic development	3	3	4	4	9	8	2	4	4	4
Financial services	71	73	73	73	73	71	71	70	68	67
Legal services	24	25	25	25	26	26	26	27	26	26
Building services	115	109	108	111	111	111	69	92	95	101
Fleet services	61	61	61	61	60	60	54	54	55	57
Municipal court	109	105	111	115	116	116	113	120	116	116
Information technology	52	55	56	56	59	56	56	56	56	57
Metropolitan planning	32	32	38	31	31	31	29	28	28	18
Human resources	17	18	18	18	18	18	17	17	17	17
<b>Public Safety</b>										
Police	841	856	857	860	860	834	846	854	843	840
Fire	397	407	439	436	436	438	437	453	453	452
Metro area building & construction	73	72	78	81	83	101	78	78	63	53
Flood control	18	18	18	18	18	18	18	18	18	18
<b>Highways &amp; Streets</b>										
Administration	5	5	5	5	5	5	56	43	9	9
Street maintenance	128	127	127	129	123	123	119	119	121	121
Engineering & architecture	102	102	98	105	102	102	105	104	93	88
<b>Sanitation</b>										
Landfill operations	2	2	3	2	2	2	2	3	3	3
Street cleaning	22	22	22	21	26	26	26	24	24	24
<b>Health and Welfare</b>										
Housing & community services	89	93	88	89	90	91	90	89	88	82
Environmental services	69	69	71	67	68	49	31	30	36	29
<b>Culture and Recreation</b>										
Libraries	148	153	153	155	155	155	155	151	149	139
Art museum	26	26	30	24	26	26	26	26	26	26
Parks & recreation	273	188	198	185	185	121	139	122	158	124
Golf courses	90	34	38	38	38	33	33	33	33	33
Community facilities	37	34	29	46	58	51	51	51	51	52
<b>Water Utility</b>	213	222	228	223	230	228	193	186	214	214
<b>Sewer Utility</b>	159	159	159	163	163	161	155	155	154	154
<b>Airport Authority</b>	116	116	115	114	115	115	119	126	118	134
<b>Stormwater Utility</b>	37	37	33	33	38	38	37	37	38	39
<b>Transit</b>	157	133	131	133	131	154	135	135	135	139
<b>Total</b>	<u>3,521</u>	<u>3,389</u>	<u>3,445</u>	<u>3,464</u>	<u>3,495</u>	<u>3,407</u>	<u>3,326</u>	<u>3,356</u>	<u>3,331</u>	<u>3,270</u>

Note: Numbers presented are authorized positions as reported in the Adopted Budget.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
**City of Wichita, Kansas**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wichita (City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2015  
Wichita, Kansas

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND FOR THE  
PASSENGER FACILITY CHARGE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
**City of Wichita, Kansas**

**Report on Compliance for Each Major Federal Program and for the Passenger Facility Charge Program**

We have audited the City of Wichita, Kansas' (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (Guide) for the City's passenger facility charge program for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and to its passenger facility charge program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and its passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Guide. Those standards, OMB Circular A-133 and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program and the Passenger Facility Charge Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and its passenger facility charge program for the year ended December 31, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the passenger facility charge program, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be

material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2015  
Wichita, Kansas

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended December 31, 2014

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
<u>U.S. Department of Agriculture</u>			
Cooperative Forestry Assistance (16)	10.664	\$ -	\$ 5,940
Total U.S. Department of Agriculture		<u>\$ -</u>	<u>\$ 5,940</u>
<u>U.S. Department of Defense</u>			
Procurement Technical Assistance for Business Firms (8)	12.002	\$ 10,572	\$ 2,977
Total U.S. Department of Defense		<u>\$ 10,572</u>	<u>\$ 2,977</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grants/Entitlement Grants	14.218	\$ 2,504,144	\$ 2,476,658
Emergency Shelter Grants Program	14.231	280,640	277,973
HOME Investment Partnerships Program	14.239	1,641,047	1,721,241
CDBG/Brownfields Economic Development Initiative	14.246	1,200	1,200
Public and Indian Housing	14.850	1,819,922	1,701,410
Resident Opportunity and Supportive Services	14.870	68,575	42,357
Section 8 Housing Choice Vouchers (15)	14.871	10,771,650	12,137,543
Public Housing Capital Fund	14.872	757,797	761,551
Mainstream Vouchers (15)	14.879	294,361	262,086
Total U.S. Department of Housing and Urban Development		<u>\$ 18,139,336</u>	<u>\$ 19,382,019</u>
<u>U. S. Department of the Interior</u>			
Historic Preservation Fund Grants-In-Aid (4)	15.904	\$ 44,114	\$ 67,730
Total U.S. Department of the Interior		<u>\$ 44,114</u>	<u>\$ 67,730</u>
<u>U.S. Department of Justice</u>			
Joint Law Enforcement Operations	16.111	\$ 103,914	\$ 103,720
Missing Children's Assistance (6)	16.543	111,952	111,952
Crime Victim Assistance (5)	16.575	70,389	68,654
Public Safety Partnership and Community Policing Grants	16.710	140,314	140,314
Edward Byrne Memorial Justice Assistance Grant Program (6) (12)	16.738	434,300	434,300
ARRA Edward Byrne Memorial JAG Program (12)	16.804	-	1,940
Equitable Sharing Program	16.922	159,672	101,253
Total U.S. Department of Justice		<u>\$ 1,020,541</u>	<u>\$ 962,133</u>
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	\$ 9,915,155	\$ 9,915,155
Highway Planning and Construction (3)	20.205	12,353,267	9,508,784
Federal Transit - Capital Investment Grants (11)	20.500	686,128	686,129
Metropolitan Transportation Planning (3)	20.505	689,503	743,885
Federal Transit - Formula Grants (11)	20.507	9,804,540	10,009,164
Job Access - Reverse Commute (3) (14)	20.516	210,813	253,943
New Freedom Program (14)	20.521	21,391	28,593
State and Community Highway Safety (3) (10)	20.600	32,967	32,967
Alcohol Impaired Driving Countermeasures Incentives Grants I (3) (10)	20.601	8,556	8,556
Occupant Protection Incentive Grants (3) (10)	20.602	5,311	5,311
Total U.S. Department of Transportation		<u>\$ 33,727,631</u>	<u>\$ 31,192,487</u>

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended December 31, 2014

Federal Grant or Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
<u>U.S. Environmental Protection Agency</u>			
Air Pollution Control Program Support (1)	66.001	\$ 123,709	\$ 108,505
Surveys, Studies, Research Clean Air Act (1)	66.034	41,063	41,063
National Clean Diesel Emissions Reduction Program	66.039	-	89,986
Nonpoint Source Implementation Grants (1)	66.460	8,000	7,201
Total U.S. Environmental Protection Agency		<u>\$ 172,772</u>	<u>\$ 246,755</u>
<u>U.S. Department of Energy</u>			
Conservation Research and Development (9)	81.086	\$ -	\$ 1,371
Total U.S. Department of Energy		<u>\$ -</u>	<u>\$ 1,371</u>
<u>U.S. Department of Education</u>			
Twenty-First Century Community Learning Centers (17)	84.287	\$ 63,600	\$ 63,600
Total U.S. Department of Education		<u>\$ 63,600</u>	<u>\$ 63,600</u>
<u>U.S. Department of Health and Human Services</u>			
Community Services Block Grant (2)	93.569	\$ 864,221	\$ 864,833
Child Care and Development Block Grant (1)	93.575	253,135	288,163
Community Transformation Grants-Small Communities Program (13)	93.737	628,448	588,521
Total U.S. Department of Health and Human Services		<u>\$ 1,745,804</u>	<u>\$ 1,741,517</u>
<u>Executive Office of the President</u>			
High Intensity Drug Trafficking Areas Program (7)	95.001	\$ 31,626	\$ 28,534
Total Executive Office of the President		<u>\$ 31,626</u>	<u>\$ 28,534</u>
<u>U.S. Department of Homeland Security</u>			
Staffing for Adequate Fire and Emergency Response	97.083	\$ 167,306	\$ 167,306
Total U.S. Department of Homeland Security		<u>\$ 167,306</u>	<u>\$ 167,306</u>
Total revenue and expenditures of federal awards		<u>\$ 55,123,302</u>	<u>\$ 53,862,369</u>

- (1) Federal assistance is passed through from the Kansas Department of Health and Environment.
- (2) Federal assistance is passed through from the Kansas Housing Resources Corporation.
- (3) Federal assistance is passed through from the Kansas Department of Transportation.
- (4) Federal assistance is passed through from the Kansas Historical Society.
- (5) Federal assistance is passed through from the Kansas Governor's Grant Program.
- (6) Federal assistance is passed through from Sedgwick County.
- (7) Federal assistance is passed through from the Kansas Bureau of Investigation.
- (8) Federal assistance is passed through from Wichita State University.
- (9) Federal assistance is passed through from the Kansas City Regional Clean Cities Coalition.
- (10) Included in the Highway Safety Grant cluster.
- (11) Included in the Federal Transit Cluster.
- (12) Included in the JAG Program cluster.
- (13) Federal assistance to the Health & Wellness Coalition of Wichita is passed through from the Greater Wichita YMCA.
- (14) Included in the Transit Services Programs cluster.
- (15) Included in the Housing Voucher cluster.
- (16) Federal assistance is passed through from the Kansas Forest Service.
- (17) Federal assistance to the Kansas State Department of Education is passed through from Unified School District 259.

**1. Basis of Presentation**

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City of Wichita and is presented on the modified accrual basis of accounting. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, Audits of States Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**2. Subrecipients**

Of the federal expenditures presented in the schedule, the City of Wichita provided federal awards to subrecipients as reported in the following table:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Community Development Block Grants/Entitlement Grants	14.218	\$ 364,455
Emergency Shelter Grants Program	14.231	149,064
Federal Transit – Formula Grants	20.507	224,083
Job Access-Reverse Commute	20.516	245,905
New Freedom Program	20.521	16,280

**3. Federal Forfeited Property Program**

In 2014, the Narcotic Seizure program acquired \$159,672 in federal forfeited property and expended \$459,630 on the qualified program expenditures. The IRS Asset Seizure and Forfeiture program expended \$14,797 in 2014 on the program.

**4. Community Services Block Grant**

The Community Services Block Grant (CSBG) is passed to the City of Wichita through the Kansas Housing Resources Corporation. Expenditures for the grant program years ending September 30, 2014 and September 30, 2015 are summarized in the following tables.

CSBG Grant Program Year Ended September 30, 2014					
	Budget	Actual			Variance
	April 1, 2013 to Sept 30, 2014	April 1, 2013 to Dec 31, 2013	January 1, 2014 to Sept 30, 2014	Total	
Revenue:	\$ 998,259	\$ 331,635	\$ 666,624	\$ 998,259	\$ -
Expenditures:					
Personnel	647,972	228,716	439,913	668,629	(20,657)
Contractual	259,114	98,656	140,496	239,152	19,962
Commodities	40,903	4,263	35,945	40,208	695
Other	50,270	-	50,270	50,270	-
Total expenditures	\$ 998,259	\$ 331,635	\$ 666,624	\$ 998,259	\$ -



CSBG Grant Program Year Ended September 30, 2015		
	Budget	Actual
	April 1, 2014 to Sept 30, 2015	April 1, 2014 to December 31, 2014
Revenue:	\$ 907,355	\$ 197,597
Expenditures:		
Personnel	632,172	149,827
Contractual	187,022	42,624
Commodities	38,161	5,757
Other	50,000	-
Total expenditures	\$ 907,355	\$ 198,208

**5. Passenger Facility Charges**

The accompanying schedule of Passenger Facility Charges is presented on the cash basis of accounting. The information in the schedule is presented in accordance with the requirements of the Passenger Facility Charge Audit Guide for Public Agencies. Therefore, some amounts presented in the schedule may differ from amounts in or used in the preparation of the basic financial statements.

Wichita Airport Authority Passenger Facility Charges (PFC)				
Approved Application Project Number	Unliquidated PFC Beginning Balance	PFC Collected	PFC Expended	Unliquidated PFC Ending Balance
96-02-C-00	\$ 1,247,191	\$ -	\$ -	\$ 1,247,191
98-03-C-00	2,180,052	-	-	2,180,052
03-04-C-00	7,444,058	-	-	7,444,058
07-05-C-00	1,210,332	-	-	1,210,332
08-06-C-00	3,630,000	-	3,486,780	143,220
10-07-C-00	1,563,915	3,122,089	4,866,772	(180,768)
Total	\$ 17,275,548	\$ 3,122,089	\$ 8,353,552	\$ 12,044,085

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**CITY OF WICHITA, KANSAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?        yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses?        yes   X   none reported
- Noncompliance material to financial statements noted?        yes   X   no

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified?        yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes        none reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*?   X   yes        no

Type of auditor’s report issued on compliance for major programs:       See Below      

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>OPINION</u>
14.239	HOME Investment Partnerships Program	Unmodified
14.850	Public and Indian Housing	Unmodified
14.871/14.879	Housing Voucher Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:       \$ 1,615,871      

Auditee qualified as low-risk auditee?   X   yes        no

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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No matters were reported.

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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**Finding 2014-001 (Significant Deficiency) – Repeat Finding:**

**CFDA #14.871/#14.879: Section 8 Housing Choice Vouchers, U.S. Department of Housing and Urban Development, all open grant awards**

**Condition:** Housing Quality Standards (HQS) reinspections were not performed on failed inspections within the mandated thirty calendar days of the initial inspection.

**Criteria:** Under CFR 982 Section 404(a)(3), a Public Housing Authority must not make any housing assistance payments for a dwelling unit that fails to meet the Housing Quality Standards, unless the owner corrects the defects found within no more than 30 calendar days.

**Questioned Costs:** None noted.

**Context:** Out of the 60 tenant files selected for testing for HQS, 14 files had reinspections performed later than 30 days from the initial failed HQS inspection. The days between the required correction date and the reinspection ranged from 2 to 14 days.

**Cause:** Our understanding is that the Housing Department prioritized reinspections of life threatening HQS deficiencies and initial HQS inspections. All units passed reinspection, therefore abatement of rent was not necessary.

**Effect:** Failure to conduct HQS reinspections within 30 days could result in a landlord receiving payments for substandard dwelling units and possible loss of funding for the program.

**Recommendations:** We recommend the City implement controls to insure all HQS reinspections are performed within 30 days of the initial inspection.

**Views of Responsible Officials / Planned Corrective Actions (Unaudited):** The Wichita Housing Authority (WHA) concurs with the finding regarding failure of staff to perform some re-inspections within 30 days as required by regulation. This finding occurred in the previous audit as well. It was noted in both findings that staff prioritized re-inspections of health and safety hazards and no families were placed at risk as a result of the inspections made outside the 30 days. It was noted in both responses that the staff is fully aware of the regulation, however, with insufficient resources, it is not possible to meet all required obligations of managing the Housing Choice Voucher program. Two action plans were presented in 2014: 1) interim assistance to pay overtime from City General funds; and 2) anticipation of a relaxation in the reinspection schedule through Department of Housing and Urban Development (HUD) rule changes.

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

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**Finding 2014-001 (Significant Deficiency) – Repeat Finding: (continued)**

**CFDA #14.871/#14.879: Section 8 Housing Choice Vouchers, U.S. Department of Housing and Urban Development, all open grant awards**

The only true resolution to this finding is increased funding so that the staffing level is sufficient to manage the workload. It should be noted that on April 8, 2015, HUD released a study on the Housing Choice Voucher Program Administrative Fee. The study was commissioned as the first in 20 years, to gather data on the actual cost of administering HCV programs. The conclusions confirm the reality that is painfully obvious in the field: current administrative fee funding does not meet the reasonable costs of administering the program. HUD intends to introduce a proposed rule for a new administrative fee formula based on findings from the study. It is anticipated that the proposed rule will be published by the end of the year.

To address this problem in the short term, the department has received authorization from the City Manager to utilize General Funds to supplement federal resources until such time as the program is eligible for an increased administrative fee from HUD, or HUD software problems are resolved and the biennial inspection can be implemented, or until Congress approves a change in the formula.

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

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**Finding 2014-002 (Significant Deficiency):**

**CFDA #14.850: Public and Indian Housing, U.S. Department of Housing and Urban Development, all open grant awards**

**Condition:** The Public Housing Authority did not notify contractors and subcontractors of the requirements to comply with the Davis-Bacon Act and did not obtain copies of certified payrolls.

**Criteria:** The Davis-Bacon Act applies to contractors and subcontractors performing work on federally funded contracts in excess of \$2,000 for the construction, alteration or repair of public buildings or public works. Under CFR 29 part 5, non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act, a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor regulations. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance.

**Questioned Costs:** Qualifying repair and rehabilitation project costs for 2014 totaled \$150,174. Such costs would include labor, materials and other costs; it is unknown what portion was for labor.

**Context:** During 2014, management of Public Housing became aware that required payroll documentation was not being collected from contractors on projects subject to the Davis-Bacon Act. Management reported this during testing of the program, and was in process of taking corrective action beginning in early 2015.

**Cause:** Public Housing management was unaware that payroll and other compliance documentation was not being collected from contractors until late in 2014.

**Effect:** Failure to comply with prevailing wage requirements could result in noncompliance with the Davis-Bacon Act.

**Recommendations:** We recommend that management follow up with the corrective action plan already developed, to make sure that the Davis-Bacon Act requirements are met.

**Views of Responsible Officials / Planned Corrective Actions (Unaudited):** The Wichita Housing Authority concurs with the finding regarding failure of staff to notify contractors and subcontractors of the requirements to comply with the Davis-Bacon Act and not obtain copies of certified payrolls in 2014.

In December 2014, management and staff conducted a training seminar on Davis-Bacon requirements with contractors that perform Public Housing unit repair and rehabilitation. Each contractor received the following documents: 1) Davis-Bacon Labor Standards: A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects (HUD); 2) Wage and Hour Division Certified Payroll report forms and instructions; and, 3) Employee

**CITY OF WICHITA, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

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**Finding 2014-002 (Significant Deficiency): (continued)**

**CFDA #14.850: Public and Indian Housing, U.S. Department of Housing and Urban Development, all open grant awards**

Rights posters in English and Spanish that must be posted on the job sites. Staff explained all items and told contractors they would assist them in every way to learn the process and requirements of compliance for projects valued at \$2,000 and above.

Going forward, staff will provide the contractor who submitted the lowest bid on Davis-Bacon projects with an acknowledgment sheet that the contractor signs showing project address, date of the award, the General Wage Decision Number and the type of construction (Building or Residential). Contractor project packets will include the general wage decision, Copeland Anti-kickback Act, WH-347 Certified Payroll Report form and instructions, Employee Rights posters, Section 3 Clause, and the scope of work.

Staff will interview contractor employees on the project site to see if they are being paid according to the prevailing wage decision. If any employees are found to be underpaid, the contractor will be required to pay restitution to the affected employee.

Management will perform quality control reviews of completed project files.

Management and staff attended Davis-Bacon training in Wichita on April 30, 2015. Training was presented by HUD Labor Enforcement staff from the Kansas City HUD Field Office.



Wichita Water Utilities  
Director's Office  
City Hall – Eighth Floor  
455 North Main  
Wichita, Kansas 67202

June 29, 2015

To our Water and Sewer Bondholders:

Please review and accept the 2014 Annual Report, presented on behalf of the City of Wichita and the Water & Sewer Utilities.

The Utilities strive to provide high-quality, reliable water and sewer service to residents of Wichita and customers in the surrounding communities. The Utilities' services need to represent a good value to the customer base, which is achieved by ensuring effective and efficient operations, positive customer service, and strategic financial management.

On average, the Water and Sewer Utilities treat and distribute 52 million gallons of potable water per day. The sewer system collects and processes about 37 million gallons of wastewater per day. The Utilities serves approximately 450,000 citizens of south-central Kansas. Services include maintenance of more than 4,400 miles of sewer and water mains, operation of approximately 60 sewer lift stations and five sewage treatment plants, nearly 150,000 water meters, and an array of water treatment facilities. The Utilities also coordinate their efforts with the business industry and developers to provide infrastructure critical to the continued success and well-being of our customers.

The Utilities continue to focus on reinvesting in the water distribution and sewer collection systems that have been aging. In 2014 fewer overall main breaks were experienced due to the increased repair and replacement efforts. The new utility rates, effective in January 2015, maintain support for the enhanced maintenance, repair and replacement focus of the aging systems.

The five-year meter replacement program that began in 2012 completed its third year. The program focused on replacing the meters that had a higher potential to result in lower accuracy based on age. A sample of the replaced meters was randomly tested, resulting in approximately 29 percent reporting lower than expected accuracy. Based on the meter

testing, the meter replacement project is estimated to enhance revenues by \$1.8 million for water and \$2.8 million for sewer annually, once the project is completed.

The City negotiated with Kansas Department of Health and Environment (KDHE) to make improvements to the wastewater treatment and collection system in response to a May 2012 breach. The enhancements being made under the agreement with KDHE are targeted at rehabilitating critical parts of the primary wastewater treatment facility, which was built in 1957. In February 2015, the second amendment was reviewed and approved by the Wichita City Council. The amendment included the schedule of compliance for Phase III risk reduction projects and meets the requirements under the terms and conditions of the Consent Order. Additional work is being conducted to assess the condition of other system assets.

In concert with the drought response plan, the Utility continues to evaluate new water supply options to ensure an adequate long-term water supply for our customers. Water supply options are being evaluated on three criteria: meeting long-term water needs, minimizing costs and reasonable conservation goals.

In addition, the City continues to pursue conservation options to reduce long-term water demand. A water rebate program offered in 2014 resulted in 84 million gallons of water being conserved. In addition, maximizing the use of the additional water in the Cheney flood pool allowed for a reduced need from the Equus Bed creating water conservation in the Aquifer. In addition to these efforts being continued in 2015, the potential of re-use sales will also be explored as an additional conservation effort.

A Cost of Service Analysis is also underway that will include a review of the existing rate structure, development of a new financial modeling pro forma, analysis of water sales demand, projections of needed revenue, creation of a capital project financial management framework, and functionalization of costs to different customer types. The project will ensure that the utilities are in a sound financial position in the coming years.

Finally, it is important to recognize the hundreds of employees that make it possible to provide clean water and reliable sewer service. The Utilities meet high standards for water and sewer reliability and engage in planning efforts to ensure that the high levels of services continue. The City of Wichita is committed to continuing its responsible financial and operational management to provide a long-term, high-quality value for customers.



Alan King  
Director of Public Works & Utilities  
For the Water & Sewer Utilities  
The City of Wichita, Kansas

# CITY OF WICHITA, KANSAS

## WATER UTILITIES COMBINED STATEMENT OF NET POSITION

For the year ended December 31, 2014  
(with comparative totals for the year ended December 31, 2013)

	2014	2013
<b>ASSETS</b>		
Current assets:		
Cash and temporary investments	\$ 24,541,793	\$ 11,064,044
Receivables, net	16,214,241	15,549,637
Inventories	2,600,358	2,608,567
Prepaid items	920,728	959,414
Restricted assets:		
Cash and temporary investments	29,536,618	28,479,808
Total current assets	73,813,738	58,661,470
Noncurrent assets:		
Restricted assets:		
Cash and temporary investments	101,023,450	117,406,017
Capital assets:		
Land	14,515,729	14,274,591
Buildings	232,745,886	173,235,756
Improvements other than buildings	1,023,565,541	884,032,583
Machinery, equipment and other assets	155,496,455	100,719,226
Construction in progress	83,145,551	307,268,633
Less accumulated depreciation	(376,958,909)	(352,794,385)
Total capital assets (net of accumulated depreciation)	1,132,510,253	1,126,736,404
Total noncurrent assets	1,233,533,703	1,244,142,421
Total assets	1,307,347,441	1,302,803,891
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized refunding costs	6,306,330	6,587,119
Total deferred outflows of resources	6,306,330	6,587,119
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	2,469,330	4,135,766
Accrued interest payable	295,388	319,447
Temporary notes payable	-	160,000,000
Deposits	4,426,396	4,289,917
Current portion of long-term obligations:		
General obligation bonds payable	6,055,000	-
Compensated absences	870,692	876,464
Current liabilities payable from restricted assets:		
Accrued interest payable	6,138,808	4,927,507
Revenue bonds payable	23,397,810	22,489,336
Total current liabilities	43,653,424	197,038,437
Noncurrent liabilities:		
General obligation bonds payable	129,850,000	-
Revenue bonds payable	365,161,922	378,419,734
Unamortized GO bond premium	11,343,242	-
Unamortized revenue bond premium	22,866,059	20,853,223
Compensated absences	25,956	8,487
Total noncurrent liabilities	529,247,179	399,281,444
Total liabilities	572,900,603	596,319,881
<b>NET POSITION</b>		
Net investment in capital assets	598,656,954	561,202,948
Restricted for:		
Capital projects	8,285,568	17,745,366
Revenue bond covenants	107,356,514	117,762,729
Unrestricted	26,454,132	16,360,086
Total net position	\$ 740,753,168	\$ 713,071,129

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

# CITY OF WICHITA, KANSAS

## WATER UTILITIES COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

	2014	2013
<b>OPERATING REVENUES</b>		
Charges for services and sales	\$ 126,416,667	\$ 114,484,728
Rentals	46,926	58,458
Other	268,499	185,882
Total operating revenues	126,732,092	114,729,068
<b>OPERATING EXPENSES</b>		
Personnel services	20,552,387	19,134,729
Contractual services	20,627,441	19,916,712
Materials and supplies	9,189,950	8,166,804
Other	5,800,795	1,221,166
Administrative charges	988,839	1,017,854
Franchise taxes	5,717,442	6,452,967
Depreciation	26,914,227	23,547,792
Total operating expenses	89,791,081	79,458,024
Operating income	36,941,011	35,271,044
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain on investments	37,492	-
Other revenues	(127,689)	192,415
Interest expense	(17,513,680)	(15,051,370)
Loss from sale of assets	(493,903)	(19)
Bond discount amortization	1,961,868	1,706,292
Total nonoperating revenues (expenses)	(16,135,912)	(13,152,682)
Income before contributions and transfers	20,805,099	22,118,362
<b>CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS</b>		
Capital contributions - cash	5,147,234	4,801,810
Capital contributions - non cash	1,953,125	4,027,182
Transfers to other funds	(223,419)	(4,300,113)
Change in net position	27,682,039	26,647,241
Net position - beginning as previously reported	713,071,129	689,343,881
Prior period adjustment	-	(2,919,993)
Net position - beginning, as restated	713,071,129	686,423,888
Net position - ending	\$ 740,753,168	\$ 713,071,129

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

# CITY OF WICHITA, KANSAS

## WATER UTILITIES COMBINED STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 125,927,835	\$ 116,568,126
Cash payments to suppliers for goods and services	(38,226,566)	(31,774,513)
Cash payments to employees for services	(20,540,690)	(19,082,203)
Franchise taxes and payments in lieu of delinquent specials	(5,717,442)	(6,452,967)
Other operating revenues	276,132	185,882
Net cash provided by operating activities	61,719,269	59,444,325
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer to other funds	(223,419)	(4,300,113)
Net cash used in noncapital financing activities	(223,419)	(4,300,113)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Issuance of temporary notes	-	160,000,000
Retirement of temporary notes	(160,000,000)	(160,000,000)
Issuance of capital debt	190,095,000	-
Premiums from the sale of bonds	16,911,563	-
Bond issuance costs paid	(2,029,277)	-
Additions to property, plant and equipment	(28,016,492)	(30,029,338)
Debt service - principal refunded	(44,050,000)	-
Principal payment on long-term debt	(22,489,335)	(23,836,698)
Interest payment on long-term debt	(18,703,250)	(19,607,013)
Capital contributions	4,900,441	4,625,932
Net cash used in capital and related financing activities	(63,381,350)	(68,847,117)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	37,492	-
Net cash provided by investing activities	37,492	-
Net increase in cash and temporary investments	(1,848,008)	(13,702,905)
Cash and temporary investments - January 1	156,949,869	170,652,774
Cash and temporary investments - December 31	\$ 155,101,861	\$ 156,949,869
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income	\$ 36,941,011	\$ 35,271,044
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	26,914,227	23,547,792
Changes in assets and liabilities:		
Increase (decrease) in accounts receivable	(664,604)	1,800,044
(Increase) decrease in inventory	8,209	(491,053)
Increase (decrease) in prepaid items	38,686	(414,767)
Decrease in accounts payable/accrued expenses	(1,666,436)	(546,157)
Increase in deposits	136,479	224,896
Increase in compensated absences	11,697	52,526
Total adjustments	24,778,258	24,173,281
Net cash provided by operating activities	\$ 61,719,269	\$ 59,444,325
<b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b>		
Assets contributed by benefit districts	\$ -	\$ 3,419,554
Contribution of capital assets	364,245	-
Capital contributed for capital purposes	1,952,525	607,628

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

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Wichita is a municipal corporation governed by an elected mayor and six-member council. The accompanying combined financial statements represent the proprietary Water Utility and Sewer Utility Funds of the municipal government. The Water Utility Fund accounts for the operation and maintenance of the water supply component of the combined utility. The Sewer Utility Fund accounts for the operation and maintenance of the sewer component of the combined utility, including wastewater treatment plants and the sewer mains and laterals.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Water and Sewer Utility (Utilities) Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services and the portion of tap fees intended for recovery of connecting new customers to the system. Operating expenses of the utilities include the cost of sales and services, administration expenses, and depreciation on capital assets.

Revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses. Consistent with GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions, capital contributions resulting from non-exchange transactions are included in non-operating revenues.

**C. Cash and Investments**

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the Director of Finance (except for investments of the pension trust funds and those of the Wichita Public Building Commission). Information on the pooled cash and investments of the City is provided in Note 5 of the Notes to the Financial Statements.

**D. Revenue Recognition**

The Utilities recognize revenue on sales when services are rendered and recognize revenues for unbilled services. All users, including other City departments, are charged for services provided. Accounts receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

**E. Inventories**

Inventories are stated at the lower of cost or market, cost being determined by the average unit cost method for both the Water Utility and Sewer Utility.

**F. Capital Assets**

Capital assets are valued at historical cost or estimated historical cost (if actual historical cost is not available). Donated capital assets are valued at their estimated fair market value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Depreciation of all exhaustible capital assets, including the depreciation of capital leased assets, is charged as an expense against the utility operations. Accumulated

depreciation is reported on the funds' balance sheet. Capital assets of the Utilities are depreciated using the straight line method over the estimated useful lives shown in the chart above.

Assets Classification	Estimated Useful Life
Buildings and improvements	1-100 years
Improvements other than buildings	1-85 years
Equipment	1-33 years
Vehicles	1-20 years
Water/Sewer mains and drainage	75-85 years

**G. Payment of Franchise Taxes**

Annually, the Utilities pay franchise taxes to the General Fund of the City in an amount not to exceed five percent of gross revenues of the preceding year, which is included in the annual budget. The combined Utilities paid franchise taxes totaling \$5,717,442 in 2014 and \$6,452,967 in 2013. The payment of franchise taxes is an operating expense passed through to the Utilities' customers.

**H. Compensated Absences**

The City's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued and accumulated vacation is recorded as a liability in the financial statements. A liability is not recorded for unpaid accumulated sick pay as the City does not have a policy to pay accumulated sick pay to employees at separation from service.

All permanent full-time and permanent part-time employees of the reporting entity within six months of continuous employment are eligible for vacation benefits in varying amounts. City policy provides that exempt employees may accumulate and carry forward each year, not more than 30 days of vacation leave. Non-exempt employees may accumulate and carry forward each year, not more than 240 hours of vacation leave. Sick leave benefits accrue to full-time employees at varying rates, depending on the employees' length of service to the City. A limitation has not been placed on the amount of unused sick leave that may accumulate. Upon retirement, employees may apply unused sick leave benefits to increase the employee's retirement benefit.

**I. Deferred outflows of resources**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Utilities report deferred charges on refunding in the statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**2. Cash and Investments**

At December 31, 2014 and 2013, the combined cash and temporary investments in the amounts of \$155,101,861 and \$156,949,869, respectively, are included in the City's pooled cash and temporary investments.

The City of Wichita has adopted a formal investment policy. The primary objectives of the investment activities are, in priority order, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent person" standard as contemplated by K.S.A. 17-5004(1), and shall be applied in the context of managing an overall portfolio. Additional information on the City's investment policy and the pooled investments of the City is located in the Note 5-Cash, Investments and Securities Lending located in the Financial Section, Notes to the Financial Statements of this publication.

On December 31, 2014, revenue bond proceeds for reserve funds and future capital projects of the Water and Sewer Utility were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Bond Proceeds Investments
U.S. agency discount securities:			
Federal Home Loan Mortgage Corporation	\$ 17,700,780	0.038	100.0%
Total value	<u>\$ 17,700,780</u>		<u>100.0%</u>
Total modified duration		<u>0.038</u>	

### 3. Capital Assets

Capital asset activity of the Water Utility and Sewer Utility for the year ended December 31, 2014 is shown as follows (expressed in thousands of dollars):

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 14,274	\$ 644	\$ (402)	\$ -	\$ 14,516
Construction in progress	307,269	26,012	(250,135)	-	83,146
Total capital assets, not being depreciated	<u>321,543</u>	<u>26,656</u>	<u>(250,537)</u>	-	<u>97,662</u>
Capital assets, being depreciated:					
Buildings	173,236	71,919	(12,409)	-	232,746
Improvements other than buildings	884,032	208,388	(68,855)	-	1,023,565
Machinery, equipment and other assets	100,719	70,255	(15,478)	-	155,496
Total capital assets being depreciated	<u>1,157,987</u>	<u>350,562</u>	<u>(96,742)</u>	-	<u>1,411,807</u>
Less accumulated depreciation for:					
Buildings	(69,745)	(6,638)	3,222	-	(73,161)
Improvements other than buildings	(214,807)	(15,999)	1,609	-	(229,197)
Machinery, equipment and other assets	(68,242)	(14,520)	8,161	-	(74,601)
Total accumulated depreciation	<u>(352,794)</u>	<u>(37,157)</u>	<u>12,992</u>	-	<u>(376,959)</u>
Total capital assets, being depreciated, net	<u>805,193</u>	<u>313,405</u>	<u>(83,750)</u>	-	<u>1,034,848</u>
Total capital assets, net	<u>\$ 1,126,736</u>	<u>\$ 340,061</u>	<u>\$ (334,287)</u>	<u>\$ -</u>	<u>\$ 1,132,510</u>

Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. During 2014 and 2013, total interest cost of the combined Water and Sewer Utility Fund was \$20,762,588 and \$19,982,686, respectively, of which \$3,248,908 and \$4,931,316, respectively, was capitalized.

### 4. Retirement Funds

The reporting entity contributes to a defined single-employer retirement benefit plan, the Wichita Employees' Retirement System (WERS) and a single-employer defined contribution plan, the Wichita Employees' Retirement System Plan 3. Both plans are governed by the Wichita Employees' Retirement System Board of Trustees. All full-time employees of the Utilities participate in one of the retirement plans. The payroll for the Utilities' employees covered by the systems for the years ended December 31, 2014 and December 31, 2013 was \$13,631,951 and \$13,151,534, respectively, which was also the total payroll for the Utilities.

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Additional information on the retirement systems is reported in the Notes to the Financial Statements for the City of Wichita, located in the Financial Section of this publication. The Wichita Retirement System also issues a publicly available financial report that includes financial statements and required supplementary information for WERS and Wichita Police and Fire Retirement System. The financial report may be obtained by writing to the Wichita Retirement System, City Hall, 12<sup>th</sup> Floor, 455 N. Main, Wichita, KS 67202 or by calling (316) 268-4544.

The Utilities are required to contribute at an actuarially determined rate. The rate for 2014 was 13.2% of annual covered payroll for both Plans 1 and 2. The net pension obligation (NPO) is defined as the cumulative difference between the employer's annual pension cost and the employer's annual required contributions to the plan. For 2014, the Utility's annual pension cost of \$1,498,351 was equal to the required and actual contributions. For the year ending December 31, 2014, employee contributions to all pension plans for the Utilities totaled \$549,753 compared to \$531,118 in 2013.

#### **5. Other Post Employment Healthcare Benefits**

Kansas statute provides that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The accounting for the health insurance for retirees is included in the City's Self Insurance Fund, with the subsidy provided from the Self Insurance Fund. Separate audited financial statements are not prepared by the Plan. Additional information on the other post-employment health care benefits is reported in the Notes to the Financial Statements for the City of Wichita, located in the Financial Section of this publication.

#### **6. Self Insurance Fund and Insurance Coverage**

The City established a self insurance fund in 1987 to account for self insurance programs of workers' compensation, group life insurance, employee liability, property damage, auto liability, and general liability for the reporting entity. The Utilities participate in the self insurance programs of workers' compensation, group life insurance, group health insurance, employee liability, property damage, auto liability, and general liability. Property insurance for the Utilities is included in the City's coverage with limits established for the entire City.

Information on the insurance programs is located in the Notes to the Financial Statements, located in the Financial Section of this report. Details of purchased insurance coverage are provided within the Additional Information Section of this report.

**7. Long-term Debt****A. Revenue Bonds**

Revenue bonds are issued by the City of Wichita where income derived from the acquired or constructed assets is pledged to pay debt service. The bonds are payable solely from net revenues of the Utilities. Revenue bonds of the combined Utilities outstanding at December 31, 2014 are as follows (expressed in thousands of dollars):

Outstanding issue	Interest Rate	Dated Date	Final Maturity Date	Amount Outstanding
2000A Water	4.69%	06/01/2000	2021	\$ 1,211
2000B Water	4.69%	06/01/2000	2021	2,084
2005B Water & Sewer Refunding	5.00%	08/17/2005	2016	6,390
2006 Water & Sewer	4.00% - 5.00%	12/01/2006	2031	38,870
2008A Water & Sewer	3.63% - 5.00%	04/01/2008	2032	24,155
2009A Water & Sewer	3.50% - 5.00%	06/30/2009	2039	107,090
2009B Water & Sewer	4.27% - 5.36%	06/30/2009	2019	7,240
2010A Water & Sewer	3.00% - 4.00%	10/15/2010	2030	26,950
2010B Water & Sewer	3.00% - 5.35%	10/15/2010	2030	14,690
2011A Water & Sewer Refunding	4.00% - 5.00%	11/01/2011	2028	89,910
2012A Water & Sewer	2.00% - 4.00%	05/01/2012	2032	15,780
2014A Water & Sewer	3.00% - 5.00%	08/01/2014	2030	41,405
2014B Water & Sewer	2.00% - 5.00%	12/01/2014	2034	12,785
Total Water and Sewer Utility				<u>\$ 388,560</u>

Changes in the long-term liability of the Water and Sewer Utility for the combined Utilities for the year ended December 31, 2014 are summarized in the following table (expressed in thousands of dollars):

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ -	\$ 135,905	\$ -	\$ 135,905	\$ 6,055
Unamortized premium	-	11,487	(144)	11,343	-
Revenue bonds	400,909	54,190	(66,539)	388,560	23,398
Unamortized premium	20,853	5,425	(3,412)	22,866	-
Total bonds payable	421,762	207,007	(70,095)	558,674	29,453
Compensated absences	885	14	(2)	897	-
Total long-term liabilities	<u>\$ 422,647</u>	<u>\$ 207,021</u>	<u>\$ (70,097)</u>	<u>\$ 559,571</u>	<u>\$ 29,453</u>

Annual debt service requirements to maturity are as follows (expressed in thousands of dollars):

Year Ending December 31	Annual Debt Service Requirements Water and Sewer Utility Bonds (dollars in thousands)			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 23,398	\$ 18,227	\$ 6,055	\$ 6,370
2016	24,842	16,989	4,440	5,211
2017	22,872	15,907	4,665	4,984
2018	24,009	14,844	4,895	4,745
2019	21,336	13,702	5,140	4,494
2020– 2024	111,073	52,854	29,830	18,243
2025 – 2029	96,510	27,753	37,155	11,037
2030 – 2034	53,695	9,162	43,725	4,276
2035 – 2039	10,825	1,623	-	-
Totals debt service	\$ 388,560	\$ 171,061	\$ 135,905	\$ 59,360

#### B. Revenue Bond Ordinance Provisions and Reserve Requirements

Revenue bond ordinances related to the issuance of revenue bonds provide for specific deposits to debt service and other related bond reserve and maintenance accounts. At December 31, 2014 and 2013, unrestricted cash available in accordance with the revenue requirements of the bond covenants was \$24,541,793 and \$11,064,044, respectively.

Water and Sewer Utility Restricted Cash		
	2014	2013
Principal and interest	\$ 14,917,985	\$ 10,377,730
Bond reserve	18,293,337	18,649,815
Depreciation and replacement	11,371,063	11,690,870
Payment to the City	476,454	-
Improvements	85,501,229	105,167,410
	\$ 130,560,068	\$ 145,885,825

At December 31, 2014, the City was in compliance with the reserve requirements of the respective Water and Sewer Utility revenue bond covenants. Significant requirements are listed below.

**Unrestricted cash:** Unrestricted revenue, amount budgeted for ensuing 60 days operating expenses for utility operation, repairs, and maintenance.

**Restricted assets:** Principal and interest, an equal prorated portion of the next annual principal payment and semi-annual interest payment of various revenue bond series on the first day of each month, which is sufficient to meet the maturing bond and interest requirements.

**Bond reserve:** A sum equal to greater of the amount of interest which shall become due and payable on various revenue bond series during next fiscal year or the maximum amount of interest which shall become due and payable on various revenue bond series in any subsequent year, shall be used solely for the payment of principal and interest on revenue bond series for which funds might not otherwise be available, or to pay a like amount of final maturing series.

**Depreciation and replacement:** 15% of the operating revenues of the preceding year are accumulated for the purpose of extraordinary maintenance and repairs, capital improvements, and if other funds are not available, for the cost of operating and maintaining the Utilities.

Improvements: The amount remaining in the Revenue Fund on each January 1, which shall not be required for the operation and maintenance of the Utility or for the transfers required to the above accounts for a period of 90 days, shall be credited to the account. Funds may be used for (1) operational and maintenance expenses of the Utility, (2) increase amounts in any of the other accounts to cover potential deficiencies, (3) improvements, repairs or extensions of the utility, (4) redemption of bonds issued under provisions of the ordinance prior to maturity, or (5) to make transfers to the Revenue Fund.

Payment to the City: Proportionate monthly amounts equal to the next required Payment to the City are deposited into the account.

**8. Leases**

The Sewer Utility and the Airport Authority entered into a 50-year operating lease for land which requires an annual rent payment. The following table provides future minimum rentals of the non-cancelable operating lease.

<u>Year Ending December 31</u>	<u>Minimum Rentals of Non-cancelable Operating Lease</u>
2015	\$ 48,950
2016	48,950
2017	48,950
2018 – 2022	256,982
2023 – 2027	269,802
2028 – 2032	283,327
2033 – 2037	297,441
2038 – 2042	312,260
2043 – thereafter	1,052,551
Total minimum future rentals	<u>\$ 2,619,213</u>

**9. Segment Information**

The Utility maintains separate funds for water and sewer services. Segment information for the year ended December 31, 2014 is located in the Financial Section of this publication.

# CITY OF WICHITA, KANSAS

## WATER UTILITIES NET REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES

For the year ended December 31, 2014

**UNAUDITED**

	Water	Sewer	Combined
<b>REVENUES</b>			
Charges for services	\$ 75,172,899	\$ 51,290,694	\$ 126,463,593
Capital contributions - cash	3,946,114	1,201,120	5,147,234
Bond discount amortization	1,074,943	886,925	1,961,868
Other revenues	282,256	23,735	305,991
Gross earnings	80,476,212	53,402,474	133,878,686
 <b>OPERATIONS AND MAINTENANCE</b>			
Personnel services	10,510,200	10,042,187	20,552,387
Contractual services	12,320,970	8,306,471	20,627,441
Materials and supplies	4,874,712	4,315,238	9,189,950
Other expenses	791,528	345,114	1,136,642
Administrative charges	684,319	304,520	988,839
Total operations and maintenance	29,181,729	23,313,530	52,495,259
Net revenues available for debt service	\$ 51,294,483	\$ 30,088,944	\$ 81,383,427
 <b>REVENUE BONDS DEBT SERVICE</b>	\$ 23,857,630	\$ 17,281,522	\$ 41,139,152
 <b>DEBT SERVICE COVERAGE RATIO</b>	2.15	1.74	1.98
Gross earnings	\$ 80,476,212	\$ 53,402,474	\$ 133,878,686
Less: capital contributions	3,946,114	1,201,120	5,147,234
Less: bond discount amortization	1,074,943	886,925	1,961,868
Less: gain on investments	37,492	-	37,492
Operating revenues	\$ 75,417,663	\$ 51,314,429	\$ 126,732,092
 <b>CAPITAL EXPENDITURES FROM OPERATING REVENUES</b>	\$ 921,938	\$ 1,746,525	\$ 2,668,463

### Property Insurance As of December 31, 2014

Insurance Company	Coverage details	Deductible	Coverage Period
Zurich	*All risk coverage on real and personal property on a replacement cost basis, with a value limitation of \$200 million.	Per occurrence. Property- \$100,000; Hail and wind - \$1 million	01-14 to 01-15
Zurich	*Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis.	Per occurrence - \$10,000	01-14 to 01-15

\* Property insurance for the Utilities is included in the City's coverage. Limits shown are for the entire City.

# CITY OF WICHITA, KANSAS

## WATER AND SEWER UTILITY STATISTICS BY CUSTOMER CLASS

For year ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

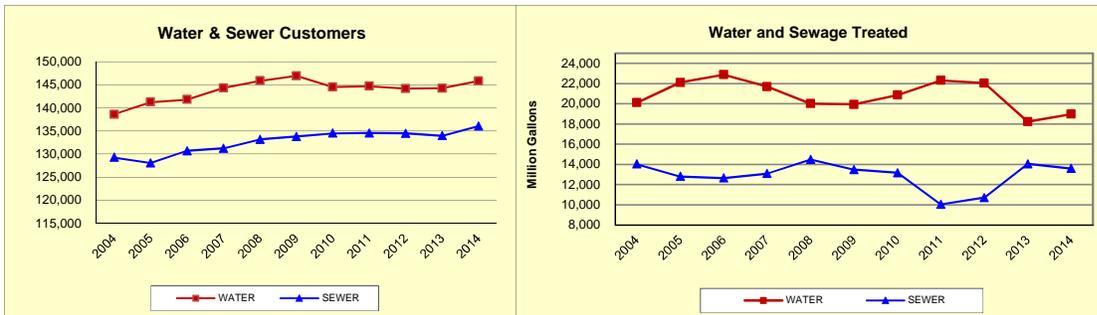
**UNAUDITED**

### WATER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Water Revenues <sup>1</sup>		Water Consumed <sup>1</sup> (thousand gallons)	
	2014	2013	2014	2013	2014	2013
	Residential	129,296	127,715	\$ 44,050,733	\$ 38,674,358	8,539
Commercial / Industrial	11,140	11,205	23,175,487	19,235,480	6,447	6,171
Wholesale	12	12	4,156,196	3,731,828	1,577	1,547
Lawn services	3,059	3,049	-	-	-	-
Fire protection	1,941	1,897	483,235	419,269	-	-
Contract	357	355	1,227,858	787,614	307	192
Backflow charges	-	-	249,843	241,202	-	-
Other sales	-	-	406,871	323,897	29	24
Estimated leaks	-	-	-	-	320	488
Water utility uses	28	28	-	-	264	322
Unaccounted for water	-	-	-	-	1,490	1,380
	<u>145,833</u>	<u>144,261</u>	<u>\$ 73,750,223</u>	<u>\$ 63,413,648</u>	<u>18,973</u>	<u>18,221</u>

### SEWER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Sewer Revenues <sup>1</sup>	
	2014	2013	2014	2013
	Residential	124,094	122,228	\$ 28,274,286
Commercial	11,172	10,971	13,730,940	12,978,806
Industrial	13	17	4,728,940	4,542,044
Institutional	731	725	835,677	845,121
Wholesale	1	1	269,549	246,265
Other	-	-	20,257	21,417
Extra strength	9	10	1,891,883	2,132,156
	<u>136,020</u>	<u>133,952</u>	<u>\$ 49,751,532</u>	<u>\$ 48,924,769</u>



#### REPORT IN BRIEF

	2014	2013	Change
Number of water customers	145,833	144,261	1.09%
Number of sewer customers	136,020	133,952	1.54%
Miles of water line	2,421	2,407	0.58%
Miles of sanitary sewer line	2,022	2,016	0.30%
Water produced (million gallons)	18,973	18,221	4.13%
Wastewater treated (million gallons)	13,582	14,049	-3.33%
Cost of treated, pressurized water per 1000 gal.	\$0.69	\$0.68	1.47%
Cost of treated wastewater per 1000 gal.	\$0.92	\$0.79	16.46%

<sup>1</sup>Water and Sewer utility revenue and sales volume data is based on actual billing information and excludes year-end accrual entries

# CITY OF WICHITA, KANSAS

## WATER AND SEWER UTILITY RATES

For year ended December 31, 2014

Customers of the Utility are billed monthly with rates structured to encourage water conservation. The rates provided below are those in effect on December 31, 2014.

The average monthly residential water and sewer bill in December 2014 for a customer using approximately 7,500 gallons of water per month would be \$57.07, excluding applicable fees.

Meter size (inches)	Water		Sewer	
	Inside the City	Outside the City and Wholesale	Inside the City	Outside the City
5/8	\$ 11.78	\$ 18.85	\$ 7.68	\$ 12.30
3/4	11.78	18.85	7.68	12.30
1	11.78	18.85	7.68	12.30
1.5	14.12	22.59	12.39	19.83
2	16.59	26.56	18.54	29.69
3	27.29	43.67	56.20	89.92
4	34.34	54.95	71.48	114.37
6	49.55	79.29	128.52	205.64
8	63.76	102.03	184.45	295.11
10	78.95	126.33	284.17	454.67
12	102.56	164.10	413.54	661.67
16	-	394.34	-	-

Rates for consumption charges in 2014 per 1,000 gallons are as follows:

Water Consumption*	Inside the City	Outside the City	Wholesale
< 110% of AWC	\$ 1.77	\$ 2.83	\$ 2.03
111%-310% of AWC	6.25	10.01	10.53
>310% of AWC	9.13	14.62	15.77

\* Average Winter Consumption (AWC)

Sewer	\$ 3.01	\$ 4.82	\$ 2.30
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City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council  
**SUBJECT:** Project Access Contract  
**INITIATED BY:** Housing and Community Services Department  
**AGENDA:** New Business

---

**Recommendation:** Approve the Project Access contract and authorize the necessary signatures.

**Background:** Project Access is a community-based and physician-led program to expand access to medical services for low-income, uninsured local residents. This is accomplished through public and private sector partnerships that coordinate donated medical services by linking physicians, social service and public agencies, hospitals, clinics, and area pharmacies, and by providing funds to purchase medications prescribed by participating doctors.

The City of Wichita has provided financial support for Project Access since 1999 through contracts with the Central Plains Regional Health Care Foundation, Inc. (CPRHCF). The funding source is the Community Services Block Grant (CSBG). Since Project Access is the only local program which provides this combination of services, the City has received authorization from the Kansas Housing Resource Corporation to contract with CPRHCF as a sole source vendor for these services.

From September 1999 through the first quarter ending March 31, 2015, \$3.8 million in CSBG funds have been provided to the Project Access program. Program staff report that they have coordinated medical/dental care and services for 12,509 individuals as well as provided access to prescriptions and medical supplies, as summarized below:

- 375,198 prescriptions worth over \$8.8 million (includes purchased and donated items);
- donated physician and dental services worth over \$43.5 million; and
- donated hospital services worth over \$129.7 million.

**Analysis:** The City and CPRHCF entered into a one-year contract on September 1, 2014. From September 1, 2014 through the first quarter ending March 31, 2015, 2,588 medical services including physician, dentist, and hospital visits have been donated based on claims received. Project Access staff report the following:

- 3,781 prescriptions were purchased for over \$69,289 in CSBG program funds and other leveraged sources;
- pharmaceutical companies have donated over \$145,700 in prescription medicines in partnership with the Project Access program;
- physician and dental services have been donated worth over \$1.4 million; and
- hospital services have been donated worth over \$8.8 million.

The above data reflects the participation of 623 physicians, 39 dentists, eight hospitals and 85 pharmacies in the Project Access program. Through the first quarter ending March 31, 2015, 347 individuals received services, including 293 individuals that were CSBG eligible.

The current CSBG-funded contract will expire on August 31, 2015, and there are no renewal options. According to past reports from the Kansas Health Institute analyzed by Project Access staff, there are approximately 65,000 adults who are uninsured in Sedgwick County. To help meet this need, the Kansas Housing Resources Corporation has approved the 2015 CSBG budget which includes an allocation to support Project Access and staff is recommending that City Council approve a new contract for these services. If approved, the contract period will be September 1, 2015 through August 31, 2016.

**Financial Considerations:** An allocation of \$175,000 was included in the City's 2015 Community Services Block Grant budget to the Kansas Housing Resources Corporation (KHRC) on February 10, 2015. KHRC approved the budget on March 30, 2015. No City general operating funds are obligated by this contract.

**Legal Considerations:** The Law Department has approved the contract document as to form.

**Recommendation/Action:** It is recommended that the City Council approve the Project Access contract and authorize the necessary signatures.

**Attachments:** Contract

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council  
**SUBJECT:** Project Access Contract  
**INITIATED BY:** Housing and Community Services Department  
**AGENDA:** New Business

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**Legal Considerations:** The Law Department has approved the contract document as to form.

**Recommendation/Action:** It is recommended that the City Council approve the Project Access contract and authorize the necessary signatures.

**Attachments:** Contract

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Community Event Resolution, Wichita Convoy of Hope (District III)

**INITIATED BY:** Division of Arts & Cultural Services

**AGENDA:** New Business

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**Recommendation:** Adopt the Resolution to authorize a use not allowed by the Wichita-Sedgwick County Unified Zoning Code (UZC) at the Wichita Convoy of Hope on August 1, 2015, and approve the permit for the community event.

**Background:** A community event application has been submitted for the Wichita Convoy of Hope, scheduled for August 1, 2015, at 3777 S. Meridian as operated by Bethel Life Center. The purpose of the event is to provide various goods and services to the underserved and impoverished in Wichita through community outreach. The proposed event site does not meet the requirements of the UZC because a portion of the event premises to be used for vehicle parking and egress from the site by volunteers and persons attending the event is unpaved. The provisions of Article IV, Section A (2) of the UZC do not allow the use of unsurfaced areas for vehicle parking or unsurfaced driveways for vehicular travel. Section 3.11.090(h) of the Code of the City of Wichita, provides that a proposed community event may not violate any law of the City of Wichita; however, a use not allowed by the UZC and the community event permit may be approved by the City Council after a public hearing. A use not allowed by the UZC may be permitted for a duration not exceeding 10 calendar days. In accordance with the City Code, a resolution is required authorizing the proposed noncompliant use and approving the permit for the community event. Upon the close of the public hearing, review of the application for the community event and consideration of the factors set forth in Section 3.11.080 of the Code of the City of Wichita, the Council shall determine if approval for the use not allowed and permit for the community event should be given.

**Analysis:** Staff has reviewed the application for the community event with the proposed use not allowed by the UZC, and based upon the factors set forth in Section 3.11.080 of the City Code, finds that all of the criteria set forth therein have been met. This waiver has not had a significant impact on past events.

**Financial Consideration:** The event promoter is responsible for all costs associated with the community event permit. Staffing costs are not fully covered by the fees. Approximately \$130 is generated from each community event.

**Legal Consideration:** The Law Department has prepared the proposed Resolution and approved as to form.

**Recommendation/Actions:** It is recommended that the City Council adopt the Resolution authorizing a use not allowed by the Wichita-Sedgwick County Unified Zoning Code (UZC) at the Wichita Convoy of Hope on August 1, 2015, and approve the permit for the community event.

**Attachments:** Resolution and Community Event Application for the Wichita Convoy of Hope.

(First Published in the Wichita Eagle on July 24, 2015)

RESOLUTION NO. 15-212

A RESOLUTION BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS APPROVING A COMMUNITY EVENT PERMIT APPLICATION FROM WICHITA CONVOY OF HOPE, ALLOWING OFF-STREET PARKING OF VEHICLES ON AN UNSURFACED AREA AND THE USE OF AN UNSURFACED DRIVEWAY FOR EGRESS FROM THE EVENT.

WHEREAS, the City recognizes that substantial community benefits may result from community events. They can provide community outreach, cultural enrichment, promote economic vitality and enhance community identity. Further, events such as Wichita Convoy of Hope operate to provide various services and goods to the under-served and impoverished neighborhoods within the City, as well as connections to other assistance and social service organizations;

WHEREAS, Wichita Convoy of Hope, operated by Bethel Life Center, has applied for a community event permit pursuant to Chapter 3.11 of the Code of the City of Wichita. Said event is proposed to occur at 3777 S. Meridian on Saturday, August 1, 2015 from 8:00 a.m. – 5:00 p.m.; and

WHEREAS, the proposed event will provide outreach services to over 7,000 citizens and will use the services of many volunteers, all creating a need for vehicle parking space and also for orderly egress from the event site; and

WHEREAS, the proposed event site does not meet the requirements of the Wichita-Sedgwick County Unified Zoning Code due to unsurfaced parking area and unsurfaced driveways upon the premises which are needed to accommodate the size of the event and the anticipated number of persons attending; and

WHEREAS, pursuant to Section 3.11.090(h) of the Code of the City of Wichita, Kansas, a proposed community event may not violate any law of the City of Wichita, State of Kansas or of the United States, provided, however, a community event permit may be approved and a use not allowed by the Wichita-Sedgwick County Unified Zoning Code may be permitted to proceed if approved by the City Council after a public hearing regarding the same and for a duration not exceeding ten (10) calendar days; and

WHEREAS, the proposed event does not otherwise present a safety, noise, or traffic hazard and will not obstruct the operation of emergency vehicles or equipment in or through the area; and

WHEREAS, the proposed application on file for this event will be subject to review by the Community Event Committee pursuant to Chapter 3.11 of the Code of the City of Wichita, with no other issues anticipated which would impede such approval.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS AS FOLLOWS;

1. A public hearing having been held as required by Section 3.11.090 (h) of the Code of the City of Wichita, the community event permit shall be approved for the Wichita Convoy of Hope event to be held Saturday, August 1, 2015 at 3777 S. Meridian from 8:00 a.m. to 5:00 p.m. During this event, Bethel Life Center may allow parking of vehicles on unsurfaced areas and the use of any unsurfaced driveway upon the premises of the event which are outside the provisions of Article IV, Section A(2) of the Wichita-Sedgwick Unified Zoning Code.

2. All events and activities to be held at the Wichita Convoy of Hope site will be subject to approval by the Community Event Committee pursuant to Chapter 3.11 of the Code of the City of Wichita.
3. This resolution shall be effective upon adoption by City Council.

ADOPTED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS,  
this 21<sup>st</sup> day of July, 2015.

---

Jeff Longwell, Mayor

ATTEST:

---

Karen Sublett, City Clerk

Approved as to form:

---

Jennifer Magana, City Attorney and Director of Law

3/19/2012



## COMMUNITY EVENT APPLICATION and Temporary Entertainment District Application

Applications and applicable fees must be submitted to:  
Division of Arts & Cultural Services | 225 West Douglas | Wichita, KS 67202  
(W) 316-303-8630 (F) 316-858-7960 [cs@wichita.gov](mailto:cs@wichita.gov)

Completion of a Community Event Application is required when the following conditions apply:  
*The City of Wichita defines a Community Event as follows:*

- Outdoor event on public and/or private property
- Attendance in excess of 100 persons on public property and/or 250 persons on private or park property. *Excludes invitation only events taking place on private property.*
- Involves a particular purpose and time.
- If Alcoholic Liquor or Cereal Malt Beverage is to be served or sold at an event, all portions of this application necessary to either establish a Temporary Entertainment District (for alcoholic liquor) or to obtain written City Council approval (for CMB) **MUST** be completed.

Any or all conditions below may apply to a Community Event: Some conditions may require a separate permit, which might include City Council approval. The Community Event Ordinance 3.11, Municipal Codes and Licensing applications can be accessed from [www.wichita.gov](http://www.wichita.gov) under the Business tab or by request to the Community Event Coordinator.

### General Information:

The City of Wichita may refuse any application received less than 45 days before the event or lacking requested information. Applications received less than 30 days, but more than 10 business days prior to the proposed event will be assessed additional fees. **NO application will be accepted LESS THAN 10 business days prior to the proposed event.** Any information required by the application must be complete upon submittal. Incomplete applications may be denied. When received, an application is subject to approval of all departments involved and will be required to provide the following:

- Application filing fee (\$25) made payable to City of Wichita.
- Licensing fee (varies) made payable to the City of Wichita.
- Street closure request (\$25.00 if applicable) made payable to the City of Wichita.
- Certificate of Liability Insurance naming the City of Wichita as additionally insured.
- Site plan defining the placement of alcohol point of sale, barricade locations, exit location, trash, restrooms, signage, etc.
- Security requirements including hiring of certified law enforcement officers.
- Vendor list including contact person and contact information.

Application Date: May 13, 2015

Event Title: Convoy of Hope - Wichita

Event Date(s)/Time: Saturday - August 1st 2015



3/19/2012

Event Address for Permit: 3777 S. Meridian

Property (Circle all that apply): Public Park  Private

Event Promoter Name: Stacie Cathcart / Bethel Life Center

Address: 3777 S. Meridian

Phone: (316) 522-7148 Mobile: (316) 708-0990

E-mail: scathcart@blewichita.com

Will Alcoholic Liquor or CMB be sold and/or served? (Circle one): Yes or  No

Onsite Alcohol Supervisor Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Mobile: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

Will food be sold and/or served? (Circle One):  Yes or No

Food Coordinator Name: Anthony Gilmartin

Phone: (316) 706-3145 Mobile: (316) 706-3145

E-mail: Agilmartin@hotmail.com



3/19/2017

Type of Event (Circle all that apply):

Animal Exhibition, Carnival, Circus, Concert, Dance, Fireworks, Live Entertainment, Parade, Temporary Amusement Ride, Walk/Run/Marathon, Street Closure, Other: Community Outreach

Attendance (circle one): Public, or Private/Invitation Only

Estimated Attendance: 10-8,000

Number of participants in previous years: Between 5,500-14,400 (if applicable)

Will admission be charged? NO (If yes, what amount?)

Is this event a fundraiser? NO (If yes, for what organization?)

Street Closure Requested? (Circle One): Yes or No

Date(s)/Time/Location of Street Closures (or other best information):

Blank lines for street closure information



3/19/2012

Description, Website and/or Facebook Page of Event (or attached flyer):

Convoy of Hope Wichita - Facebook Page

Community outreach to provide various services/goods to the under served of Wichita. We will have job-fair, community & medical services (physicals & immunizations) as well as free haircuts, portraits & groceries. We will also give free backpacks and children's shoes

I, Stacie Cathcart the above named applicant, do solemnly swear that I have read the contents of this application and that all information and answers herein contained are completed and true. In addition, I have read and understand all rules and regulations as set out in the Code of the City of Wichita. Furthermore, I hereby agree to comply with all of the laws of the State of Kansas, and all rules and regulations prescribed by the City of Wichita and I have consent to the immediate revocation of my license, by the proper officials, for any violation of such laws, rules, or regulations.

Stacie Cathcart  
Signature of Event Applicant

5/13/2015  
Date

Convoy of Hope - Wichita  
Organization/Event

James [Signature]  
City of Wichita Representative

7/8/2015  
Date

3/19/2012

# COMMUNITY EVENT CHECKLIST and Temporary Entertainment District Checklist

Checklist must accompany Application and applicable fees and mail to:  
Division of Arts & Cultural Services | 225 West Douglas | Wichita, KS 67202  
(W) 316-303-8630 (F) 316-858-7960 [csclark@wichita.gov](mailto:csclark@wichita.gov)

Completion of a Community Event Application is required when the following conditions apply: *The City of Wichita defines a Community Event as follows:*

- Outdoor event on public and/or private property
- Attendance in excess of 100 persons on public property and/or 250 on private or park property. Excludes invitation only events taking place on private property.
- Involves a particular purpose and time.

Approval of all applicable departments is required before permit is issued. The applicant shall be required to provide certified law enforcement officers, portable restrooms, and trash service in adequate number as reasonably determined by the procedures set forth. All vendors must be properly licensed and inspected. The applicant shall also be required to obtain, place and remove signs and barricades to close streets in accordance with requirements of the City. The applicant is responsible for all costs associated with the community event.

The Community Event Ordinance 3.11, Municipal Codes and Licensing applications can be accessible from [www.wichita.gov](http://www.wichita.gov) under the Business tab or by request to the Community Event Coordinator.

**N/A** 1. Certificate of Insurance - Must accompany initial application **private property**  
The applicant shall be required to maintain insurance reasonably acceptable to the City covering all aspects of the event in a minimum amount of \$500,000 public liability insurance and \$50,000 property damage insurance, in addition to other insurance as required by law. The insurance policies must include the City of Wichita and its agencies as additional insured.

**EC** 2. Site Plan - Must accompany initial application  
A Site Map/Plan and Event Notice **must be attached to application.** The site map/plan shall include: (1) streets requested for closure; (2) entry and exit points of event venue; (3) stage placement; (4) portable restroom locations; (5) trash receptacle locations; and, if applicable, (6) description of signage and barriers defining the area which alcoholic liquor or CMB may be consumed; (7) point of sale of alcoholic beverages; and (8) location of participating establishments.

**EC** 3. Security Requirements - Minimum 15 day approval process **VIPD**  
Security requirements shall be determined in coordination with the Wichita Police Department. The applicant will be required to hire certified law enforcement officers in addition to any other security the promoter provides on the event site.

3/19/2012

**BC 4. Traffic Flow Plan (Section 3.11.150) – Must accompany initial application**

VIPD

The plan should include any information that will impact the flow of traffic, such as requested street closures; route for parade, run/walk, or any other request. Does not include events solely on sidewalks or public rights-of-way immediately adjacent to public streets unless alcoholic beverages are to be consumed in these areas. Applicants will be required to disclose the date, street name, location, and time period for approval of requested street closures. Please attach the traffic flow plan as part of the site map/plan. Closure for any major street requires adequate street closure equipment to include signs and barricades and certified law enforcement officers, to be provided by applicant. All affected property owners are required to be notified in writing for intended street closure and a copy of such list is to be included as part of the community event application requirements.

Only temporary street markings are allowed and must be removed immediately upon completion of the event.

**BC 5. Trash Receptacles – Minimum 15 day approval process BLC**

The number of trash containers shall be based upon industry standards for sanitation and public convenience and will include consideration of the type of food and packaging. Requirements will be determined on event criteria and established with contracted vendor. Trash service will include servicing during an event for four hours or more and picking up of all trash and debris during and after the event. Upon completion of the event public property shall be left in the same condition or better than received. Trash containers may be located only in areas approved on site map/plan.

**BC 6. Portable Restrooms – Minimum 15 day approval process BLC will provide**

The number of portable restrooms shall be based upon industry standards for sanitation and public convenience. Requirements will be determined on event criteria and established with contracted vendor. The plan must provide for service during the event if planned for four hours or more. Portable restrooms may be located only in areas approved on site map/plan.

**N/A 7. Food Vendors Transient Merchant License (Chapter 3.95) - Minimum 15 day approval process**

Food vendors must be licensed and inspected through the City of Wichita. A list of vendors including contact person and contact information must be submitted with the Community Event Application.

**N/A 8. Transient Merchant License (Chapter 3.95) – Minimum 15 day approval process**

Transient Merchants are described as vendors selling wares or food from 7:00 am until midnight. Each vendor is required to complete a separate Transient Merchant application including signature. A copy of current Sales Tax License from the State of Kansas or proof of exempt status must accompany application. A list of vendors including contact person and contact information must be submitted with the Community Event Application.

3/19/2012

N/A 9. Cereal Malt Beverage and Alcoholic Liquor Licenses (Chapter 4.12, Section 4.16.070(e) and KSA 41-2645 - Minimum 45 day approval process

The applicant shall be responsible for compliance with CMB and Alcoholic Liquor laws as well as all other laws and ordinances in the conduct of the event. Click on the "Business" tab at the top of the Home Page then click on "City of Wichita License Applications" to locate Liquor License and/or CMB license application.

N/A 10. Cereal Malt Beverage and Alcoholic Liquor Consumption Regulations (Title 10) - Minimum 45 day approval process

The applicant and onsite supervisor (if different) shall be responsible for compliance with all regulations as set forth in Section 3.11.065 of the City Code. Consumption of CMB or alcoholic liquor on public streets and sidewalks is only allowed when the street is closed to vehicular traffic and with written approval of the City council.

SC 11. Tents and Canopies (Chapter 18.36 Ordinance 41-502) - Minimum 5 day approval process

A Permit will be required if the tent meets one of the following: The Tent has sides and is greater than 200 square feet OR is greater than 400square feet.

If a Tent Permit is required , the applicant will be required to appear in person at the Office of Central Inspection located in City Hall on the 7th floor, 455 N Main, Wichita, KS. The following information is required to obtain the permit: (1) the address where the tent will be located; (2) written permission of the property owner; (3) the size of the tent or canopy; (4) dates of erection and duration; (5) onsite contact name and contact information.

N/A 12. Parade (Chapter 3.13.020) – Minimum 10 day approval process

Parade route diagram and/or site map/plan must be attached to the application showing formation area, starting point and termination point.

     13. Temporary Amusement Ride License (Chapter 3.20) – Minimum 30 day approval process

Pending-TBD  
Completed application must include name of approved vendor. A current copy of certificate of inspection for each ride and applicable insurance must be on file with the City of Wichita. Placement of rides must be noted on site map/plan.

N/A 14. Fireworks License – (Chapter 15.0) Minimum 30 day approval process

Completed application must include a copy of the Firework Operator Certificate. Applicant is required to include a site map/plan of the shooting site, fallout zone, a list of shell sizes and applicable insurance.

     15. Animal Exhibition License (Chapter 3.09) – Minimum 20 day approval process.

Completed application must include USDA animal documentation, name and address of licensed veterinarian responsible for the care of the animals and proof of liability insurance.

waiting on response from C-Aarow Stables

3/19/2012

EC 16. Event Times - (Municipal Code Section 3.11.155)

Outdoor entertainment may operate 8:00 am until 11:00 pm Sunday through Thursday, 8:00 am until Midnight Friday and Saturday. The applicant shall at all times be responsible for compliance with laws and ordinances regulating the times of events.

EC 17. Noise Level - (Chapter 7.41)

The applicant shall be required to ensure that sound levels do not exceed that which is appropriate for the event area and its location and is in compliance with the provisions the code of the City of Wichita. The applicant will respond in a timely and effective manner to requests of the city's representatives concerning the sound level. The WPD or authorized representatives of the City shall have the authority to cancel musical performances or events for substantial or repeated violations.

EC 18. Miscellaneous

No excavation shall be made on public property nor objects/promotional items be placed or attached to public property except as expressly approved by permit or license. The applicant shall be required to abide by such other requirements as may be reasonable for the approval of the application.

I have read and understand the above information and regulations and accept them on behalf of the following organization.

Stacie Cathcart  
Signature of Event Applicant

3/19/2015  
Date

Convoy of Hope - Wichita  
Organization/Event

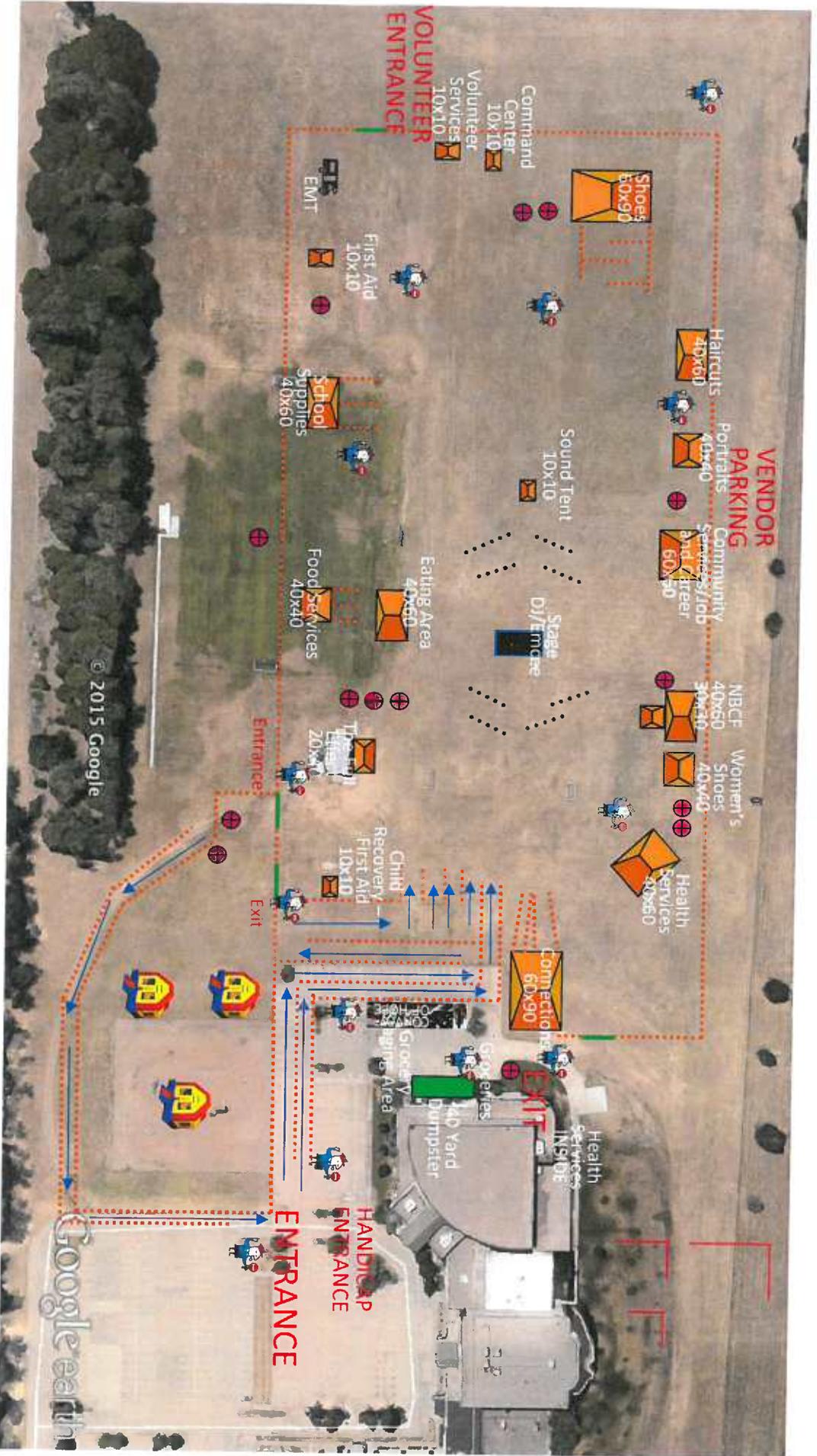
Tom Voss  
City of Wichita Representative

7/8/2015  
Date

# CONVOY OF HOPE WICHITA

Site Map @ Bethel Life Center

Revised 7/8/15



- = Foot Traffic
- = Safety Fencing
- = Caution Tape
- = Manned Gate
- = Vehicle Gate
- = Restrooms
- = Safety Personnel
- = Tables
- = Stage
- = Vehicle Traffic

# PARKING MAP

	= Foot Traffic		= Restrooms
	= Safety Fencing		= Safety Personnel
	= Caution Tape		= Tables
	= Manned Gate		= Stage
	= Vehicle Gate		= Vehicle Traffic



City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Repair or Removal of Dangerous and Unsafe Structures  
(District I)

**INITIATED BY:** Metropolitan Area Building and Construction Department

**AGENDA:** New Business

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**Recommendations:** It is recommended that the City Council close the public hearing, adopt the resolutions declaring the buildings to be dangerous and unsafe structures, and accept the Board of Building Code Standards and Appeals (BBCSA) recommended actions to proceed with condemnation, allowing 10 days to start demolition and 10 days to complete removal of the structures.

**Background:** On June 2, 2015, a report was submitted with respect to the dangerous and unsafe conditions on the properties listed below. The City Council adopted resolutions providing for a public hearing to be held on the condemnation actions at 9:30 a.m. or soon thereafter, on July 21, 2015.

**Analysis:** On February 2, 2015, the BBCSA conducted a hearing on the property listed below as item a. 2301 E. Shadybrook. On May 4, 2015, the BBCSA conducted a hearing on the property listed below as item b. 529 N. Wabash.

<u>Property Address</u>	<u>Council District</u>
a. 2301 E. Shadybrook	I
b. 529 N. Wabash	I

Detailed information/analyses concerning the properties are included in the attachments.

**Financial Considerations:** Structures condemned as dangerous buildings are demolished with funds from the Metropolitan Area Building and Construction Department Special Revenue Fund contractual services budget, as approved annually by the City Council. This budget is supplemented by an annual allocation of Federal Community Development Block Grant funds for demolition of structures located within the designated Neighborhood Reinvestment Area. Expenditures for dangerous building condemnation and demolition activities are tracked to ensure that City Council Resolution No. R-95-560, which limits MABCD expenditures for non-revenue producing condemnation and housing code enforcement activities to twenty percent (20%) of MABCD's total annual budgeted Special Revenue Fund expenditures, is followed. Owners of condemned structures demolished by the City are billed for the contractual costs of demolition, plus an additional five hundred dollar (\$500) administrative fee. If the property owner fails to pay, these charges are recorded as a special property tax assessment against the property, which may be collected upon subsequent sale or transfer of the property.

**Legal Considerations:** The resolutions and notices of hearing were reviewed and approved as to form by the Law Department.

**Recommendations/Actions:** It is recommended that the City Council close the public hearing, adopt the resolutions declaring the buildings to be dangerous and unsafe structures, and accept the BBCSA recommended actions to proceed with condemnation, allowing 10 days to start demolition and 10 days to complete removal of the structures. Any extensions of time granted to repair any structures would be contingent on the following: (1) All taxes have been paid to date as of July 21, 2015; (2) the structures have been secured as of July 21, 2015, and will continue to be kept secured; and (3) the premises are mowed and free of debris as of July 21, 2015, and will be so maintained during renovation.

If any of the above conditions are not met, the Metropolitan Area Building and Construction Department will proceed with demolition action and also instruct the City Clerk to have the resolutions published once in the official city paper and advise the owner of these findings.

**Attachments:** Case summary, CDM summary and follow-up history

**DATE: June 24, 2015**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 2301 E. SHADYBROOK**

**LEGAL DESCRIPTION: LOT 1, BLOCK 5, BUILDERS FIRST ADDITION TO WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story brick over wood frame dwelling about 26 x 38 feet in size. Vacant for about 2 years, this structure has cracking and shifting block basement walls; cracked and shifting brick siding; deteriorated wood siding; badly worn composition roof, with holes; shifting concrete front porch; shifting rear porch steps; deteriorated wood trim; and the 4 x 8 foot accessory shed is dilapidated.**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

- A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**
- B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**
- C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

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Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

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Date

**DATE: June 24, 2015**

**BCSA GROUP # 3**

**ADDRESS: 2301 E. SHADYBROOK**

**ACTIVE FIELD FILE STARTED: March 29, 2014**

**NOTICE(S) ISSUED: Since March 29, 2014, several notice of improvements and violation notices have been issued.**

**PRE-CONDEMNATION LETTER: August 11, 2014**

**TAX INFORMATION: The 2014 taxes are delinquent in the amount of \$377.88, which includes interest.**

**COST ASSESSMENTS/DATES: None**

**PREMISE CONDITIONS: Some miscellaneous debris.**

**VACANT NEGLECTED BUILDING REPORT: None**

**MABCD NUISANCE & ABATEMENT REPORT: In May 2012 a neighborhood nuisance case was initiated resulting in owner compliance.**

**POLICE REPORT: In the past five years there have been ten reported police incidents at this location including auto theft not recovered, (2) battery domestic violence, intimidation, lost miscellaneous property, (3) miscellaneous report and (2) larceny b auto accessories.**

**FORMAL CONDEMNATION ACTION INITIATED: August 20, 2014**

**RECENT DEVELOPMENTS: The accessory structure has been removed and the roof has had some repair. The structure is secure.**

**HISTORIC PRESERVATION REPORT: No impact**

**OWNER'S PAST CDM HISTORY: One property owner has had a property in condemnation which was demolished by City of Wichita contractor.**

**BOARD OF B. C.S. & A. RECOMMENDATION: At the November 3, 2014 BCSA hearing Lillie Coleman, co-owner, and Teresa Coleman (daughter of property co-owner, Patsy Abrams) were present.**

There has been an active case on this property since March 2014; since that time several violation notices. A Pre-condmenation Letter was issued on August 11, 2014. The 2013 taxes are delinquent in the amount of \$494.95, including interest. The premise is maintained clean. A Neighborhood Nuisance Case was initiated in May of 2012, which resulted with the owner complying with the requirements of that case. No repairs have been made to the structure. A formal condemnation letter was issued on August 20, 2014. The main structure is secure, however, the accessory structure is open.

Ms. Teresa Coleman stated that the owners intended to arrange to meet on site and determine what repairs are needed and then proceed with hiring contractors as needed. Ms. Lillie Coleman estimated they could

have the exterior in compliance and the delinquent taxes paid within ninety days. Board Member Harder made a motion to allow until the next regularly scheduled hearing to present a plan of action to the Board, pay the delinquent taxes, and maintain the property in a clean and secure condition in the interim. Board Member Wilhite seconded the motion. The motion carried.

At the December 1, 2014, BCSA hearing the owner, Lillie Coleman, was present along with Teresa Coleman, daughter of Patsy Coleman-Abrams, co-owner.

A one-story brick over wood frame dwelling, this structure is about 26 x 38 feet in size. Vacant for about two years, this structure has cracking and shifting block basement walls; cracked and shifting brick siding; deteriorated wood siding; badly worn composition roof, with holes; shifting concrete front porch; shifting rear porch steps; deteriorated wood trim; and the 4 x 8 foot accessory shed is dilapidated.

First before the Board at the November 3, 2014, hearing, Ms. Lillie Coleman and Ms. Teresa Coleman (representing co-owner Patsy Coleman-Abrams) were present. The Board approved a motion to allow until the December meeting to present a plan of action to the Board, pay the delinquent taxes, and maintain the property in a secure and clean condition.

The taxes are now current and the property has been maintained in a clean condition. The main structure is secure; however, the accessory structure has an open door. No repairs have been made.

Ms. Teresa Coleman told the Board that the plan of action had not been finished due to inclement weather, and the recent unexpected deaths in the family. Ms. Teresa Coleman requested additional time to formulate the plan action and report to the Board.

Board Member Harder made a motion to allow until the February 2, 2015, meeting for the owners to complete the plan of action and present it to the Board, initiate repairs if possible, maintaining the property in a clean and secure condition in the interim. Board Member Doeden seconded the motion. The motion carried.

At the February 2, 2015, BCSA hearing Teresa Coleman, daughter of Patsy Coleman-Abrams (one of the owners), attended the hearing.

A one-story brick-over-wood frame, this dwelling is about 26 x 38 feet in size. Vacant for about two years, this structure has cracking and shifting block basement walls; cracked and shifting brick siding; deteriorated wood siding; badly worn composition roof, with holes; shifting concrete front porch; shifting rear porch steps; deteriorated wood trim; and the 4 x 8 foot accessory shed is dilapidated.

First presented to the Board at the November 2014 hearing and again at the December 2014 hearing, the motion was made and approved by the Board to allow until the February 2, 2015, hearing to complete the plan of action and present it to the Board, initiate repairs if possible, maintaining the premise in a clean and secure condition in the interim.

The 2014 taxes are delinquent in the amount of \$373.52; the premises are maintained in a clean condition; no repairs have been made to the structure. The main structure is secure; however, the accessory structure is open.

Ms. Coleman said her mother, Ms. Coleman-Abrams, has the paperwork regarding the property, but work has started on the main structure. The accessory shed will be demolished, but the day work was to begin, the weather prevented the removal to be completed. Ms. Coleman said the completion date for all the

work is near the end of March.

Board Member Harder made a motion to allow until the April 6, 2015, meeting to complete the repairs and pay the delinquent taxes, maintaining the site in a clean and secure condition in the interim, or the property will be referred to the City Council with a recommendation of condemnation, with ten days to begin razing the structure and ten days to finish the removal. Board Member Willenberg seconded the motion. The motion was approved.

**STAFF RECOMMENDATION/REMARKS:** Adopt the recommendation of the Board of Building Code Standards and Appeals. However, any extensions to repairs would be providing that all provisions of City Council Policy 33 are complied with. If any of these conditions are not met, staff is directed to proceed to let for bids to demolish the structure.

**DATE: June 24, 2015**

**CDM SUMMARY**

**COUNCIL DISTRICT # I**

**ADDRESS: 529 N. WABASH**

**LEGAL DESCRIPTION: THE SOUTH 40 FEET OF THE NORTH 78 FEET OF THE EAST HALF OF LOT 5, ON WABASH AVENUE, PEARCE AND VANTILBURG'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**DESCRIPTION OF STRUCTURE: A one story frame dwelling about 35 x 25 feet in size. Vacant for several years, this structure has rotted and missing siding; deteriorated front porch; dilapidated rear porch; and rotted wood trim .**

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

**A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.**

**B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.**

**C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.**

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

\_\_\_\_\_  
Director of Metropolitan Area Building and Construction Department  
Enforcing Officer

\_\_\_\_\_  
Date

**DATE: June 24, 2015**

**BCSA GROUP # 4**

**ADDRESS: 529 N. WABASH**

**ACTIVE FIELD FILE STARTED: May 6, 2010**

**NOTICE(S) ISSUED: Since May 6, 2010, numerous notice of improvements and violation notices have been issued.**

**PRE-CONDEMNATION LETTER: July 25, 2014**

**TAX INFORMATION: Current**

**COST ASSESSMENTS/DATES: None**

**PREMISE CONDITIONS: Some construction debris.**

**VACANT NEGLECTED BUILDING REPORT: Open case**

**MABCD NUISANCE ABATEMENT REPORT: In May 2010, April 2011, April 2012 and August 2013, neighborhood nuisance cases were initiated resulting in owner compliance.**

**POLICE REPORT: None**

**FORMAL CONDEMNATION ACTION INITIATED: November 14, 2014**

**RECENT DEVELOPMENTS: In April 2015, a roofing /siding permit was issued. Repairs are in progress and the structure is secure.**

**HISTORIC PRESERVATION REPORT: No impact**

**OWNER'S PAST CDM HISTORY: None**

**BOARD OF B. C.S. & A. RECOMMENDATION:** At the February 2, 2015 BCSA hearing the owner, Bruce Morgan, represented this property.

The case on this property was started in May 2010; numerous improvement notices and notices of violation have been issued since that time. A Pre-condemnation Letter was issued on July 25, 2014. The 2014 taxes are delinquent in the amount of \$174.68. There are no special assessments against this property. The premises are maintained in a clean condition. In 2010, 2011, 2012, and 2013 nuisance cases were filed; in each instance, the owner complied. Formal condemnation action was initiated on November 14, 2014. No repairs have been made, and the structure is secure.

Mr. Morgan requested additional time to make the necessary repairs. He provided a receipt showing that the 2014 taxes had been paid. Mr. Morgan said he has received an estimate from a contractor for the needed repairs.

Board Member Harder made a motion to allow until the May 2015 meeting to bring the exterior into compliance with minimum housing code, keeping the property in a clean and secure condition in the interim. Board Member Doeden seconded the motion. The motion was approved.

At the May 4, 2015 BCSA hearing there was no one present to represent this property.

A one-story frame dwelling about 35 x 25 feet in size, the structure has been vacant for several years. This structure has rotted and missing siding; deteriorated front porch; dilapidated rear porch; and rotted wood trim.

Following the recommendation of staff, Board Member Harder made a motion to submit the property to the City Council for condemnation with ten days to begin demolition and ten days to complete the demolition, maintaining the premise in a clean and secure condition in the interim. Board Member Webb seconded the motion. The motion was unanimously approved.

**STAFF RECOMMENDATION/REMARKS:** Adopt the recommendation of the Board of Building Code Standards and Appeals. However, any extensions to repairs would be providing that all provisions of City Council Policy 33 are complied with. If any of these conditions are not met, staff is directed to proceed to let for bids to demolish the structure.

**July 21, 2015  
City Council  
Removal of Dangerous Structure Case Summary**

Address	Cncl. Dist.	Hsng. Case Age	Cndm. Init. Date	BCSA Hearing Date & Recommendation	Owner/ Rep. At BCSA ?	Open or Secure	Premise Cond. Status	Property Tax Status	Special Assessments
2301 E. Shadybrook	I	1 yr. 2 mos.	08/20/14	11/3/14 - Deferred 12/01/14 - Deferred 02/02/15 - If not repaired by April 6, 2015, proceed with 10/10	Yes Yes Yes	Secure	Some miscellaneous debris.	The 2014 taxes are delinquent in the amount of \$377.88, which includes interest.	None
529 N. Wabash	I	5 yrs. 2 mos.	11/14/14	02/02/15 - Deferred 05/04/15- 10/10	Yes No	Secure	Some construction debris	Current	None

**Agenda Report No. V-1**

**City of Wichita  
City Council Meeting  
July 21, 2015**

**TO:** Mayor and City Council

**SUBJECT:** ZON2015-00012 and CON2015-00010 – City Zone Change from SF-5 Single-Family Residential (SF-5) to LC Limited Commercial (LC) and Conditional Use to Permit a Self-Service Warehouse on Property Generally Located North of 29<sup>th</sup> Street North, One-Quarter Mile West of North Hoover Road (District V)

**INITIATED BY:** Metropolitan Area Planning Department

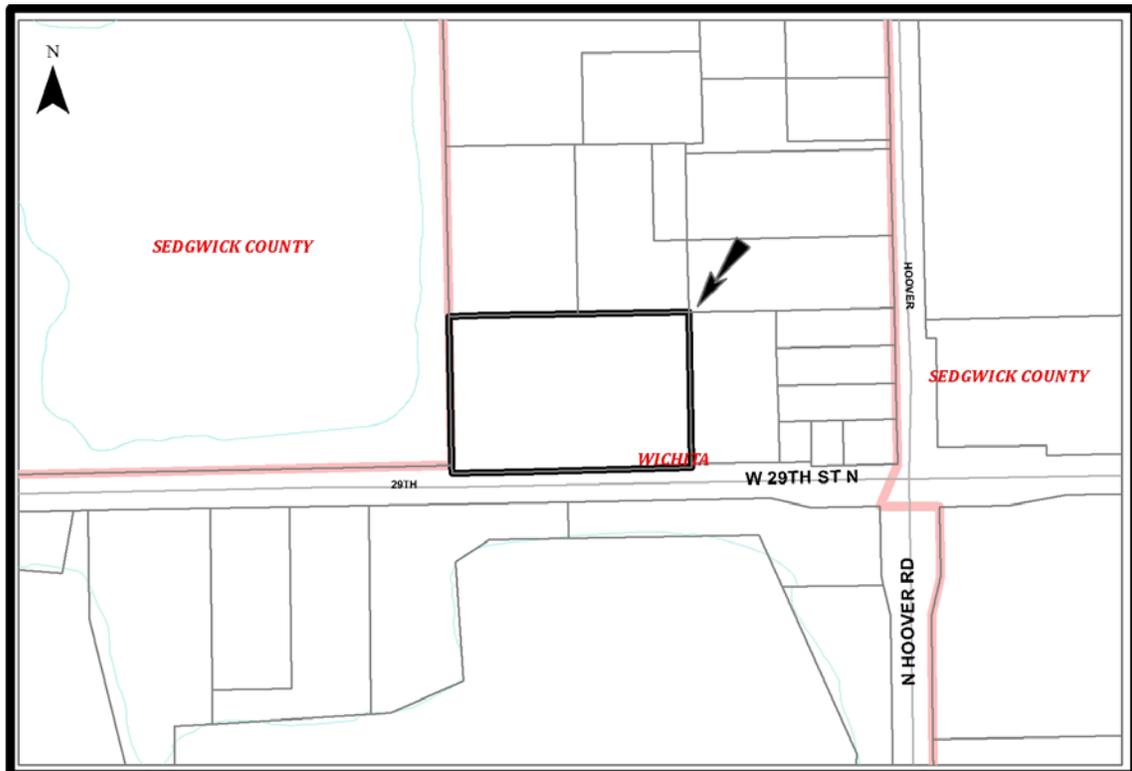
**AGENDA:** Planning (Non-Consent)

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**MAPC Recommendation:** The MAPC recommended approval of the request at both of its hearings (11-0-1 and 11-0).

**DAB Recommendation:** District Advisory Board V recommended denial (6-1) at its first hearing; at the second hearing, DAB V recommended approval of the request (2-1). At its first hearing, District Advisory Board VI recommended denial of the request (5-2).

**MAPD Staff Recommendation:** Metropolitan Area Planning Department staff recommended approval of the request.



**Background:** The applicants are requesting a zone change from SF-5 Single-Family Residential to Limited Commercial (LC) for 4.94 acres of a 5.5 acre unplatted parcel, located one-quarter mile west of North Hover Road on the north side of West 29<sup>th</sup> Street North. In 1958, Sedgwick County zoned the four corners of the intersection to LC in anticipation of commercial development. The east portion of the parcel, approximately 0.45 acres, currently zoned LC, was part of the 1958 rezoning. In addition to the requested zone change to LC, the applicants have submitted a request for a conditional use to allow “warehouse/self-service storage” on the site (CON2015-10).

The applicants have submitted a site plan of the proposed building layout, internal vehicle circulation and the access onto West 29<sup>th</sup> Street North will be reviewed and approved during platting should ZON2015-00012 and CON2015-00010 be approved. Upon approval of ZON2015-12 and the subsequent CON2015-10, the applicants will be required to file and perfect a plat within one year and provide, if necessary, a revised site plan giving more detail including, but not limited to, landscaping, any proposed light poles and identification of customer and employee parking.

Final platting of the property north of the site (SUB2014-00042) was approved by Wichita City Council on March 24, 2015, (7-0 is zoned LI Limited Industrial and is a wrecking and salvage yard. Property east of the site is zoned LC and currently has a single family residence. The SF-20 zoned property west of the site has a conditional use to allow for sand and gravel extraction (CU-242). South of the site is Barefoot Bay Subdivision, which is zoned SF-5 Single-Family Residential and is developed with single-family residences.

**Analysis:** At the May 5, 2015 City Council meeting the case was sent back to the Metropolitan Area Planning Commission (MAPC). On June 4, 2015, the MAPC reviewed the application. Property owners in the notification area were present for comment to the MAPC. The applicants provided a PowerPoint presentation with elevation drawings of the buildings, signage and landscaping. The applicants committed to masonry entrance feature, masonry monument sign, masonry office building with hipped roof detail and a five- to 6-foot berm with landscaping along West 29<sup>th</sup> Street North.

The Barefoot Bay Neighborhood Association also presented a PowerPoint show of the area and again voiced concerns about the negative impact to property values in the area, increase in traffic and the use didn't fit the residential neighborhood. The MAPC approved the application unanimously (11-0) subject to the following conditions:

- 1) The zone change and conditional use will not be final until the property is platted according to the Subdivision Regulations of the UZC.
- 2) Obtain all permits and inspections as required by the Metropolitan Area Building and Construction Department. All development will be subject to platting and be per City Code, including landscaping, code compliance and any other applicable standards.
- 3) The site shall be developed according to the landscape features, architectural details, fencing and monument signage as presented to the MAPC on June 4, 2015 which are included in the official record.
- 4) All improvements shall be complete within one year of the approval of the Conditional Use by the MAPC or the City Council.
- 5) The site shall be developed and operated in compliance with all federal, state and local rules and regulations.
- 6) If the Zoning Administrator finds that there is a violation of any of the conditions of the Conditional Use, the Zoning Administrator, may, with the concurrence of the Planning Director, declare the Conditional Use null and void.
- 7) Even though the property is zoned LC, use of the property is limited to a “warehouse, self-storage,” as defined by the Wichita-Sedgwick County Unified Zoning Code, and subject to the development standards contained therein, and to the uses permitted by right in the SF-5 Single-Family (SF-5) zoning district.

Since the subject site is immediately adjacent to District VI, the District Advisory Board (DAB) VI heard the case on June 1, 2015. The applicants provided a PowerPoint presentation with elevation drawings of the buildings, signage and landscaping of the proposed self-storage facility. The Barefoot Bay Neighborhood Association also presented a PowerPoint show of the area and again voiced concerns about the negative impact to property values in the area, increase in traffic and the use didn't fit the residential neighborhood. DAB VI voted (5-2) to deny the application.

The applicants and the Barefoot Bay Neighborhood Association presented PowerPoint shows to DAB V at the June 15, 2015 meeting. DAB V voted (2-1) to approve the application, but added a request to build a solid screening wall on the east property line.

Planning staff has received valid protests representing 47.98 percent of the net land area located with the protest area. Since the protests represent more than 20 percent of the net land area located within the protest area, a three-quarter majority vote is required to overturn the protests.

**Financial Considerations:** Approval of this request will not create any financial obligations for the City.

**Legal Considerations:** The Law Department has reviewed and approved the ordinance as to form.

**Recommendation/Actions:** It is recommended that the City Council: 1) Concur with the findings of the MAPC and approve the zoning change and conditional use subject to the conditions enumerated, and adopt the findings of the MAPC and instruct the Planning Department to forward the ordinance for first reading when the plat is recorded (requires three-quarter majority vote) or 2) Deny the zoning and conditional use request by making alternative findings, and override the MAPC's recommendation (requires simple majority vote to override the MAPC's recommendation).

**Attachments:** MAPC minutes (2), Site Plan, DAB V memos (2), DAB VI memo, Protest Letters from Barefoot Bay property owners (3), Berkshire Hathaway Real Estate letter, Applicant PowerPoint Presentation (digital only), Barefoot Bay Neighborhood PowerPoint Presentation (digital only), Ordinance, Resolution and Protest Maps.

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

BE IT ORDAINED BY THE GOVERNING BODY  
OF THE CITY OF WICHITA, KANSAS.

**SECTION 1.** That having received a recommendation from the Planning Commission, and proper notice having been given and hearing held as provided by law and under authority and subject to the provisions of The Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended, the zoning classification or districts of the lands legally described hereby are changed as follows:

**Case No. ZON2015-00012**

Zone change from SF-5 Single-family Residential (SF-5) to LC Limited Commercial on approximately 4.94 acres (associated with CON2015-00010) described as:

Beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet, thence South 425 feet; thence East to the point of beginning Section 34, Township 26 Range 1 Est of the 6<sup>th</sup> P.M., Wichita, Sedgwick County, Kansas.

**SECTION 2.** That upon the taking effect of this ordinance, the above zoning changes shall be entered and shown on the "Official Zoning Map" previously adopted by reference, and said official zoning map is hereby reincorporated as a part of the Wichita -Sedgwick County Unified Zoning Code as amended.

**SECTION 3.** That this Ordinance shall take effect and be in force from and after its adoption and publication in the official City paper.

\_\_\_\_\_  
Jeff Longwell, Mayor

**ATTEST:**

\_\_\_\_\_  
Karen Sublett, City Clerk

(SEAL)

Approved as to form: \_\_\_\_\_  
Jennifer Magana, City Attorney and Director Law

**CONDITIONAL USE RESOLUTION NO. 15-216**  
**CON2015-00010**

**WHEREAS**, the Estate of Verna E. Cornwell, Ruggles & Bohm, P.A., c/o Chris Bohm, (Agent); pursuant to Section V-D of the Wichita-Sedgwick County Unified Zoning Code (herein referred to as Unified Zoning Code), requests a Conditional Use for a Warehouse, Self-Storage on 5.5 acres zoned LC Limited Commercial (“LC”) described as:

Beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet, thence South 425 feet; thence East to the point of beginning Section 34, Township 26 Range 1 Est of the 6<sup>th</sup> P.M., Wichita, Sedgwick County, Kansas.

**WHEREAS**, proper notice as required by the Unified Zoning Code and by the policy of the Metropolitan Area Planning Commission (hereinafter referred to as MAPC) has been given; and

**WHEREAS**, the MAPC did, at the meeting of April 2, 2015, consider said application; and

**WHEREAS**, the MAPC has authority to permit a Conditional Use, subject to any special conditions deemed appropriate in order to assure full compliance with the criteria of the Unified Zoning Code.

**NOW, THEREFORE, BE IT RESOLVED** by the Wichita City Council that this application be approved to exclude all uses by right in LC zoning district and allow a Conditional Use for a Warehouse/Self-Storage facility on 5.5 acres zoned LC Limited Commercial (“LC”) described as:

Beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet, thence South 425 feet; thence East to the point of beginning Section 34, Township 26 Range 1 Est of the 6<sup>th</sup> P.M., Wichita, Sedgwick County, Kansas.

Approved subject to the following conditions:

- 1) The zone change and conditional use will not be final until the property is platted according to the Subdivision Regulations of the UZC;
- 2) Obtain all permits and inspections as required by the Metropolitan Area Building and Construction Department. All development will be subject to platting and be per City Code, including landscaping, code compliance and any other applicable standards;
- 3) The applicant shall submit a revised site plan and elevation drawings for review and approval by the Planning Director, prior to the issuance of a building permit, per City standards, within one year of approval by the MAPC or the City Council. The site shall be developed according to the revised site plan;
- 4) All improvements shall be complete within one year of the approval of the Conditional Use by the MAPC or the City Council;
- 5) The site shall be developed and operated in compliance with all federal, state and local rules and regulations;
- 6) Prior to the issuance of an occupancy permit, a four to five-foot high landscaped berm is required to be installed along the site’s West 29<sup>th</sup> Street North frontage. Even though the property is zoned LC, use of the property is limited to a “warehouse, self-storage,” as defined by the Wichita-Sedgwick County Unified Zoning Code, and subject to the development standards contained therein, and to the uses permitted by right in the SF-5 Single-Family (SF-5) zoning district; and

- 7) If the Zoning Administrator finds that there is a violation of any of the conditions of the Conditional Use, the Zoning Administrator, may, with the concurrence of the Planning Director, declare the Conditional Use null and void;

Adopted this 21st Day of July 2015

\_\_\_\_\_  
Jeff Longwell, Mayor

**ATTEST:**

\_\_\_\_\_  
Karen Sublett, City Clerk

(SEAL)

Approved as to form: \_\_\_\_\_  
Jennifer Magana, City Attorney and Director of Law

**EXCERPT MINUTES OF THE JUNE 4, 2015 WICHITA-SEDGWICK COUNTY  
METROPOLITAN AREA PLANNING COMMISSION HEARING**

**Case No.: ZON201500012 and CON2015-00010** - Estate of Verna E. Cornwell, Kenneth E. Cornwell and David Cornwell co-executors (owners) and Ruggles & Bohm (Chris Bohm) (Agent) request a City zone change from SF-5 Single-family Residential to LC Limited Commercial and City request for a Conditional Use for a self-storage warehouse on LC Limited Commercial zoning on property described as:

A tract beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet; thence South 425 feet; thence East to the point of beginning Section 34, Township 26, Range 1 West of the 6<sup>th</sup> P.M., Sedgwick County, Kansas.

**BACKGROUND:** The applicants are requesting a zone change from SF-5 Single-Family Residential (SF-5) to Limited Commercial (LC) for 4.94 acres of a 5.5-acre unplatted parcel, located west of North Hoover Road on the north side of West 29<sup>th</sup> Street North. In 1958, Sedgwick County zoned three of the four corners (northwest, northeast, southeast) of the intersection of North Hoover Road and West 29<sup>th</sup> Street North to LC in anticipation of commercial development. The east portion of the parcel, approximately 0.45 acre currently zoned LC, was part of the 1958 LC zone change. In addition to the requested zone change to LC, the applicants have submitted a request for a conditional use to allow “warehouse/self-service storage” on the site (CON2015-10).

The applicants have submitted a site plan of the proposed building layout, internal vehicle circulation and the access onto West 29<sup>th</sup> Street North that will be reviewed and approved during platting should ZON2015-00012 and CON2015-00010 be approved. Upon approval of ZON2015-12 and the associated CON2015-10, the applicants will be required to file and perfect a plat within one year, and provide a revised site plan giving more detail including, but not limited to, storm water drainage, landscaping, any proposed light poles and identification of customer and employee parking. The applicants have developed a more detailed site plan than was originally submitted. The new site plan will be provided at the second round of District Advisory Board (DAB) and Metropolitan Area Planning Commission (MAPC) hearings.

Property north of the site is zoned Limited Industrial (LI) and is used for wrecking and salvage. Property east of the site is zoned LC, and currently has a single family residence. The SF-20 zoned property located west of the site has a conditional use to allow sand and gravel extraction (CU-242). South of the site is West 29<sup>th</sup> Street. South of West 29<sup>th</sup> Street is the Barefoot Bay Subdivision, which is developed with single-family residences centered around a private lake.

Self-service storage warehouse facilities located in the LC zoning district are subject to the 19 development standards contained in the Wichita-Sedgwick County Unified Zoning Code (UZC) Article III, Section III-D.6.y (1)-(19). Not all of the development standards apply to this application, and the applicant may ask the City Council to waive specific supplementary use requirements. The self-service storage warehouse facilities supplementary use regulations are attached.

**CASE HISTORY:** At its regular meeting on April 2, 2014, the Wichita-Sedgwick County Metropolitan Area Planning Commission (MAPC) considered the case and heard from numerous concerned citizens. In general terms, the issues raised by the citizens were: increased traffic, child safety, storm water drainage, incompatibility of the use that close to single-family homes, property devaluation and lack of specifics regarding the appearance of the facility. Protest petitions representing 47.98 percent of the land area located within 200 feet have been submitted. The action of the MAPC was to **APPROVE** the request subject to the following conditions:

1. The zone change and conditional use will not be final until the property is platted according to the Subdivision Regulations of the UZC.
2. Obtain all permits and inspection as required by the Metropolitan Area Building and Construction Department. All development will subject to platting and be per City Code including landscaping, code compliance and any other applicable standards.
3. The applicant shall submit a revised site plan for review and approval by the Planning Director, prior to the issuance of a building permit, per City Standards, within one year of approval by the MAPC or the City Council. The site will be developed according to the revised site plan.
4. All improvements shall be completed within one year of the approval of the Conditional Use by the MAPC or the City Council.
5. The site shall be developed and operated in compliance with all federal, state, and local rules and regulations.
6. If the Zoning Administrator finds that there is a violation of any of the conditions of the Conditional Use, the Zoning Administrator, in addition to enforcing the other remedies set forth in Article VIII of the Unified Zoning Code, may, with the concurrence of the Planning Director, declare that the Conditional Use is null and void.
7. Prior to the issuance of an occupancy permit, a four to five-foot high landscaped berm is required to be installed along the site's West 29<sup>th</sup> Street North frontage. Even though the property is zoned LC, use of the property is limited to a "warehouse, self-storage," as defined by the Wichita-Sedgwick County Unified Zoning Code, and subject to the development standards contained therein, and to the used permitted by right in the Single-Family (SF-5) zoning district.

DAB V heard the case at the April 21, 2015 meeting. Twenty to 30 neighbors attended the DAB meeting expressing concerns similar to those presented at the MAPC meeting. The DAB voted to deny the application (6-1).

At the close of the protest period, 47.98 percent of the valid protest area had submitted protest petitions. The Wichita City Council considered the case on May 5, 2015, and voted to send the case back for consideration to DAB V, DAB VI and the MAPC.

**ADJACENT ZONING AND LAND USE:**

NORTH:	LI	Wrecking and salvage use.
SOUTH:	SF-5	Single-family residences

EAST: LC Limited Commercial; currently developed with a single-family residence  
WEST: SF-20 County single-family; has a conditional use to allow sand and gravel extraction CU-242

**PUBLIC SERVICES:** The subject property has immediate access to West 29<sup>th</sup> Street North. North Hoover Road is located approximately 600 feet east of the subject site. West 29<sup>th</sup> Street North is a paved three-lane arterial street and Hoover Road is a paved two-lane arterial street. The 2030 Transportation Plan map, adopted by the Wichita City Council in March of 2000 depicts West 29<sup>th</sup> Street as a two-lane arterial. The site is currently served by a water well and municipal water is available approximately 135 feet west of the well. A city sewer connection is approximately 1,500 feet west of the site. The project would require provision of a septic system and a storm water retention lagoon.

**CONFORMANCE TO PLANS/POLICIES:** The 2030 Wichita Functional Land Use Guide of the Comprehensive Plan identifies this site as appropriate for “Urban Residential”; however, the abutting properties to the east and north are zoned LC and LI, respectively. The Commercial Locational Guidelines of the Comprehensive Plan recommends that commercial sites should be located adjacent to arterials and should have site design features, which limit noise, lighting, and other activity from adversely impacting surrounding residential areas. The conditions attached to a Conditional Use can address site design issues. The proposed use would be a low traffic generator at this location when compared to other uses permitted by right in the LC district. Self-service warehouses generate approximately 2.5 average daily trips per 1,000 square feet of floor area. Strip retail sales generate 43 average daily trips per 1,000 square feet of floor area.

**RECOMMENDATION:** Based upon information available prior to the public hearings, planning staff recommends that the proposed zone change and conditional use for warehouse/self-storage be **APPROVED**, subject to Sec. III-D.6.y and the following conditions:

- 1) The zone change and conditional use will not be final until the property is platted according to the Subdivision Regulations of the UZC.
- 2) Obtain all permits and inspection as required by the Metropolitan Area Building and Construction Department. All development will subject to platting and be per City Code including landscaping, building, fire, sanitation and zoning code compliance, including the applicable sections of Unified Zoning Code (UZC) Article III, Section III-D.6.y (1)-(19), and any other applicable standards.
- 3) The applicant shall submit a revised site plan for review and approval by the Planning Director, prior to the issuance of a building permit, per City Standards, within one year of approval by the MAPC or the City Council. The site will be developed according to the revised site plan.
- 4) All improvements shall be completed within one year of the approval of the Conditional Use by the MAPC or the City Council.
- 5) The site shall be developed and operated in compliance with all federal, state, and local rules and regulations.

- 6) If the Zoning Administrator finds that there is a violation of any of the conditions of the Conditional Use, the Zoning Administrator, in addition to enforcing the other remedies set forth in Article VIII of the Unified Zoning Code, may, with the concurrence of the Planning Director, declare that the Conditional Use is null and void.
- 7) Prior to the issuance of an occupancy permit, a four to five-foot high landscaped berm is required to be installed along the site's West 29<sup>th</sup> Street North frontage. Even though the property is zoned LC, use of the property is limited to a "warehouse, self-storage," as defined by the Wichita-Sedgwick County Unified Zoning Code, and subject to the development standards contained therein, and to the used permitted by right in the Single-Family (SF-5) zoning district.

The staff's recommendation is based on the following findings:

1. **The zoning, uses and character of the neighborhood:** Land to the north is zoned LI and is a non-conforming wrecking and salvage yard. City Council has approved the final plat for the property north of the site to permit a legally conforming wrecking and salvage use. Property south of the site is zoned SF-5, and is developed with large lot single-family residences surrounding a private lake. Property east of the site is zoned LC and is developed with single family residences. West of the site, the property is zoned SF-20 and has a conditional use (CU-242) for sand and gravel extraction.
2. **The suitability of the subject property for the uses to which it has been restricted:** The east approximately 0.45 acre of the subject property is already zoned LC. The remainder of the application area is zoned SF-5. The site has been used for the placement of a recreational vehicle, which is not a legal use on the site as currently zoned. The application area abuts property to the north that is an active wrecking and salvage yard. Land to the east is zoned LC, which permits a wide range of retail commercial, office, multi-family residential and single-family residential uses by right. Land to the west is a spent sand pit. Given the wrecking and salvage use located to the north and the likelihood that at some point in time the LC zoned land located to the east will attract non-single-family development, the site's existing SF-5 zoning is unsuitable in the long run.
3. **Extent to which removal of the restrictions will detrimentally affect nearby property:** Warehouse/self-storage developed per the recommended development standards will have a minimum negative effect on the surrounding area. Self-service warehouses are low traffic generators (approximately 2.5 average daily trips per 1,000 square feet of floor area compared to 43 average daily trips per 1,000 square feet for retail sales). The zoning code requires an on-site resident manager, setbacks, screening as well as other development standards. The development standards will minimize known impacts to adjoining properties.

4. **Conformance of the requested change to adopted or recognized Plans/Policies:** The 2030 Wichita Functional Land Use Guide of the Comprehensive Plan identifies this site as appropriate for “Urban Residential.” As indicated above, the abutting properties to the east and north are zoned LC and LI, respectively. The LI site is an active wrecking and salvage yard, making it less likely that the site will be developed with single-family residences. The Commercial Locational Guidelines of the Comprehensive Plan recommends that commercial sites should be located adjacent to arterials and should have site design features, which limit noise, lighting, and other activity from adversely impacting surrounding residential areas. The conditions attached to a Conditional Use address identified concerns.
  
5. **Neighborhood support or opposition:** Property owners abutting and adjacent to the application area were present at both MAPC and DAB V meetings expressing opposition to the request based upon concerns dealing with: traffic, child safety, storm water drainage, incompatibility of the proposed use that close to single-family homes, property devaluation and lack of specifics regarding the appearance of the use. Protest petitions representing 47.98 percent of the land area located within 200 feet have been submitted.
  
6. **Impact on Community Facilities:** Existing road facilities are adequate. Any increased demand on community facilities can be addressed through platting.

## **EXERPTED UNIFIED ZONING CODE**

### **Art. III, Zoning District Standards**

#### **Sec. III-D.6.y, USE REGULATIONS**

**y. Warehouse, Self-Service Storage, in GO and LC.** Self-Service Storage Warehouse facilities shall be subject to the following standards when located within the GO or LC Districts.

- (1) A tract for such use located in the GO District shall be Contiguous with a less restrictive District.
  
- (2) The use must be located Contiguous to an arterial Street, and have direct access to the arterial Street, as designated in the *Transportation Plan* adopted by the Governing Bodies, and amended from time to time.
  
- (3) All buildings shall set back at least 35 feet from arterial Street Rights-of-Way lines. There shall be a minimum 20-foot Building Setback line from all other Streets, unless a platted Building Setback line would require a greater Setback.
  
- (4) Where the Lot is Contiguous to a residential zoning District, a landscaped Yard with a minimum depth of 15 feet shall be provided on the Lot Contiguous to the residential zoning District and a landscaped front Yard with a minimum depth of 15 feet shall be provided when within 100 feet of a residential zoning District or when across the street from a residential zoning District. The landscaping shall be in addition to any architectural Screening type Fences or face of the structures that shall be designed to Screen the use from the residential neighborhood. Such Fence, when required, shall be solid or semi-solid and constructed to prevent the passage of debris or light and constructed of either brick, stone, architectural tile, masonry units, wood or

other similar material (not including woven wire) and shall be not less than six feet or more than eight feet in height. The landscaped Yard may be reduced in depth to not less than the minimum Side and Rear Setback required by the property development standards of the applicable zoning District of the Lot when the Contiguous residential zoning District is occupied by any legal Nonconforming office, commercial or industrial Use, or when Adjacent to a property where an adopted zoning policy by the Governing Body is to look with favor on office, commercial or industrial zoning for the area.

(5) When the Development is in close proximity to residential development, the architectural design shall be submitted to the Planning Director for review and a recommendation to the Planning Commission as to whether or not the architecture is compatible with the surrounding development, and that adequate Screening is being provided. Sufficient copies of the preliminary design plans shall be provided so that a copy of such plans, after having been approved by the Planning Commission, may be retained in the MAPC case file and by the Zoning Administrator to ensure that final Development plans and construction comply therewith.

(6) Any side of the Building providing doorways to storage areas shall be set back from the property line at least 40 feet when Contiguous to a residential zoning District.

(7) Off-street Parking shall be required on the basis of one space for each 8,000 square feet of Floor Area in the facility plus one space for each employee, but in no case shall the number be less than five spaces.

(8) All driveways, parking, loading and vehicle circulation areas shall be paved with concrete, asphalt or asphaltic concrete or comparable hard surfacing material. Adequate bumper guards or Fences shall be provided to prevent the extension of Vehicles beyond property lines.

(9) All lights shall be shielded to direct light onto the Uses established and away from Adjacent property, but it may be of sufficient intensity to discourage vandalism and theft.

(10) All storage on the property shall be kept within an enclosed Building, unless a portion of the property or Lot is properly zoned to otherwise permit a designated area for outside storage.

(11) No activities such as miscellaneous or garage sales shall be conducted on the premises.

(12) The servicing or repair of Motor Vehicles, boats, Trailers, lawn mowers and other similar equipment shall not be conducted on the premises.

(13) Signs shall be limited to one per arterial Street frontage. Signs shall not exceed twenty feet in height nor exceed fifty square feet in gross surface area. Signs shall not project over any public right-of-way.

(14) All areas not paved in accordance with the requirements of this section shall be landscaped with deciduous and coniferous plant materials. The Landscaping plan shall be approved by the Planning Department. Maintenance of the Landscaping shall be sufficient to maintain it in good condition.

(15) The area shall be properly policed by the owner or operator for removal of trash and debris.

(16) The operation of such a facility shall in no way be deemed to include a transfer and storage business where the use of Vehicles is part of such business.

(17) A resident manager shall be required on the Site and shall be responsible for maintaining the operation of the facility in conformance with the conditions of approval.

(18) No more than 45 percent of the Lot Area shall be covered by Buildings.

(19) No individual or business shall lease more than 3,000 square feet of storage spaces.

**DALE MILLER**, Planning Staff presented the Staff Report. He reported that DAB V recommended denial at the 4-21-15 meeting by a vote of 6-1, and DAB VI recommended denial at the 6-1-15 meeting by a vote of 3-2. He said an issue that keeps coming up is whether 29<sup>th</sup> Street is an arterial and he clarified, according to the specific language in the Supplemental Use Regulations and map, 29<sup>th</sup> Street is a two-lane arterial street improved with two through lanes and a center left turn lane. He added that there have been questions about drainage and said Joe Hickle from, Public Works and Utilities, Storm Water was present to clear up any questions.

**CHAIR GOOLSBY** explained that since this case has already been heard by the Planning Commission he is looking for direction as to what the Commission would like to do in reference to public comment on the case.

**DENNIS** said since he was not at the hearing where the Planning Commission originally heard the case (although he has reviewed the minutes) he would like to hear what the community has to say on the item.

**WARREN** said he would not be interested in extending any time and that people should keep their comments within the allotted five minutes.

**RAMSEY** requested that no one repeat testimony that has already been heard by the Commission.

**MILLER STEVENS** asked staff to elaborate on the specifics that compelled the DAB decisions.

**MILLER** reported that the neighbors brought up the same issues that were discussed at the last Planning Commission. He said lack of specificity as to what the site will look like and how it will appear from the street was important to DAB V. He said that is one of the reasons the applicants created a PowerPoint presentation. He referred to the issues in the Revised Staff Report which were: the facility was out of character with the neighborhood; concerns about traffic, child safety; litter and debris from the site coming into the lake; fluids coming from the site polluting the lake, etc.

**RICHARDSON** asked who paid to pave 29<sup>th</sup> Street and what was the traffic count.

**MILLER** said the City paid 100% to pave 29<sup>th</sup> Street. He said 29<sup>th</sup> Street currently has 1,439 average daily trips.

**DAILEY** mentioned the abandoned airport on Hoover Road and asked how it was zoned.

**MILLER** said it is currently zoned SF-20 Single-family Residential with a conditional use.

**JOE HICKLE, PUBLIC WORKS AND UTILITIES, STORM WATER** said he was present to clarify some of the drainage issues. He referred to a slide presentation containing several graphics and aerials which he said will clarify drainage in the area. He referred to a graphic of the intersection of Hoover and 29<sup>th</sup> Streets. He commented that the pink lines show the City's storm water drainage system that drains to the west. He said the main line is on the south side of 29<sup>th</sup> Street and it flows to the west to almost the end of the sand pit where it comes to a manhole and is diverted through a hydrodynamic filter for water quality that was installed during the improvements to 29<sup>th</sup> Street and continues to flow into the lake to the south. He referred to a graphic of the various basins in the area flowing into lakes. He said the subject property in question is designed to drain into the south lake of Barefoot Bay. He said if the application is approved, the applicant will be required to have a storm water management permit and will have to meet water quality requirements and detention requirements. He concluded by stating that he believed the applicant was planning a dry pond on the site for detention as well as a deep inlet to trap debris so they won't get into the south lake.

**RAMSEY** asked if the drainage basin included the salvage yard.

**HICKLE** said some of that is draining into the sand pit to the north and some towards Barefoot Bay.

**RICHARDSON** asked staff to explain a dry detention pond and its purpose.

**HICKLE** said a wet pond typically has water in it all the time, but a dry pond only has water in it when it rains. He said a device would release water at appropriate times in accordance with the rules and requirements to meet the detention requirements.

**RICHARDSON** asked what was the appropriate rate for the release of water.

**HICKLE** responded not faster than the natural condition.

**WARREN** asked if the drainage plan would change depending on the zoning.

**HICKLE** said the same regulations to meet water quality and detention are required regardless of the zoning classification.

**JIM ALBERTSON, ARCHITECT FOR THE APPLICANT** referred to a slide presentation starting with an overall view of the area. He said after listening to neighbor's concerns they did further work on screening the project from 29<sup>th</sup> Street. He commented that the applicant lives in the area and wants to do a facility that will accommodate normal storage uses, the same as everyone's garage, to include cars, boats, play toys, etc. He showed several slides of surrounding properties including metal buildings, a trailer home, farm equipment and metal building panels which was the fence of the salvage/wrecking yard. He said there are no residential homes in front of the subject property, but there was residential property across the

street at the west end. He referred to a concrete plant on the other side of the lake and the sound which can be heard by the neighbors and the applicant on the north side of 29<sup>th</sup> Street. He referred to an aerial of the site with the project inserted into it. He said they will have a 30-foot deep landscape buffer along the entire frontage of 29<sup>th</sup> Street. He said previously they talked about 4-5 foot berms, but they are thinking it may be closer to 4-8 foot berms. He showed several depictions of the entrance to the site from the east and west. He said the facility will have stone pillars and walls, wrought iron fencing and it will be heavily landscaped. He said there will be a landscaped monument sign in front of the facility. He said they believe they have addressed all the issues that have been brought to their attention.

**RAMSEY** clarified that there would be no outside storage at the site.

**ALBERTSON** said absolutely not. He said any boats or watercraft will be stored inside units.

**CHRIS BOHM, RUGGLES & BOHM, 924 NORTH MAIN, AGENT FOR THE APPLICANT** said this site is on an arterial street, there is a salvage yard located north of the site, there is Limited Commercial zoning to the east of the site, and they know the entire neighborhood is developing over time with the advent of the new interchange at K-96 and Hoover Road one and one-half miles to the north. He said it is the Commission's and staff's duty to look at how zoning transitions and with LC to the east and a salvage yard to the north, they believe this is a beautiful transition. He said the neighbors have valid points that they have listened to and addressed and they believe made this a better project.

**FOSTER** asked how the applicant was going to address any pollutants that might leave the site.

**BOHM** referred to the dry detention pond to the east of the property. He mentioned the hydrodynamic separator that would keep liter and floatables from exiting the pipe. He said there is no specific requirement to treat for any particular substance. He said boats and jet skis are used on the lake so there is currently an issue with oil and gas from motors.

**BROOKE GRIZZELL, 5937 WEST 29<sup>TH</sup> STREET NORTH** referred to a PowerPoint presentation starting with her residence across the street from the application area. She said the presentation was a collaboration of concerns from all the neighbors. She said they took pictures of existing homes along 29<sup>th</sup> Street starting at the southwest corner of the intersection of Hoover Road and 29<sup>th</sup> Street. She referred to her home, several of her neighbor's homes (she mentioned how close homes in the First Addition are to 29<sup>th</sup> Street), the northwest corner of Hoover Road and 29<sup>th</sup> Street (she said although the area is zoned LC, there are three (3) single-family residences and the area has never been used in a commercial fashion), the unique sand pit lake west of the application area (she mentioned that approval of the warehouse storage would be destroying an opportunity for residential development), and the Ridgeport neighborhood. She referred to several slides of nearby storage facilities, two within a half-mile of this location. She mentioned that the monument sign referred to by the architect is not clearly communicated in any of the restrictions at this time. She pointed out that the fences at several of the other storage facilities don't shield you from the storage buildings.

**GRIZZELL** stated that the neighbors' main points of opposition are: 1) The property is currently zoned SF-5 and can be used that way. She said because the current owners have elected not to build a home on the site and use it for commercial to make more money off the sale of the land doesn't make it unsuitable for the way it is currently zoned. 2) She said rezoning from residential to commercial use does adversely affect surrounding property values. She said the advantage to one land owner who would benefit from this should not outweigh the harm to many existing residences. She said they have letters from two (2) realtors indicating that a self-storage facility would have a negative impact on surrounding residential properties. 3) She referred to an article from the Self-Storage Almanac that indicated that Wichita is a self-storage capital of the world with more self-storage units per square foot per person than 5 or 6 larger metro areas. She said Wichita has more than 160 self-storage units with an occupancy of 70%. She referred to a map indicating self-storage units within a five (5) miles of the site. 4) She said this will destroy a beautiful lakeside opportunity just to the west of the area. 5) She mentioned conformance to plans and policies and said the 2030 Functional Land Use Guide identifies the area as appropriate for residential and they respectfully request that it stay that way. 6) she said there are other permitted uses under SF-5 zoning and they were asked if they would prefer apartments or duplexes there, but they would like it to stay SF-5.

**FOSTER** asked if Ms. Grizzell knew when the \$100,000 offer for the property was made.

**GRIZZELL** said there was an offer of \$120,000 over a year ago and \$100,000 within the year.

**DAVE CORNWELL, APPLICANT AND PROPERTY OWNER.**

**CHAIR GOOLSBY** explained that if Mr. Cornwell wanted to speak he would be using the time from the agent's two (2) minute rebuttal. Mr. Cornwell opted to sit down.

**MIKE EMMETT, 6510 FIGI** said he was present on behalf of the owner of the sand pit to the west of the property. He said they had originally designed between 8-11 custom homes on that site and additional land they acquired north of the property. He said storage units right next door is going to affect how they proceed on this issue. He said he encountered a similar situation in Utah and property values dropped 20 percent. He said the fence at the site in Utah was eight (8) foot high but you could still see what is behind the fence. He said this will negatively affect property values.

**RAMSEY** asked for clarification that two-thirds of the sand pit lot are bordered by a salvage yard.

**EMMETT** indicated that was correct.

**RAMSEY** said and that doesn't negatively affect the development of the sand pit.

**EMMETT** said it does but that is not the issue that is on the table today.

**GOOLSBY** clarified that they planned on going ahead with the project knowing that there was LC and a salvage yard right next door to it.

**EMMETT** said the salvage operation is "non-conforming" and not approved.

**MILLER** indicated that the conditional permit for the salvage operation had been approved by the Commission and the applicants were in the process of completing the requirements.

**MARY BRAND, 2606 NORTH SHORE COURT, PRESIDENT, BAREFOOT BAY HOMEOWNERS ASSOCIATION** said she has concerns about the liability associated with the lake. She said during the summer she has the job of chasing kids out of the lake. She said it is an insurance liability for the HOA. She said if the storage facility goes through there will be multiple people visiting the facility and looking across the street at the lake thinking that they can go fish on it. She said that would not be allowed because the liability insurance won't cover anyone that is not part of Barefoot Bay. She asked that the Commission go with the neighborhood feedback. She said as President of the HOA she has to go with the majority whether she agrees or not. She said DAB V and VI both declined the request and asked why the Commission doesn't listen to them.

**RAMSEY** asked for clarification about people using the lake. He said he is struggling to understand that.

**BRAND** indicated that the more people that are aware of the lake, the more probability there is that kids will come there to fish and swim.

**RICHARDSON** commented that if this site was developed with single-family there would be permanent access to the lake from as many as 43 residences.

**BRAND** said they could visit with the neighbors and have a conversation about the lake being off limits, unlike being able to talk to any random person who visits the storage units.

**DAILEY** clarified that the lake is posted as private and the neighbors can call the police to take care of it.

**BRAND** said it is posted and she has called WPD, but it is not a high priority for the police.

**SHELLY MOORE, 2764 NORTH NORTHSORE COURT** she said there is plenty of other commercial property around the area that could probably be acquired. She said the direction this area is going is residential and sticking a storage unit in the middle of it doesn't fit the direction of development and growth. She said even though the corners are LC, and people have lived there for many, many years. She said when they moved in they knew what was around them, that there was SF-5 across the street and a private lake. She said both DAB's said they would not want this in their back yard. She said the detention pond also concerns her because she doesn't know of any other detention ponds in the area.

**CHAIR GOOLSBY** remarked that considering the renderings provided today, this would be an excellent buffer between the LI salvage yard and single-family residential.

**MOORE** said they are hopeful that there will be no more commercial next to them.

**DAILEY** remarked then the neighbors would rather see one single home on the land. He asked do they believe that someone is going to build a house that is compatible with Barefoot Bay residences next to a salvage yard?

**MOORE** said that would be ideal because SF-5 suits the area better. She said the storage units would not fit into the neighborhood.

**MARK REHWINKEL, 2919 NORTH HOOVER** said he has lived in the area for 16 years. He said the best room of his house is the back patio with a good view of the lake and mature trees and nature and they like it the way it is. He said having that disrupted with roof lines of storage units would not be a fun thing to look at. He also mentioned migratory birds in the area. He concluded by respectfully asking the Commission to decline the requested zoning change and listen to the DAB's.

**DENNIS GRIZZELL, 6461 WEST 29<sup>TH</sup> STREET NORTH** said he would build at the site if he had access to the lake. He said water access in Kansas adds value. He said his son and wife offered the applicant \$100,000. He mentioned that that he lived across the lake and did not hear the sound of the concrete plant. He mentioned the salvage yard and other things in the area that were developed 20, 30, 40 years ago. He said this entire area is going residential and that there are some beautiful residential areas around it. He said some of the old things that might have been eyesores are going out of business or being cleaned up. He said water control and water quality is a big issue in Kansas.

**DAVE CORNWELL, 1229 WEST 48<sup>TH</sup> STREET SOUTH, PART OWNER AND APPLICANT** he said he was shocked about the amount of people from Barefoot Bay who showed up at the last meeting that were against all this. He said before the salvage yard expansion came up the Grizzell's approached him about buying the place. He said a price was agreed on and he took it to his siblings. He said six (6) months later when the salvage yard expansion came up he got a petition and took it to the people who live along Hoover Road and 29<sup>th</sup> Street and they didn't really care but he thought Barefoot Bay residents would be on his side against the salvage yard because it would be 1,000 feet from their front door. He said no one would sign the petition or show up to the Planning Commission hearing when the salvage yard expansion was heard. He said once the salvage yard was okayed, they turned around and offered him one-half of what they originally agreed upon for sale of the land. He said that tells him why no showed up for the hearing on the salvage yard.

**BOHM** said the process works, the applicant has made concessions and they stand by what they presented at today's meeting.

**DENNIS** clarified several items, including the monument sign and no outside storage

**BOHM** explained that at the last Planning Commission meeting they offered the 30-foot landscape buffer along the north side of 29<sup>th</sup> Street. He said the Commission added the 5-6 foot berms. He said they stand by what they presented at today's meeting including the concept for the landscape plan as the minimum standard, the ground mounted monument sign, and the stone and wrought iron façade. He said if the Commission wants to incorporate those elements into a motion, they are more than happy to stand by it. He referred to the 16 items applicable to the warehouse storage. He concluded by saying they think this will be a beautiful transition between salvage and an arterial street and that they think it is a good use for the site.

**RICHARDSON** said he has driven the area and thought about the issue. He requested that his comments be included in the minutes to be forwarded to the City Council. He briefly summarized as follows.

Objections to the proposed use of the site seem to fall into three (3) categories

- Traffic and safety
- Drainage
- Property Values

1. Traffic

- a. The current traffic count on 29<sup>th</sup> St. is less than 1500 vehicles/day.
- b. Storage will generate less traffic than a fully developed SF-5 Project.
  - i. Storage generates 2.5 trips/day for each 1000 sf. of storage.
  - ii. Assuming the maximum allowed coverage of 45%
  - iii. Equates to 242 trips/day
- c. SF-5 Single Family Residential
  - i. 5000sf./unit = 43 units
  - ii. Generates 10 trips/day x 43 = 430 trips/day
- d. Arterial Street funding
  - i. The paving of 29<sup>th</sup> St. was entirely paid by the city-at-large to be used as an arterial street. Therefore it does not seem reasonable that 8 property owners, who were not assessed for their share, should have any particular consideration in determining the amount of traffic on the street.
  - ii. The 8 property owners fronting on 29<sup>th</sup> have a total street frontage of 3575 ft.
    1. ½ the cost of a residential street is \$70.00/lin. ft.
    2. Benefit to owners: 3575 x \$70.00 = \$250,320.00.
- e. Lack of limited access to 29<sup>th</sup>.
  - i. Similar exclusive developments have limited points of entry to the arterial street system and no individual driveways onto arterial streets. These developments use a frontage road system and/or minimum access points to limit exposure of residents to the arterial street system. Examples are:
    1. Crestview CC.
    2. Tall Grass CC
    3. Reflection Ridge.
  - ii. Perhaps the owners along the south side 29<sup>th</sup> might want to consider a frontage road using special assessments as the funding mechanism. This would provide the safety and low traffic volumes they desire.

2. Drainage

- a. The required storm water retention will result in the same amount of water release from the site as today in its undeveloped state.

3. Property Values

- a. None of the homes fronting on 29<sup>th</sup> have to drive by this site to reach Ridge Rd. All driveways are west of this property.
- b. The site adjoins the following:
  - i. A lake to which it has no access
  - ii. An arterial street
  - iii. Property zoned LC
  - iv. An active auto salvage business which was recently expanded.

- c. It is unreasonable to believe that a project will be built on the site that will enhance the value of \$1,000,000 homes.
- d. There are now homes, similar to those on 29<sup>th</sup>, adjacent to, and with access to Ridge Road so evidently traffic volume is not a value determinant for Barefoot Bay housing.

### Summary

This project seems to be the ideal way to buffer million dollar homes from an active auto salvage business for the following reasons:

- Generates the fewest number of vehicle trips.
- Produces little if any noise.
- Releases no noxious odors.
- Required screening will make for a very low visual profile.

**WARREN** commented that Commissioner Richardson did a good job of summarizing the situation and expressed his views very well. He said if it wasn't for the salvage facility to the north, this issue would have a whole different complex and look to it. He said you can't expect that someone is going to want to build residential next to a salvage yard.

Several Commissioners expressed that they had ex parte communication regarding the application. (**WARREN, MILLER STEVENS, RAMSEY, B. JOHNSON, DENNIS, MITCHELL and GOOLSBY**).

**NEUGENT** said she appreciates the time and effort Commission Richardson put into his summary. She said she wanted to clarify that nothing said at today's meeting would make him want to change the report that he previously drafted.

**RICHARDSON** said no.

**RAMSEY** said he wanted to comment on the idea that there is so much storage available in the area. He said he and a business partner are looking at opening up a storage facility at 29<sup>th</sup> Street and Ridge Road because you can't find adequate storage for personal watercraft in the area. He said because they are living in a lake community they have boats, jet skis, etc. and storage for those items is not available. He said he can't imagine why the neighbors wouldn't want this.

**DENNIS** explained to the audience that he served on a DAB for over eight (8) years and the function of the DAB's is quite different than the function of the Planning Commission. He said DAB's express more feelings of community opposition, whereas the Planning Commission has to look at the Golden Rules and other items when making a decision. He said this would be a perfect buffer from nice homes to a salvage yard. He said the Commission looks at transitions from various zonings and things that can be done to mitigate different zoning. He mentioned the monument sign, landscaping, and berms. He said he understands the homeowners concerns but he feels this would be a perfect buffer so he supports having the storage facility at the site.

**FOSTER** asked if the architectural and landscape features presented today should be added to a motion or included in the Staff Report to give assurance that those things will occur when the site is developed

**MILLER** said yes, if the motion is to approve the application that the Commission require that the site be developed in compliance with what was presented by the architect at today's meeting.

**FOSTER** clarified that the salvage yard to the north takes industrial zoning all the way west to the sand pit lake.

**MILLER** said that was correct.

**FOSTER** clarified that the Commission has restricted uses on this site to this particular use. He asked if the business fails, what other uses are allowed on this site

**MILLER** said the applicant gave up all other uses except residential.

**B. JOHNSON** said he has been on the Commission over 20 years. He said he thinks the applicant has made a great effort to improve looks of the facility to improve the looks of the neighborhood.

**MOTION:** To approve subject to staff recommendation subject to what was presented by the architect today.

**B. JOHNSON** moved, **WARREN** seconded the motion, and it carried (11-0).

**EXCERPT MINUTES OF THE APRIL 2, 2015 WICHITA-SEDGWICK COUNTY  
METROPOLITAN AREA PLANNING COMMISSION HEARING**

**Case No.: ZON2015-00012 and CON2015-00010** – Estate of Verna E. Cornwell, Kenneth E. Cornwell and David Cornwell co-executors (owners) and Ruggles & Bohm, PA (agent) request a City zone change from SF-5 Single-family Residential to LC Limited Commercial and City request for a Conditional Use for a self-storage warehouse on SF-5 Single-family Residential zoning on property described as:

A tract beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet; thence South 425 feet; thence East to the point of beginning Section 34, Township 26, Range 1 West of the 6<sup>th</sup> P.M., Sedgwick County, Kansas.

**BACKGROUND:** The applicants are requesting a zone change from SF-5 Single-Family Residential to LC Limited Commercial for 4.94 acres of a 5.5 acre unplatted parcel, located west of North HoOver Road on the north side of West 29<sup>th</sup> Street North. In 1958, Sedgwick County zoned the four corners of the intersection to LC in anticipation of commercial development. The east portion of the parcel, approximately 0.45 acres, currently zoned LC, was part of that rezoning. In addition to the requested zone change to LC, the applicants have submitted a request for a conditional use to allow warehouse/self-storage on the site (CON2015-10).

The applicants have submitted a site plan of the proposed building layout, internal vehicle circulation and the access onto West 29<sup>th</sup> Street North will be reviewed and approved during platting should ZON2015-00012 and CON2015-00010 be approved. Upon approval of ZON2015-12 and the subsequent CON2015-10, the applicants will be required to file and perfect a plat within one year and provide a revised site plan giving more detail including, but not limited to, landscaping, any proposed light poles and identification of customer and employee parking.

Property north of the site is currently going through the process of rezoning to LI Limited Industrial and re-platting for use as wrecking and salvage (ZON2014-03, CON2014-001 and SUB2014-42). The Metropolitan Area Planning Commission (MAPC) has approved the zone changes subject to final platting. SUB2014-00042 is scheduled for Wichita City Council on March 24, 2015. Property east of the site is zoned LC and currently has a single family residence. The SF-20 zoned property west of the site with a condition use to allow for sand and gravel extraction (CU-242). South of the site is Barefoot Bay Subdivision, which is developed with single-family residences.

**CASE HISTORY:** This zone change application has been filed to change current zoning (SF-5) to LC. LC zoning allows warehouse/self-storage facilities with approval of CON2015-10. The land is currently undeveloped.

**ADJACENT ZONING AND LAND USE:**

NORTH:	SF-5	Single-Family Residential; currently being re-platted to LI for wrecking and salvage use.
SOUTH:	SF-5	Single-family residences
EAST:	LC	Limited Commercial; currently developed with single-family residence

WEST: SF-20 County single-family; has a conditional use to allow warehousing  
CU-242

**PUBLIC SERVICES:** The subject property has immediate access to West 29<sup>th</sup> Street North and North Hoover Road is approximately 600 feet east of the subject site. Both streets are two-lane arterial streets. Municipal water and sewer services and all other utilities are currently provided to the subject property.

**CONFORMANCE TO PLANS/POLICIES:** The 2030 Wichita Functional Land Use Guide of the Comprehensive Plan identifies this site as appropriate for “Urban Residential;” however, the abutting properties are zoned LC and recently rezoned LI. The Commercial Locational Guidelines of the Comprehensive Plan recommends that commercial sites should be located adjacent to arterials and should have site design features, which limit noise, lighting, and other activity from adversely impacting surrounding residential areas. The conditions attached to a Conditional Use can address site design issues. The proposed use would be a low traffic generator at this location.

**RECOMMENDATION:** Based upon information available prior to the public hearings, planning staff recommends that the proposed zone change and conditional use for warehouse/self-storage be **APPROVED**, subject to Sec. III-D.6.y and the following conditions:

1. The zone change and conditional use will not be final until the property is platted according to the Subdivision Regulations of the UZC.
2. Obtain all permits and inspection as required by the Metropolitan Area Building and Construction Department. All development will subject to platting and be per City Code including landscaping, code compliance and any other applicable standards.
3. The applicant shall submit a revised site plan for review and approval by the Planning Director, prior to the issuance of a building permit, per City Standards, within one year of approval by the MAPC or the City Council. The site will be developed according to the revised site plan.
4. All improvements shall be completed within one year of the approval of the Conditional Use by the MAPC or the City Council.
5. The site shall be developed and operated in compliance with all federal, state, and local rules and regulations.
6. If the Zoning Administrator finds that there is a violation of any of the conditions of the Conditional Use, the Zoning Administrator, in addition to enforcing the other remedies set forth in Article VIII of the Unified Zoning Code, may, with the concurrence of the Planning Director, declare that the Conditional Use is null and void.

The staff’s recommendation is based on the following findings:

1. **The zoning, uses and character of the neighborhood:** Property north of the site is awaiting final plat approval by the City Council for LI wrecking and salvage use. Property south of the site is zoned LC Limited Commercial (“LC”) and developed with a warehouse/retail use. Property east of the site is zoned LI Limited Industrial (“LI”) and is developed with a miscellaneous manufacturing use. West of the site, the property is zoned SF-20 and has a conditional use (CU-242) for warehouse use.
2. **The suitability of the subject property for the uses to which it has been restricted:** The east ± 0.45 acres of the subject property is already zoned LC. The owners of the subject property have submitted a conditional use application for the warehouse/self-storage commercial use. The property would be suitable for the commercial uses to which it has been restricted.
3. **Extent to which removal of the restrictions will detrimentally affect nearby property:** Warehouse/self-storage developed with the Conditional Use, will have a minimum negative effect on the area and at best improve the property, with the application of access control, landscaping, screening and the other conditions on the site.
4. **Conformance of the requested change to adopted or recognized Plans/Policies:** The Commercial Locational Guidelines of the Comprehensive Plan recommends that commercial sites should be located adjacent to arterials and should have site design features, which limit noise, lighting, and other activity from adversely impacting surrounding residential areas. The conditions attached to a Conditional Use can address site design issues and should mitigate any potential negative effects on surrounding properties.
5. **Impact on Community Facilities:** All public facilities are available and existing road facilities are adequate. Any increased demand on community facilities can be handled by current infrastructure

**DALE MILLER**, Planning Staff presented the Staff Report.

**CHRIS BOHM, RUGGLES & BOHM, 924 N. MAIN STREET, AGENT FOR THE APPLICANT** reported that the architect, Jim Albertson, was also present to speak on the application. He explained that this was an application for self-storage or mini-storage where people would rent a garage space for personal storage. He referred to the site plan which they feel gives good circulation. He mentioned the north boundary line which will serve as a fence between this use and the future LI salvage operation to the north. He said the idea of establishing a PUD was discussed with staff; however, requesting LC with a conditional use provides a whole set of rules for the self-storage that already exists with the conditional use. He said there will also be landscape buffers along 29<sup>th</sup> Street to help buffer the use from residential uses to the south. He said given the locations close proximity to the industrial use to the north, they felt this was a good transitional use in the area, particularly because the corner is already zoned LC and additional LC could be developed further to the east of the location. He referred to Jim Albertson to discuss the layout plan.

**J. JOHNSON** asked about use on the right side of the property.

**BOHM** said that is reserved for future development of additional storage units.

**FOSTER** asked about the southeast corner of the property and the zoning to the east.

**BOHM** said the southeast corner is a platted reserve for stormwater retention. He said the area to the east of the site is zoned LC but is being used as residential.

**FOSTER** commented so technically no buffer is required along the east side of the property.

**BOHM** replied technically no.

**DAILEY** asked what was the buffer between the buildings and 29<sup>th</sup> Street.

**BOHM** suggested that the architect Jim Albertson answer that question.

**JIM ALBERTSON, ALBERTSON AND ASSOCIATES ARCHITECTS** said the buffer is intended to be a bermed area of grass, trees and shrubbery not unlike a golf course entrance. He said on the north side there will be brick/stone pillars with wrought iron fencing. He said the intent is to blend the architecture with homes to the south side of the street and provide a visual barrier for cars to minimize the views of the self-storage.

**JOSEPH POGGI, 6011 WEST 29<sup>TH</sup> STREET NORTH** indicated he lived south of 29<sup>th</sup> Street. He said this used to be a dirt road, there were abandoned properties with cars on them in the area and they were told when they built in this location that they knew what they were getting into. He said there used to be a small home on the property in question with a garden that he used to help till. He said this was a nice, residential street with no businesses on it. He said he believes the zoning practice in 1958 of zoning 600 feet of all arterial intersections as LC was done when there were no houses in this area at all. He said the property owner has been trying to sell the property since the house burned down at over ten times fair market value for residential property. He said the Zillow Web site talks about the property being worth \$300,000 for five acres because it is across the street from \$1,000,000 homes. He said he doesn't think there are many \$1,000,000 homes across the street from a storage unit. He said regardless of the price of the homes, there are not many self-storage units in the middle of a residential street. He said there are no other businesses on the street and there are quite a few self-storage units nearby, one less than two miles away. He asked if there is a need for another self-storage business. He said if anyone wants to see what a self-storage unit can look like, drive by the one on Hoover Road. He said it is a car lot where people park their cars and trailers; there is garbage in the lot and trees that have never grown in the buffer. He said once this property is rezoned, it opens the floodgates for further devaluation of their property. He requested that the property be left residential. He mentioned that nine of the fourteen people who were mailed notices have signed protest petitions against the proposed zoning change. He mentioned another storage unit business close by. He said there is no shortage of areas that are already zoned industrial and commercial, but it seems property becomes cheaper because it is zoned residential. He asked about changing the zoning on a property to accommodate an individual's desire verses many individual's desires to keep their homes looking beautiful. He concluded by saying that there are plenty of other properties close by that are already zoned for commercial and industrial use.

**ANGIE BOWMAN, 2987 NORTH HOOVER ROAD** said she lives on the corner of 29<sup>th</sup> Street and Hoover Road. She said she has been collecting petitions. She mentioned the other storage businesses very close to the neighborhood. She said although the corner lots are already rezoned for limited commercial, she has a signed petition from the property owner who said they are not planning on moving and that their kids will live in the house after they are gone. She indicated that other surrounding property owners don't want the storage units and mentioned a conflict of interest in that the person selling the property is renting a home from one of the people she asked to sign a petition. She said she also got a petition from the owners of the junk yard to the north of the property. She said they have a problem with unmanned self-storage units. She mentioned break-ins in the area and people coming into the community to steal. She said this would be a whole bunch of buildings with "stuff" in them which would be an open invitation to thieves. She said that is one reason not to rezone the property. She concluded by asking the Commission to consider the homeowners that live around this property.

**DAILEY** asked if there were any units available in the storage businesses located nearby.

**BOWMAN** said she checked and there were units available for rent.

**DAVE CHAMPLEY, 2760 NORTH NORTH SHORE COURT, BAREFOOT BAY HOMEOWNERS ASSOCIATION, CHAIRMAN OF THE LAKE COMMITTEE** said Barefoot Bay is a 120-acre private lake surrounded by 52 homes. He said the impact of the Commission's decision is not just on the properties located immediately adjacent to the application site. He also mentioned possible environmental impact on the lake due to increased water runoff because of increased buildings and pavement. He said the lake has flooded twice in the last ten years and caused property damage. He said he is also concerned about potential pollutants in the water runoff. He said the terrain is such that any runoff will go into the lake. He said if they do not have the lake for recreational purposes that will kill their property values. He said he might go so far as to say that the loss in property values and property taxes on 52 homes might be greater than the property tax increases from commercial use.

**BRET GRIZZEL, 5937 WEST 29<sup>TH</sup> STREET** said he lives directly across the street from the location. He mentioned that his property taxes increased 40% last year. He said he visited with the owners on how to split up the land. He mentioned that he also signed a petition to protect this property from the proposed salvage yard to the north. He said the owners know this is not good for the local community. He said although he is uncomfortable speaking against what his friends want for financial reasons, he has no doubt in his heart that this is not what they would want if they were sitting in any of the adjoining lots.

**DAVID CORNWELL, 5618 WEST 29<sup>TH</sup> STREET NORTH, APPLICANT** said he wished that the neighbors that have spoken here today had been present for the salvage proposal on the north side of his property. He said there is approximately 15-20 acres of salvage yard next to the property and no one is going to put a new home next to a salvage yard. He said if this doesn't pass, no one is going to build on this land so they may as well make a dirt bike track out of it.

**FOSTER** asked Mr. Cornwell if any other items were brought up as potential uses.

**CORNWELL** said no, if this doesn't go he said he'll contact the dirt bike people and let them use 6 acres to play on.

**RAMSEY** asked if the property line with the salvage yard has been resolved.

**CORNWELL** said yes and explained that the mile sections are measured 425 feet from the center of 29<sup>th</sup> Street. He said they are talking about less than five acres.

**BROOK GRIZZEL, 5937 WEST 29<sup>TH</sup> STREET NORTH** said they know and have spoken with the neighbors and that they are very nice people. She said she and her husband work very hard, long hours to pay for their nice home on a lake and they would like to keep it that way. She said this property is zoned residential and there was a home on it. She referenced the Golden Rules which talks about the suitability of the property for uses to which it has been restricted and the relative gain to public health, safety and welfare compared to loss in value or hardship imposed on the applicant. She said the just under five acres is way over priced for what it is worth and that the neighbors have actually offered to buy the property to protect all of the property owners along this residential road as well as the 52 homeowners along the lake.

**FOSTER** mentioned transitional uses and asked Mrs. Grizzel if she would prefer multi-family or the proposed use.

**GRIZZEL** said she wouldn't prefer either of those uses. She mentioned the number of storage units nearby and also the storage units along Hoover Road and what an eyesore they are. She said the property can be used as a single home site just as it is now.

**LINDA STEPHEN, 6111 WEST 29<sup>TH</sup> STREET NORTH** said the city just paved the road and landscaped it with trees and it is just beautiful. She said she believes this will have an adverse effect on their properties. She said she doesn't think any of the Commissioners would want a storage unit located on a residential street. She also mentioned security and traffic and asked the Commission to take all that into consideration.

**DENNIS GRIZZEL, 6461 WEST 29<sup>TH</sup> STREET NORTH** said when someone purchases residential property they expect it to remain residential property. He said the neighbors watch out for each other in Barefoot Bay and across the street in Ridgeport. He said several petitions have been signed and he believes a lot more will be signed. He said his major concern is increased traffic and the hazard it will cause pulling out of his driveway; the safety of his grandchildren; and pollution in the area. He also mentioned that the storage units will bring more pollutants and more thievery into the area. He said this use brings non-residents into the area and it is already a problem with other storage units. He asked if the "protective berm" might become a fire hazard and who will maintain that. He said some storage units look like unused parking lots where people store things they don't want to store in front of their houses. He said he feels strongly that this will deteriorate property values and bring in people that they don't want hanging around the area.

**NANCY POGGI, 6011 WEST 29<sup>TH</sup> STREET NORTH** said she lives on the south side of 29<sup>th</sup> Street. She said when they moved into the area it was a sleepy little dirt road. She said she has four children all under the age of 11 and there are numerous other school age children and grandchildren living in the area. She mentioned that the school bus picks up children along Hoover Road. She said when the City

paved the road; they put the sidewalk on the north side of the street so children in the neighborhood have to cross the road without a designated cross walk. She said she is concerned that increased traffic will put the children at risk along with the unknown entities coming into this residential area. She said 86% of this property is zoned as residential. She asked the Commission to protect the interest that they have when they moved their children and families into the neighborhood. She said the neighbors don't want LC in this region. She said even the gentleman on the north property has signed the petition because he is concerned about theft in the area. She also mentioned a home being built/expanded in the northeast corner of the property. She said her primary concerns are the safety of her children and her neighbor's children, maintaining her home value and keeping the area residential.

**MCKAY** asked how far her home was from 29<sup>th</sup> Street.

**POGGI** indicated on the aerial the location of her home on the lot, closer to the water than 29<sup>th</sup> Street. She said her children play in the front yard and they are "faunching" at the bit to cross the street and use the sidewalk to visit their friends in Ridgeport.

**DAILEY** commented that she is worried about her children but has managed to keep them out of the lake, which he believes offers as much danger as the road.

**POGGI** said she disagreed that the lake was as dangerous as the road. She mentioned training the children receive regarding the lake, swimming lessons and parental supervision while they are at the lake. She said they can control the lake area; they cannot control the traffic on 29<sup>th</sup> Street.

**DAILEY** responded but you can control your kids.

**BOHM** mentioned environmental concerns expressed by the neighbors and said although drainage is not a zoning issue, it seems to come up at every zoning hearing. He said the storm sewer system along 29<sup>th</sup> Street drains all the way to the west and bypasses the pond. He said City of Wichita stormwater regulations require detention of peak flow and water quality treatment of the storm sewer before it leaves the site. He said that issue will be resolved at platting. He said as far as traffic is concerned this is an arterial street that has a new interchange to the north at K-96 and is part of the City transportation system. He said it is a three-lane arterial road meant to handle traffic and was rebuilt for that very purpose. He said as far as landscaping and the berm he is having a hard time seeing where you could get a better use tucked into the area that is as low a traffic generator and quiet and fits into the neighborhood and gives a further buffer to the neighborhood from the industrial use to the north. He concluded by stating that infrastructure put into the City is for the purposes of development. He said this is considered in-fill and has been a single-family residence for some time next to LC zoning. He reminded the Commission that the owners on the corner could sell tomorrow and without any action from this body put in a commercial use.

**FOSTER** asked about traffic generation from this use and if it was below multi-family zoning.

**BOHM** referred the question to Mr. Albertson.

**ALBERTSON** said he had been involved in approximately 15 similar type projects across the west, southwest and Midwest. He said they look for in-fill type properties where they can become a buffer between whatever elements might be at a location and existing residential. He said he appreciates the viewpoints of the neighbors and would welcome the opportunity to visit with them.

**CHAIR GOOLSBY** said time has been exhausted and asked Mr. Albertson if he needed more time or was he going to answer Commissioner Foster's question.

**ALBERTSON** requested an additional minute.

**MOTION:** To give the speaker an additional minute.

**MCKAY** moved, **J. JOHNSON** seconded the motion, and it carried.

**ALBERTSON** said traffic generation is about 6-8 cars per day.

**FOSTER** asked about the type of fencing on the east, west and north sides of the property.

**ALBERTSON** said there is solid fencing on the north at this time. He said they would put up wrought iron fences between the buildings to the east area.

**FOSTER** asked if they would be averse to solid screen fencing.

**ALBERTSON** responded no, they would not be averse to solid screen fencing.

**RAMSEY** asked about the berm on the south side.

**ALBERTSON** said the berm will be between 0-3-5-6 feet with evergreen trees and shrubbery.

**RICHARDSON** asked if the facility was manned or unmanned.

**ALBERTSON** he said there will be a full security system with cameras all around the property. He said the conditional use provides that the facility be manned. He commented that he was surprised that the salvage yard objected to their usage. He said he does not believe there is a better buffer use, that this was a difficult site to develop because it had no sewer, it will be on a septic system.

**DAILEY** clarified that this will all be inside storage so there will be no cars or other vehicles outside. He also asked if each unit were alarmed.

**ALBERTSON** said each unit will not be alarmed, but it is all inside storage. He said there is a full security system and someone will be living on-site. He said this will not look like the storage units near Zoo Boulevard.

**MCKAY** recommended requiring a 4-6 foot berm.

**FOSTER** commented as a point of clarification with a 3-1 foot slope you can get a 5-foot berm.

**RICHARDSON** clarified that the landowner would not be able to use this conditional use for other purposes without reapplying and coming back to this body. He also asked about outside storage.

**MILLER** responded that if the base zoning is changed, the uses permitted by right in the LC district would be allowed. He said the conditional use for the self-storage would run with the land. He said the LC district does not allow any outside storage.

**RICHARDSON** asked if there was a summary on the number of petitions received and the percentage of landowners opposed to the zone change.

**MILLER** said no and indicated that owners within 350 feet of the property perimeter were notified of the zone change.

**DIRECTOR SCHLEGEL** clarified that protest petitions are due in after action by the Planning Commission and are not required for the public hearing.

**FOSTER** said he is concerned about other permitted uses in the LC zoning district. He said he doesn't have the zoning book with the permitted uses but believes there would be some that are more detrimental to the surrounding area.

**MILLER** mentioned multi-family, offices and most retail commercial activities. He said bars and taverns would require a conditional use approval and a public hearing and would not be allowed by right in the LC zoning.

**MCKAY** (Out @2:55 p.m.)

**J. JOHNSON** said he didn't know how he was going to vote but mentioned the Comprehensive Plan indicating the area as being residential. He said when someone buys into a nice development it seems like they should be able to have some reliance on the Comprehensive Plan that it will be residential.

**RICHARDSON** asked about a PO that limits commercial uses to the storage facility.

**MILLER** said the Commission could add a condition under the conditional use or exclude whatever uses they didn't want.

**RICHARDSON** said he believes this is a valid transitional use.

**MILLER** said the Commission could have a condition that states that even though the property is zoned LC, the only use permitted is a self-service storage warehouse and uses in the SF-5 district.

**ALBERTSON** said he would need to confer with the owners but he believes they can accept that yes.

**RAMSEY** said he lives in Ridgeport and drives 29<sup>th</sup> Street every day and he is the only car on the road. He said he didn't know how he was going to vote on this issue. He said he agreed that the storage units on Hoover Road look bad because of the outside storage. He said with staff recommendations and other recommendations he doesn't see where the Commission has any other choice. He said he feels their pain and does not know if he wants this use.

**FOSTER** asked the agent if they prefer that the item be deferred until clarification can be made regarding limiting uses in the LC zoning.

**ALBERTSON** said he would prefer that the Commission vote today.

**FOSTER** said as long as the uses can be clarified because he feels that some type of restrictions is appropriate.

**ALBERTSON** said if the request will be defeated he would prefer deferral. He said he believes they have agreed to a condition for self-storage only which he believes solves the problem.

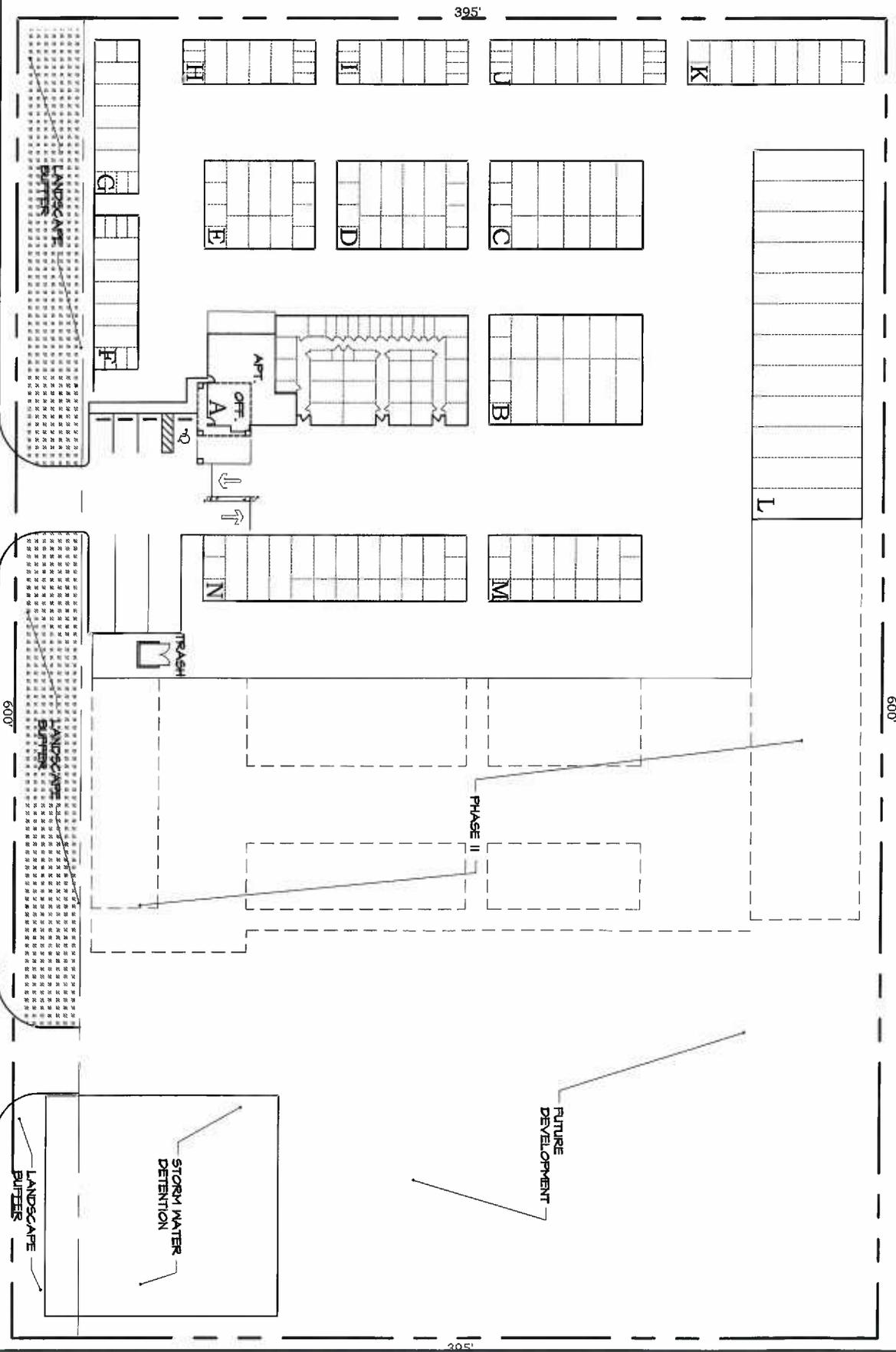
**MOTION:** To approve subject to staff recommendation with the requirement of a 4-5 foot berm on 29<sup>th</sup> Street; limit use to inside storage only and limit use to self-storage only.

**WARREN** moved, **B. JOHNSON** seconded the motion.

**FOSTER** asked the agent if they were comfortable with the restrictions.

**ALBERTSON** replied yes.

The **MOTION** carried (11-0)



PHASE I - PRELIM SITE PLAN

1"=30'-0"

SHEET NO. 2-18-15



ALBERTSON ASSOCIATES LLC

9225 PEPPERTREE WICHITA, KS 67226 316 636-9472



SUPERIOR SELF STORAGE

6008 W 29th ST. - WICHITA, KS.



**INTEROFFICE  
MEMORANDUM**

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**TO:** City Council  
**FROM:** Janet Johnson, Office of Community Engagement  
**SUBJECT:** ZON2015-00012 and CON2015-00010  
**DATE:** April 22, 2015

On Tuesday, April 21, 2015, the District V Advisory Board considered a request for a zoning change from SF-5 to LC and a conditional use for self-storage at 6008 W. 29<sup>th</sup> St. N.

**The DAB members voted 6-1 to recommend denial of the request.**

Approximately 25 neighborhood residents were present at the meeting to voice their concerns with the self-storage facility.

Concerns included:

- Having a commercial enterprise in a residential neighborhood
- A self-storage facility consisting of metal structures abutting million dollar homes
- Drainage issues, i.e. additional flooding, impact on septic systems, retention pond overflow
- Unwanted lighting and signage in a residential area
- No compelling market need for self-storage in the area
- Potential of causing an increase in crime in the area
- No limitation on the access hours of the business
- Lack of assurance that the landscaping and screening will be appropriate

Please review this information when **ZON2015-00012/CON2015-00010** is considered.



**INTEROFFICE  
MEMORANDUM**

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**TO:** City Council  
**FROM:** Case Bell, Community Liaison  
**SUBJECT:** CON2015-10 and ZON 2015-12  
**DATE:** June 15, 2015

On Monday, June 15, 2015, the District V Advisory Board considered a request for a zoning change from SF-5 to LC and a conditional use for self-storage at 6008 W. 29<sup>th</sup> St. N. for the second time. The case was originally heard by the DAB on April 21, 2015.

**The DAB V members voted 3-0 to recommend approval of the request subject the addition of the east side fencing.**

**Questions:**

**DAB?** Will the monument sign be backlit? **A:** That hasn't been discussed yet, but it would probably have lights pointing at it from the ground.

**DAB?** Will the area be 24 hour accessible? **A:** It will be staffed with normal business hours, but will be accessible 24 hours a day.

**DAB?** Will the berm be 5-6 feet high? **A:** 5-6 feet is the minimum, but it will be higher in spots with a retaining wall on the back side.

**DAB?** What is the intention on the north side for grass? **A:** It will be a landscaped fescue grass.

**Public?** Even though no fencing is not required, have you addressed screening on the east side?

**A:** Yes, there will be solid fencing.

**Public?** Would you be expanding commercial land to the west? **A:** There hasn't been any discussion of that yet.

**Public:** They are concerned that RV's would not fit in the units.

**Applicant:** There is a large building on the north boundary that can house RV's. The existing building which is over the fencing is taller than they need for that purpose.

**Public?** With the lot being five-six acres and the plan being three acres, how much of the surface when fully developed will be impervious? **A:** Unknown exactly, but it will be taken into account when drainage is installed.

**Public?** How many days of retention will there be on the lot? **A:** A one year storm requires 48 hours of retention. For each type of storm they have to plan accordingly to City standards.

**Public?** Why is there a second driveway on to the lot? **A:** For emergency vehicles.

**Public?** Are there any plans to expand to the southeast and if so will the dry pond be enough? **A:** Further expansion will be dictated by usage, but if they did expand the dry pond would still be enough.

**Dale Miller, Planning:** If approved they have to build according to the site plan, if they want to expand it would have to come back before MAPC, but adjustments would not have to go back to the DAB. They would hang a sign with a 10 day comment period. If enough people complain it would come back to the DAB.

**Public:** They are concerned that the owner to the west of this property has plans for the sand pit.

**Brook Grizzell, 5937 W. 29<sup>th</sup> St N,** presented her view as a resident of the area. Pictures of the current homes and examples of nearby storage units were shown. She feels that the buffer to the salvage yard already exists and wouldn't be a benefit of this project. Money has been offered to the current owner of the property so that is left alone and the lot was only on sale for two months before the current contract was pending. She is concerned about the loss of value to her home and feels that there is enough self-storage in Wichita and feels that this does not conform to the 2030 Land Use Guide.

**Questions:**

**DAB?** Are you opposed to the LC Commercial zoning or the conditional use? **A:** Both.

**DAB:** The homeowners around the new Sam's also had similar concern, but feels that Sam's did a good job with screening.

**Public:** This area is not the same as that area because it's almost entirely residential around here whereas Maize road was already highly commercial.

**Public?** Have you looked at the real estate tax that the units would pay versus residential taxes?

**A:** No.

*The following are additional comments from the attending citizens and DAB.*

**Public:** They are concerned about when the salvage yard was formed they complained about it but weren't listened to. They are concerned about the zoning enforcement.

**Applicant:** They are also residents of the area and feel that the area will benefit from the business.

**Public:** They only take their boat out once in the fall and the storage unit a half a mile away only has a dozen boats in storage. They report that they talked to self-storage business owners in the area and boats are not a money maker for them. They feel that there is a big difference between this and the Sam's project and that this area should be protected because it is a unique draw for physicians that are being recruited to move to Wichita.

**Public:** They feel that the change would hurt the long term residential value and they feel that there really isn't a need for this business.

**Public:** They feel that once it's a storage unit, it will always be one. At the current zoning, there are already two offers that would keep it the same usage. They do not feel that it's the right direction for the neighborhood and just because the salvage yard went in that's not a good reason to expand the commercial usage further.

**Public:** They feel that there is a difference in residential traffic and commercial traffic for the area.

**Council Member Bryan Frye?** How many single family lots can go on the current lot? **A:** Probably between 15 and 20.



**INTEROFFICE  
MEMORANDUM**

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**TO:** City Council  
**FROM:** Janet Johnson, Office of Community Engagement  
**SUBJECT:** ZON2015-00012 and CON2015-00010  
**DATE:** June 29, 2015

On Monday, June 1, 2015, the District VI Advisory Board considered a request for a zoning change from SF-5 to LC and a conditional use for self-storage at 6008 W. 29<sup>th</sup> St. N.

**The DAB members voted 5-2 to recommend denial of the request.**

Approximately 20 neighborhood residents were present at the meeting to voice their concerns with the self-storage facility.

Concerns included:

- The threat of materials from the storage facility entering the lake in Barefoot Bay may place residents in danger
- Concerns that not having an accessible restroom 24/7 will lead to urinating in public.
- Having a commercial enterprise in a residential neighborhood
- Concerns that the screening and buffering won't be adequate
- Possibility of increasing crime in the area
- No compelling market need for self-storage in the area
- Potential of causing an increase in crime in the area
- No limitation on the access hours of the business
- Assertion that 90% of the area residents are against it

Please review this information when **ZON2015-00012/CON2015-00010** is considered.

April 16, 2015

Dear Councilmen:

Recently the Planning Commission, upon the recommendation contained in the staff report submitted to it, approved rezoning and a conditional use of property on W. 29<sup>th</sup> St. N. near the intersection of Hoover in Case No. ZON2015-00012 and CON2015-00010. The proposition is to change the zoning of the property from single family residence (SF-5) to light commercial (LC) and then allow a self-storage/warehouse facility to be built. Obviously we, the surrounding landowners, are dissatisfied with this action and for good reason. The proposed rezoning and conditional use are in contravention of the city and county's own set of rules, the zoning code.

At least nine adjacent landowners (those of us who live in homes along the south side of 29<sup>th</sup> street across from where this storage unit facility would be located) spoke out against this request at the MAPC hearing on 4/2/2015. Many petitions were also handed in that day in an effort to make it very clear how much the neighboring households object to this zoning change. Indeed, enough petitions have been received by the City Clerk require a super-majority to pass the change.

Unfortunately, the zoning change request was approved with several conditional use specifications, such as a 4-5 ft. berm requirement along 29<sup>th</sup> street as well as only indoor storage (no outdoor storage allowed). Many of us are very discouraged by the decision made by the MAPC to approve the zoning change. Several of the conditions discussed at the meeting did not make it into the final notice sent out after the hearing including the prohibition on outdoor storage.

Further, the MAPC staff report regarding this case states that the "staff's recommendations" to approve the zone change were based on several findings. The very first finding listed on page 3 of the staff report states that the property south of the site is zoned LC and developed with a warehouse/retail use. That is completely false information. The property south of the site is actually our home (5937 W. 29<sup>th</sup> St N), and the entire south side of the street is lined with single-family residences (large lots along the backside of Barefoot Bay- known as "Barefoot Bay, 2<sup>nd</sup> addition). Five of the eight lots along the south side of 29<sup>th</sup> street had representation at the hearing objecting to the zoning change. Approval of the zoning change would allow a self-storage complex to be built smack in the middle of a street lined with single family residences.

The MAPC staff report lists finding #2 (also page 3 of the report) as "suitability of the subject property for the uses to which it has been restricted." The finding states that the east 0.45 acres of the subject property is already zoned LC. That 0.45 acres is less than 10% of the property (which is just under 5 acres). The remaining 4.5 acres is zoned SF-5 (Single-family residential) and is perfectly suitable for that intended use. In fact, there was a home on the property until it burned down. We want to make it clear that the property can in fact be used as it is currently zoned. This property is within the Maize USD 266 district, which is widely considered to be one of the top districts in the area. We believe the zoning should remain as-is.

The official Zoning Code is the rule of law for permitted land uses within our city and county. We, as citizens, are expected and required to adhere to its provisions. It tells us where we can place things on our property, along with what types of structures we can build. As part of the social contract in which we all operate, clear uniformly-enforced laws are the underpinning of civilization. After all, one of the reasons the American Revolution was fought was to institute the rule of law instead of the rule of man.

We do not deny that self-storage/warehouse facilities are an approved conditional use of property that is zoned LC. That is expressly allowed in the code at Sec. III-B.14.c. However, that provision limits the installation of such facilities by the requirements contained in Sec. III-D.6.y. Those requirements state that such facilities must be contiguous and have direct access to an arterial street. One would assume that what is classified as an arterial street would be straight forward, but unfortunately that is not true. The federal road classification map published by WAMPO (attached) does not designate either 29<sup>th</sup> Street or Hoover as arterial streets at this location. After much research, the answer is regardless of where you look for authority, neither 29<sup>th</sup> Street nor Hoover are arterial streets in this location. Municipal Ordinance No. 39-108 § 8 defines what streets are arterial within the city limits. While both 29<sup>th</sup> Street and Hoover are on the list, the stretches designated as arterial do not encompass the subject property. Indeed, the areas are not even relatively close to the proposed conditional use location, as you can see on the attached map.

Given the provisions of the code, even if the rezoning to LC was approved, the proposed conditional use cannot stand. On its face, it is a violation of the zoning code. Simply referring to roads such as 29<sup>th</sup> and Hoover as arterial does not make them so any more than calling the sun black changes its color. If a governmental body is going to pass what amounts to a law, it should at least follow its own rules while it does so. To do otherwise flies in the face of every traditional notion of fair play and substantial justice we know. A property owner would have absolutely no expectation that the rules he is required to follow will be the same for his neighbor or any faith in the bodies set up to govern him.

We already presented many of our concerns at the MAPC hearing, including environmental concerns since the storage unit complex will create more pollutants that will drain into our private neighborhood lake (Barefoot Bay), in addition to safety concerns as we all have young children at our homes and have major concerns for increased traffic in and out of a storage unit facility at all hours of day/night and the increased worry of thievery. However, we want to point out further issues as well.

The 5<sup>th</sup> Amendment tells us the government may not take our property without just compensation. A taking can occur even without the actual physical seizure of property, such as when a government regulation has substantially devalued a property. Here, the rezoning will substantially affect surrounding property values and harm us for years to come. We have requested and are currently awaiting official appraisals from a licensed realtor and a licensed appraiser to document the extent of the loss in value.

We feel so strongly regarding the future use of the property, that we have personally offered to buy the parcel for well above market value to protect the future value of the surrounding homes

and the surrounding lake. In fact, we offered to pay the land owner \$100,000 for the 5 acres as it is now (well over what the land is worth given the Sedgwick County Assessor's appraised value of approximately \$30,000), and the owner declined. Whether this refusal to consider all reasonable offers to purchase the property evidences a lack of understanding of property values or a calculated move to bolster the application for rezoning is anyone's guess. It is facetious, at best, for the current owner to claim he is unable to sell or develop the property as it is currently zoned. He continues to require a purchase price that is so far above market value it may as well be the moon.

We respectfully request that this application for rezoning and conditional use be denied. As we have discussed above, the property's current zoning is appropriate and the landowner has had ample opportunity to sell or develop the property. Further, the proposed conditional use is in violation of the Zoning Code itself. Finally, the surrounding homeowners will suffer significant harm if this rezoning and conditional use is approved.

Respectfully,

Brett Grizzell, M.D.  
Brooke Grizzell, M.D.  
Joseph Poggi, M.D.  
Nancy Poggi, M.D.

With support of entire Barefoot Bay Homeowners Association

RECEIVED

APR 29 '15

April 29, 2015

CITY CLERK OFFICE

Dear Councilmen:

Recently the Planning Commission, upon the recommendation contained in the staff report submitted to it, approved rezoning and a conditional use of property on W. 29<sup>th</sup> St. N. near the intersection of Hoover in Case No. ZON2015-00012 and CON2015-00010. The proposition is to change the zoning of the property from single family residential (SF-5) to limited commercial (LC) and then allow a self-storage/warehouse facility to be built. Obviously we, the surrounding homeowners, are dissatisfied with this action and for good reason.

Strong Community Opposition

At least nine adjacent landowners (those of us who live in homes along the south side of 29<sup>th</sup> Street across from where this storage unit facility would be located) spoke out against this request at the MAPC hearing on April 2, 2015. Many petitions were also filed that day in an effort to make it very clear how much the neighboring households object to this zoning change. Indeed, enough petitions have been received by the City Clerk to require a super-majority to pass the change. Several of the affected homeowners also attended and spoke at the District V Advisory Board meeting on April 21, 2015.

Unfortunately, the zoning change request was approved during the MAPC public hearing with several conditional use specifications, such as a 4-5 ft. berm requirement along 29<sup>th</sup> Street as well as only indoor storage (no outdoor storage allowed). Many of us are very discouraged by the decision made by the MAPC to approve the zoning change. Several of the conditions discussed at the meeting did not make it into the final notice sent out after the hearing including the prohibition on outdoor storage and the height of the berm. Five of the eight lots along the south side of 29<sup>th</sup> Street along with neighbors adjacent to the property and homeowners from Hoover were represented at the MAPC hearing objecting to the zoning change. Approval of the zoning change would allow a self-storage complex to be built smack in the middle of a street lined with single family residences.

MAPC relied on inaccurate or false information in making its decision

The hearing before the MAPC was neither fair nor was the information the Commission relied upon accurate. The MAPC staff report regarding this case states that the "staff's recommendations" were based on several findings, all of which contain false or misleading information. The first finding listed on page 3 of the staff report contains several pieces of false information. First, the finding that the property south of the site is zoned LC and developed with a warehouse/retail use is completely false. The property south of the site is actually our home (5937 W. 29<sup>th</sup> St. N.), and the entire south side of the street is lined with single-family residences (large lots along the backside of Barefoot Bay-known as "Barefoot Bay, 2<sup>nd</sup> addition). Second, the finding "Property east of the site is zoned LI Limited Industrial ("LI") and is developed with a miscellaneous manufacturing use" is also false. The property directly east of the subject property is currently zoned LC and completely developed with single family homes. Third, the finding that "West of the site, the property is zoned SF-20 and has a conditional use (CU-242) for warehouse use" is also untrue and misleading. The property directly west of the subject property is zoned SF-20 but it does not have an approved conditional use for

clearly recognition of the industrial properties to the north (in purple), the surrounding properties including the subject property are all designated as appropriate for residential development. The Future Growth Map of the Draft Plan does not contemplate commercial development at all in this area as evidenced by the lack of pink at the intersections of 29<sup>th</sup> Street and Hoover.

The current comprehensive plan was last updated in 1999. At the time of its adoption, the need to update the plan on a regular basis because of the changing communities and local landscape was recognized. Within the terms of the plan itself is the requirement that the plan be updated every five years. Currently, it is only partially correct to say that the proposed zoning and conditional use is in conformance with the current accepted plan given the tiny portion of the property identified in the 2030 plan. Once the 2035 Comprehensive Plan is adopted, the answer to the question whether the proposed use is in conformance with the accepted plan will be a resounding no. The 2035 Future Growth Map clearly shows that commercial enterprises are not proper in the subject area.

The surrounding homeowners already presented many of our concerns at the MAPC hearing, including environmental concerns that the storage unit complex will create more pollutants that will drain into our private neighborhood lake (Barefoot Bay), safety concerns centering on our young children, major concerns over increased traffic in and out of a storage unit facility at all hours of day/night, and the increased crime this may bring. According to data from the 2015 self-storage almanac Wichita has the more square feet of self storage per person than any of the country's one hundred largest metro areas. There are more the 160 self-storage facilities in Wichita whose overall occupancy rate is approximately 80%. There is not a current need for additional storage especially given that there are several existing within a five mile radius. We will not repeat all of those concerns here. However, we want to point out one further issue.

The final finding in the staff report is any increased demand on community facilities can be handled by existing infrastructure. We are not environmental engineers or anything of the sort; however, there seems to be considerable question as to whether this finding is true. Questions have been raised regarding retention ponds and drainage. The staff continually defers to the applicant's representatives who admit that the drainage has not been completely designed. What is clear is that flooding and drainage issues currently exist and were exacerbated by the widening and paving of 29<sup>th</sup> Street. There is litigation regarding the sufficiency of storm water drainage and increased flood risk. It is also clear that the water collected and increased by the proposed use will ultimately end up on Barefoot Bay Lake, although there seems to be considerable debate on where the entry point to the lake will actually be placed. A bare-bones statement that existing infrastructure is sufficient to handle additional storm water/water run-off completely overlooks these issues. Not only is existing infrastructure insufficient, the changes necessary to make the infrastructure sufficient cannot be described with specificity.

We respectfully request that this application for rezoning and conditional use be denied. As we have discussed above, the property's current zoning is appropriate and the landowner has had ample opportunity to sell or develop the property. Further, the surrounding homeowners will suffer significant harm if this rezoning and conditional use is approved. Finally, the information the MAPC relied upon in approving this rezoning and conditional use was inaccurate, incomplete, misleading and in some places completely false. Given the issues



EAST OFFICE ☐  
12221 E. CENTRAL  
WICHITA, KS 67206  
BUS. (316) 686-7121

WEST OFFICE ☐  
8442 W. 13TH, STE 102  
WICHITA, KS 67212  
BUS. (316) 722-0030

City Council Members  
455 N. Main  
Wichita, KS 67202

RE: ZON 2015-00012 and CON2015-00010 City zone change from SF-5 Single-Family Residential (SF-5) to Limited Commercial (LC) and Conditional use to permit a self-service warehouse on property generally located north of West 29<sup>th</sup> Street North, one-quarter mile west of North Hoover Road.

Dear Counsel Members,

I have been asked by several homeowners near this rezoning request, to express my opinion as to values of their homes in the event this request is approved.

I have assisted with sales of many homes in this community and could verify when a home is near a commercial or industrial property, the value of your home will decline. Depending on the type and usage of the commercial property, the devaluation could be as much as 10% or greater. When I am representing a buyer as a buyer's agent, I always express resale value is less when you share a view with commercial, industrial or a major high-way in your front, side or back yard.

Several homes along 29<sup>th</sup> street are upper scale with values of over \$1 Million. One is currently listed for \$3.5 million. Behind these homes (to the south) is a Lake commonly known as Barefoot Bay Lake, which is used for recreational purposes. The majority of the homes in this subdivision would also be classified in the upper scale of homeownership. The owner of the land/lake to the immediate west of the requested zone change has been in the process of developing lots for another upscale development.

Along to the West on 29<sup>th</sup> is Ridgeport, which is another upscale boating development. And yet, another single family boating development is planned for the area to the east of the Hoover Road and 29<sup>th</sup> intersection of which dredging has been ongoing for approximately the past 5 years preparing for this new area. Aesthetically, the requested storage building with large signs, tall buildings, added traffic, additional lighting, safety and drainage issues, does not appear to fit with the existing homes along and near this requested change. The majority of homes next to and near this area are single family.

A few examples of loss of value (in the Barefoot Bay Subdivision) are as follows:

2613 N. North Shore Cr (view of concrete plant & R.R. Tracks) sold for \$135 sq.ft.  
2717 N. North Shore CR (view of concrete plant & R.R. Tracks) sold for \$129 sq.ft.



**BERKSHIRE HATHAWAY | PenFed Realty**  
HomeServices

April 29th, 2015

To whom it may concern:

RE: Real Estate Values in Single Family Neighborhoods combined with Commercial Properties

With my 14 years as a Realtor, I have observed many properties that have views of or are neighbors of Commercial properties, busy streets, and/or industrial sites, and these properties are always sold for lessor values. This is referred to as External Economic Obsolescence, a form for value depreciation from a source outside of the control of the actual landowner.

Buyers prefer neighborhoods with other homes similar to theirs which provides a sense of safety, beauty, and amenities for their family. Amenities would include pools, playgrounds, green belts, and lakes.

A storage facility, warehouse, business or heavy traffic would be a negative valuation to any single family neighboring homes. Obviously, some property will have to be affected by these external negative factors, but it is in the best interest of property owner in maintaining property values that these external factors are at the bare minimum possible.

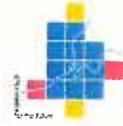
Should you have any questions, please do not hesitate to contact me.

Best Regards,

A handwritten signature in cursive script that reads 'Dave A. Brown'.

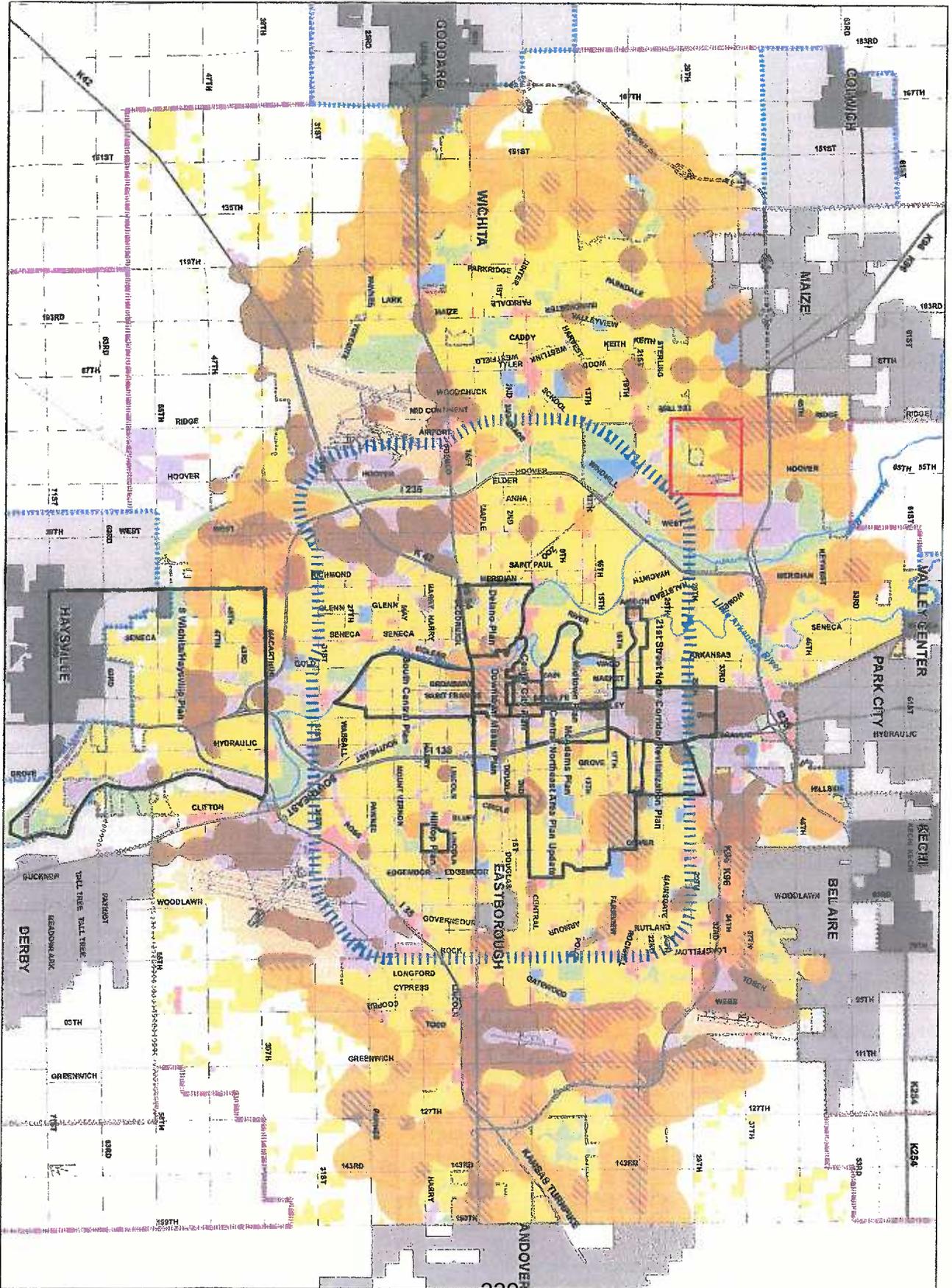
Dave Brown,

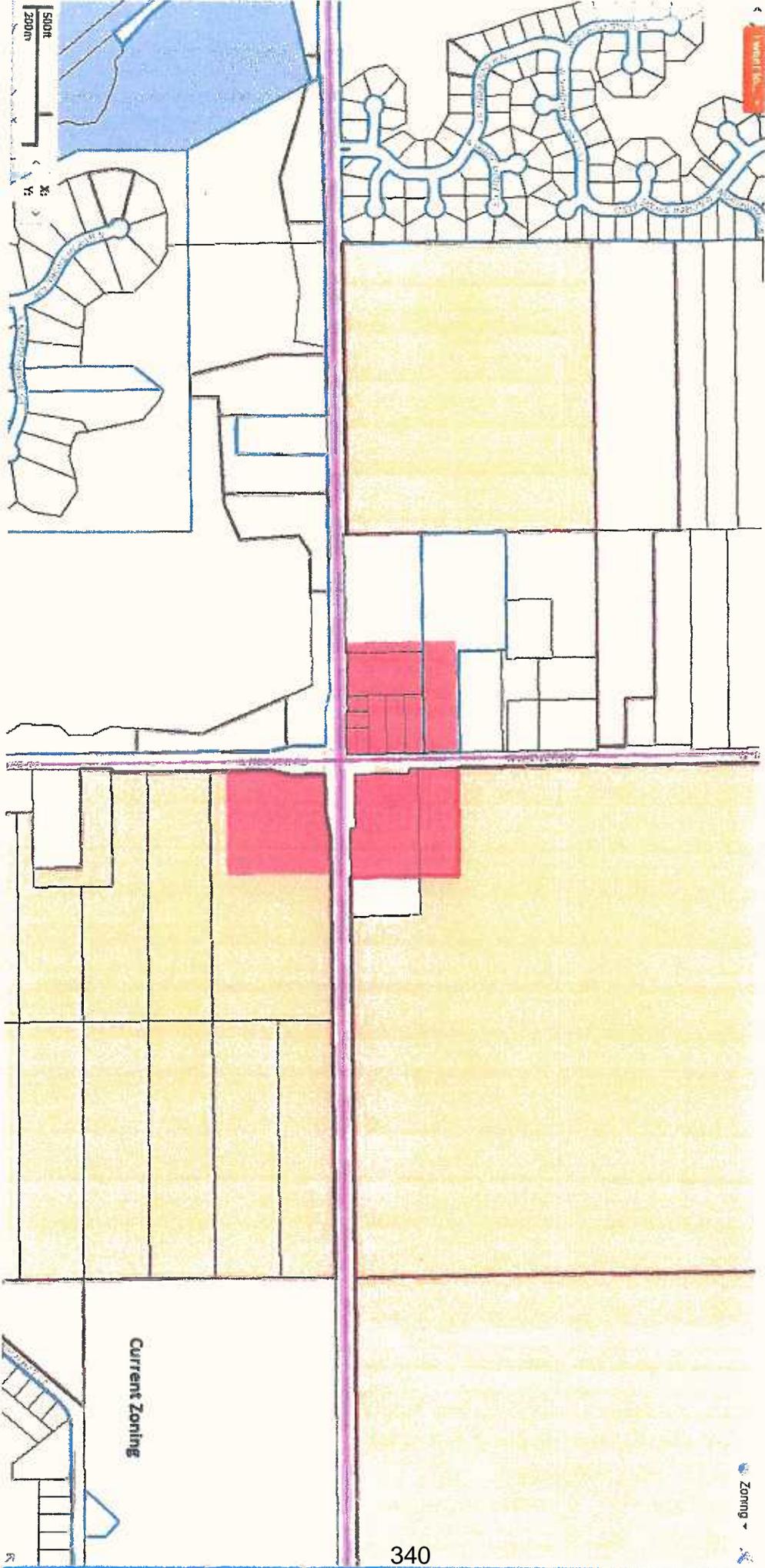
Berkshire Hathaway Pen Fed Realty  
12021 E. 13th STE 100  
Wichita, KS 67206  
316-461-6297



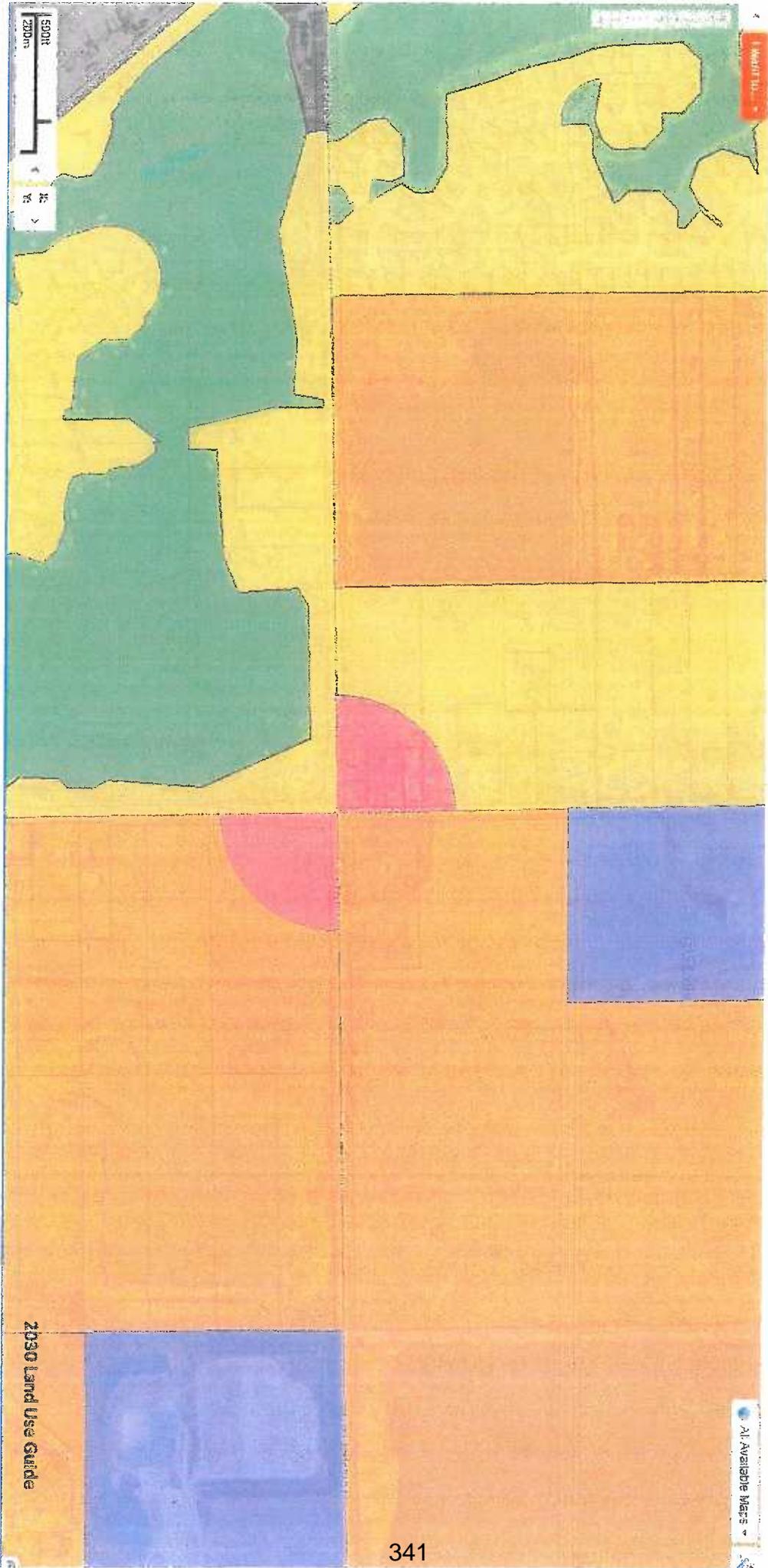
**Legend**

- Established Central Area
- Northwest Express Right-of-Way
- Residential and Employment Mix
- New Employment
- New Residential
- Small City Limits
- Small City Limits
- Medium City Limits
- Statistical Development Areas
- Small City Urban Growth Areas
- Small City Urban Growth Areas
- Rural Areas
- LAND USE
- Residential
- Commercial
- Industrial
- Major Air Transportation & Military
- Parks and Open Space
- Agricultural or Forest
- Major Institutional
- Neighborhood/Zone Plans





Current Zoning



June 2<sup>nd</sup>, 2015

Dear MAPC members,

As you are aware, the rezoning and a conditional use of property on W. 29th St. N. near the intersection of Hoover in Case No. ZON2015-00012 and CON2015-00010 will be reconsidered this Thursday, June 4th. The proposition is to change the zoning of the property from SF-5 to limited commercial and then allow a self-storage/warehouse facility to be built. Strong neighborhood opposition was very obvious during the MAPC meeting when this case was considered the first time. We will once again be present Thursday to voice our opposition and hopefully communicate our concerns more clearly; however, we also wanted to summarize some of our concerns/main points of opposition on paper in case you prefer to review ahead of time.

#### Strong Community Opposition

At least nine neighbors voiced opposition at the MAPC hearing on April 2, 2015. Enough petitions (47.98%) were received by the City Clerk to require a super-majority vote on the City Council to approve the rezoning and conditional use. That percentage will be close to 100% this time around. The request for rezoning and conditional use was denied at the DAB V meeting on April 21, 2015 (which was the first time the case was heard at DAB V; second time will be June 15th, 2015). DAB VI also denied the request at the meeting on June 1st, 2015.

#### The Property is Suitable for the Uses to Which it is Currently Zoned

Simply because the current landowners have chosen not to build a home on the lot or to accept either of two very fair offers for purchase of their property (as it is currently zoned,) does not make the property "unsuitable" for its existing zoning. The current landowners have been offered \$100,000 as well as \$120,000 by a second person for the 4.9 acre lot (appraised at \$30,000); instead of accepting either offer, they desire to sell their property for commercial use in order to make more money off the sale of their land. The desire of the landowner is completely understandable; however, the advantage to one landowner who would benefit from the rezoning should not outweigh the harm to many existing residents. Whether this refusal to consider a more than reasonable offer to purchase the property evidences a lack of understanding of property values or a calculated move to bolster the application for rezoning is anyone's guess. It is facetious, at best, for the current owner to claim he is unable to sell or develop the property as it is currently zoned when he rejects an offer of more than triple the appraised value. As stated in "Golden Rule #5," the relationship between the property owner's right to use and obtain value from their property and the City's responsibility to its citizens should be weighed." This property owner can obtain significant value from his property as it is currently zoned and without adversely affecting nearby property and property owners.

Furthermore, if approved, this rezoning decision would inhibit the future development of another lakeside neighborhood while supporting a storage unit complex.

The MAPC staff report finding #2 “suitability of the subject property for the uses to which it has been restricted” states that the east 0.45 acres of the subject property is already zoned LC. That 0.45 acres is less than 10% of the property (which is just under 5 acres). The remaining 4.5 acres is zoned SF-5 (Single-family residential) and is perfectly suitable for that intended use. In fact, there was a home on the property until it burned down. The finding #2 states that a recreational vehicle, “not of legal use as currently zoned,” is placed on the property. While a true statement, it is not our fault the current landowners have chosen to do that and certainly that is not a justification that the property isn’t suitable for its current zoning. In fact, the property can undoubtedly be used as it is currently zoned. This property is within the Maize USD 266 district, which is widely considered to be one of the top districts in the area. The lot to the west of this property is an absolutely gorgeous sand pit lake that the owner plans to develop with single family residence lots. The land to the east is zoned LC; however, three single family residences have homes on that land. A new lakeside residential development is in planning stages on the southeast corner of the intersection of Hoover and 29th St. N. Thus, the application area is surrounded by property suitable for SF-5 zoning. The trend has been toward residential development in this area, not commercial. There is actually not a single commercial site along 29th St. N between Hoover and Ridge.

#### Extent to Which Rezoning Will Detrimentially Affect Nearby Property

Rezoning will substantially affect surrounding property values and harm us for years to come. We requested an official opinion on the likely effect the rezoning would have on our property values. As you can see in the attached letters (submitted to the City Council), simply changing the surroundings of these homes has a dramatic effect on value. Given the comparable sales cited, a conservative estimate shows at least a 25-30% reduction in sales price should be expected. Considering these are million-dollar-plus homes, this would be a significant reduction in property values and revenue to the county and city.

Additionally, rezoning would destroy the unique lakeside development opportunity (the lot to the west of the application area). We intend to show pictures of this lot/lake at the MAPC meeting and further explain this concern.

#### Length of Time Property has Remained Vacant as Zoned

The “Golden Rules” themselves state that a property might remain vacant for reasons NOT related to zoning, such as financing problems, lack of available services, other development problems, etc. We would like to point out that there was a single family home on this property

until it caught fire. As already noted, there has been more than one offer to purchase this property (as it is currently zoned, SF-5).

We respectfully request that this application for rezoning and conditional use be denied. As we have discussed above, the property's current zoning is appropriate and the landowner has had ample opportunity to sell or develop the property. Further, the surrounding homeowners will suffer significant harm if this rezoning and conditional use is approved.

Respectfully,

Drs. Brett and Brooke Grizzell

Mark and Holly Rehwinkel

Drs. Joseph and Nancy Poggi

John Pfister

Greg and Angie Bowman

Mary Brand, Barefoot Bay HOA President

Craig and Linda Steven

Clayton Kulp

John and Kathy Edwards

John Ranney

Dennis and Lynda Grizzell

Mary Oakman

Dave Champley and Sharon Buck

Jolynn Oakman

Bill and Shelly Moore

Wanda Zimmerman



**BERKSHIRE HATHAWAY | PenFed Realty**  
HomeServices

April 29th, 2015

To whom it may concern:

RE: Real Estate Values in Single Family Neighborhoods combined with Commercial Properties

With my 14 years as a Realtor, I have observed many properties that have views of or are neighbors of Commercial properties, busy streets, and/or industrial sites, and these properties are always sold for lessor values. This is referred to as External Economic Obsolescence, a form for value depreciation from a source outside of the control of the actual landowner.

Buyers prefer neighborhoods with other homes similar to theirs which provides a sense of safety, beauty, and amenities for their family. Amenities would include pools, playgrounds, green belts, and lakes.

A storage facility, warehouse, business or heavy traffic would be a negative valuation to any single family neighboring homes. Obviously, some property will have to be affected by these external negative factors, but it is in the best interest of property owner in maintaining property values that these external factors are at the bare minimum possible.

Should you have any questions, please do not hesitate to contact me.

Best Regards,

Dave Brown,

Berkshire Hathaway Pen Fed Realty  
12021 E. 13th STE 100  
Wichita, KS 67206  
316-461-6297

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

SECTION 1. That having received a recommendation from the Planning Commission, and proper notice having been given and hearing held as provided by law and under authority and subject to the provisions of The Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended, the zoning classification or districts of the lands legally described hereby are changed as follows:

Case No. ZON2015-00012

Zone change from SF-5 Single-family Residential (SF-5) to LC Limited Commercial on approximately 4.94 acres (associated with CON2015-00010) described as:

Beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet, thence South 425 feet; thence East to the point of beginning Section 34, Township 26 Range 1 Est of the 6<sup>th</sup> P.M., Wichita, Sedgwick County, Kansas.

SECTION 2. That upon the taking effect of this ordinance, the above zoning changes shall be entered and shown on the "Official Zoning Map" previously adopted by reference, and said official zoning map is hereby reincorporated as a part of the Wichita -Sedgwick County Unified Zoning Code as amended.

SECTION 3. That this Ordinance shall take effect and be in force from and after its adoption and publication in the official City paper.

\_\_\_\_\_  
Jeff Longwell, Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

(SEAL)

Approved as to form: \_\_\_\_\_  
Jennifer Magana, City Attorney and Director Law

## CONDITIONAL USE RESOLUTION NO. CON2015-00010

**WHEREAS**, the Estate of Verna E. Cornwell, Ruggles & Bohm, P.A., c/o Chris Bohm, (Agent); pursuant to Section V-D of the Wichita-Sedgwick County Unified Zoning Code (herein referred to as Unified Zoning Code), requests a Conditional Use for a Warehouse, Self-Storage on 5.5 acres zoned LC Limited Commercial (“LC”) described as:

Beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet, thence South 425 feet; thence East to the point of beginning Section 34, Township 26 Range 1 Est of the 6<sup>th</sup> P.M., Wichita, Sedgwick County, Kansas.

**WHEREAS**, proper notice as required by the Unified Zoning Code and by the policy of the Metropolitan Area Planning Commission (hereinafter referred to as MAPC) has been given; and

**WHEREAS**, the MAPC did, at the meeting of April 2, 2015, consider said application; and

**WHEREAS**, the MAPC has authority to permit a Conditional Use, subject to any special conditions deemed appropriate in order to assure full compliance with the criteria of the Unified Zoning Code.

**NOW, THEREFORE, BE IT RESOLVED** by the Wichita City Council that this application be approved to exclude all uses by right in LC zoning district and allow a Conditional Use for a Warehouse/Self-Storage facility on 5.5 acres zoned LC Limited Commercial (“LC”) described as:

Beginning 545 feet West of the Southeast corner of the Southeast Quarter; thence North 425 feet; thence West 600 feet, thence South 425 feet; thence East to the point of beginning Section 34, Township 26 Range 1 Est of the 6<sup>th</sup> P.M., Wichita, Sedgwick County, Kansas.

Approved subject to the following conditions:

- 1) The zone change and conditional use will not be final until the property is platted according to the Subdivision Regulations of the UZC;
- 2) Obtain all permits and inspections as required by the Metropolitan Area Building and Construction Department. All development will be subject to platting and be per City Code, including landscaping, code compliance and any other applicable standards;
- 3) The applicant shall submit a revised site plan and elevation drawings for review and approval by the Planning Director, prior to the issuance of a building permit, per City standards, within one year of approval by the MAPC or the City Council. The site shall be developed according to the revised site plan;
- 4) All improvements shall be complete within one year of the approval of the Conditional Use by the MAPC or the City Council;
- 5) The site shall be developed and operated in compliance with all federal, state and local rules and regulations;
- 6) Prior to the issuance of an occupancy permit, a four to five-foot high landscaped berm is required to be installed along the site’s West 29<sup>th</sup> Street North frontage. Even though the property is zoned LC, use of the property is limited to a “warehouse, self-storage,” as defined by the Wichita-Sedgwick County Unified Zoning Code, and subject to the development standards contained therein, and to the uses permitted by right in the SF-5 Single-Family (SF-5) zoning district; and

- 7) If the Zoning Administrator finds that there is a violation of any of the conditions of the Conditional Use, the Zoning Administrator, may, with the concurrence of the Planning Director, declare the Conditional Use null and void;

Adopted this \_\_\_\_\_ Day of \_\_\_\_\_ 2015

\_\_\_\_\_  
Jeff Longwell, Mayor

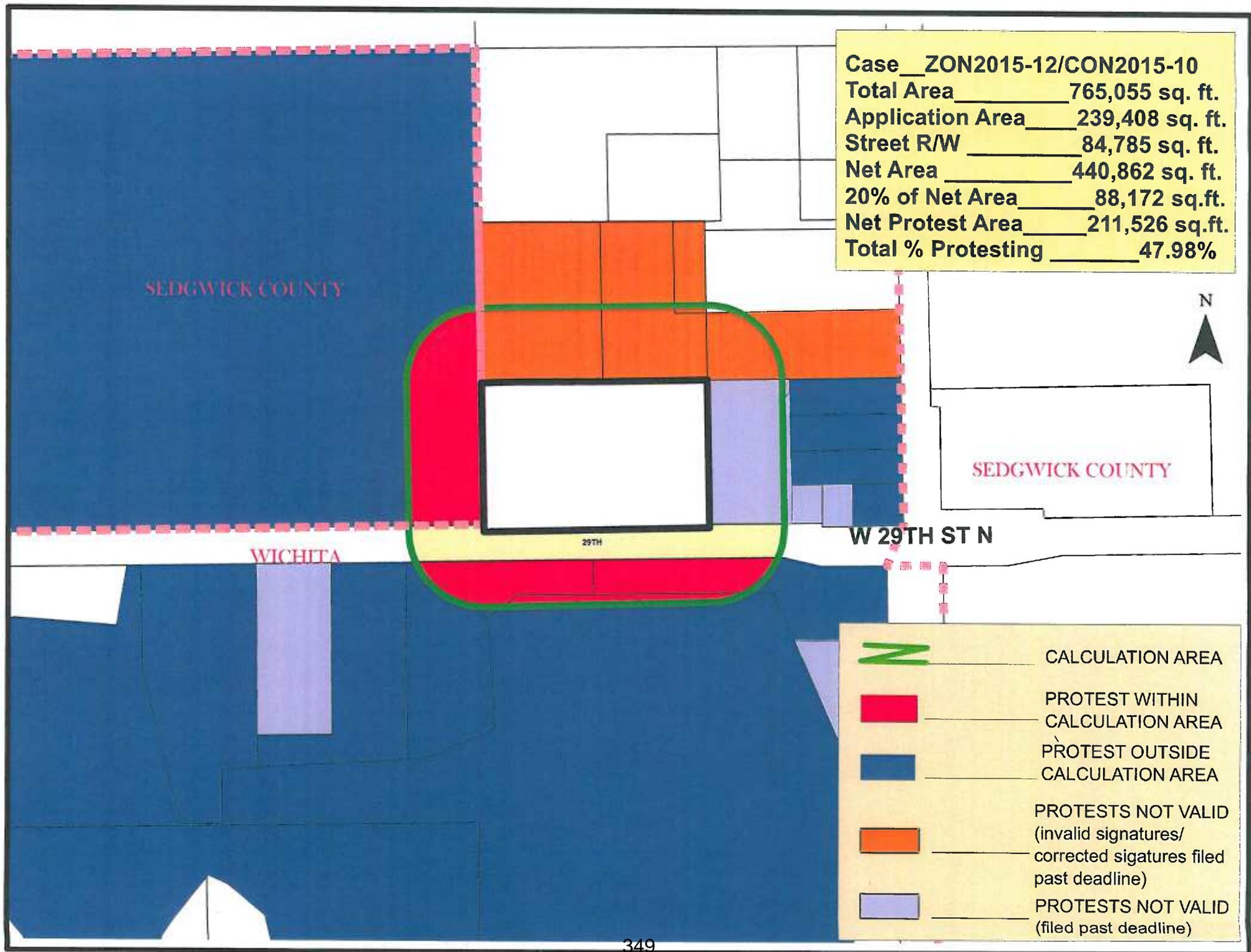
**ATTEST:**

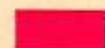
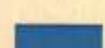
\_\_\_\_\_  
Karen Sublett, City Clerk

(SEAL)

Approved as to form: \_\_\_\_\_  
Jennifer Magana, City Attorney and Director of Law

Case\_ZON2015-12/CON2015-10  
 Total Area \_\_\_\_\_ 765,055 sq. ft.  
 Application Area \_\_\_\_\_ 239,408 sq. ft.  
 Street R/W \_\_\_\_\_ 84,785 sq. ft.  
 Net Area \_\_\_\_\_ 440,862 sq. ft.  
 20% of Net Area \_\_\_\_\_ 88,172 sq.ft.  
 Net Protest Area \_\_\_\_\_ 211,526 sq.ft.  
 Total % Protesting \_\_\_\_\_ 47.98%



	CALCULATION AREA
	PROTEST WITHIN CALCULATION AREA
	PROTEST OUTSIDE CALCULATION AREA
	PROTESTS NOT VALID (invalid signatures/ corrected sigatures filed past deadline)
	PROTESTS NOT VALID (filed past deadline)

SEDGWICK COUNTY

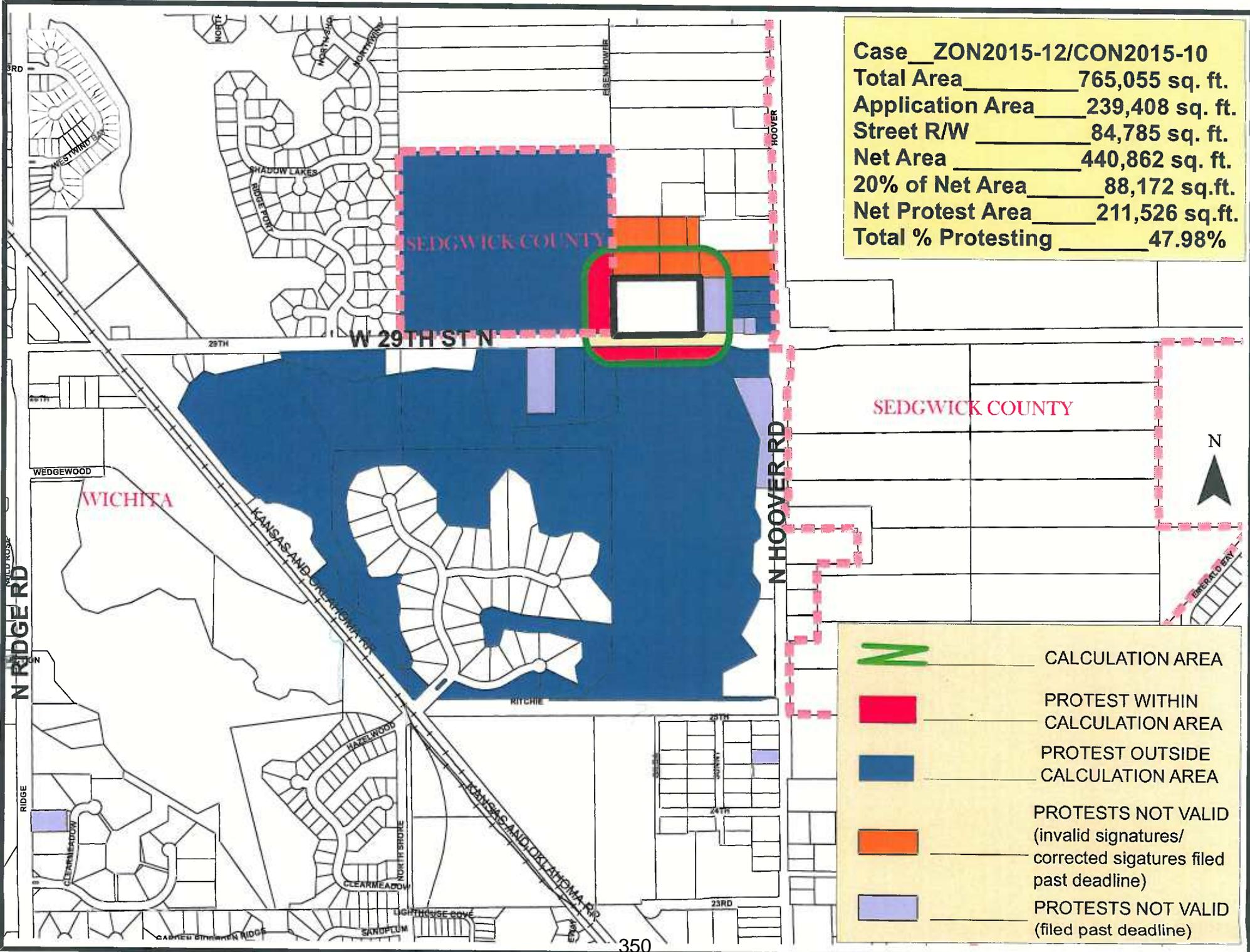
SEDGWICK COUNTY

WICHITA

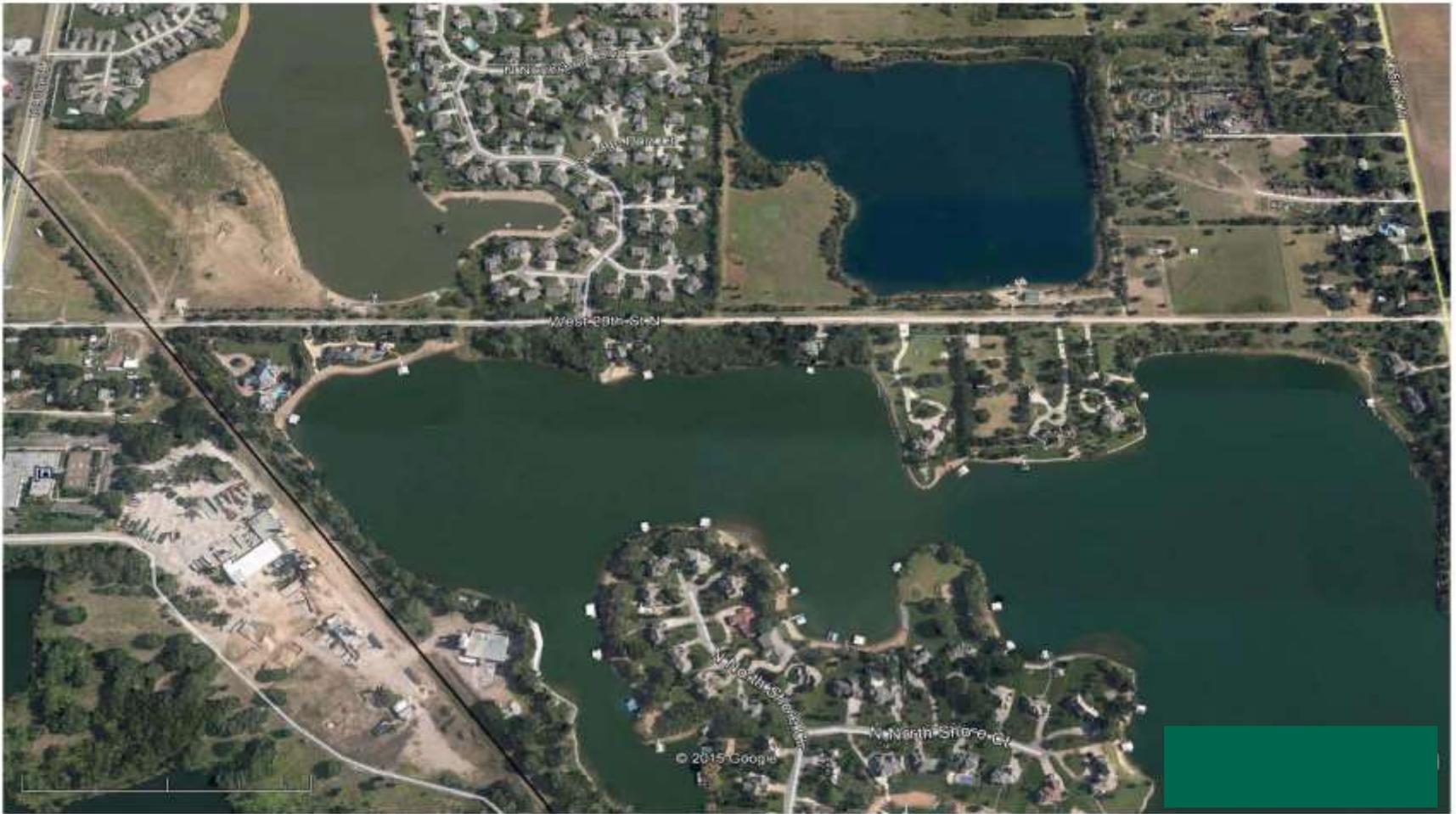
W 29TH ST N

29TH

**Case\_ZON2015-12/CON2015-10**  
 Total Area \_\_\_\_\_ 765,055 sq. ft.  
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	PROTESTS NOT VALID (filed past deadline)



**Albertson Associates LLC**  
9225 Peppertree  
Wichita, Ks. 67226  
316 636-9472

**AERIAL VIEW BETWEEN RIDGE & HOOVER AT 29<sup>th</sup>**



**AERIAL VIEW AT SUBJECT  
PROPERTY**



**WEST VIEW FROM 29<sup>th</sup> LOOKING  
AT SUBJECT PROPERTY**



**EAST VIEW LOOKING AT SUBJECT PROPERTY  
FROM WEST PROPERTY LINE**



**PROPERTY WEST OF SUBJECT PROPERTY  
VIEW LOOKING NORTH FROM 29<sup>TH</sup>**



**PROPERTY WEST OF SUBJECT PROPERTY  
VIEW LOOKING NORTH FROM 29<sup>th</sup>**



**VIEW LOOKING WEST FROM SUBJECT PROPERTY**



**METAL BUILDING SIDING USED TO  
MAKE 8 FOOT FENCE ALONG NORTH  
PROPERTY LINE OF SUBJECT PROPERTY LINE**



**NORTH EAST VIEW OF SALVAGE PROPERTY**



**EAST VIEW OF SALVAGE PROPERTY**



**SOUTH VIEW FROM SUBJECT  
PROPERTY**



**SW VIEW ACROSS 29<sup>th</sup> FROM  
SUBJECT PROPERTY**



**AERIAL VIEW – SANDPIT  
OPERATION & RAILROAD**  
363



***SW VIEW FROM BACK  
YARDS OF BAREFOOT BAY  
PROPERTIES ON 29<sup>th</sup>***



**QUIKRETE PLANT OPERATION –  
WEST OF BAREFOOT LAKE**



**ENTRY TO MARK & JANA  
GRIGGS - LOOKING SOUTH  
6951 W 29<sup>th</sup>**



**PROPERTY WEST OF  
RAILROAD TRACKS WEST OF  
MARK & JANA GRIGGS**



**SITE AERIAL**  
368



**SITE AERIAL**  
369



***LOOKING EAST ALONG 29<sup>TH</sup> STREET  
TOWARD THE ENTRY***



***LOOKING NORTH EAST AT THE ENTRY  
FROM 29<sup>TH</sup> STREET***



**LOOKING NORTH WEST AT THE ENTRY  
FROM 29<sup>TH</sup> STREET**



***LOOKING WEST ALONG 29<sup>TH</sup> STREET  
TOWARD THE ENTRY***



**LOOKING NORTH WEST AT THE ENTRY  
FROM 29<sup>TH</sup> STREET**

# Neighborhood Opposition to Rezoning Case ZON2015-00012 & CON2015-00010

June 2015

DAB VI

MAPC

DAB V

# Photographs of existing homes along South side of 29<sup>th</sup> Street (between Hoover and Ridge)



SW corner of Hoover/29<sup>th</sup>  
st. intersection

# 29<sup>th</sup> St. N (between Hoover and Ridge)











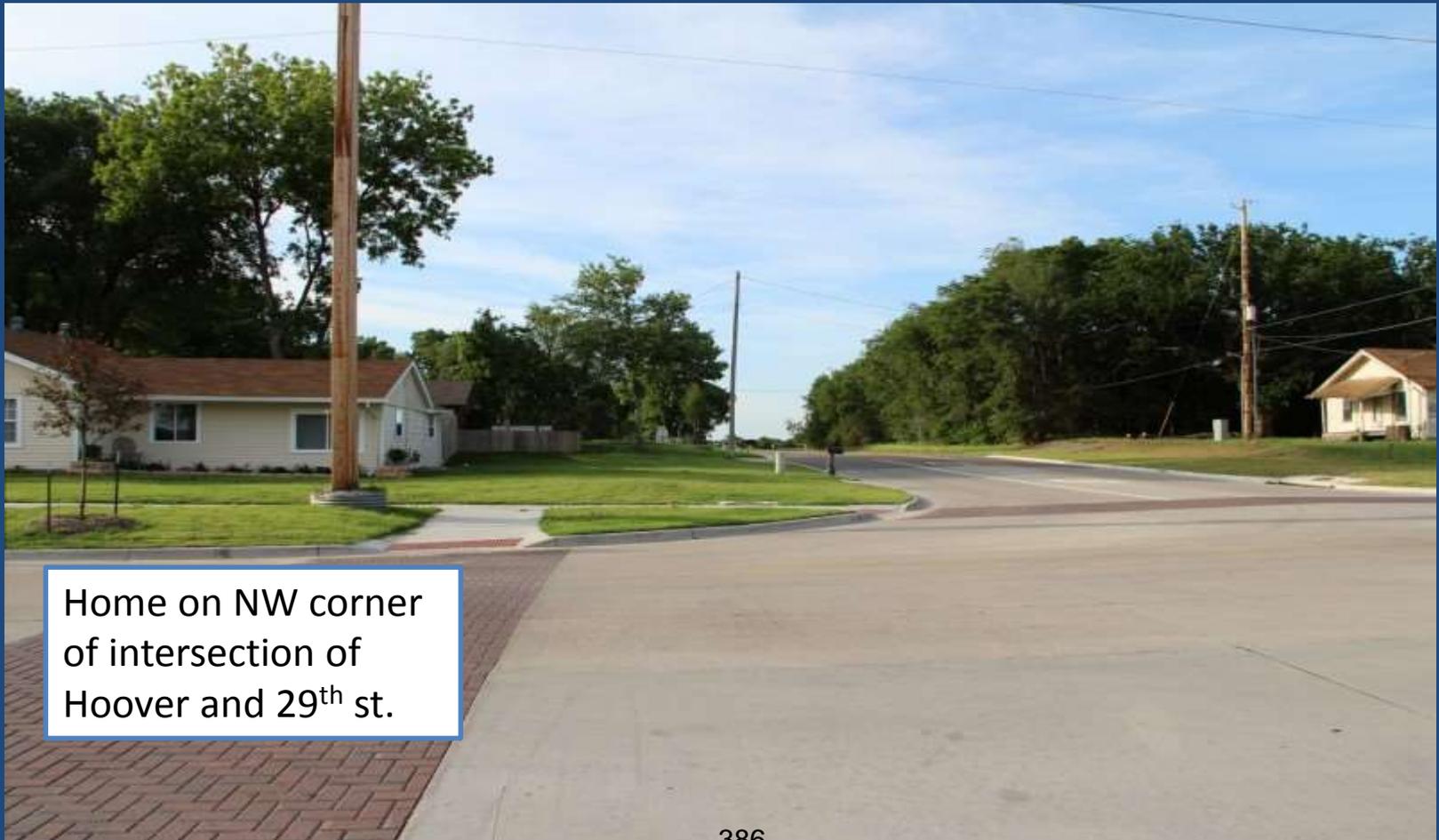








# Photographs of homes along North side of 29<sup>th</sup> Street (between Hoover and Ridge)



Home on NW corner of intersection of Hoover and 29<sup>th</sup> st.



Single family residences located East of application property



Application property

# Unique sand pit lake to West of application property











Property line between application property and lake to West of application property

# Ridgeport Neighborhood



Now look at some nearby storage unit facilities. . .





















# Main points of opposition

1. The property is zoned SF-5 and can be used this way.

Simply b/c the current landowners have chosen not to build a home on the lot and instead desire to sell it for commercial use in order to make more money off the sale of their land, does NOT make the property unsuitable for its existing zoning (SF-5)

## 2. Rezoning from residential to commercial use adversely affects interests and property values of existing homeowners

- The advantage to one landowner who would benefit from the rezoning should not outweigh the harm to many existing residents.

\*One of the primary purposes of zoning restrictions is to protect the interests and property values of existing landowners

## Point #2 continued

- Two realtors submitted letters indicating the negative valuation a storage unit facility would be to any single family neighboring homes.
- Specific examples of loss of value between lots with wooded and lake views vs. those with views of commercial property displayed devaluation as much as 10% or greater
- \$237 sq. ft. vs. \$129 sq. ft.

What's the Self-Storage Capital of the U.S.?  
Hint: It's Somewhere Over the Rainbow

By John Egan February 27, 2015



For years, Wichita, KS, has been called the Air Capital of the World, thanks to its stature as a major hub in the U.S. aircraft-manufacturing industry. Today, Wichita can claim another title: Self-Storage Capital of the U.S.

Data from the recently released 2015 Self-Storage Almanac shows the Wichita metro area has more square feet of self-storage per person (13.16) than any of the country's 100 largest metro areas. Since the U.S. contains far more self-storage space than any other country, it could be argued that Wichita reigns as the Self-Storage Capital of the World. Here are the metro areas with the most square feet of self-storage per person:

1. Wichita, KS
2. Tulsa, OK
3. Little Rock, AR
4. Madison, WI
5. Knoxville, TN
6. Spokane, WA
7. Baton Rouge, LA

### 3. No community need for another storage unit facility

- Data from 2015 self-storage almanac indicate that Wichita has more square feet of self storage per person than any of the country's one hundred largest metro areas.
- Wichita has more than 160 self-storage facilities with an overall average occupancy rate of less than 70%
- Refer to map of nearby storage facilities →

# Storage Unit Facilities within 5 miles of application property

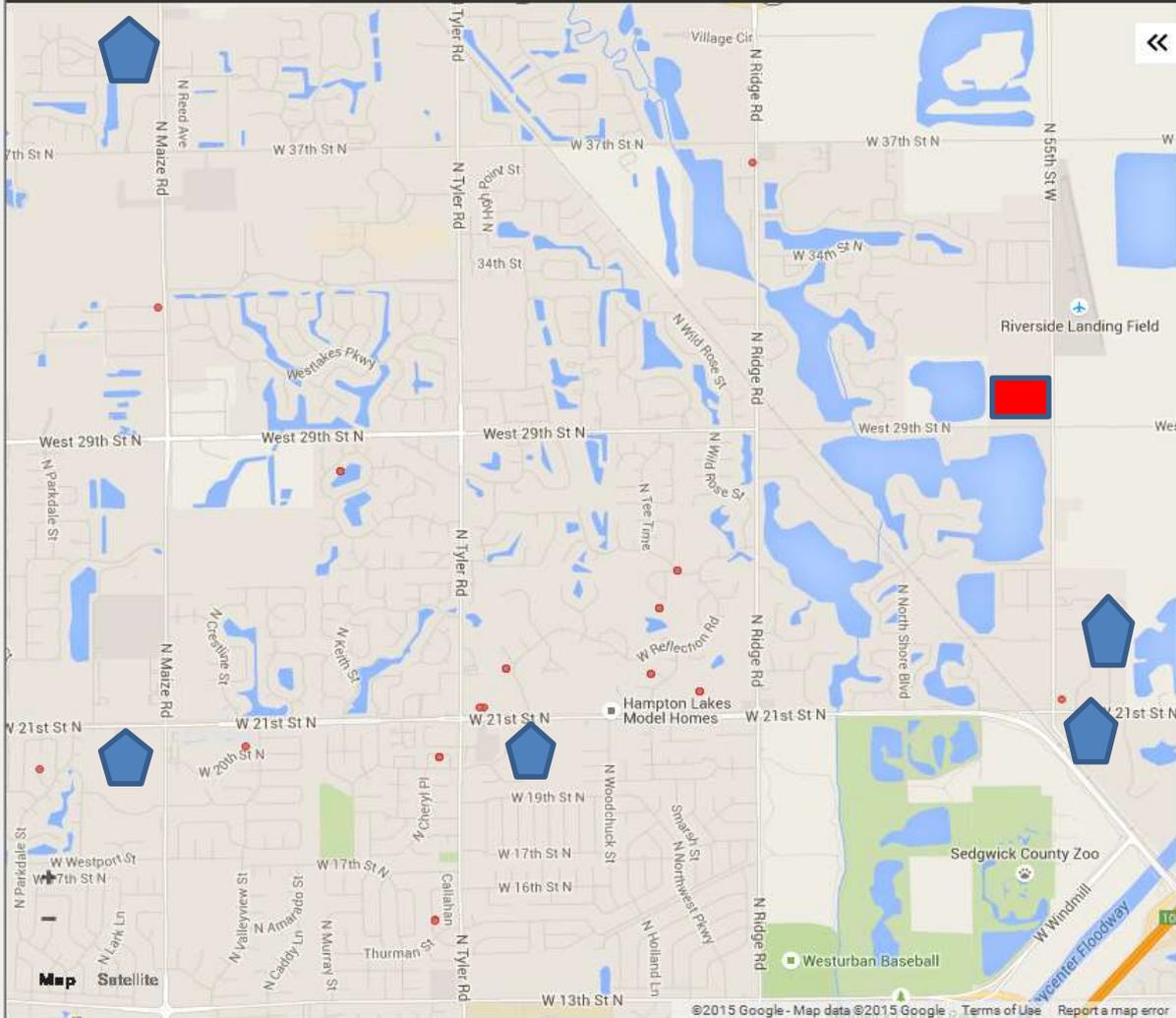
- Security Self-Storage Central & Tyler
- Security Self-Storage 21<sup>st</sup> & Tyler
- Security Self-Storage 8631 W. 21<sup>st</sup> st. N
- U-Needa Storage 2120 N. Hoover
- All Storage of Maize 5081 N. Maize



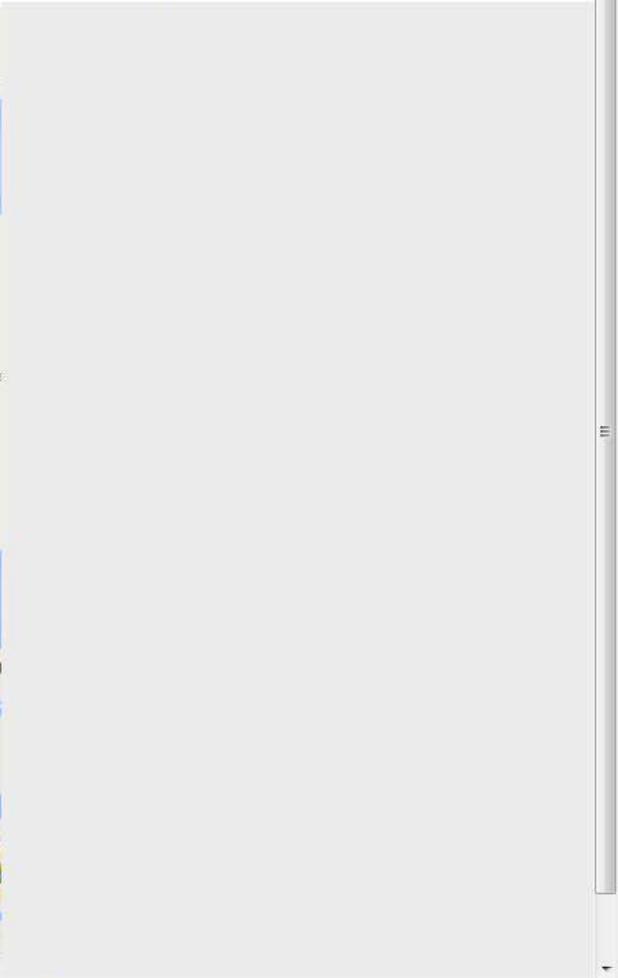
Explore

Wichita, KS, United States

ob gyn



Popular images



## 4. Destruction of unique lakeside neighborhood opportunity in West Wichita

- The property immediately West of the application area is zoned SF-20 with conditional use allowing sand/gravel extraction (CU-242).
- The property owner has plans to build a home or develop into multiple lots for multiple single family residences.
- There are a limited number of sand-pit lakes in Wichita; they are attractive and unique.

# 5. Conformance to plans/policies

- 2030 Wichita Functional Land Use Guide of the Comprehensive Plan identifies this site as appropriate for “Urban Residential” (as quoted in staff report for MAPC meeting).
- It also states that property east of site is zoned LC (However currently has 3 single family homes) and property north is LI. Conveniently leaves out that property west is SF-20 with private lake and plans for residential development as well as property to south being SF-5 with 8 single family residences (appraisal values of which range from 700,000 to 2 million).

# SF-5 Permitted Uses

- Single Family
- Public/civic uses: Church, Library, Park
- Agricultural uses
  
- \* Landowners have been offered \$100,000 for property (well above 30,000 appraised value per Sedgwick County Assessor); thus NO reason/justification that current zoning needs to be changed.

# Our 5 ft. wall- Example of how a “screening wall” won’t actually offer any screening





Photo from backside of our 5 ft. berm-  
again, no true “screening”



# Example of self-storage with outside storage





**PRELIMINARY ESTIMATES  
FOR CITY COUNCIL JULY 21, 2015**

- a. Windemere Lift Station Abandonment and Sanitary Sewer Extension Tallgrass East, Tallgrass East 3rd, Regency Lakes Additions and Kansas Surgery and Recovery Center Addition (south of K-96 Bypass, east of Webb Road) (468-84938/620723/664028) Traffic to be maintained during construction using flagpersons and barricades. (District II) - \$270,000.00
- b. 2015 Sanitary Sewer Reconstruction Phase 7 (north of Harry, east of Meridian) (468-85043/620748/665005) Traffic to be maintained during construction using flagpersons and barricades. (District I,III,IV,VI) - \$420,000.00
- c. Water Distribution System to serve Courtyards at Auburn Hills Addition (north of Kellogg, west of 135th Street West) (448-90617/735529/470202) Does not affect existing traffic. (District IV) - \$65,000.00
- d. Lateral 64, Cowskin Interceptor Sewer to serve Courtyards at Auburn Hills Addition (north of Kellogg, west of 135th Street West) (468-84918/744392/480084) Does not affect existing traffic. (District IV) - \$166,000.00
- e. Curtis from the south line of Curtis Court, north to the east line of Hoover Road and on Curtis Court from the east line of Curtis, east to and including the cul-de-sac to serve JBAR Addition (south of 13th Street North, east of Hoover) (472-85211/766338/490359) Traffic to be maintained during construction using flagpersons and barricades. (District VI) - \$289,000.00

To be Bid:

July 10, 2015

**PRELIMINARY ESTIMATE of the cost of:**

Windemere Lift Station Abandonment and Sanitary Sewer Extension  
 Tallgrass East, Tallgrass East 3rd, Regency Lakes Additions and  
 Kansas Surgery and Recovery Center Addition

All work done and all materials furnished to be in accordance with plans and specifications  
 on file in the office of the City Engineer.

**LUMP SUM BID ITEMS**

1	Manhole and Pipe Abandonment	1	LS
2	Lift Station Abandonment/Removal	1	LS
3	Site Clearing & Restoration	1	LS

**MEASURED QUANTITY BID ITEMS**

4	Pipe, SS 12"	890	lf
5	MH Abandoned	2	ea
6	MH Adjusted, SS	1	ea
7	MH Outside Drop Constructed	1	ea
8	MH Standard SS (4')	3	ea
9	Service Reconnection, Sewer	2	ea
10	BMP, Silt Fence	926	lf
11	BMP, Construction Entrance	1	ea
12	<del>Air Testing, SS Pipe</del> DO NOT BID	890	lf

**Construction Subtotal** \_\_\_\_\_

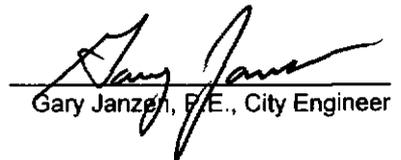
Design Fee  
 Engineering & Inspection  
 Administration  
 Publication

**Total Estimated Cost** \_\_\_\_\_

**\$270,000.00**

CITY OF WICHITA)  
 STATE OF KANSAS) SS

I do solemnly swear that the above amount is correct, reasonable and just.

  
 Gary Janzen, P.E., City Engineer

Sworn to and subscribed before me this \_\_\_\_\_  
 (DATE)

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

To be Bid:

July 10, 2015

**PRELIMINARY ESTIMATE of the cost of:**  
 2015 Sanitary Sewer Reconstruction Phase 7  
 (north of Harry St, east of Meridian)

All work done and all materials furnished to be in accordance with plans and specifications on file in the office of the City Engineer.

**LUMP SUM BID ITEMS**

1	Pipe, SS 8"	2,383	lf
2	Pipe Removed (6" or 8")	1,059	lf
3	Pipe Removed (18")	1,032	lf
4	Pipe Removed (8" VCP with 6" HDPE)	292	lf
5	MH, Outside Drop Constructed	1	ea
6	MH, Removed	9	ea
7	MH, Shallow SS (4')	3	ea
8	MH, Standard SS (4')	5	ea
9	MH Frame & Cover, Replaced	2	ea
10	MH Bench & Invert, Removed & Repl	1	ea
11	AC Pavement Rem/Repl (parking lot)	193	lf
12	AC Pavement Removed & Replaced	155	lf
13	Concrete Pavement Rem & Replaced	87	lf
14	Concrete Approach Rem & Replaced	66	lf
15	Fill, Flowable	120	lf
16	Fill, Sand (flushed & vibrated)	185	lf
17	Site Clearing	1	LS
18	Site Restoration	1	LS

**MEASURED QUANTITY BID ITEMS**

19	Service Reconnection, Sewer (4")	62	ea
20	Service Reconnection, Sewer (6")	1	ea
21	Concrete Encasement Rem (on 18")	20	lf
22	Concrete Encasement Installed (on 8")	20	lf
23	BMP, Construction Entrance	1	ea
24	BMP, Silt Fence	40	lf
25	BMP, Ditch Check	1	ea
26	BMP, Erosion Control Mat	40	sy
27	BMP, Back of Curb Protection	20	lf
28	BMP, Curb Inlet Protection	1	ea

**Construction Subtotal**

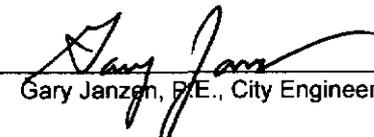
Engineering & Inspection  
 Administration  
 Publication

**Total Estimated Cost**

\$420,000.00

CITY OF WICHITA)  
 STATE OF KANSAS) SS

I do solemnly swear that the above amount is correct, reasonable and just.

  
 Gary Janzen, P.E., City Engineer

Sworn to and subscribed before me this \_\_\_\_\_ (DATE)

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

To be Bid: July 10, 2015

**PRELIMINARY ESTIMATE of the cost of:**  
Water Distribution System to serve Courtyards at Auburn Hills Addition  
(north of Kellogg, west of 135th Street West)

All work done and all materials furnished to be in accordance with plans and specifications on file in the office of the City Engineer.

**LUMP SUM BID ITEMS - Group 1: (735529)**

1	Pipe, WL 8"	926	lf
2	Pipe, WL 8" (DACL)	38	lf
3	Pipe, WL 4"	174	lf
4	Fire Hydrant Assembly	1	ea
5	Valve Assembly, Blowoff	1	ea
6	Valve Assembly, 8"	1	ea
7	Valve Assembly, 4"	1	ea
8	Seeding, Temporary	1	LS
9	Site Clearing	1	LS
10	Site Restoration	1	LS

**Construction Subtotal** \_\_\_\_\_

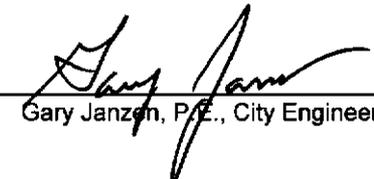
Design Fee  
Engineering & Inspection  
Administration  
Publication  
Water Dept

**Total Estimated Cost** \_\_\_\_\_

**\$65,000.00**

CITY OF WICHITA)  
STATE OF KANSAS) SS

I do solemnly swear that the above amount is correct, reasonable and just.

  
\_\_\_\_\_  
Gary Janzen, P.E., City Engineer

Sworn to and subscribed before me this \_\_\_\_\_  
(DATE)

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

To be Bid:

July 10, 2015

**PRELIMINARY ESTIMATE of the cost of:**

Lateral 64, Cowskin Interceptor Sewer to serve Courtyards at Auburn Hills Addition  
(north of Kellogg, west of 135th Street West)

All work done and all materials furnished to be in accordance with plans and specifications on file in the office of the City Engineer.

<b>LUMP SUM BID ITEMS - Group 2 (744392)</b>		
1	Pipe, SS 8"	1,474 lf
2	Air Testing, SS Pipe	1,474 lf
3	Pipe Stub, 4"	1 ea
4	MH, Standard SS (4')	7 ea
5	MH, Shallow SS (4')	1 ea
6	Riser Assembly 4", Vertical	17 ea
7	Fill, Flowable	66 lf
8	Fill, Sand (Flushed & Vibrated)	850 lf
9	Seeding, Temporary	1 LS
10	Site Clearing	1 LS
11	Site Restoration	1 LS
<b>MEASURED QUANTITY BID ITEMS - Group 2 (744392)</b>		
12	BMP, Construction Entrance	1 ea

**Construction Subtotal**

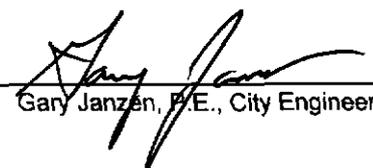
- Design Fee
- Engineering & Inspection
- Administration
- Publication
- Water Dept
- Contingency

**Total Estimated Cost**

\$166,000.00

CITY OF WICHITA)  
STATE OF KANSAS) SS

I do solemnly swear that the above amount is correct, reasonable and just.

  
Gary Janzen, P.E., City Engineer

Sworn to and subscribed before me this \_\_\_\_\_  
(DATE)

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

480084 (744392) 468-84918

Page \_\_\_\_\_

EXHIBIT

**PRELIMINARY ESTIMATE of the cost of:**

Curtis from the south line of Curtis Court, north to the east line of Hoover Road and on Curtis Court from the east line of Curtis, east to and including the cul-de-sac to serve

All work done and all materials furnished to be in accordance with plans and specifications on file in the office of the City Engineer.

**LUMP SUM BID ITEMS**

1	AC Pavement 5" (3" Bit Base)	2,805	sy
2	Crushed Rock Base (5"), Reinforced	3,678	sy
3	Concrete Pavement (VG) 7" (Reinf)	137	sy
4	Concrete C & G, Type 2 (3-5/8" RL & 1-1/2")	1,901	lf
5	Concrete C & G, Type 4 (6-5/8" & 1-1/2")	22	lf
6	Concrete Curb, Mono Edge (3-5/8" RL & 1-1/2")	75	lf
7	Crushed Rock Hookup	151	sy
8	Excavation	3,700	cy
9	Fill, Compacted (95% Density)	5,655	cy
10	Concrete Flume	130	lf
11	Gravel Infiltration Basins	3	ea
12	Maintain Existing BMPs	1	LS
13	Grading, Mass	1	LS
14	Traffic Control	1	LS
15	Signing	1	LS
16	Seeding	1	LS
17	Sodding	1	LS
18	Site Clearing	1	LS
19	Site Restoration	1	LS

**MEASURED QUANTITY BID ITEMS**

20	Water Meter Adjusted	2	ea
21	Fire Hydrant Adjustment	1	ea
22	MH Adjusted w/o New Ring & Cover	1	ea
23	Rip-Rap, Light Stone	27	sy
24	Concrete Driveway 6"	1,185	sf
25	BMP, Erosion Control Blanket	2,145	sy
26	BMP, Back of Curb Protection	1,770	lf
27	BMP, Straw Wattle	90	lf

**Construction Subtotal**

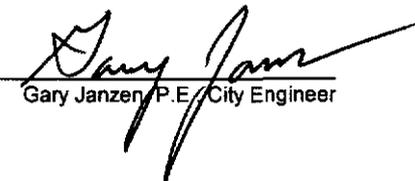
- Design Fee
- Engineering & Inspection
- Administration
- Publication
- Contingency
- Westar Pole Relocation - estimated

**Total Estimated Cost**

**\$289,000.00**

CITY OF WICHITA)  
STATE OF KANSAS) SS

I do solemnly swear that the above amount is correct, reasonable and just.

  
Gary Janzen, P.E., City Engineer

Sworn to and subscribed before me this \_\_\_\_\_ (DATE)

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

**City of Wichita  
City Council Meeting  
July 21, 2015**

**TO:** Mayor and City Council

**SUBJECT:** Water Conservation Study on Landscaping Focusing on Irrigation and Well Usage in Wichita, Kansas – Professional Services Contract (All Districts)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the contract.

**Background:** Based upon information reviewed while renewing the Water Rebate Program earlier this year, it was suggested that for private water wells to generate potential water savings, a study to identify new ways to reduce water usage through landscape alternatives could be conducted. Therefore, City staff requested proposals from qualified consultants to provide a water conservation study on landscaping focusing on irrigation and well usage. The study will focus on landscaping water consumption, water conservation strategies, and the capacity for private water wells to determine potential water savings. Water conservation is one of the strategies needed to secure long-term water sufficiency.

**Analysis:** The Public Works and Utilities Department convened a selection committee in accordance with Administrative Regulation 1.2. Two proposals were submitted. The selection committee reviewed both proposals and interviewed the two firms. The selection committee recommends Water Resources Solutions based upon the qualifications of the firm in terms of its ability to fill the scope of services, firm capability, and proposed schedule.

The City Council has authorized a Water Rebate Program each year since 2013, using an original budget of \$1 million that was generated from higher than normal water sales during the previous drought. A total of \$75,000 from that original budget has been reserved for this conservation study.

**Financial Considerations:** Water Resources Solutions is proposed to conduct this water conservation study for a not to exceed cost of \$73,600. Funding for the project has been reserved from unspent rebate funds in prior years.

**Legal Considerations:** The Law Department has reviewed and approved the contract as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the contract with Water Resources Solutions, authorize the necessary signatures.

**Attachments:** Contract.

**CONTRACT**

**for**

**PROFESSIONAL SERVICES**

**between**

**THE CITY OF WICHITA, KANSAS**

**and**

**Water Resources Solutions, LLC.**

**CITY OF WICHITA, KANSAS**

**CONTRACT**  
**for**  
**PROFESSIONAL SERVICES**

**Water Conservation Study on Landscaping**  
**Focusing on Irrigation and Well Usage in**  
**Wichita, KS FP540024**

**THIS CONTRACT** entered into this. \_\_\_\_th day of \_\_\_\_\_, 2015, by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation, hereinafter called "**CITY**", and **Water Resources Solutions, LLC**, 8800 Linden Dr. Prairie Village, KS 666207, Telephone Number 913-302-1030 hereinafter called "**CONTRACTOR**".

**WITNESSETH:**

**WHEREAS**, the **CITY** has solicited proposals for a Water Conservation Study on Landscaping Focusing on Irrigation and Well Usage in Wichita, Kansas. (FP540024); and

**WHEREAS**, the **CITY** wishes to analyze and report the results of the water conservation study, hereafter called the "**PROJECT**"; and

**WHEREAS**, **CONTRACTOR** has submitted the proposal most beneficial to the **CITY** and is ready, willing, and able to provide the commodities and/or services required by the **CITY**.

**NOW, THEREFORE**, the parties hereto agree as follows:

1. **Scope of Services.** **CONTRACTOR** shall provide to the **CITY** all those commodities and/or services specified in its Scope of Services, provided as **Exhibit B**, in response to Formal Proposal Number- FP540024 – Water Conservation Study on Landscaping Focusing on Irrigation and Well Usage in Wichita, Kansas – City of Wichita, which is attached hereto and incorporated herein by this reference, the same as if it were fully set forth. The proposal package, including all specifications, plans, addenda, and clarifications provided by the City of Wichita as part of the proposal vetting process for Formal Proposal- FP540024 shall be considered a part of this contract and is incorporated by reference herein.

The **CONTRACTOR** shall perform the tasks required in the FP540024 document. Tasks shall include: an audit of Wichita area landscape water use; identification of major users of landscape water; research of current and cutting edge equipment and irrigation technology; calculation of potential water savings; review of current ordinances, zoning regulations and City guidelines to determine their influence or potential influence upon water conservation efforts; address potential issues such as what is implemented, how it is implemented, by when savings will be achieved, and how progress will be monitored; preparation of a draft and final summary report documenting the analyses and findings; and attend meetings with City staff in regards to the items

presented in the summary report. Work shall be conducted as specified in the Scope of Services (**Exhibit B**).

The reports will be submitted to the **CITY**. The vendor shall submit one hard copy and two electronic (CD) copies each of the draft document to the **CITY**. The vendor shall submit three final hard copies and two electronic (CD) copies of the final document to the **CITY**.

When requested by the **CITY**, the **CONSULTANT** will enter into a Supplemental Agreement for additional services related to the Project such as, but not limited to:

- a. Additional investigative/research services not covered by the scope of this Agreement.
- b. A change in the Scope of Services for the Project.

In the event of a change in the Scope of Services for the Project, caused by an act or omission of **CITY**, or error or change in the information provided by the **CITY**, or change in law, or event of force majeure, or if additional services should be necessary, the **CONSULTANT** will be given written notice by the **CITY** along with a request for an estimate of the increase necessary in the not-to-exceed fee for performance of such additions. No additional services will be performed nor will additional compensation be paid except on the basis of a Supplemental Agreement duly entered into by the parties.

2. **Compensation.** **CITY** agrees to pay to **CONTRACTOR** as described in Project Costs per the proposal and Contractor's schedule of fees provided in the May 28, 2015 Proposal for Water Conservation Study on Landscaping Focusing on Irrigation & Well Usage in Wichita, Kansas No. FP540024 and summarized in **Exhibit B**, both of which are attached hereto and incorporated herein by reference with a not to exceed cost of \$73,600 in total for the tasks provided in the proposal and **Exhibit B**.

Monthly invoices will be submitted by the **CONTRACTOR** to **CITY** covering services performed and expenses incurred during the preceding month. Invoices will be submitted on an individual task basis (Tasks 6.2 through 6.9 as identified in the proposal and **EXHIBIT B**) with labor hours and rates provided for each task. Reports maybe billed based upon the percentage complete. Meetings will be billed at staff hourly rates and include up to three meetings with City Staff. Upon request, documentation of reimbursable expenses included in the invoice will be provided at the cost to **CONTRACTOR**. Invoices are due 45 days after receipt. In the event a portion of **CONSULTANT'S** invoice is disputed by **CITY**, the undisputed portion shall be paid by **CITY** by the due date. **CITY** shall advise **CONTRACTOR** in writing of the disputed portion of any invoice.

3. **Term.** The term of this contract shall be for durations identified in schedule provided in FP540024 proposal and **EXHIBIT B**, plus any delay time approved in advance by the **CITY**. This contract is subject to cancellation by the **CITY**, at its discretion at any time upon thirty (30) days written notice to **CONTRACTOR**.

4. **Indemnification and Insurance.**

a. **CONTRACTOR** shall save and hold the **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its officers, agents, servants, or employees, occurring in the performance of its services under this Contract, or arising from any defect in the materials or workmanship of any product provided in the performance of this Contract.

b. **CONTRACTOR** will carry insurance coverage during the term of this contract and any extensions thereof in the amounts and manner provided as follows:

1. Comprehensive General Liability covering premises-operations, explosion, collapse and underground hazards when applicable, Product/Completed operations, Broad Form Property Damage, and Contractual Liability with minimum limits as follows:

Bodily Injury Liability	\$500,000 each occurrence \$500,000 each aggregate
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Property Damage Liability	\$500,000 each occurrence \$500,000 each aggregate
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OR

Bodily Injury and Property Damage Liability (Combined Single Limit)	\$500,000 each occurrence \$500,000 each aggregate
---	---

2. Automotive Liability – Comprehensive Form including all owned, hired, and non-owned vehicles with minimum limits for:

Bodily Injury Liability	\$500,000 each accident
Property Damage Liability	\$500,000 each accident

OR

Bodily Injury and Property Damage Liability (Combined Single Limit)	\$500,000 each accident
---	-------------------------

3. Workers' Compensation/Employers Liability for minimum limits of:

Employers Liability	\$100,000 each accident
---------------------	-------------------------

The Insurance Certificate must contain the following:

- A. Statement that the Contractual Liability includes the Liability of the CITY assumed by the CONTRACTOR in the contract documents.
  - B. Cancellation- should any of the above polices be canceled before the expiration date thereof, the issuing company will mail ten (10) days written notice to certificate holder.
5. **Independent Contractor.** The relationship of the CONTRACTOR to the CITY will be that of an independent contractor. No employee or agent of the CONTRACTOR shall be considered an employee of the CITY.
6. **Compliance with Laws.** CONTRACTOR shall comply with all laws, statutes and ordinances which may pertain to the providing of services under this Contract.
7. **No Assignment.** The services to be provided by the CONTRACTOR under this Contract are personal and cannot be assigned, sublet or transferred without the specific written consent of the CITY.
8. **Non-Discrimination.** CONTRACTOR shall comply with all applicable requirements of the City of Wichita Revised Non-Discrimination and Equal Employment /Affirmative Action Program Requirements Statement for Contracts or Agreements attached hereto as Exhibit A.
9. **Third Party Rights.** It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Contract to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Contract to maintain a suit for damages pursuant to the terms or provisions of this Contract.
10. **No Arbitration.** The CONTRACTOR and the CITY shall not be obligated to resolve any claim or dispute related to the Contract by arbitration. Any reference to arbitration in bid or proposal documents is deemed void.
11. **Governing Law.** This contract shall be interpreted according to the laws of the State of Kansas.
12. **Representative's Authority to Contract.** By signing this contract, the representative of the contractor or CONTRACTOR represents the he or she is duly authorized by the CONTRACTOR to execute this contract, and that the CONTRACTOR has agreed to be bound by all its provisions.
13. In Addition, the CONTRACTOR Agrees
- a. That the field notes and other pertinent drawings and documents in electronic format (Access, Excel, AutoCAD, etc.) pertaining to the PROJECT shall become the property of the CITY upon completion or termination of the CONTRACTOR'S services in accordance with this Agreement; and there will

be no restriction or limitation on their further use by the **CITY**. Provided, however, that **CITY** shall hold **CONTRACTOR** harmless from any and all claims, damages or causes of action which arise out of such further use when such further use is not in connection with the **PROJECT**.

- b. To attend meetings with the City and other local, state and federal agencies as necessitated by the **SCOPE OF SERVICES**.
- c. To make available during regular office hours, all calculations, sketches and drawings associated with this **PROJECT** such as the **CITY** may wish to examine periodically during performance of this Agreement.
- d. To save and hold **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **CONTRACTOR**, its agents, servants, employees, or subcontractors occurring in the performance of its services under this agreement.
- e. To maintain books, documents, papers, accounting records and other evidence pertaining to costs incurred by **CONTRACTOR** and, where relevant to method of payment, to make such material available to the **CITY**.

14. The **CITY** Agrees

- a. To furnish all available data pertaining to the **PROJECT** now in the **CITY'S** files at no cost to the **CONTRACTOR**. Confidential materials so furnished will be kept confidential by the **CONTRACTOR**. **CONTRACTOR** will have no liability for defects in the Services attributable to **CONTRACTOR'S** reliance upon or use of data, information, reports, analyses, protocols, plans, or other information furnished by or through the **CITY** or third parties retained by **CITY**, unless verification of such information is expressly included in the Scope of Services.
- b. To pay the **CONTRACTOR** for services in accordance with the requirements of this Contract.
- c. To provide the right-of-entry for **CONTRACTOR'S** personnel in performing field surveys and inspections, if necessary.
- d. To examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the **CONTRACTOR** in a timely fashion.

**IN WITNESS WHEREOF**, the parties have set their hands the day and year first above written.

**ATTEST:**

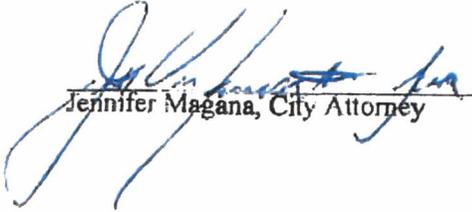
**CITY OF WICHITA, KANSAS**

Karen Sublett  
City Clerk

Jeff Longwell  
Mayor

**APPROVED AS TO FORM:**

**WATER RESOURCES SOLUTIONS**

  
Jennifer Magana, City Attorney

  
Signature: Donald W. Baker, P.E.

Donald W. Baker  
Printed Name

Owner  
Title (President or Corporate Officer)

## Exhibit A

### REVISED NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination-Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 12466, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
- B. Requirements of the State of Kansas:
  1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination-Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination-- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections I through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.
5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four(4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

# Water Conservation Study on Landscaping Focusing on Irrigation and Well Usage in Wichita, Kansas

City of Wichita - FP540024



**Water Resources Solutions**



**NORTHWATER**  
CONSULTING

3800 Linden Drive  
Franklin Village, Kansas 66207  
913-302-1030

[www.wrs-nc.com](http://www.wrs-nc.com)

[info@wrs-nc.com](mailto:info@wrs-nc.com)

- Improve water quality within Big and Little Soldier Creeks through reductions in sedimentation and removal of pollutants.
- Restore and enhance wetland and riparian habitats.
- Improve streambank stability and minimize impacts to local infrastructure.
- Provide Tribe with locally controlled alternative water supply.

The project also includes GIS analysis to characterize land use. Water Resources Solutions is providing the water resources services for this contract.

### 5.3 – References

Project	Reference
Spring Creek Basin Watershed Study	Jim Weber, P.E. Deputy Public Works Director Sedgwick County, Kansas 1144 S. Seneca Wichita, Kansas 67213-4443 316-660-1773 <a href="mailto:jweber@sedgwick.gov">jweber@sedgwick.gov</a>
Dry Branch Watershed Study	Jamie Paige 200 E. Fourth Street Wentzville, Missouri 63385 636-639-2050 <a href="mailto:jamie.paige@wentzvillemo.org">jamie.paige@wentzvillemo.org</a>
Soldier Creek Watershed Study	Rick Worrel, P.E. Affinis Corp. 8900 Indian Creek Parkway, Suite 450 Overland Park, Kansas 66210 91-239-1100 <a href="mailto:rworrel@affinis.us">rworrel@affinis.us</a>

## 6.0 – PROJECT APPROACH

The following section outlines the Water Resources Solutions/Northwater Consulting team’s approach, schedule and fee.

### 6.1 – Project Understanding

We understand that the City of Wichita requires a water conservation study to evaluate the current state of irrigation and well usage with respect to landscaping within the City. The City has determined that the irrigation of lawns and gardens during the summer months uses over four billion gallons or nineteen percent of Wichita’s annual drinking water production. The study will evaluate both current and future water use and capacity and will assess the most

appropriate water conservation strategies. The potential for innovative system-wide programs aimed at promoting landscape water conservation will also be evaluated. The goal of this study and project is to ensure long-term and resilient water supply and increase water use efficiency in the face of growing water scarcity.

## **6.2 - Collect and Analyze Existing Reports and Information**

The project Team will collect and review all reports and information listed in the Addendum to this solicitation. In addition to this information, the Team will identify, collect and review other pertinent reports, data and irrigation equipment information.

### **Conservation Strategies**

A member of our Team was involved in the 2050 Chicago Water Supply/Demand Plan, which required thorough attention to water demand management, including water use conservation, water reuse and efficiency measures. During the development of this plan, significant attention was paid to successful and unsuccessful strategies from other cities.

Our Team will perform a comprehensive review of water demand management, water use conservation, water reuse and other efficiency measures that have been applied in other cities. This will provide value in terms of developing recommendations that have a case history and have been applied successfully in other jurisdictions.

### **Geographical Information Systems**

The project Team proposes to fully utilize GIS as a tool to visualize and evaluate current and future water consumption and to model or evaluate various conservation strategies. Sedgwick County and the City of Wichita maintain a robust GIS database including layers critical to our approach such as:

1. Parcel based landuse layer
2. Hydrological features
3. Administrative boundaries
4. Soils
5. Building and road/pavement outlines (Planimetrics)
6. Elevation and topography
7. Imagery

Using existing landuse and building and road/pavement outline and other planimetric layers, the Team will create a modified GIS layer representing pervious versus impervious surfaces. The layer will be generated by updating and correcting/digitizing the exiting landuse layer and integrating the planimetric layers. The most recent and highest quality imagery will be used as a base map for updates. We feel that time is required to update or append the current GIS landuse layer as the parcel based system used to generate this file may underestimate the

spatial extent of pervious surfaces such as lawns or gardens. In addition, the building and road/pavement layer, to our knowledge was last updated in 2011; an update to reflect new development may be desired.

#### **Climate Data**

The Team will download climate data from the Kansas State University Weather Library. Climate data, including evapotranspiration data, is available from 2013 for the Wichita area. For dates prior to 2013, the Team will obtain data from the national weather service. Evapotranspiration data not available prior to 2013, will be calculated using the internationally accepted procedures outlined in Food and Agriculture Organization Paper 56, Guidelines for Computing Crop Water Requirements.

#### **Surface Water Information**

One source of water supply that is often overlooked is stormwater runoff. Because our industry chooses to label it in a special manner, it is often overlooked that stormwater runoff is also a supply of water.

Our Team will acquire flood management information from the City such as stormwater studies. This information will be used to identify potential flood storage locations that can also be used for water supply.

#### **Groundwater Information**

Our Team will acquire information on the Quaternary-aged unconsolidated aquifer system and the underlying Permian-aged bedrock aquifer system. Based on a review of water well completion records, wells exist within both of these hydrogeological environments in the Wichita area. The Equus Beds aquifer (High Plains aquifer) is within the Quaternary-aged system and prevalent in the northwestern portion of the City. Key sources of information will include:

- Kansas Geological Survey Geohydrology publications and maps
- Kansas Geological Survey Water Well Completion Records (WWC5) Database, 57,960 records are available for Sedgwick County.
- Kansas Geological Survey Water Well Levels Database (WIZARD)
- USGS Reports related to the Equus Beds Aquifer and the Artificial Groundwater Recharge Project.
- Groundwater contamination and aquifer hydrochemistry information.

#### **Deliverables:**

1. Summary report outlining the information that was collected
2. Electronic copies of all the data and references collected.

### **6.3 - Ordinance and Zoning Review**

The Water Resources Solutions Team will review the City's ordinances and zoning requirements in order to identify specific opportunities to develop programmatic recommendations as they relate to water conservation. It is important to note that this is not a legal review of the ordinances and zoning requirements. Our review will be purely focused on how they address water conservation

#### **Deliverables**

1. Summary report outlining our ordinance review.

### **6.4 - Water Use Audit**

An audit of Wichita area landscape water use will be conducted to characterize this category of consumptive use. In order to perform an effective audit, it is important to have access to monthly water consumption data by customer, especially larger water users with irrigated lands. This audit will include the following components:

1. GIS analysis of irrigated parcels by each customer category throughout the City.
2. Development of a database tying the largest quartile of irrigated land parcels to water consumption records (comparison of water consumption in winter vs. summer to assume irrigation demand); this requires data from the City Water Utility.
3. Phone interviews with a subset of each consumer category to tabulate reasons and influences that govern their water use for irrigation [Up to 25 interviews]. Determine the level of awareness as to their irrigation water consumption during each interview.
4. Characterization of landscape practices for each customer category by performing a focused 3-day windshield survey. Our Team will also identify irrigation and landscape professionals in Wichita that we will use to identify current practices in the City. We will budget a small reimbursement for their time.
5. Estimate and apply water consumption rates to each individual landuse category for the City of Wichita. A custom GIS based water consumption model will be built based on the audit to quantify current consumption and support efficient analysis of conservation scenarios. Results can be analyzed at the individual parcel level and at the customer level or City-wide. The value of incorporating GIS and a GIS based model is threefold:
  - a. Visualization – map data can be presented to City staff and stakeholders in an easy to understand way
  - b. Efficiency – decision-making is more effective if actions can be targeted to specific locations on-the-ground

- c. Usability – City staff can use custom generated GIS layers and the resulting water use model internally

**Deliverables:**

1. Custom landuse layer and all applicable GIS layer is ESRI geodatabase format
2. Water audit report characterizing each customer category
3. GIS based water usage model and maps and all associated documentation, methods and statistics

### **6.5 – Surface Water Study**

Our Team will investigate and identify potential stormwater runoff storage locations that may be used as an augmentation water supply for larger irrigation water users such as golf courses and parks. Our Team's experience with flooding issues in Wichita provides a solid foundation on which to base our recommendations.

Don Baker completed a similar analysis as part of an augmentation water supply study for the 7 states that comprise the Colorado River Compact in the southwestern United States.

**Deliverables:**

1. Summary report outlining the methodologies and results of the study.
2. GIS files and maps locating potential surface water solutions.

### **6.6 – Well / Groundwater Study**

A concise groundwater/well study will be completed to characterize the documented wells within the City limits and the aquifers from which the wells withdrawal water. The groundwater study will include the following components and focus on guiding the City in establishing a strategy for augmenting irrigation supply with existing and future private wells.

- Extraction of wells from the WWC5 database relative to the City of Wichita limits for analysis, characterization of each well into a customer category [Commercial, Residential, Industrial & Institutional].
- Analysis and geospatial mapping of wells and characteristics (capacity/yield, depths etc.) based on WWC5 records.
- Targeted windshield and phone survey of a sample size of well owners to develop an understanding of well usage for each category of water users [Commercial, Residential, Industrial & Institutional]. The well records often include data on the yield, but that does not represent the amount of water consumption.
- Geospatial and tabular representation of existing water well infrastructure and the potential for optimizing capacity of existing well infrastructure.
  - Comparison of groundwater withdrawals and potential withdrawals in relation to published information on groundwater sustainability.

- Geospatial mapping of known water quality and groundwater contamination issues that would limit the feasibility of installing new private wells to support irrigation needs.
- Using all of the data assimilated, geospatial modeling and mapping will be performed to identify areas with the best potential to support new wells to provide supplemental irrigation water supply independent of the existing City of Wichita water infrastructure.
- A basic groundwater balance will be developed to illustrate the potential quantities of renewable groundwater resources that are available (or unavailable) from the aquifer systems. This will support in guiding the City in terms of the magnitude of private well development that can be considered.
- If applicable, this study will identify potential groundwater management coordination requirements and any potential water-balance issues with regards to the Equus Beds Aquifer artificial recharge program.

**Deliverables:**

1. Summary report outlining the methodologies and results of the study.
2. GIS files and maps locating potential groundwater solutions.
3. Electronic copy of the groundwater balance model.

**6.7 – Water Conservation Toolbox**

A toolbox will be developed relevant to the City of Wichita that considers the wide range of programmatic and specific actions that can be considered to optimize water conservation. The toolbox will quantify potential water conservation benefits for each customer category based on the audit and other information assimilated throughout the study. The toolbox will also outline the advantages and disadvantages of each. Where applicable, water conservation strategies or technologies will be applied to the water audit model to estimate the net water savings and prioritize strategies or technologies specific to locations within City limits.

- **Technology and equipment to reduce consumption**
  - Smart sensor technology for irrigation management
  - Water saving technology etc.
- **Landscaping Alternatives**
  - Drought tolerant species
  - Turfgrass alternatives
  - Native landscaping
  - Soils
- **Best Management Practices**
  - Stormwater retention ponds/tanks for irrigation
  - Household rain-barrels
  - Rain gardens or groundwater infiltration trenches
  - Stormwater/water augmentation wetlands
  - Permeable pavement
- **Policy, ordinances and regulation**

- Tariffs and pricing structure amendments
- Ordinance revisions
- Enforceable regulations
- Incentives, education & outreach
  - Monetary incentives
  - Tax incentives
  - Water conservation education publications
  - Mass media strategies

Deliverables:

1. Summary report outlining toolbox.

### **6.8 – Water Conservation Strategy Modeling**

Geospatial and water consumption mapping will allow for powerful modeling and visualization in order to guide the City in understanding what conservation toolbox items could potentially be most effective in achieving meaningful and effective water conservation.

Up to three water conservation scenarios will be modeled using the items developed in the toolbox. The GIS-based model will spatially illustrate the quantities of water that could be conserved under each scenario.

Our Team will work with the City staff to define the three water conservation scenarios to model.

Deliverables:

1. Summary report outlining the model methodologies and results.
2. GIS files and maps illustrating the three scenarios.

### **6.9 – Reports and Meetings**

Our Team anticipates that in-person meetings will be required for the project to present formal preliminary and final report submittals. We are budgeting for three meetings with City staff. We anticipate that weekly email and telephone correspondence will provide the necessary project updates for City staff.

### **6.10 – Proposed Schedule**

The following table outlines our proposed project schedule.

Task	Start	Finish
6.2 – Collect & analyze Existing Reports and Information	08/03/2015	08/07/2015
6.3 – Ordinance & Zoning Review	08/10/2015	08/14/2014
6.4 – Water Audit	08/17/2015	09/04/2015
6.5 – Surface Water Study	08/17/2015	09/04/2015
6.6 – Groundwater Study	08/17/2015	09/04/2015
6.7 – Water Conservation Toolbox	09/07/2015	09/25/2015
6.8 – Strategy Modeling	09/07/2015	09/25/2015
6.9 – Reports & Meetings	08/03/2015	08/07/2015
Kickoff Meeting	08/03/2015	08/07/2015
Preliminary Report	08/24/2015	10/02/2015
Final Report	10/19/2015	10/30/2015
Project Completion	11/16/2015	11/16/2015

### 6.11 - Proposed Fee

The following table is a summary of our proposed fee.

Task	Fee
6.2 – Collect & analyze Existing Reports and Information	\$4,000
6.3 – Ordinance & Zoning Review	\$1,100
6.4 – Water Audit	\$19,700
6.5 – Surface Water Study	\$11,400
6.6 – Groundwater Study	\$9,500
6.7 & 6.8 – Water Conservation Toolbox & Strategy Modeling	\$12,400
6.9 – Reports & Meetings	\$15,500
<b>Total</b>	<b>\$73,600</b>

## 7.0 – PROJECT REQUIREMENTS

The following affirmations and certifications are included as described in the solicitation.

### 7.1 – Non-discrimination and Equal Employment Opportunity

Water Resources Solutions will comply with the requirements set forth in the Non-discrimination and Equal Employment Opportunity Statements. Water Resources Solutions will also comply with all related State and Federal requirements.

### 7.2 – Conflict of Interest

Water Resources Solutions and Northwater Consulting have no interest, and shall acquire no interest, direct or indirect, that would conflict in any manner or degree with the performance of its services.

**City of Wichita  
City Council Meeting  
July 21, 2015**

**TO:** Mayor and City Council

**SUBJECT:** Funding and Supplemental Design Agreement No. 4 for Meridian from Pawnee to McCormick (District IV)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

**Recommendations:** Approve the supplemental design agreement and revised budgets, adopt the resolution and place the amending ordinance on the first reading.

**Background:** On February 5, 2013, the City Council approved \$8,960,000 for the Meridian Drainage Outfall project. Of this total, \$960,000 was allocated for design of the Meridian, Pawnee to Orient paving project and the remaining \$8,000,000 was for the construction funding for the Meridian Drainage Outfall. On August 24, 2010, the City Council approved \$300,000 in general obligation (GO) at-large bonds for the design of Meridian, Orient to McCormick.

This brings the total amount approved by the City Council for design of the Meridian, Pawnee to Orient and Meridian, Orient to McCormick projects to \$1,260,000.

On November 5, 2013 the City Council approved combining the two separate projects into a single project for the right-of-way acquisition and construction phases. In addition, the City Council approved \$350,000 in general obligation (GO) funding for final design and right-of-way acquisition for the combined project.

The following agreements have been approved to-date:

No.	Date Approved by City Council	Design Services Provided for Meridian, Pawnee to Orient	Amount
Original	December 13, 2005	Original concept design agreement.	\$47,500
1	August 19, 2008	Final design based on concept approved by the City Council	\$472,140
2	February 5, 2013	Resolved conflicts with existing water and sewer facilities.	\$96,480
3	November 5, 2013	Authorization to prepare the design for integration and convert the existing plans to KDOT requirements	\$4,150
Design contract total to-date:			\$620,270

No.	Date Approved by City Council	Design Services Provided for Meridian, Orient to McCormick	Amount
Original	August 24, 2010	Original concept design agreement.	\$275,800
1	November 5, 2013	Final design based on concept approved by the City Council	\$10,800
Design contract total to-date:			\$286,600

The total design fee to date for both projects is \$906,870.

**Analysis:** Supplemental Agreement No. 4 is for additional survey work and groundwater testing needed for the storm sewer construction portion of the project.

Construction is slated to begin in late 2015, pending completion of right-of-way acquisition and utility relocation.

Proposed improvements include:

- Expansion of the existing four-lane roadway to a five-lane roadway with a center left turn lane;
- Drainage improvements;
- New sidewalk along both sides of Meridian;
- Realignment of Orient at Meridian to improve accessibility; and
- Waterline improvements to serve surrounding residential neighborhoods

**Financial Considerations:** The cost of the additional design services is \$12,200, bringing the total design fee for the two projects to \$919,070. Funding is available within the existing \$1,260,000 budget and is funded by general obligation (GO) bonds.

Additionally, staff recommends initiating the construction funding of \$7,991,314. Federal funding of \$5,543,842 is available in the Transportation Improvement Program (TIP), along with GO funding of \$2,447,472, that is available in the Proposed 2015-2024 Capital Improvement Program in years 2015 and 2016. Staff also requests the transfer of the \$500,000 in remaining funds from the Meridian, Pawnee to Orient Drainage project budget to the fully combined Meridian, Pawnee to McCormick project. This, along with the previously approved \$350,000 for final design and right-of-way acquisition brings the total revised budget to \$8,841,314.

**Legal Considerations:** The supplemental agreement, resolution and amending ordinance have been reviewed and approved as to form by the Law Department.

**Recommendation/Actions:** It is recommended that the City Council approve transfer of the remaining balance between the projects, approve the revised budgets and supplemental agreement, adopt the resolution, place the amending ordinance on the first reading, and authorize the necessary signatures.

**Attachments:** Supplemental Agreement No. 4, budget sheets, resolution and amending ordinance.

# Project Request

CIP     Non-CIP    CIP YEAR: 2013    CIP #: \_\_\_\_\_

NEIGHBORHOOD IMPROVEMENT

DEPARTMENT: 13 Public Works & Utilities    DIVISION: Engineering    RESOLUTION/ORDINANCE #: \_\_\_\_\_

FUND: 400 Street Improvements    SUBFUND: 405 Arterial Paving    ENGINEERING REFERENCE #: 472-84309

COUNCIL DISTRICT: 04 Council District 4    DATE COUNCIL APPROVED: 7-14-15    REQUEST DATE: \_\_\_\_\_

PROJECT #: 205411    PROJECT TITLE: Meridian, Pawnee-Orient 47284309

PROJECT DETAIL #: 01    PROJECT DETAIL DESCRIPTION: Meridian, Pawnee-Orient 47284309

OCA #: 706945    OCA TITLE: Meridian, Pawnee-Orient 47284309

PERSON COMPLETING FORM: Jennifer Peterson    PHONE #: 268-4548

PROJECT MANAGER: Shawn Mellies    PHONE #: 268-4632

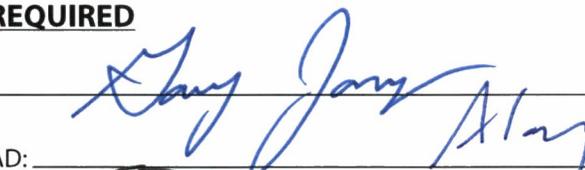
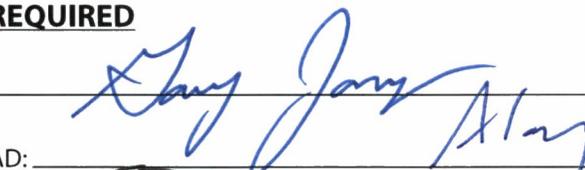
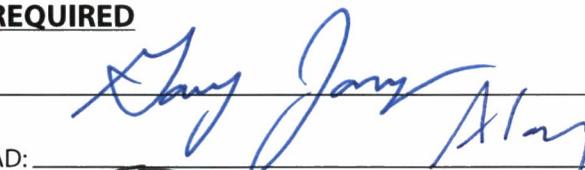
NEW BUDGET     REVISED BUDGET

Revenue Object Level 3	Original Budget	Adjustment	New Budget
9720 G.O. Bonds	\$6,960,000.00	(\$500,000.00)	\$6,460,000.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
	\$6,960,000.00	(\$500,000.00)	\$6,460,000.00

Expense Object Level 3	Original Budget	Adjustment	New Budget
2999 Contractuals	\$6,960,000.00	(\$500,000.00)	\$6,460,000.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
<b>Total Expense:</b>	\$6,960,000.00	(\$500,000.00)	\$6,460,000.00

NOTES:

**SIGNATURES REQUIRED**

DIVISION HEAD:   
 DEPARTMENT HEAD:   
 BUDGET OFFICER:   
 CITY MANAGER: \_\_\_\_\_

Print Form

DATE: 07/07/15  
 DATE: 7/8/15  
 DATE: 7-7-15  
 DATE: \_\_\_\_\_

# Project Request

CIP     Non-CIP    CIP YEAR: 2015 & 2016    CIP #: \_\_\_\_\_

NEIGHBORHOOD IMPROVEMENT

DEPARTMENT: 13 Public Works & Utilities    DIVISION: Engineering    RESOLUTION/ORDINANCE #: \_\_\_\_\_

FUND: 400 Street Improvements    SUBFUND: 405 Arterial Paving    ENGINEERING REFERENCE #: 472-85124

COUNCIL DISTRICT: 04 Council District 4    DATE COUNCIL APPROVED: 7-14-15    REQUEST DATE: \_\_\_\_\_

PROJECT #: 211524    PROJECT TITLE: Meridian, Pawnee to McCormick

PROJECT DETAIL #: 01    PROJECT DETAIL DESCRIPTION: Meridian, Pawnee to McCormick

OCA #: 707060    OCA TITLE: Meridian, Pawnee to McCormick

PERSON COMPLETING FORM: Jennifer Peterson    PHONE #: 268-4548

PROJECT MANAGER: Shawn Mellies    PHONE #: 268-4632

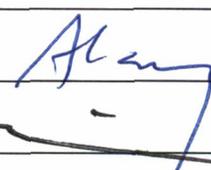
NEW BUDGET     REVISED BUDGET

Revenue Object Level 3	Original Budget	Adjustment	New Budget
9720 G.O. Bonds	\$350,000.00	\$2,947,472.00	\$3,297,472.00
8000 Federal	\$0.00	\$5,543,842.00	\$5,543,842.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$350,000.00	\$8,491,314.00	\$8,841,314.00

Expense Object Level 3	Original Budget	Adjustment	New Budget
2999 Contractuals	\$350,000.00	\$8,491,314.00	\$8,841,314.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
<b>Total Expense:</b>	<b>\$350,000.00</b>	<b>\$8,491,314.00</b>	<b>\$8,841,314.00</b>

NOTES:

**SIGNATURES REQUIRED**

DIVISION HEAD:   
 DEPARTMENT HEAD:   
 BUDGET OFFICER:   
 CITY MANAGER: \_\_\_\_\_

Print Form

DATE: 07/07/15  
 DATE: 7/8/15  
 DATE: 7 July 15  
 DATE: \_\_\_\_\_

SUPPLEMENTAL AGREEMENT NO. 4

TO THE

AGREEMENTS FOR PROFESSIONAL SERVICES DATED  
DECEMBER 13, 2005 AND AUGUST 24, 2010

BETWEEN

THE CITY OF WICHITA, KANSAS

PARTY OF THE FIRST PART, HEREINAFTER CALLED THE

"CITY"

AND

BAUGHMAN COMPANY, P.A.

PARTY OF THE SECOND PART, HEREINAFTER CALLED THE

"ENGINEER"

WITNESSETH:

WHEREAS, there now exists Agreements (dated December 13, 2005 and August 24, 2010) between the two parties covering engineering services to be provided by the ENGINEER in conjunction with the construction of improvements to **MERIDIAN, PAWNEE TO MCCORMICK** (Project No.472-85124\_707060).

WHEREAS, Paragraph IV. B. of the above referenced Agreement provides that additional work be performed and additional compensation be paid on the basis of a Supplemental Agreement duly entered into by the parties, and

WHEREAS, it is the desire of both parties that the ENGINEER provide additional services required for the PROJECT and receive additional compensation (as revised herein):

NOW THEREFORE, the parties hereto mutually agree as follows:

A. PROJECT DESCRIPTION

The description of the improvements that the CITY intends to construct and thereafter called the "PROJECT" as stated on page 1 of the above referenced agreement is hereby amended to include the following:

**Additional survey work and groundwater testing for the storm sewer construction  
(see Attached for details)**

B. PAYMENT PROVISIONS

The fee in Section IV. A. shall be amended to include the following:

Payment to the ENGINEER for the performance of the professional services as outlined in this supplemental agreement shall be made on the basis of the lump sum fee amount of **\$12,200.**

C. COMPLETION

The ENGINEER agrees to complete and deliver the field notes, preliminary and final plans (including final tracings), specifications and estimates to the CITY within the time allotted for the project as stipulated below; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions or inactions of the CITY or other agencies, or for other unavoidable delays beyond the control of the ENGINEER.

- (a) Field check plans of the project for distribution to utilities by N/A.
- (b) Office check plans by N/A.
- (c) Completion of all work required by this agreement (including submittal of final approved plans, field notes, and related project documents by N/A.

D. PROVISIONS OF THE ORIGINAL AGREEMENT

The parties hereunto mutually agree that all provisions and requirements of the original Agreement, not specifically modified by this Supplemental Agreement, are hereby ratified and confirmed.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this Supplemental Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

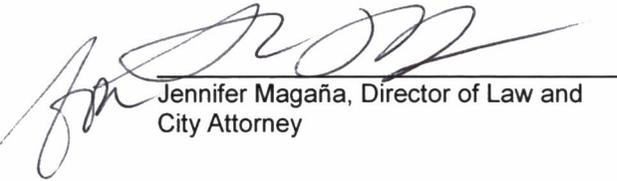
CITY OF WICHITA

\_\_\_\_\_  
Jeff Longwell, Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jennifer Magaña, Director of Law and  
City Attorney

BAUGHMAN COMPANY, P.A.

  
\_\_\_\_\_  
Tyler P. Voth, P.E.  
Director of Municipal Engineering

ATTEST:

  
\_\_\_\_\_  
Katie Riche



Baughman

June 2, 2015

Shawn Mellies, P.E.  
City of Wichita  
Department of Engineering  
455 N. Main, 7<sup>th</sup> Floor  
Wichita, KS 67202

**RE: Meridian Avenue – Pawnee to McCormick  
Supplemental Fee Request**

Dear Mr. Mellies:

In the process of finalizing the above referenced project, the City has requested that Baughman Co. be responsible for taking ties to the endangered section corners prior to construction and resetting the monument after construction. Also, Baughman Co. has contracted with Allied Environmental Consultants to assist in the permitting process, sampling and reporting results of the contaminated groundwater that will be encountered during the de-watering process necessary for the SWS construction. As a result, a supplemental fee is being requested to offset the cost of the following processes that will be necessary to fulfill that request:

- Take ties to existing endangered sections corners (2 total)
- File necessary permits for an endangered monument
- Resetting section corners after construction
- Contracting with Allied Environmental for permitting, sampling and reporting of contaminated groundwater during dewatering for SWS construction

For the added survey work, we are requesting a total of \$2,200 be added to our original contract. Allied Environmental Consultants will bill Baughman Co. for time and material as shown on the attached proposal for Allied. These costs will be paid by Baughman and then passed on to the City. I am estimating that the total cost for Allied's work will be **less than \$10,000**, for a total supplemental cost of **\$12,200**. Should you have any questions or need more clarification on this request, please email me at [tvoth@baughmanco.com](mailto:tvoth@baughmanco.com) or give me a call me at 262-7271. Thank you.

Most Respectfully,  
Baughman Co. P.A.

Tyler P. Voth, P.E.  
Director of Municipal Engineering

cc: N. Brent Wooten, P.E.  
File

Encl: Allied Environmental Consultants Proposal

ENGINEERING  
SURVEYING  
PLANNING  
LANDSCAPE  
ARCHITECTURE

RECEIVED

JUN 02 2015

CITY-ENGINEERING

Baughman Company, P.A.  
315 Ellis  
Wichita, Kansas 67211  
P 316-262-7271 F 316-262-0149



April 14, 2015

Baughman Company, P.A.  
315 Ellis Street  
Wichita, Kansas 67211

Attention: Mr. Tyler Voth, P.E.

via email: [tvoth@baughmanco.com](mailto:tvoth@baughmanco.com)

Subject: Meridian Drainage Project Support  
Meridian Avenue from Pawnee to McCormick, Wichita, Kansas  
Groundwater Sampling & Permitting  
AEC File No. P1504040

Dear Mr. Voth:

Allied Environmental Consultants, Inc. (AEC) is pleased to submit this proposal to collect and analyze groundwater samples, and assist with reporting and discharge permitting for the above-referenced project. This proposal letter describes the tasks and costs related to the project.

#### STATEMENT OF UNDERSTANDING

AEC understands that Baughman Company, P.A. (Baughman) is working with the City of Wichita in the design and construction of a stormwater sewer system in an area of known groundwater contamination. Pursuant to this concern, AEC will collect and analyze at least two groundwater samples in the project corridor aligned from Pawnee north to McCormick Street along Meridian Avenue. Existing data demonstrate that the project corridor bisects an existing plume of chlorinated solvents contaminating the groundwater. The project may require de-watering the aquifer to accommodate construction and trench operations.

The water table occurs from approximately 15 to 20 feet below ground surface in the project area. Baughman and the City require chemical analysis of the water samples for volatile organic compounds (VOCs) by method 8260, with subsequent data reporting and discharge permit assistance. Baughman or the City may request additional groundwater samples and analyses during the construction activities de-watering process. This project will have an initial pre-construction sampling effort followed by on-call services on a time and materials basis.

#### SCOPE OF WORK

At the project start, AEC will collect two groundwater samples from the area subject to de-watering, anticipated to be along Meridian Avenue between Meridian Court and Harry Street. AEC will subcontract a probe vendor to hydraulically push decontaminated stainless steel probe rods into the ground and intersect the upper few feet of groundwater and collect the specified water samples. An AEC environmental professional will be on site to observe, take field notes, mark locations, pack, and ship the water samples to the lab vendor. The probe vendor will plug the test holes with bentonite according to State requirements before demobilizing from the site. AEC will require a minimum of one-week's notice to mobilize the probe contractor and no sooner than 3 business days after filing the required utility locate request.

AEC will submit lab samples for the standard turnaround of 10 business days. Once AEC receives the lab results, AEC will validate, tabulate, and prepare the data in a letter report. AEC will conduct additional sampling, analysis, and reporting during the de-watering process as directed by Baughman or the City of Wichita. In addition, AEC will assist with the application for a groundwater discharge permit.

**DELIVERABLES**

The deliverables for this project will include one hard copy of all letter reports sent to your attention and one electronic version submitted via email. Each report will contain the tabulated data as well as copies of the laboratory reports.

**COST ESTIMATE**

AEC will collect, analyze, and provide a report for the initial two samples described herein for an estimated fee of \$2,900.00, including all subcontractors, labor, and expenses. We will provide on-call services to collect additional samples and support the discharge permit effort at the hourly rates shown in Exhibit A and provide chemical analysis of additional samples for \$77.00 per sample. AEC assumes that additional samples would originate at end-of-pipe sources (i.e., wells and sewer) that are easily accessible; however, if required, additional contract probe services are required, a day rate of \$1,485.00, including mobilization and service plus a per-foot charge of \$3.00 for abandonment after the first 40 feet applies. Based on a previous project and nearby locale, Baughman should consider an overall support budget of \$15,000.00 depending upon final number of samples and the regulatory negotiation and needs in the discharge permitting process.

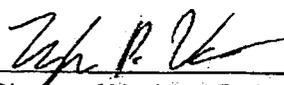
This proposal, including the cost estimate, is valid for a period of 60 days and is subject to change thereafter. Additional services not included in this estimate will be invoiced at the applicable billing rates shown in Exhibit A. Please review the attached General Provisions for Professional Services (Exhibit A) that will be part of our agreement if this proposal is accepted. Please return one signed copy to our office as notice to proceed. If we can answer any questions or provide additional information, feel free to contact us at your convenience.

Sincerely,

ALLIED ENVIRONMENTAL CONSULTANTS, INC.

  
Paul R. Clark, P.G.  
Principal Geologist

For BAUGHMAN COMPANY, P.A.:

  
Director of Municipal Engineering

Tyler P. Voth  
Printed or Typed Name of Authorized Signer

5-26-15  
Date

**EXHIBIT A**

**GENERAL PROVISIONS  
FOR PROFESSIONAL SERVICES**

GENERAL PROVISIONS FOR PROFESSIONAL SERVICES

In consideration hereinafter set forth, Allied Environmental Consultants, Inc., its officers, directors, employees, agents, shareholders, and partners, (collectively "Allied") and Client, its officers, directors, employees, agents, shareholders, and partners (collectively "Client") agree as follows:

1. Statement of Work. Consultant will furnish the services of its environmental professionals and technicians necessary to perform the work described in the attached Proposal hereto and incorporated herein by reference. The attached Proposal will specify the time of performance, amount and method of payment and any other special conditions applicable to this project.
2. Performance: Allied agrees to perform the professional, environmental and technical services described in the attached Proposal in good faith under the terms and conditions set forth in this Agreement. Allied's responsibility is limited to work specifically performed by Allied for Client. Allied is not responsible for acts or omissions of Client, its officers, directors, employees or agents, or any third party not under the direct control of Allied. Allied's services will be performed, findings obtained, and recommendations prepared in accordance with professional standards and practices generally and currently accepted at the time and at the locality where services are rendered. Allied does not warrant that its services create or guarantee a specific result. The representations in this paragraph are in lieu of all warranties either expressed or implied.
3. Insurance: Allied and Client agree to each maintain statutory Worker's Compensation, Employer's Liability Insurance, General Liability Insurance, and Automobile Insurance coverage for the duration of this Agreement. Additionally, Allied will maintain Professional Liability Insurance for Allied's negligent acts, errors, or omissions in providing services pursuant to this Agreement. If a project is Design-Build, the Client and all subcontractors providing professional design or other services (e.g., architects, engineers, inspectors, etc.) shall maintain professional or similar liability insurance for claims arising from its negligent performance of said services. Proof of insurance shall be provided, upon request, prior to commencement of said services.
4. Differing Site Conditions: The conditions at the site are the property of the Client/Owner regardless of whether or not they could be identified by an investigation or exploration conducted according to the professional standard or care. A "Differing Site Condition" is a subsurface, hidden, latent, or physical condition at a project site/building not revealed by the site exploration, site investigation, or other information provided to the Client and which cannot reasonably be anticipated. Allied is not responsible for any subsurface or concealed conditions, utilities, structures or other obstructions (collectively hereinafter "Conditions") not identified by Client provided: (i) Allied is not required to investigate such conditions except as identified in the attached Proposal, and (ii) Allied performs the work in accordance with principles and practices generally and currently accepted at the time and in the locality where the services are rendered. If during the course of the work, Allied discovers differing site conditions, hazardous substances, pollutants, contaminants, or utilities on the site which were not disclosed prior to Allied's submission of the attached Proposal Letter, and this discovery materially increases the cost and/or schedule for Allied's services; then Allied shall be entitled to an equitable adjustment for additional fees, expenses, and time for performance. Accordingly, Client agrees to indemnify, including all costs and attorney's fees, and hold Allied harmless from all claims for Differing Site Conditions, provided Allied performs the services specified in the Contract in a manner reasonably conforming to the terms of the Contract and to the Standard of Care.
5. Force Majeure: The Client shall not hold Allied responsible for damages or delays in performance caused by force majeure, acts of God, or other acts or circumstances beyond the control of Allied, or that could not have been easily foreseen and prevented including, but not limited to fire, weather, floods, earthquakes, epidemics, war, riots, terrorism, strikes, and unanticipated site conditions.
6. Extra Work: Services not specified in the Scope of Services set forth in this Agreement or due to regulatory changes shall be considered "extra work." No "extra work" will be performed without additional compensation per a supplemental agreement.
7. Indemnity: To the fullest extent permitted by law, Allied and Client shall defend, indemnify and hold each other, their officers, employees, agents, insurers, sureties, and parent and affiliated

corporations, harmless from any and all losses, consequential damages, expenses (including but not limited to attorneys' consultants' and experts' fees), claims, suits, liabilities, fines, penalties, and remedial or clean-up costs arising out of or in any way related to each party's: (i) negligent or willful misconduct with regards to the performance of the Work; (ii) any breach of this Subcontract; or (iii) any negligent or willful act or omission by each party, their invitees, or any person performing Work directly or indirectly on behalf of each party, regardless of whether the other party is partially at fault. This indemnity and defense obligations shall apply to any claim against either party by any employee of the other party; and each party shall not assert as a defense in any suit by the other party to enforce obligations under this Article any immunity or other defense provided under any worker's compensation or other laws. Each party's obligations under this Article shall not be limited by any other provision of this Agreement or by any law. Any damages recoverable shall bear interest at the annual rate of 18%, or the highest rate allowed by law, if lower.

With the exception of losses or injury caused by the negligence of Allied, the Client also agrees:

a. To waive any claims of liability against Allied for injury or loss allegedly arising from the activities required by the study or from the discovery of the existence or possible existence of any hazardous substances, pollution or contamination of any type on or under the facility or any adjacent property whether resulting from previous or existing operations.

b. To waive any claims against Allied resulting from the inability to cure such conditions or otherwise achieve an agreement to consummate the sale or lease of the facility if currently contemplated.

8. Limitations of Liability: Notwithstanding the obligations in Paragraph 7, to the fullest extent permitted by law, Allied's total liability to Client is limited to the greater of \$100,000 or two times Allied's fee, for any and all damages or expenses arising out of this Agreement from any cause(s) or under any theory of liability. In no event shall Allied be liable for consequential damages, including, without limitation, loss of use or loss of profits, incurred by Client or its subsidiaries or its successors, regardless of whether such damages are caused by breach of contract, willful misconduct, negligent act or omission, or other wrongful act of either of them.

9. Handling of Hazardous Materials: Client recognizes and agrees that Allied is not a "generator," "transporter," "owner," or "treater," of hazardous waste or hazardous materials nor is Allied an "owner," or "operator" of the job site (as all such terms are used and defined under state and federal laws). Allied shall have no responsibility for the transportation, storage, treatment, or disposal of contaminated or potentially contaminated waste materials or materials of any kind, whether or not directly or indirectly generated from Allied's performance of the services hereunder except as specifically set forth in the attached Proposal. Client shall be responsible for the proper treatment, storage, and/or disposal of any such materials.

Client warrants and guarantees that title, as between Client and Allied, to all hazardous materials, substances, pollutants, and contaminants originating or removed from the job site by Allied will remain in and with Client. Client further warrants and guarantees that, as between Client and Allied, it will not challenge the ownership of substances enumerated above by any means, including suits in state or federal court, arbitration or actions in any form.

10. Governing Law and Forum: Any dispute between the parties arising out of or relating to this Agreement shall be governed by Kansas Law. Good faith negotiation and mediation are express conditions precedent to the filing of any legal action. Mediation shall be conducted in accordance with the latest edition of the Construction Mediation Rules of the American Arbitration Association.

11. Termination Without Default: If at any time during the performance of services hereunder, (a) Client requires Allied to stop work or (b) Allied, in its sole discretion, is of the opinion that (i) continuation of work would create an unnecessary or unreasonable safety and/or health risk to its employees or others or (ii) sub surface conditions and/or contaminants differ significantly from conditions, events, or contaminants which were reasonably foreseeable at the time this Agreement was executed, then this Agreement shall be

deemed complete and terminated. Upon such termination, neither party hereto shall have any further liability to the other with respect to this Agreement, except for any moneys currently owed to Allied at the time of termination; any expenses which cannot be avoided as a result of termination; and return of or submission of any materials to Client in Allied's possession which are to be returned to Client under the terms of this Agreement. Such termination shall not be considered a default by either party.

12. Payment: Client shall be obligated to pay all undisputed labor costs and project costs as agreed to in the scope of work, as follows: (a) project labor fees itemized in lump sum, hourly, or unit price format; (b) project costs such as (but not limited to) rental of special equipment (and necessary fuel, if any), analytical testing, subconsultants, subcontractors, vendors, special supplies, field supplies, and incidental parts and equipment necessary to complete the work etc.; (c) project reimbursable expenses such as (but not limited to) overnight employee expense (meals-motel-incidentals), vehicle mileage, rental vehicles (and necessary fuel), public agency fees, taxes, extraordinary costs of reproducing documents or publishing reports and deliverables, and postage, if any, associated with the scope of work, with itemization of these costs. All (b) project costs will be marked up 10%, and all (c) reimbursable expenses will be passed through at direct cost. The Client authorizes Allied to pay all bills associated with the scope of work, whether incurred by Allied or the Client. All project costs and reimbursable expenses related to the work shall be included in the monthly bills as additional costs.

Billing shall be upon project completion or monthly, whichever is less. Outstanding balances shall be due within 30 days from the date of invoice and subject to a late charge of 1.50% per month or the maximum allowed by law, whichever is less. Late charges shall be added for all amounts past due and re-billed after 30 days.

Collection of all undisputed amounts due Allied by the Client shall be at the Client's expense. Allied may enforce a lien against documents in Allied's possession acquired by its services, in accordance with Kansas law. Allied shall be entitled to recover reasonable expenses, including attorney's fees, incurred in collecting amounts billed pursuant to this Agreement, whether or not a lawsuit is brought.

Invoice items subject to dispute by the Client, whether fees, costs, or expense, shall be segregated by both parties for resolution, and all other fees, costs, and expense shall be promptly paid in accordance with this Agreement. Disputed items shall then be resolved by negotiation between the parties involved.

13. Entire Agreement: The terms and conditions set forth herein constitute the entire understanding of the parties relating to the services to be provided by Consultant to client as described in the attached Proposal. All previous proposals, offers, and other communications relative to the provisions in the services by Consultant, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated herein. Any modifications or revision of any provisions hereof or any additional provisions contained in any purchase order, acknowledgment, or other form of Client are hereby expressly objected to by Consultant and shall not operate to modify this Agreement. This Agreement shall take effect upon acceptance and execution by both parties.

Any individual executing this document in a representative capacity represents and warrants that the individual possesses the authority to execute the document on behalf of the named principal.

**EXHIBIT A**

**ALLIED ENVIRONMENTAL CONSULTANTS, INC.  
2015 RATE SHEET**



**ALLIED ENVIRONMENTAL CONSULTANTS, INC.**

**PERSONNEL CLASSIFICATIONS AND TITLES**

PERSONNEL	TITLE	CLASSIFICATION	BILLING RATE
Paul R. Clark	President / Director Principal Geologist	PG-19	\$130.00
Don A. Breit	Vice President / Director Principal Geologist	PG-16	\$115.00
Theodore B. Francis	Principal Engineer	PE-15	\$110.00
Sheena M. Bruner	Environmental Geologist	EG-14	\$78.00
Cameron L. Salyers	Environmental Scientist	ES-13	\$75.00
Jennifer K. Thimesch	Project Administrator	PA-10	\$81.00
Kristi D. Ward	Project Administrator	PA-9	\$77.00
AEC AFFILIATES	TITLE	CLASSIFICATION	BILLING RATE
Ralph M. Keller	Certified Industrial Hygienist, Professional Engineer	PE-19	\$130.00

**ALLIED ENVIRONMENTAL CONSULTANTS, INC.  
CURRENT CLASSIFICATION BILLING RATES**

<b>CLASSIFICATION</b>	<b>BILLING RATE</b>
<b>PRINCIPAL/PROFESSIONAL - GEOLOGIST/ENGINEER</b>	
PG / PE -25	157.00
PG / PE -24	152.00
PG / PE -23	148.00
PG / PE -22	143.00
PG / PE -21	139.00
PG / PE-20	135.00
PG / PE-19	130.00
PG / PE-18	125.00
PG / PE-17	120.00
PG / PE-16	115.00
PG / PE -15	110.00
PG / PE -14	105.00
PG / PE -13	102.00
PG / PE -12	99.00
PG / PE -11	96.00
PG / PE -10	93.00
PG / PE -9	90.00
PG / PE -8	87.00
PG / PE -7	84.00
PG / PE -6	81.00
<b>ENVIRONMENTAL GEOLOGIST/SCIENTIST/ENGINEER</b>	
EG / ES / EE -25	122.00
EG / ES / EE -24	118.00
EG / ES / EE -23	115.00
EG / ES / EE -22	111.00
EG / ES / EE -21	108.00
EG / ES / EE-20	105.00
EG / ES / EE-19	100.00
EG / ES / EE-18	95.00
EG / ES / EE-17	90.00
EG / ES / EE-16	85.00
EG / ES / EE-15	80.00
EG / ES / EE -14	78.00
EG / ES / EE -13	75.00
EG / ES / EE -12	72.00
EG / ES / EE -11	69.00
EG / ES / EE -10	66.00
EG / ES / EE -9	63.00
EG / ES / EE -8	60.00
EG / ES / EE -7	57.00
EG / ES / EE -6	54.00

706945

First Published in the Wichita Eagle on July 31, 2015

**ORDINANCE NO. 50-056**

AN ORDINANCE AMENDING ORDINANCE NO. **49-445** OF THE CITY OF WICHITA, KANSAS DECLARING **MERIDIAN, BETWEEN PAWNEE AND ORIENT (472-84309)** TO BE A MAIN TRAFFICWAY WITHIN THE CITY OF WICHITA, KANSAS; DECLARING THE NECESSITY OF AND AUTHORIZING CERTAIN IMPROVEMENTS TO SAID MAIN TRAFFICWAY; AND SETTING FORTH THE NATURE OF SAID IMPROVEMENTS, THE ESTIMATED COSTS THEREOF, AND THE MANNER OF PAYMENT OF SAME.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. SECTION 2 of Ordinance No. **49-445** is hereby amended to read as follows:

“SECTION 2. SECTION 2 of Ordinance No. **47-967** is hereby amended to read as follows:

SECTION 2. SECTION 3 of Ordinance No. **46-850** is hereby amended to read as follows:

SECTION 3. The cost of the construction of the above described improvements is estimated to be **Six Million Four Hundred Sixty Thousand Dollars (\$6,460,000)** exclusive of the cost of interest on borrowed money, with \$2,000,000 paid by Storm Water Utility and \$4,460,000 paid by the City of Wichita. Said City cost, when ascertained, shall be borne by the City of Wichita at large by issuance of General Obligation Bonds under the authority of K.S.A. 12-689.”

SECTION 3. The original SECTION 2 of Ordinance No. **49-445** is hereby repealed.

SECTION 4. That the City Clerk shall make proper publication of this ordinance, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 28th day of July, 2015.

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JEFF LONGWELL, MAYOR

ATTEST:

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KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

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JENNIFER MAGAÑA, CITY ATTORNEY  
AND DIRECTOR OF LAW

**RESOLUTION NO. 15-218**

**A RESOLUTION SUPPLEMENTING THE PROJECT AUTHORIZED BY ORDINANCE NO. 49-597 OF THE CITY OF WICHITA, KANSAS, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS TO PAY THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS IN THE CITY.**

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**WHEREAS**, the City of Wichita, Kansas (the “City”) is a municipal corporation, duly created, organized and existing under the Constitution and laws of the State; and

**WHEREAS**, the Governing Body is authorized, pursuant to K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 of the City (the “Act”) to issue general obligation bonds of the City without an election for the purpose of paying for the construction, purchase or improvement of any public improvement, including the land necessary therefore, and for the purpose of rebuilding, adding to or extending the same as the necessities of the City may require and for the purpose of paying for certain personal property therefore; and

**WHEREAS**, the Governing Body hereby finds and determines that it is necessary and advisable to make certain public improvements described as follows:

**Design, acquisition of right-of-way, utility relocation, administration, and construction of improvements to Meridian, between Pawnee and McCormick (472-85124).**

(the “Project”) and to provide for the payment of all or a portion of the costs thereof by the issuance of general obligation bonds of the City pursuant to the Act; and

**WHEREAS**, certain design and right of way acquisition costs of the Project have been previously authorized pursuant to **Ordinance No. 49-597**, and this Resolution is intended to supplement that Ordinance and to authorize additional improvements and expenditures as a part of the Project pursuant to the Act.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AS FOLLOWS:

**Section 1. Project Authorization.** It is hereby authorized ordered and directed that the Project be acquired and/or constructed at an estimated cost of **\$8,841,314, inclusive of the amount previously authorized by Ordinance No. 49-597**, in accordance with the plans and specifications therefor prepared under the direction of the City Engineer and approved by the Governing Body; and plans and specification to be placed on file in the office of the City Engineer.

**Section 2. Project Financing.** All or portion of the costs of the Project, interest on financing and administrative and financing costs shall be financed with the proceeds of general obligation bonds of the City (the “Bonds”). The Bonds may be issued to reimbursed expenditures made on or after the date which was 60 days before the date of adoption of **Ordinance No. 49-597** to the extent of Bonds authorized thereunder, and 60 days before the date of this Resolution, to the extent of the increased authorization contained herein, all pursuant to Treasury Regulation §1.150-2.

**Section 3. Effective Date.** This Resolution shall be in full force and effect from and after its adoption by the Governing body.

ADOPTED by the City Council of the City of Wichita, Kansas, on July 21<sup>st</sup>, 2015.

\_\_\_\_\_  
JEFF LONGWELL, MAYOR

ATTEST:

\_\_\_\_\_  
KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
JENNIFER MAGAÑA, CITY ATTORNEY  
AND DIRECTOR OF LAW

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Design Services Agreement for Fox Ridge Plaza Addition (District V)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the agreement.

**Background:** On May 6, 2014, the City Council approved petitions for paving, drainage and sewer improvements to serve a new residential development located south of 37<sup>th</sup> Street North, east of Maize Road.

**Analysis:** The proposed agreement between the City and Mid Kansas Engineering Consultants (MKEC) provides for design of the improvements. In accordance with Administrative Regulation 1.10, MKEC is an engineering consultant upon whom the City and developer mutually agree for this work and as this firm provided the preliminary engineering services for the platting of the subdivision, can expedite plan preparation.

**Financial Considerations:** The total costs of the agreement is \$90,800, which includes \$49,500 for drainage, \$20,500 for sewer and \$20,800 for paving improvements. Funding is available within the existing budget, approved by the City Council on May 6, 2014 and is funded by special assessments.

**Legal Considerations:** The Law Department has reviewed and approved the agreement as to form.

**Recommendation/Action:** It is recommended that the City Council approve the agreement and authorize the necessary signatures.

**Attachment:** Agreement.

AGREEMENT

for

PROFESSIONAL SERVICES

between

THE CITY OF WICHITA, KANSAS

and

MKEC ENGINEERING, INC.

for

FOX RIDGE PLAZA ADDITION

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the CITY OF WICHITA, KANSAS, party of the first part, hereinafter called the "CITY" and MKEC ENGINEERING, INC., party of the second part, hereinafter called the "ENGINEER".

WHEREAS, the CITY intends to construct;

**STORM WATER DRAIN NO. 394** serving Lots 1 through 8, Block 1, Fox Ridge Plaza Addition (north of 37<sup>th</sup> St N, east of Maize Rd) (Project No. 468-84953\_751534).

**STORM WATER SEWER NO. 485** serving Lots 1 through 8, Block 1, Fox Ridge Plaza Addition (north of 37<sup>th</sup> St N, east of Maize Rd) (Project No. 468-84952\_751535).

**LEFT TURN LANES ON MAIZE ROAD** serving Lots 1 through 8, Block 1, Fox Ridge Plaza Addition (north of 37<sup>th</sup> St N, east of Maize Rd) (Project No. 472-85167\_766337).

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. SCOPE OF SERVICES

The ENGINEER shall furnish professional services as required for designing improvements in Fox Ridge Plaza Addition and to perform the project tasks outlined in the SCOPE OF SERVICES (**Exhibit "A"**).

II. IN ADDITION, THE ENGINEER AGREES

- A. To provide the various technical and professional services, equipment, material and transportation to perform the tasks as outlined in **Exhibit "A"**.
- B. To attend meetings with the City and other local, state and federal agencies as necessitated by the SCOPE OF SERVICES.
- C. To make available during regular office hours, all calculations, sketches and drawings such as the CITY may wish to examine periodically during performance of this agreement.

- D. To save and hold CITY harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of ENGINEER, its agents, servants, employees, or subcontractors occurring in the performance of its services under this agreement.
- E. To maintain books, documents, papers, accounting records and other evidence pertaining to costs incurred by ENGINEER and, where relevant to method of payment, to make such material available to the CITY.
- F. To comply with all Federal, State and local laws, ordinances and regulations applicable to the work, including Title VI of the Civil Rights Act of 1964, and to comply with the CITY'S Affirmative Action Program as set forth in Exhibit "B" which is attached hereto and adopted by reference as though fully set forth herein.
- G. To accept compensation for the work herein described in such amounts and at such periods as provided in Article IV and that such compensation shall be satisfactory and sufficient payment for all work performed, equipment or materials used and services rendered in connection with such work.
- H. The ENGINEER agrees to complete and deliver the field notes, preliminary and final plans (including final tracings), specifications and estimates to the CITY within the time allotted for the project as stipulated below; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions or inactions of the CITY or other agencies, or for other unavoidable delays beyond the control of the ENGINEER.
- I. Covenants and represents to be responsible for the professional and technical accuracies and the coordination of all designs, drawings, specifications, plans and/or other work or material furnished by the ENGINEER under this agreement. ENGINEER further agrees, covenants and represents, that all designs, drawings, specifications, plans, and other work or material furnished by ENGINEER, its agents, employees and subcontractors, under this agreement, including any additions, alterations or amendments thereof, shall be free from negligent errors or omissions.
- J. ENGINEER shall procure and maintain such insurance as will protect the ENGINEER from damages resulting from the negligent acts of the ENGINEER, its agents, officers, employees and subcontractors in the performance of the professional services rendered under this agreement. Such policy of insurance shall be in an amount not less than \$500,000.00 subject to a deductible of \$10,000.00. In addition, a Workman's Compensation and Employer's Liability Policy shall be procured and maintained. This policy shall include an "all state" endorsement. Said insurance policy shall also cover claims for injury, disease or death of employees arising out of and in the course of their employment, which, for any reason, may not fall within the provisions of the Workman's Compensation Law. The liability limit shall be not less than:

Workman's Compensation – Statutory  
Employer's Liability - \$500,000 each occurrence.

Further, a comprehensive general liability policy shall be procured and maintained by the ENGINEER that shall be written in a comprehensive form and shall protect ENGINEER against all claims arising from injuries to persons (other than ENGINEER'S employees) or damage to property of the CITY or others arising out of any negligent act or omission of ENGINEER, its agents, officers, employees or subcontractors in the performance of the professional services under this agreement. The liability limit shall not be less than \$500,000.00 per occurrence for bodily injury, death and property damage. Satisfactory Certificates of Insurance shall be filed with the CITY prior to the time ENGINEER starts any work under this agreement. In addition, insurance policies applicable hereto shall contain a provision that provides that the CITY shall be given thirty (30) days written notice by the insurance company before such policy is substantially changed or canceled.

- K. To designate a Project Manager for the coordination of the work that this agreement requires to be performed. The ENGINEER agrees to advise the CITY, in writing, of the person(s) designated as Project Manager not later than five (5) days following issuance of the notice to proceed on the work required by this agreement. The ENGINEER shall also advise the CITY of any changes in the person designated Project Manager. Written notification shall be provided to the CITY for any changes exceeding one week in length of time.

### III. THE CITY AGREES:

- A. To furnish all available data pertaining to the project now in the CITY'S files at no cost to the ENGINEER. Confidential materials so furnished will be kept confidential by the ENGINEER.

- B. To provide standards as required for the project; however, reproduction costs are the responsibility of the ENGINEER, except as specified in Exhibit "A".
- C. To pay the ENGINEER for his services in accordance with the requirements of this agreement.
- D. To provide the right-of-entry for ENGINEER'S personnel in performing field surveys and inspections.
- E. To designate a Project Manager for the coordination of the work that this agreement requires to be performed. The CITY agrees to advise, the ENGINEER, in writing, of the person(s) designated as Project Manager with the issuance of the notice to proceed on the work required by this agreement. The CITY shall also advise the ENGINEER of any changes in the person(s) designated Project Manager. Written notification shall be provided to the ENGINEER for any changes exceeding one week in length of time.
- F. To examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER in a timely fashion.

IV. PAYMENT PROVISIONS

- A. Payment to the ENGINEER for the performance of the professional services required by this agreement shall be made on the basis of the lump sum fee amount specified below:

Project No. 468 84953	\$49,500
Project No. 468 84952	\$20,500
Project No. 472 85167	\$20,800
<b>TOTAL</b>	<b>\$90,800</b>

- B. When requested by the CITY, the ENGINEER will enter into a Supplemental Agreement for additional services related to the project such as, but not limited to:
  - 1. Consultant or witness for the CITY in any litigation, administrative hearing, or other legal proceedings related to the project.
  - 2. Additional design services not covered by the scope of this agreement.
  - 3. Construction staking, material testing, inspection and administration related to the project.
  - 4. A major change in the scope of services for the project.
 If additional work should be necessary, the ENGINEER will be given written notice by the CITY along with a request for an estimate of the increase necessary in the not-to-exceed fee for performance of such additions. No additional work shall be performed nor shall additional compensation be paid except on the basis of a Supplemental Agreement duly entered into by the parties.

V. THE PARTIES HERETO MUTUALLY AGREE:

- A. That the right is reserved to the CITY to terminate this agreement at any time, upon written notice, in the event the project is to be abandoned or indefinitely postponed, or because of the ENGINEER'S inability to proceed with the work.
- B. That the field notes and other pertinent drawings and documents pertaining to the project shall become the property of the CITY upon completion or termination of the ENGINEER'S services in accordance with this agreement; and there shall be no restriction or limitation on their further use by the CITY. Provided, however, that CITY shall hold ENGINEER harmless from any and all claims, damages or causes of action which arise out of such further use when such further use is not in connection with the project.
- C. That the services to be performed by the ENGINEER under the terms of this agreement are personal and cannot be assigned, sublet or transferred without specific consent of the CITY.
- D. In the event of unavoidable delays in the progress of the work contemplated by this agreement, reasonable extensions in the time allotted for the work will be granted by the CITY, provided, however, that the ENGINEER shall request extensions, in writing, giving the reasons therefor.
- E. It is further agreed that this agreement and all contracts entered into under the provisions of this agreement shall be binding upon the parties hereto and their successors and assigns.
- F. Neither the CITY'S review, approval or acceptance of, nor payment for, any of the work or services required to be performed by the ENGINEER under this agreement shall be construed to operate as a waiver of any right under this agreement or any cause of action arising out of the performance of this agreement.

- G. The rights and remedies of the CITY provided for under this agreement are in addition to any other rights and remedies provided by law.
- H. It is specifically agreed between the parties executing this agreement, that it is not intended by any of the provisions of any part of this agreement to create the public or any member thereof a third party beneficiary hereunder, or to authorize anyone not a party to this agreement to maintain a suit for damages pursuant to the terms or provisions of this agreement.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this agreement as of the date first written above.

BY ACTION OF THE CITY COUNCIL

\_\_\_\_\_  
Jeff Longwell, Mayor

SEAL:

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

*Jennifer Magaña*  
\_\_\_\_\_  
for Jennifer Magaña, Director of Law and  
City Attorney

MKEC ENGINEERING, INC.

*Jason A. Gish*  
\_\_\_\_\_  
(Name/Title)

Jason A. Gish, ASLA, Project Manager

ATTEST:

*Cynthia A. Womack*  
\_\_\_\_\_  
Cynthia A. Womack, Admin. Asst.

**EXHIBIT "A"**

**SCOPE OF SERVICES**

Fox Ridge Plaza Addition  
(north of 37<sup>th</sup> St N, east of Maize Rd)  
**(Project No. 468-84953, 468-84952, 472-85167)**

The ENGINEER shall furnish engineering services as required for the development of plans, supplemental specifications and estimates of the quantities of work for the PROJECT in the format and detail required by the City Engineer for the City of Wichita. Engineering plans shall be prepared per Attachment No. 1 to Exhibit "A".

In connection with the services to be provided, the ENGINEER shall:

When authorized by the CITY, proceed with development of Plans for the PROJECT based on the preliminary design concepts approved by the CITY.

1. Field Surveys. Provide engineering and technical personnel and equipment to obtain survey data as required for the engineering design. Utility companies shall be requested to flag or otherwise locate their facilities within the project limits prior to the ENGINEER conducting the field survey for the project. Utility information shall be clearly noted and identified on the plans.
2. Storm Water Pollution Prevention. On projects that disturb one acre or more, the ENGINEER will prepare a storm water pollution prevention plan, prepare the necessary permit application(s) and include any provisions or requirements in the project plans and special provisions. The storm water pollution prevention plan shall also include submittal of a Notice of Intent (NOI) prior to bidding; site-specific erosion control plan; and standard Best Management Practice (BMP) detail sheets per Attachment No. 1 to Exhibit "A".
3. Soils and Foundation Investigations. The CITY may authorize ENGINEER to direct an approved Testing Laboratory to perform subsurface borings and soils investigations for the PROJECT, which shall be reported in the format and detail required by the City Engineer for the City of Wichita. The Testing Laboratory shall be responsible for the accuracy and competence of their work. The ENGINEER'S contract with the Testing Laboratory shall provide that the Testing Laboratory is responsible to the City for the accuracy and competence of the Testing Laboratory's work. If required the cost of soils and boring investigations shall be prepared as a supplemental agreement between City of Wichita and the ENGINEER. This may be required for bridges, structures, retaining walls and other locations.
4. Review Preliminary Design Concepts. Submit preliminary design concepts for review with the City Engineer or his designated representative prior to progressing to detail aspects of the work unless waived by the City Engineer.
5. Drainage Study. When applicable, conduct a detailed study to explore alternative design concepts concerning drainage for the project. Present the findings in writing identifying recommendations to the CITY, including preliminary cost estimates, prior to development of final check plans. Such written findings and recommendations must be in a format which is self explanatory and readily understood by persons with average backgrounds for the technology involved.
6. Plans & Specifications. Prepare engineering plans, plan quantities and supplemental specifications as required. Pay items of work shall conform to the CITY's Master Bid Item List. Engineering plans will include incidental drainage where required and permanent traffic signing. The project's plans and proposed special provisions shall address the requirements included in the City's Administrative Regulations 6.5, "Cleanup, Restoration or Replacement Following Construction." Also, final plans, field notes and other pertinent project mapping records are to be submitted per Attachment No. 1 to Exhibit "A". The files are to be AutoCAD drawing files or DXF/DXB files. Layering, text fonts, etc. are to be reviewed and approved during the preliminary concept development phase of the design work. Text fonts other than standard AutoCAD files are to be included with drawing files. In addition to supplying the electronic files of the AutoCAD drawing files of the final plans, ENGINEER will also need to supply electronic files of the drawings in PDF format.
7. Landscaping. Where landscaping may be required along arterial streets, ENGINEER should use plant material that is drought resistant and requires low maintenance in a xeriscape concept, and is consistent with the City of Wichita Landscape Policy for Arterial Streets. A landscape architect should be included on the Consultants' Design Team.
8. Property Acquisition. Prepare right-of-way/easement tract maps and descriptions as required in clearly drawn detail and with sufficient reference to certificate of title descriptions. ENGINEER will perform all

necessary survey work associated with marking the additional right-of-way or easements. This shall include the setting monuments of new corners for any additional right-of-way and a one time marking of the right-of-way for utility relocations. **The ENGINEER shall perform all necessary title work and sufficient research for determination of current right-of-way and easements.**

9. **Utility Coordination.** Identify all potential utility conflicts and provide preliminary field check plans showing the problem locations, posted to the City's FTP site. **Plans will clearly identify specific utility company facilities by color and by name (i.e. not just "gas" or "fiber optic").** ENGINEER shall include a conflict list for each utility, also posted to the FTP site. ENGINEER shall meet with utility company representatives to review plans and utility verification forms (**Attachment No. 3 to Exhibit "A"**) at **each milestone date and as directed by the CITY and as determined necessary by the ENGINEER.** This information will be compiled into a summary report (**Attachment No. 4 to Exhibit "A", also available on the City's FTP site**) maintained and updated by ENGINEER as necessary to present a cohesive and reflective status of utilities, and provided to the City as necessary. **ENGINEER shall maintain involvement with utility companies until all conflicts have been resolved (not just identified).** When appropriate, the City Engineer will approve the identification on plans of conflicts to be resolved during construction. ENGINEER shall meet with involved utility company/ies and project contractor to resolve any conflicts with utilities that occur during construction.
10. **Staking Information.** All applicable coordinate control points and related project staking information shall be furnished on a map on the plans, as well on CD-ROM, as a text file, along with the project PDF's. This coordinate information will be used by the CITY for construction staking purposes. See **Attachment No. 2 to Exhibit "A"** for required coordinate information.
11. **Shop Drawings.** All shop drawings submitted by the contractor for the project shall be reviewed and, when acceptable, approved for construction by the ENGINEER for the project.
12. **Public Meeting.** The ENGINEER shall meet with effected property owners, along with City staff, at a pre-construction Public Information Meeting, as arranged by the City, to explain project design, including such issues as construction phasing and traffic control.
13. **New Right-of-Way Monumentation.** The ENGINEER shall complete permanent monumentation of all new right-of-way, and complete and submit all necessary legal documentation for same.
14. **Section Corner Monuments.** The Engineer shall provide services required by KSA Chapter 58, Article 20, Statute 58-2011, any time a section corner or monument will be endangered, disturbed, or removed. The City of Wichita Construction Engineer will receive a copy of all Land Survey Reference Reports submitted to the Secretary of State Historical Society. All costs associated with this effort shall be the responsibility of the Engineer. The City will provide a three business day notice to the Engineer to mark the monument location for re-establishment after pavement work is completed. The City will then core and install a cast iron monument box and cover. The Engineer will be notified within three business days after the box is installed to reset the final monument.
15. **Permits.** The ENGINEER shall prepare any and all necessary permits for this project, such as the preparation of applications for U.S. Army Corps of Engineers (404) permits, Division of Water Resources permit, Kansas Department of Wildlife and Parks permit and Kansas Department of Health and Environment permit. Also if requested by the CITY, obtain construction approval from the U.S. Army Corps of Engineers and assist the CITY in coordinating the archaeological review of the PROJECT. **The ENGINEER shall be responsible for the cost of all permit fees that are required to complete the PROJECT. The cost shall be included in the design fee submitted by the ENGINEER.**
16. **Project Milestones.** The ENGINEER agrees to complete and deliver the field notes, preliminary and final plans, specifications and estimates to the CITY within the time allotted for the project as stipulated below; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions or inactions of the CITY or other agencies, or for other unavoidable delays beyond the control of the ENGINEER.

**Field Check Plans and an estimate for the project due by (N/A).**

**Office Check Plans and an estimate for the project due by July, 2015.**

**Completion of all work required by this agreement (including submittal of final approved plans, field notes, and related project documents by September, 2015.**

## **Attachment No. 1 to Exhibit "A" – Scope of Services**

### **Plan Submittal**

*Water* projects plans shall be submitted with (1) set of mylar plans; and a CD of the .dwgs and .pdfs. This includes projects that have the water plans incorporated into that project, for which the cover sheet should also be included.

Storm Sewer, Sanitary Sewer and Paving plans shall be submitted in a .dwg and .pdf format on a CD.

In addition, two (2) sets of 11"x17" plans will be submitted at the time of final .pdf submittal for ALL projects, regardless of the type.

### **Storm Water Pollution Prevention**

For any project disturbing one acre of ground or more, the design Consultant must prepare a Notice of Intent and a Storm Water Pollution Prevention Plan and submit them to the KDHE for approval. Complete copies of the approved NOI and SWP3 must be provided to the City, prior to bidding. One hard copy should be provided to the project engineer upon approval, one electronic copy should be included with your transmittal of PDF plan files, and one additional electronic copy should be sent to the attention of Mark Hall at the following address:

City of Wichita  
Storm Water Division  
455 N. Main 8<sup>th</sup> Floor  
Wichita, KS 67202

**THIS INCLUDES ALL PROJECTS DISTURBING ONE ACRE OR MORE – I.E. NEW DEVELOPMENT, ARTERIAL STREETS, DIRT STREETS, BIKE PATHS, SEWER MAINS, ETC.**

The City of Wichita will, under no circumstance, bid any project without first receiving copies of the KDHE approved NOI and SWP3.

The design of all City of Wichita construction projects must also include the development of a site-specific erosion control plan. The site-specific erosion control plan must be included in the project plans. Every component and requirement of the erosion control plan must be separately and accurately accounted as a measured quantity bid item in the engineer's estimate. Bidding erosion control as "1 LS" is not allowed.

Please note that careful consideration must be given to the transition of BMP maintenance responsibilities throughout the course of multi-phased projects. All intended responsibilities must be clearly demonstrated by the bid items. For example, if it is intended that the contractor of a subsequent waterline project be responsible for the maintenance of silt fence installed with a preceding sanitary sewer project, a measured quantity bid item must be submitted for x-lf of silt fence maintenance.

The City's current BMP standard detail sheets shall be included in all plans. These five sheets must be included in every plan set developed for the City of Wichita, regardless of project size.

**Attachment No. 2 to Exhibit "A" – CIP Scope of Services**

**Required Plan Coordinate Information**

**Arterial Street Projects & Infill (Existing Neighborhoods)**

**I. SANITARY SEWER**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all possible control as established or attained during preliminary survey, including but not limited to – section corners, property irons, intersection center-center irons, other set monuments
- benchmarks, including TBM set with preliminary survey
- center of manholes
- end of manhole stubs (when longer than five feet)

**II. WATER LINE**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all possible control as established or attained during preliminary survey, including but not limited to – section corners, property irons, intersection center-center irons, other set monuments; any necessary points for establishing BL, including P.I.'s in BL
- benchmarks, including TBM set with preliminary survey
- beginning and ends of pipe
- all P.I.'s/deflections (horizontal and vertical)
- FH's, tees, bends, air release, valves

**III. STORM SEWER**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all possible control as established or attained during preliminary survey, including but not limited to – section corners, property irons, intersection center-center irons, other set monuments; any necessary points for establishing BL, including P.I.'s in BL
- benchmarks, including TBM set with preliminary survey
- center of inside face on Type 1/1A curb inlets; center of high edge on Type 2 curb inlets
- for skewed inlets typically in intersection radii, or not parallel to baseline – center of curb inlet **AND** center of inside face on Type 1/1A curb inlets; center of high edge on Type 2 curb inlets
- end of end section, at CL of pipe
- center, end of pipe at outside face of headwall; if headwall not perpendicular to pipe, each corner of headwall at outside face
- center of all drop inlets, manholes, and other structures
- center of RCBC at each end (outside face of hubguard); if box rotated, each corner, outside face

**IV. PAVING**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all possible control as established or attained during preliminary survey, including but not limited to – section corners, property irons, intersection center-center irons, other set monuments; any necessary points for establishing BL, including P.I.'s in BL
- benchmarks, including TBM set with preliminary survey
- center of signal poles, service and junction boxes, controller, etc.; ends and P.I.'s for retaining walls, at back of walls

**THE SAME COORDINATE SYSTEM SHALL BE USED FOR ALL SEPARATE PHASES OF A LARGER INFILL OR ARTERIAL STREET PROJECT.**

## **Sub-Division Projects**

### **I. SANITARY SEWER**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all platted control irons (set or not), including plat boundary irons, for the entire sub-division, not just the current phase
- benchmarks, including TBM set with preliminary survey
- center of manholes
- back and/or front lot corners for specifically referenced easement grading, outside that included in mass grading projects; include coordinates for vertical P.I. locations not at lot corners
- end of manhole stubs (when longer than five feet)

### **II. WATER DISTRIBUTION SYSTEM**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all platted control irons (set or not), including plat boundary irons, for the entire sub-division, not just the current phase
- benchmarks, including TBM set with preliminary survey
- beginning and ends of pipe
- all P.I.'s/deflections (horizontal and vertical)
- FH's, tees, bends, air release, valves

### **III. WATER SUPPLY LINE**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all possible control as established or attained during preliminary survey, including but not limited to – section corners, property irons, intersection center-center irons, other set monuments; any necessary points for establishing BL, including P.I.'s in BL
- benchmarks, including TBM set with preliminary survey
- beginning and ends of pipe
- all P.I.'s/deflections (horizontal and vertical)
- FH's, tees, bends, air release, valves

### **IV. STORM SEWER**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all platted control irons (set or not), including plat boundary irons, for the entire sub-division, not just the current phase
- benchmarks, including TBM set with preliminary survey
- center of inside face on Type 1/1A curb inlets; center of high edge on Type 2 curb inlets
- for skewed inlets typically in intersection radii, or not parallel to baseline – center of curb inlet AND center of inside face on Type 1/1A curb inlets; center of high edge on Type 2 curb inlets
- end of end section, at CL of pipe
- center, end of pipe at outside face of headwall; if headwall not perpendicular to pipe, each corner of headwall at outside face
- center of all drop inlets, manholes, and other structures
- center of RCBC at each end (outside face of hubguard); if box rotated, each corner, outside face

### **V. MASS GRADING**

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all platted control irons (set or not), including plat boundary irons, for the entire sub-division, not just the current phase
- benchmarks, including TBM set with preliminary survey
- all lot corners

- any grade breaks between front & rear lot corners
- high points/low points within drainage easements
- street area
  - centerline @ 100' Sta on tangent sections
  - pc/pt points & 50' along curves
- special drainage swales
  - pc/pt points, pi's & 50' Sta in between
- ponds
  - any grades breaks between pond bottom and rear property line
  - pc/mid radius/pt around pond curves
- for irregular shaped lots (mainly commercial or industrial developments) provide TIN file

## VI. PAVING

Provide a standard bubble map, as part of the plans, showing locations of numbered points, and a table with point number, northing and easting coordinates, description, and BL station for each point, for the following:

- all platted control irons (set or not), including plat boundary irons, for the entire sub-division, not just the current phase
- benchmarks, including TBM set with preliminary survey

**In addition to the required coordinate information, the following shall be included in all plans, at a minimum, as needed for construction staking on all City projects.**

- Include copy of plat(s) on all plans, as relevant and approved by the Design Engineer
- Benchmarks – minimum of two City standards, four total desirable; as close to project as possible, even if TBM set with preliminary survey.
- Benchmark elevations must be in the same datum as the design (i.e. NAV 88 design needs NAV 88 benchmarks, not NAV 29)
- All control irons/identified property irons shall be shown on plans, with BL stationing and offset
- Show deflection angles in BL, and/or bearing/azimuth of BL sections
- Arterial project side streets – provide BL station at CL of intersection of the two streets, on the BL; BL station and offset to CL of side street at removal limits; include deflection angle from BL to CL of side street
- Existing FL/pavement grades shown at all match points
- Top of curb grades and stationing at all ends-of-return and horizontal/vertical P.I.'s, not just even stationing
- CL top of pavement grades for arterial
- CL elevation for streets on mass grading work @ 100' Sta in tangent sections and 50' on curves.
- **ELEVATION SHALL BE TO TOP OF ROCK BASE.**
- BL station and offset at all R/W changes; include R/W corners at all intersections, even if no change in R/W
- Clearly show existing grades at R/W and beyond; identify removal limits beyond R/W (for grade purposes) with BL station and offset, or dimension from R/W
- Show offset distance between BL and proposed street CL when not the same; establish clear relationship between the two
- BL station and offset to center of signal poles, service and junction boxes, controllers, etc.
- BL station and offset to back of retaining walls, at ends of walls and all P.I.'s
- Concrete pavement – provide detailed joint pattern, dimensions, and elevations for all valley gutters, intersections, and mainline pavement; should be separate plan sheet(s) with clear and project-specific details
- Storm Sewer – BL station and offset for all curb inlets, drop inlets, manholes, and other structures (to the coordinate point locations detailed in previous sheets); same for SS and WL – pertinent facilities should be referenced to BL station and offset
- Sanitary Sewer – show deflection angles between MH's
- Flow line elevations for manhole stubs
- Curve Tables – should include bends, tees, valves, FH's etc. for waterlines; ends-of-return, P.I.'s, etc. for paving
- Should be able to accurately scale off of plans

**Attachment No. 3 to Exhibit "A" – Scope of Services**

Project Name

**Utility Location Verification Non-CIP Project**

**Projected Bid Date:**

**UTILITY:** \_\_\_\_\_ **Checked by** \_\_\_\_\_ **on** \_\_\_\_\_

**Utility Location:**

- None in Project Limits       In Project Limits, No Relocation Necessary  
 Utility will need to relocate       Other (please describe)

**Briefly Describe Type and Location of Facilities within Project:**

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

**Estimate Time for Relocation:**  < 3 months  3-6 months  6-9 months  > 9 months

**Weather Sensitive:**  Yes  No If yes, please explain: \_\_\_\_\_

**Utility Plan Review:**

- Correct as Shown  Corrections needed  Attachments provided for Consultant

**Corrections necessary on plan sheets:**

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

**Additional Information requested from Consultant:** \_\_\_\_\_

\_\_\_\_\_

Please email this form on or before  to:

**If relocation is necessary:**

**Estimated clear date:** \_\_\_\_\_

**Completed by** \_\_\_\_\_ **(utility representative) on** \_\_\_\_\_ **(date)**

**Upon completion of relocation:**

**Relocation complete on:** \_\_\_\_\_

**Completed by** \_\_\_\_\_ **(utility representative) on** \_\_\_\_\_ **(date)**

**Attachment No.4 to Exhibit "A" - Scope of Services**

<b>Individual Project Name (i.e., Amidon, 21st to 29th Street North)</b>											
<b>Current Date</b>	<b>DOT Proj. NO / City Proj. NO</b>	<b>City Design Manager</b>	<b>Consultant</b>	<b>Date of First ULCC</b>	<b>Date of Second ULCC</b>	<b>Date of Plan Revision Distribution</b>	<b>Date of Second Plan Revision Distribution</b>	<b>R/W Purchased Y/N</b>	<b>Date Utilities notified of R/W completion</b>	<b>Project Proposed Bid Date</b>	<b>Proposed Utility Clear Date (project)</b>
2/21/2013	111111 / 222222	Kallman	Ken Lee / Ruggles & Deaton	2/21/2013	2/21/2013			No			
			<b>Utility Contact</b>	<b>Utility needs to relocate (Y/N)</b>	<b>Utility in Private Easement (Y/N)</b>		<b>Utility needs PROPOSED R/W to relocate (Y/N)</b>	<b>Relocation Weather Sensitive (Y/N)</b>	<b>Estimated Date of Utility Design Completion</b>	<b>Time needed for relocation after utility design complete</b>	<b>Individual Utility Clear Date</b>
<b>Westar (Distribution)</b>											
<b>Location in Project: (Describe Existing Facilities)</b>											
<b>Relocation Needs:</b>											
<b>Comments:</b>											
<b>Westar (Transmission)</b>											
<b>Location in Project: (Describe Existing Facilities)</b>											
<b>Relocation Needs:</b>											
<b>Comments:</b>											

<b>RCS</b>
<b>Location in Project:</b> (Describe Existing Facilities)
<b>Relocation Needs:</b>
<b>Comments:</b>
<b>Black Hills</b>
<b>Location in Project:</b> (Describe Existing Facilities)
<b>Relocation Needs:</b>
<b>Comments:</b>
<b>AT&amp;T</b>
<b>Location in Project:</b> (Describe Existing Facilities)
<b>Relocation Needs:</b>
<b>Comments:</b>

<b>Out</b>
<b>Location in Project: (Describe Existing Facilities)</b>
<b>Relocation Needs:</b>
<b>Comments:</b>
<b>Water</b>
<b>Location in Project: (Describe Existing Facilities)</b>
<b>Relocation Needs:</b>
<b>Comments:</b>
<b>Sewer</b>
<b>Location in Project: (Describe Existing Facilities)</b>
<b>Relocation Needs:</b>
<b>Comments:</b>

<p>Comments:</p>
<p>Relocation Needs:</p>
<p>Location in Project (Describe Existing Facilities)</p>
<p>Other:</p>
<p>Comments:</p>
<p>Relocation Needs:</p>
<p>Location in Project (Describe Existing Facilities)</p>
<p>Stormwater:</p>

**EXHIBIT "B"**

**REVISED NON-DISCRIMINATION AND  
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM  
REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this agreement, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this agreement, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
- B. Requirements of the State of Kansas:
1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.
- C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:
1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
  2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
  3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City

in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;

4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.
5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Acquisition of a Temporary Construction Easement at 2426 S. Hydraulic for the Pawnee Avenue from Hydraulic Avenue to Poplar Drive Improvement Project (District III)

**INITIATED BY:** Office of Property Management

**AGENDA:** Consent

---

**Recommendation:** Approve the acquisition.

**Background:** On June 11, 2013, the City Council approved the design for the improvement of Pawnee Avenue from Hydraulic Avenue to Poplar Drive. The project calls for the improvement of Pawnee to a five-lane roadway with a center turn lane and drainage improvements. The edges of the street will be lower than the existing gutter and will require grading of adjacent properties and or protection of the existing curbing in certain areas. A 600 square foot temporary construction easement is required from the property at 2426 S. Hydraulic. This property is improved with a single-family residence.

**Analysis:** The owner rejected the estimated market value of \$110 on the basis that the property is zoned commercial although the property is improved as single-family residence. The owner agreed to a settlement at \$160.

**Financial Considerations:** The funding source for the project is general obligation bonds. A budget of \$660 is requested. This includes \$160 for the acquisition and \$500 for title work, closing costs and other administrative fees.

**Legal Considerations:** The Law Department has approved the temporary construction easement as to form.

**Recommendation/Action:** It is recommended that the City Council 1) accept the temporary construction easement; 2) approve the budget; and 3) authorize any necessary signatures.

**Attachments:** Temporary construction easement and tract map.

## City of Wichita, Kansas

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### TEMPORARY EASEMENT

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**THIS AGREEMENT** Made and entered into this 13<sup>th</sup> day of June, 2015, by and Between

Yoshie Konuma Sagerty and Billie Joe Charles Sagerty, Trustees of the Yoshie Konuma Sagerty Revocable Living Trust, under Declaration of Trust dated September 28, 2010, as to an undivided ½ interest AND Billie Joe Charles Sagerty, Trustee of the Billie Joe Charles Sagerty Revocable Living Trust, under Declaration of Trust dated September 28, 2010, as to the remaining undivided ½ interest  
8420 E Stonebridge Lane  
Wichita, KS 67206

landowner(s), and the City of Wichita, Kansas.

For consideration as hereinafter set forth, the landowner(s) agree(s) to grant to the City of Wichita, Kansas, his duly authorized agents, contractors and assigns the right to enter upon the following described real estate in the County of Sedgwick, State of Kansas:

#### **See Legal Description Attached**

For the purposes of construction and related activities for the Pawnee Avenue Project.

Said right of entrance, occupation and use to continue only during the construction and completion of the above project. It is further agreed by and between the parties hereto that this easement is not intended to change the highway right of way line as it now exists.

The City of Wichita agrees to pay the landowner(s) a lump sum of One hundred sixty and no/100 Dollars ✓ (\$160.00) for the temporary easement over and upon the above described property.

It is understood and agreed that the consideration for said temporary easement is in full payment for the purchase of said easement and all damages arising from the transfer of said property interest and its use for the purpose above set out.

This easement expires ninety days (90) after completion of the construction project for which this easement is acquired or three years after the date first signed, whichever occurs sooner.

IN WITNESS WHEREOF, parties of the first part have hereunto subscribed their names, the day and year first above written.

By: *Yoshie Konuma Sagerty*  
Yoshie Konuma Sagerty, Trustee

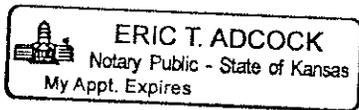
By: *Billie Joe Charles Sagerty*  
Billie Joe Charles Sagerty, Trustee

STATE OF Kansas, Sedgwick COUNTY, SS.

On this 13<sup>th</sup> day of June A.D. 2015, before me, a notary public in and for said county and state, personally appeared

Yoshie Konuma Sagerty and Billie Joe Charles Sagerty, Trustees

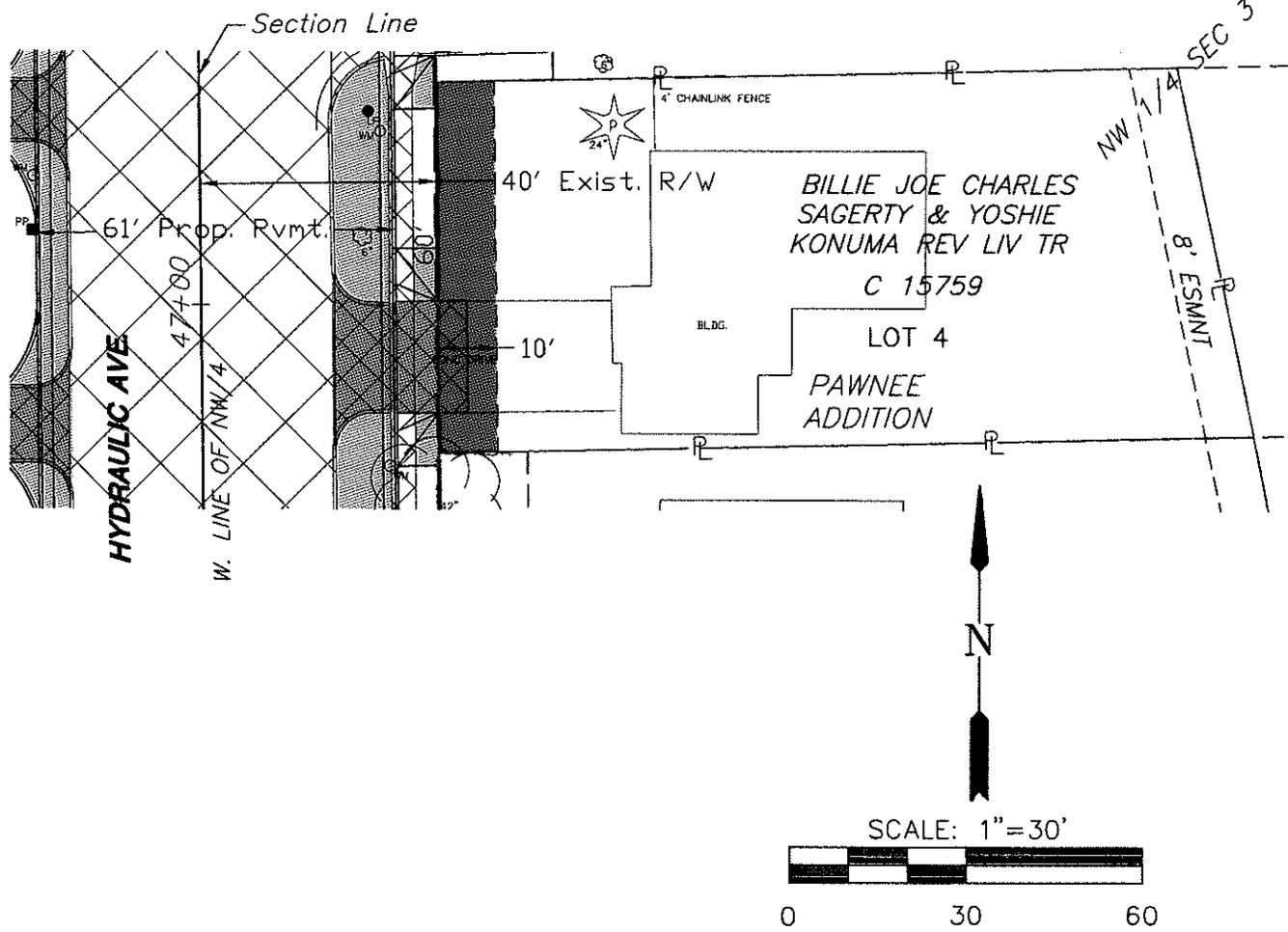
known to be the person(s) named in and who executed the foregoing instrument, and duly acknowledge the execution thereof.



*Eric T. Adcock*  
NOTARY PUBLIC

My commission expires 2/14/2017

*B.J.S.*



**LEGAL DESCRIPTION:**

A parcel of land lying in Lot 4, Pawnee Addition to Wichita, Sedgwick County, Kansas, said parcel of land being more particularly described as follows:

The west 10 feet of Lot 4, Pawnee Addition to Wichita, Sedgwick County, Kansas.

Said parcel contains 600 sq. ft.

**LEGEND:**

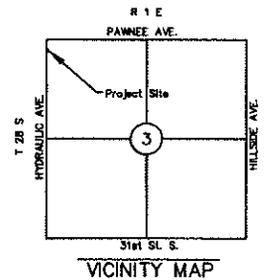
- Right of Way
- Temporary Construction Easement = 600 sq. ft.
- Existing paved drives, walks, and street to be removed and replaced.
- New street and sidewalk
- Property owners existing drive within Right-of-Way

**OWNER:**

BILLIE JOE CHARLES SAGERTY  
& YOSHIE KONUMA REV LIV TR  
8420 STONERIDGE LANE  
WICHITA KS 67206

**PROPERTY IDENTIFICATION:**

C 15759



THIS TRACT EXHIBIT DOES NOT CONSTITUTE A BOUNDARY SURVEY PLAT

		©2013 MKEC Engineering All Rights Reserved www.mkec.com These drawings and their contents, including, but not limited to, all concepts, designs, & ideas are the exclusive property of MKEC Engineering (MKEC), and may not be used or reproduced in any way without the express consent of MKEC.		 <b>MKEC</b> 411 N. Webb Rd. Wichita, KS 67206 316.844.8600		<b>PAWNEE AVE.-HYDRAULIC TO POPLAR          TEMPORARY CONSTRUCTION EASEMENT          TRACT MAP 28</b>		
		PROJECT NO. 0501010745    DATE: SEPTEMBER 2014    SHEET NO. 1 OF 1						
NO.    REVISION    DATE				DRAWN BY: DSN    DESIGNED BY: JA    APPROVED BY: JCM				

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council  
**SUBJECT:** Payment for Settlement of Claim  
**INITIATED BY:** Law Department  
**AGENDA:** Consent

---

**Recommendation:** Authorize payment of \$325,000 as a full settlement of the subject lawsuit.

**Background:** This lawsuit arises from an incident between a citizen and police which occurred on August 15, 2013. The case is currently pending in the Federal Court, *McIntosh v. City of Wichita*, 14CV 2402.

**Analysis:** The plaintiff has agreed to accept a lump sum payment of \$325,000 as full settlement of all his claims against the City of Wichita and its employees. Due to the uncertainty and risk of an adverse judgment at trial, the Law Department recommends the settlement. The settlement of this claim does not constitute an admission of liability on the part of the City or the employee; rather, it is merely a settlement to resolve a disputed claim.

**Financial Considerations:** Funding for this settlement is available from the City's Self Insurance Fund. Finance is directed to make any necessary budget adjustments and to issue any general obligation bonds, as necessary, to provide for payment of the approved settlement.

**Legal Considerations:** The Law Department recommends settlement of this claim for the amount of \$325,000. The bonding resolution has been prepared and approved as to form by the law department.

**Recommendations/Actions:** It is recommended that the City Council authorize payment of \$325,000 as full settlement of all possible claims arising out of the events which are the subject of this claim and adopt the resolution.

**Attachments:** Bonding resolution.

**RESOLUTION NO. 15-215**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS TO FUND A CIVIL LITIGATION SETTLEMENT.**

**WHEREAS**, K.S.A. 75-6113 (the "Act") provides that payment of any judgments, compromises or settlements for which a municipality is liable pursuant to K.S.A. 75-6101 *et seq.*, and amendments thereto, may be made from any funds or moneys of the municipality which lawfully may be utilized for such purpose or if the municipality is authorized by law to levy taxes upon property such payment may be made from moneys received from the issuance of no-fund warrants, temporary notes or general obligation bonds, provided that warrants or temporary notes issued shall mature serially at such yearly dates as to be payable by not more than 10 tax levies and any bonds shall be issued in accordance with the provisions of the general bond law and shall be in addition to and not subject to any bonded debt limitation prescribed by any other law of the state of Kansas; and

**WHEREAS**, the City of Wichita, Kansas (the "City"), is a municipality within the meaning of the Act; and

**WHEREAS**, the governing body of the City has heretofore approved a certain Settlement Agreement relating to an incident occurring on August 15, 2013, involving a City of Wichita police officer, under which Settlement Agreement the City is liable pursuant to K.S.A. 75-6101 *et seq.* to pay a settlement in the amount of \$325,000 and related expenses (the "Settlement"); and

**WHEREAS**, the governing body of the City hereby finds and determines it to be necessary to authorize the issuance of general obligation bonds of the City to finance the Settlement and related costs.

**THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:**

**SECTION 1. Financing.** The City is hereby authorized to issue general obligation bonds (the "Bonds") pursuant to the authority of the Act in an amount necessary to pay the costs of the Settlement, plus interest on interim financing and associated financing costs. Bonds may be issued to reimburse Settlement expenditures made on or after the date which is 60 days before the date of adoption of this Resolution, pursuant to Treasury Regulation §1.150-2.

**SECTION 2. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

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**ADOPTED** by the City Council of the City of Wichita, Kansas, on July 21st 2015.

(SEAL)

---

Jeff Longwell, Mayor

ATTEST:

---

Karen Sublett, City Clerk

APPROVED AS TO FORM:

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Jennifer Magaña, Director of Law

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Funding for HOME Program Administration

**INITIATED BY:** Housing and Community Services Department

**AGENDA:** Consent

---

**Recommendation:** Approve the transfer of \$9,104 from program income receipts, to support HOME program administration costs.

**Background:** On May 6, 2014, the City Council approved final allocations under the 2014-2015 First Program Year Action Plan, which included a total of \$123,885 for HOME Investment Partnerships (HOME) Program administration costs. On March 24, 2015, the Council approved supplemental funding for HOME Program Administration from 2014-2015 funding made available from program income receipts, in the amount of \$15,606. On May 5, 2015, the Council approved final allocations under the 2015-2016 Second Year Action Plan funding process, which included a total of \$110,784 for HOME Program administration costs. HOME funds are provided by the U.S. Department of Housing and Urban Development (HUD).

**Analysis:** The HOME Program is operated without financial assistance from the City's General Fund. Federal regulations allow a maximum of 10% of the annual allocation and 10% of program income, to be designated for program administration. Historically, the HOME Program has had to access program administration funds from program income to cover all costs. Program income is received from loan repayments from homebuyers who utilize the HOME Program for down payment and closing costs and repayments from Community Housing Development Organizations (CHDOs) that receive housing development subsidy loans.

**Financial Considerations:** HOME Program administration costs include staff salaries/benefits for 1.65 full time equivalent positions, the City's indirect administration charges, information technology, building rent and office supplies. Administrative costs incurred for the HOME Program during the 2014-2015 program year were \$155,392, and are estimated to be \$158,500 for the 2015-2016 program year. Funding in the amount of \$9,104 is available for HOME Program administration from 2014-2015 program income receipts. Unspent funding for HOME Program administration may be carried forward into future years in which the City's HOME Program grants could be reduced and/or program income receipts decline. In addition to this requested transfer, \$185,695 in remaining HOME Program administration funding is being carried over from the 2014-2015 program year, and will supplement the annual allocations in order to cover future HOME Program administration expenses.

**Legal Considerations:** The Law Department reviewed and approved the transfer as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the transfer of \$9,104 from program income receipts to support HOME program administration costs.

**Attachments:** None.

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** HOME Program; Amendment to Housing Development Loan Program Funding Agreement, Wichita Habitat for Humanity, Inc. (District I)

**INITIATED BY:** Housing and Community Services Department

**AGENDA:** Consent

---

**Recommendation:** Approve the contract amendment providing for additional funding, and authorize the necessary signatures.

**Background:** On February 10, 2015, the City Council approved HOME Program Housing Development Loan Program (HDLP) funding with Wichita Habitat for Humanity, Inc. (Wichita Habitat), in the amount of \$140,502 to subsidize development and construction of two single-family homes within the 1200 block of North Poplar, and four single-family homes within the 1200 block of North Green. Upon completion of construction, the homes are to be sold to income-eligible, owner-occupant homebuyers, who will receive down payment/closing costs assistance loans through the City's HOMEownership 80 Program. The funding is in the form of zero-interest, forgivable development subsidy loans.

**Analysis:** Wichita Habitat has requested additional funding for construction of one additional single-family home at 1240 N. Green. This will result in an amendment of the existing funding agreement for total of seven single-family homes. The organization has also requested additional HOME funding to offset the costs of accessibility modifications for homes at 1240 and 1205 N. Green. Federal regulations applicable to the HOME Program specify that newly constructed or rehabilitated housing developed for purchase with federal funds must be made accessible upon the request of the prospective buyer, if the nature of the prospective occupant's disability so requires.

**Financial Considerations:** A total of \$25,512 in additional funding is recommended under the amended funding agreement, which includes \$2,095 for the accessibility modifications to two homes, and \$23,417 for construction of the additional home. The additional funding will be provided from unallocated HOME funding available from the repayment of homebuyer assistance loans and repayments from Community Housing Development Organizations (CHDOs) and other developers that receive housing development subsidy loans from the HOME Program. This funding will be provided under the zero-interest, forgivable development subsidy loan structure.

**Legal Considerations:** The Law Department has reviewed and approved the amendment to the funding agreement as to form.

**Recommendations/Actions:** It is recommended that the City Council approve the contract amendment providing for additional funding, and authorize the necessary signatures.

**Attachments:** Amendment to funding agreement.

**SECOND AMENDMENT TO FUNDING AGREEMENT**

Between

**THE CITY OF WICHITA  
HOUSING AND COMMUNITY SERVICES DEPARTMENT**

A

**PARTICIPATING JURISDICTION**

And

**Wichita Habitat for Humanity, Inc.**

**A Non-Profit Housing Developer**

HOME Investment Partnerships Program

2014 Housing Development Loan Program

City of Wichita  
Housing and Community Services Department  
332 N. Riverview  
Wichita, KS 67203  
Phone (316) 462-3700  
Fax (316) 462-3719

This contract amendment is entered into July 21, 2015 and dated to be effective July 21, 2015, between the City of Wichita (hereinafter referred to as “the City”) and Wichita Habitat for Humanity, Inc., a non-profit Developer, hereinafter referred to individually as the Developer).

WITNESSETH THAT:

WHEREAS, the above named entities were parties to a Grant Agreement dated February 10, 2015, and effective the date executed by the Mayor of the City of Wichita, February 10, 2015, in the amount of \$140,502, in which the Developer agreed to undertake an affordable housing program involving the acquisition of property and construction of single-family homes.

NOW, THEREFORE, the above named parties, in order to fulfill the original intent of the grant agreement dated to be effective February 10, 2015 and executed February 10, 2015, and subsequently amended May 19, 2015, and dated to be effective May 19, 2015, and the intent of this amendment, entered into July 21, 2015 and dated to be effective July 21, 2015, hereby agree, covenant, and contract with each other that, effective July 21, 2015, the terms of the previously amended agreement are hereby reaffirmed and re-executed for and on behalf of these parties except for the following amendments, modifications, and changes indicated below:

(The remainder of this page intentionally left blank.)

SECTION 12. PAYMENTS.

A. Compensation and Method of Payment. Compensation and method of payment to the Developer, relative to conducting the operations of the project activities and services as herein described, will be carried out as specified in Exhibit B attached hereto, and will be administered under the established accounting and fiscal policies of the City of Wichita.

B. Total Payments. Total Payment to the Developer will not exceed \$166,014.00 as referenced in Exhibit B. Contract payments above \$166,014.00 are contingent upon the sale of completed projects and extended grant authority as a result of program income generated by the project.

C. Restriction on Disbursements. No Entitlement Funds shall be disbursed to the Developer or contractor except pursuant to a written contract, which incorporates by reference the general conditions of this contract.

D. Unearned Payments. Under this contract unearned payments may be suspended or terminated if the entitlement funds to the City of Wichita under the HOME Investment Partnerships Program (24 CFR Part 92) are suspended or terminated.

SECTION 31. APPENDICES. All exhibits referenced in this contract, all amendments mutually agreed upon, and modifications made by both parties are hereby incorporated as though fully set forth herein.

Exhibit A: Revised Non-Discrimination & Equal Employment Opportunity Statement

Exhibit B: Performance Criteria and Program Description

Exhibit C: Budget

Exhibit D: Development Budget

**Wichita Habitat for Humanity, Inc.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title of Wichita Habitat for Humanity, Inc. Officer

\_\_\_\_\_  
Date

**CITY OF WICHITA, KANSAS  
at the Direction of the City Council**

\_\_\_\_\_  
Jeff Longwell, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

\_\_\_\_\_  
Date

Approved as to Form:

\_\_\_\_\_  
Jennifer Magaña  
City Attorney and Director of Law

\_\_\_\_\_  
Date

**REVISED NON-DISCRIMINATION AND  
EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM  
REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS**

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
  
- B. Requirements of the State of Kansas:
  - 1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
  - 2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
  - 3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
  - 4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;

2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;

3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;

4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

**PERFORMANCE CRITERIA  
AND  
CONTRACT OBJECTIVES**

It is mutually agreed and understood by the City of Wichita and Wichita Habitat for Humanity, Inc., hereinafter referred to as the "City" and "Developer", that execution of this contract obligates the Developer to the following performance requirements.

In return for the \$166,014 remuneration stated herein, the Developer agrees to undertake an affordable housing program, which will result in the acquisition and redevelopment of sites as follows:

1227 N. Poplar, Wichita, Kansas

1255 N. Poplar, Wichita, Kansas

1222 N. Green, Wichita, Kansas

1201 N. Green, Wichita, Kansas

1205 N. Green, Wichita, Kansas

1241 N. Green, Wichita, Kansas

1240 N. Green, Wichita, Kansas

A single-family home is to be constructed on each site. Each single-family home must be sold to an income-eligible owner-occupant buyer. If a single-family home is not sold as described, within a period of nine (9) months following issuance of a Certificate of Occupancy by the City of Wichita, the unsold home must be converted to a single unit HOME-assisted rental project as described in Section IV of this Exhibit "B".

Housing constructed/developed under this agreement must be sold to a HOME-compliant owner-occupant buyer, with down payment and closing costs assistance provided through the City's HOMEownership 80 program. The City will hold the deed restrictions for this HOME assistance. (24 CFR 92.254, Qualification as Affordable Housing, Homeownership.) The Developer represents and agrees that its purchase of property and its other undertakings pursuant to this Agreement are, and will be, for the purpose of redevelopment of such property and not for speculation.

Sales prices of homes to be constructed/developed under this agreement shall be as follows:

4-Bedroom, 2-Bathroom Units with Single-Car Garage: \$82,000

3-Bedroom, 1-Bathroom Units, with Single-Car Garage: \$76,000

2-Bedroom, 1-Bathroom Units, with Single-Car Garage: \$70,000

(Prices may be increased, subject to approval by the City of Wichita's Housing and Community Services Department, for certain modifications or additional bedroom or bathroom finish requested by buyer.)

The Developer represents and agrees that it will remain the owner of the property until it reaches agreement with a prospective buyer(s) of the property and, by mutual agreement, the Developer will transfer title to the prospective buyer. All HOME assistance will be repaid to the City; except in cases where there are no net proceeds or where the net proceeds are insufficient to repay the full amount of assistance. Net proceeds will be considered funds available following adjustment for approved additional costs incurred by the Developer to prepare the property for ownership that were not collectable through sale of property. Funds that are not recoverable will be considered a development grant subsidy to the Developer.

#### I. Project Requirements

A. Project must conform to regulations under 24 CFR Part 92. The HOME Investment Partnerships Program regulation. Specific references can be found as follows:

**24 CFR 92.250**, Maximum Per Unit Subsidy: The amount of HOME funds invested per unit may not exceed the per-unit dollar limits established under section 221 (d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the City of Wichita.

**24 CFR 92.251**, Property Standards: Housing constructed with HOME funds must meet all applicable local codes, ordinances and zoning ordinances at the time of project completion, and must comply with the current version of the CABO Model Energy Code. Housing must be inspected upon completion and throughout construction to verify compliance.

**24 CFR 92.254(a)(2)(iii)**, Maximum Property Value: Housing created or acquired and rehabilitated with HOME funds must be modest in nature and affordable to a low-income buyer. The maximum purchase price or value cannot exceed 95 percent of median purchase price for the area, as determined by HUD.

B. Prior to executing any contracts for sale of assisted properties, the Developer must confirm that the City has certified that the applicant household meets the HOME Program income requirements and that the household's eligibility has been verified through a review of source documentation in accordance with 24 CFR 92.203.

## II. Program Content

- A. The use of HOME funds provided under this contract will be limited to the subsidy of actual costs involved in the acquisition of property, construction of homes, purchase and re-habilitation of existing homes, demolition, and the developer fees earned in connection with completion of each unit.

Funding under this agreement will be provided in the form of a 0% interest development subsidy loan to complete the project as approved by the Department of Housing and Community Services.

- B. Upon execution of this contract, the Developer shall proceed to complete acquisition of the individual project sites as described herein, upon completion of environmental reviews or within 60 days of execution of this agreement, whichever date comes later. An extension of time for site acquisition may be approved by the City of Wichita Housing and Community Services Department on a case-by-case basis.
- C. Developer will identify potential owner-occupant buyers for the homes to be constructed, will assist them in applying for and securing first mortgage financing, will assist them in applying for down payment assistance loans to be provided by the City, and will coordinate final closings. The Developer is prohibited from charging servicing, loan origination, processing, inspection, or other fees that represent the cost of providing HOME assistance.
- D. Developer shall complete closing of construction loans in order to leverage HOME funds construction investment, in an amount equivalent to 70% or more of the appraised value of the home to be constructed, as approved by the City, within 60 days of the acquisition of the project sites, or within 60 days of signing a purchase agreement with an owner-occupant buyer who has obtained a written commitment for long-term mortgage financing, whichever date comes later.
- E. The Developer shall commence construction activities at each individual project site within 45 days of construction loan closing, but no later than 360 days from the date of execution of this funding agreement. Each single family home is to be completed within a period of six months. Final site improvements are to be completed as seasonally appropriate.

III. Administration

The Developer will supervise operations and administration on a day-to-day basis. The Developer’s Board of Directors is ultimately responsible for program administration, if applicable.

- A. Funding: It is mutually agreed by and between the City and the Developer that the total HOME funds available for this project will be \$166,014.00 in the form of forgivable development subsidy loans, to be used as set forth in the sections entitled Budget and Method of Payment.
  
- B. Budget: The City shall pay the Developer as hereinafter set out; the maximum of \$166,014.00 for the program described in this contract. A developer fee in the amount of 10% of the total development cost will be paid to the Developer in connection with a completed project. The developer fee will be pre-determined at the onset of the construction of the home, and will be paid upon the closing of the sale of the individual home. Proceeds from the sale of the home, less the aforementioned developer fee, and applicable costs will be returned to the City, in the form of a payoff of the development subsidy loan provided under this agreement. Contract payments over and above the original budgeted amount are contingent upon the sale of completed homes/projects, and extended grant authority as a result of repayments generated by the sale of the completed home. Extended grant authority may be utilized to develop additional housing units under the terms of this agreement. Funding under this agreement shall be originally budgeted as follows:

Contractual Expenses: (Acquisition, Demolition, Rehabilitation or Construction Expenses, Eligible Project Soft Costs deemed necessary and as approved by the Department of Housing and Community Services, Site Improvements, 10% Developer Fee, Construction Loan Refinance/Principal Reduction, Operating Reserves, 5% Contingency.)

\$ 166,014.00

TOTAL \$ 166,014.00

- C. Method of Payment: The Developer agrees that payments under this contract shall be made according to established budgeting, purchasing and accounting procedures of the City of Wichita and HOME.
  - 1. The City and the Developer also agree that the categories of expenditures and amounts are estimates and may vary during the course of the contract. Changes greater than \$10,000, other than those within the scope of this agreement must be approved by the City Council.

2. The Developer will ensure all costs are eligible according to the approved budget. The original documentation supporting any expenditure made under this agreement will be retained in the Developer's files for five (5) years after the final audit of expenditures made under this contract and throughout the applicable period of affordability.
3. Construction costs to be reimbursed based on direct costs and percentage completion, as determined by the City, of each project. Fully documented draw requests will be processed on Friday of the week submitted. Payment will be available for receipt by the Developer within three weeks of the Friday on which the draw request was received.

#### IV. Conversion of Homeownership Activities (Sites) to Rental Projects

In the event that a single-family home and real estate developed under this agreement has not been sold to an eligible homebuyer, as evidenced by a ratified sales contract, within nine (9) months of completion, the unit must be converted to a HOME rental unit that complies with all HOME requirements for the period of affordability applicable to such unit (20 years), as described in this Section IV. For purposes of this Section IV, the "Developer" shall become the "Owner", and the following additional requirements of this Section IV shall apply:

##### A. Project Requirements

1. Project must conform to regulations under 24 CFR Part 92, commonly known as the HOME Regulations.
2. 24 CFR Part 92, Subpart F specifically describes maximum HOME contribution per unit, Property Standards, Tenant and participation rents and protections, and period of affordability based on the level of HOME fund contributions.

Specific references to HOME Project Requirements can be found as follows:

**24 CFR 92.252**, Qualification as affordable housing: Rental Housing. The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families and must meet the requirements of this part, in order to qualify as affordable housing.

**24 CFR 92.253**, Tenant and participant protections apply, and are related to lease terms, termination of tenancy, and tenant selection.

**24 CFR 92.504**, Required Annual On-Site Inspections of HOME-assisted Rental Housing.

- B. Initial rents for HOME-assisted units are as follows, per 2015 HUD guidelines:

2 Bedroom: \$723 - \$198 (Utility Allowance) = \$525.00

3 Bedroom: \$856 - \$229 (Utility Allowance) = \$622.00

4 Bedroom: \$956 - \$275 (Utility Allowance) = \$681.00

These rents assume that homes constructed under this program will feature gas heat and gas water heating, an electric range, electric air conditioning, with other electric appliances and electric lighting. **Electric ranges and refrigerators are to be provided. The tenant will pay for all utilities, including water service, sewer service, and trash service. If utilities are to be provided in an alternative manner, the Owner will notify the City so that HOME rents can be re-calculated. HOME rents are subject to revision by HUD on an annual basis. HOME assisted units will be subject to rent limitations and other requirements specified in Section 92.252, during the period of affordability.**

Should any of the units developed under this agreement be converted to rental housing, the Rent and Utility Allowance schedule shall approved and issued for use by the Developer, by the City of Wichita's Housing and Community Services Staff, at the time of conversion.

The Owner is also required to lease the HOME-assisted unit to households earning 60% or less of median annual income for the area, as determined by HUD. This requirement, in addition to the other requirements in Section 92.252, will be in effect during the period of affordability.

Units with four bedrooms may be allowed on a case-by-case basis, subject to City approval. The City will provide HOME rent amounts and utility allowances as required.

- C. Procedures for Rent Increases: The Owner will submit requests for rental increases 60 days prior to the effective date of the proposed rent increase for approval by the City of Wichita's Housing and Community Services Department staff.
- D. Leases, Tenant Selection Policies, and standards for its waiting lists will comply with 24 CFR Part 92.253, and the Owner will submit these documents to City staff for review and approval, prior to lease-up.
- E. The Owner shall maintain project/tenant records for a period of no less than five years.
- F. Owner agrees to inspection of all HOME-assisted units following completion to ensure compliance with the requirements of 24 CFR Part 92.251 (a) (1) and (3). The Owner must maintain the housing in compliance with 24 CFR Part 92.251 for

the duration of the affordability period, and agrees to inspection of the HOME-assisted units on an annual basis, in order to verify continued compliance with 24 CFR Part 92.251 and 24 CFR Part 92.252.

- G. Owner agrees to execute a document placing deed restrictions and covenants against the property in order to comply with 24 CFR Part 92.252. Said restrictions and covenants will be in force for the period of affordability, which is 20 years, beginning the date of project completion. Definition of project completion is specified in 24 CFR, Part 92.2. Said document will be filed of record by the City.
- H. Owner agrees to comply with the Fair Housing and Equal Opportunity Act. (92.202 and 92.250), Title VI of Civil Rights Act of 1964, (42 USC 2000d et.seq.), Fair Housing Act (42 USC3601-3620) Executive Order 11063 (amended by Executive order 12259), Age Discrimination Act of 1975, as amended (42 USC 6101), 24 CFR 5.105 (a).

Owner must comply with federal requirements set forth in 24 CFR part 5, subpart A. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace. Nondiscrimination requirements at section 282 of the Act are applicable.

- J. Owner must comply with the affordability requirements in 24 CFR Part 92.252 as applicable. If Owner fails to comply with the affordability requirements in 24 CFR Part 92.252 repayment of HOME funds is required.
- K. The Owner/Project Management must verify the income of tenants of HOME-assisted units prior to occupancy, per the requirements of 24 CFR Part 92.203 (a) (1) (I). Copies of source documentation are required to be maintained in tenant files. Project Management must re-examine the income of tenants of HOME-assisted units on an annual basis. Project Management will utilize the definition of annual income described in 24 CFR Part 92.203 (b) (1), also known as the Section 8 Method.
- L. The Owner/Project Management agree to adopt affirmative marketing procedures and requirements and prepare a written Affirmative Marketing Plan for the project. The Affirmative Marketing Plan must be available for public inspection in the leasing office. The plan must contain specific steps and actions that the developer will take to provide information and otherwise attract eligible persons of all racial, ethnic, and gender groups in the housing market area of the available housing. Specific activities that must be included in the Developer's Affirmative Marketing Plan include:
  - 1. Display the Equal Housing Opportunity logo, slogan or statement in all advertising material related to this project.

2. Display the HUD Equal Housing Opportunity logo, slogan or statement at the construction site, from the start of construction, and properly maintained throughout the construction and rental period
3. Send notices of housing availability (using form approved by the City) to agencies from a list provided by the City.
4. Provide copies of all materials sent to community contacts announcing the housing availability to the City of Wichita Housing Services Department.
5. No later than 90 days prior to engaging in marketing activities, the Agency should notify the City of Wichita Housing Services Department, either in writing or by telephone of the earlier of the dates on which: (1) the Agency plans to begin initial marketing activities; (2) accepts leasing applications; and (3) begins leasing units.
6. The Owner must begin marketing activities 90 days prior to the anticipated date of availability for occupancy of the first unit of the project.
7. The Owner will retain copies of all documentation related to marketing efforts, and make available for City inspection.
8. The Owner will provide, for the year ending June 30 of each year, beginning June 30, 2015, an annual report, in a format to be provided by the City. Said report shall be due to the City of Wichita July 10 of each applicable year.

V. Records and Reports

- A. Records shall be maintained documenting performance to be indicated in an annual report. Records are subject to review by the City.
- B. **The Developer will provide, for the year ending June 30 of each year, beginning June 30, 2015, an annual report of the HOME funded portion of the program.** It shall indicate yearly expenditures, cumulative expenditures since program inception and balance remaining. Yearly expenditures will be identified by category of expenditure (acquisition, rehabilitation, developer's fee, accounting & legal, architects). The report shall also indicate, by race and sex, the number of households/persons served during the year with HOME funds. The report shall also provide the total number of contracts awarded and the number of contracts awarded to minority-and women-owned businesses. The City reserves the right to change the due dates and contents of reports to be submitted under this clause.

The financial reports will be provided until such time as there are no expenditures. The owner shall continue to provide a report that indicates, by race and sex, the number of households/persons served during the year with HOME funds, when applicable. The report shall also provide the total number of contracts awarded and the number of contracts awarded to minority- and women-owned businesses. Said report shall be due to the City of Wichita **July 10** of each applicable year.

- C. Additionally, a narrative or other description of progress may be provided.
- D. Records shall be maintained valuing in-kind services, and donated goods and services, to be reported in the same manner as other annual reports.

## VI. Conditions Precedent to Construction

The following items (matters) must be provided (completed) prior to beginning construction on the project and related improvements:

- A. The Developer agrees to execute a document placing deed restrictions and covenants against properties on which projects are constructed, in order to comply with 24 CFR 92.254. Said restrictions and covenants will be in force until such time as a property/home is re-sold, as specified in this agreement.
- B. Provide a detailed overall project/unit budget, including but not limited to a Sources and Uses of Funds Statement.
- C. Provide Certificates regarding Debarment and Suspension, and/or lists of contractors/subcontractors to be utilized and other file documentation as requested by the City in order to comply with HOME regulations.
- D. Submit final construction plans, specifications and a budget for each home to be constructed for approval by the Housing and Community Services Department, City of Wichita. (Not in connection with plan review or obtaining applicable permits.) Individual home construction may not begin until a Notice to Proceed has been issued by the Housing and Community Services Department.
- E. Provide evidence that ownership interest in the property vests in Wichita Habitat for Humanity, Inc. (Copy of Deed, and/or Title Insurance Binder/Policy)
- F. The Developer will obtain any and all permits required by the City prior to undertaking construction.
- G. The Developer will obtain construction loans from private sector financial institutions, in an amount equivalent to a minimum of 70% of the appraised value of the home to be developed/constructed on each project site. Developer to

provide a construction loan appraisal for each individual home to be constructed under this agreement, which is to be reviewed and approved by the City, prior to construction.

- H. The Developer will obtain the approval of the City of Wichita Housing and Community Services Department for any changes to the previously submitted project plan. This includes changes in costs, as well as changes in the project scope or plans.
- I. The Developer shall obtain Builder's Risk Insurance for the home to be constructed, in an amount sufficient to repay the amount of the face amount of the first mortgage construction loan, plus anticipated interest expense, and the total anticipated HOME funds investment in the project. The Developer is also responsible for workers compensation insurance and general liability insurance.
- J. The Developer shall not undertake construction, reconstruction or rehabilitation on a site contaminated by hazardous materials without undertaking a Phase I environmental assessment of the site in a form, scope and substance satisfactory to the City. The Developer shall consult with Wichita/Sedgwick County Department of Environmental Health regarding the necessity and scope of the environmental assessment. The Developer shall remediate or cause to be remediated all contaminants and hazardous materials as required or recommended by the Wichita/Sedgwick County Department of Environmental Health. Such remediation shall be accomplished in accordance with the requirements of applicable environmental laws of the Kansas Department of Health and Environment, the federal Environmental Protection Agency and the U.S. Department of Housing and Urban Development. During the process of redevelopment and/or construction, should the Developer discover any soil staining or odors emanating from soil at the project site, the Developer must cease work immediately, and notify the City.
- K. The Developer shall submit any subdivision plats, street designs, variance requests, lot split requests, or any other documentation regarding zoning adjustments required to carry out construction of a home or a group of homes to the Housing and Community Services department for review and approval, prior to submission to the Wichita/Sedgwick County Metropolitan Area Planning Department, or the Wichita/Sedgwick County Metropolitan Area Planning Commission.
- L. In addition to the above, the Developer agrees to provide any additional documentation deemed necessary by the City to comply with program regulations, including, but not limited to, real estate contracts and mortgage loan commitment documentation.

VII. Other Program Requirements

A. The Developer agrees to adopt affirmative marketing procedures and requirements and prepare a written Affirmative Marketing Plan for this project. The Affirmative Marketing Plan must be available for public inspection in the Developer's office. The plan must contain specific steps and actions that the Developer will take to provide information and otherwise attract eligible persons for all racial, ethnic, and gender groups in the housing market area to the available housing. Specific activities that must be included in the Developer's Affirmative Marketing Plan include:

1. Display of the Equal Housing Opportunity logo, slogan or statement in all advertising material related to this project.
2. Display of the HUD Equal Housing Opportunity logo, slogan or statement at the construction site, from the start of construction, and properly maintained throughout the construction and rental period.
3. No later than 90 days prior to engaging in marketing activities, the Developer should notify the City of Wichita Housing and Community Services Department, either in writing or by telephone of the dates on which the Developer plans to: (1) begin initial marketing activities; (2) accept purchase contracts; and (3) start initial sales.
4. The Developer must begin marketing activities 90 days prior to the anticipated date of availability for occupancy of the first unit of the project.
5. The Developer must market/advertise the housing opportunity utilizing publications, such as community newspapers, in an effort to attract income-qualified homebuyers.

B. The City and agents designated by the City shall, at all reasonable times during the development of the project and construction or rehabilitation, have the right of entry and free access to the project and all parts thereof, and the right to inspect all work done, labor performed and materials furnished in or about the project and all records relative to all payments made in connection with the project.

The Developer shall have the responsibility of maintaining the property until such time as the development project is complete and the newly constructed home has been sold to a HOME-eligible buyer.

C. Site Improvements: The City may require a Developer to undertake site improvements upon completion of construction. Site improvements include, but are not limited to, seeding or sodding of front yards, and 4' chain-link fencing.

Said site improvements must be undertaken when seasonally appropriate. The City reserves the right to make an exception on a case-by-case basis.

- D. Warranty: The Developer must provide a one-year construction warranty for all homes constructed or rehabilitated under this contract.
- E. Developer is required to obtain insurance coverage for all perils, including vandalism, in an amount equivalent to the amount of the first mortgage construction loan balance plus interest, and the total HOME funds investment, in the event that a home constructed under this agreement has not sold, as of the day of completion, and the Builder's Risk Insurance Policy will no longer provide adequate coverage.
- F. Developer is responsible for retaining all records in connection with projects undertaken with HOME funding provided under this contract, including but not limited to, real estate purchase contracts, invoices, property development documentation, infrastructure development, and other records as further specified in this agreement.
- G. Developer shall apply for City incentives for projects undertaken with funding provided under this agreement, including property tax rebates and permit fee waivers.

#### VIII. Program Evaluation

The City shall evaluate this project based on the objectives stated in this Exhibit. Failure by the Developer to provide the level of service stated herein may result in a determination by the City to modify the level of payment to the Developer on a pro rata basis with level of service. The Developer's records are subject to review by the City to ensure the accuracy and validity of information reported in progress reports.

#### IX. Project Close-Out

The Developer shall provide all records and reports as deemed necessary by the City, in order to satisfy federal requirements related to final reporting and project close-out, in accordance with

**BUDGET**

Contractual Expenses: (Acquisition, Demolition, Rehabilitation or Construction Expenses, Eligible Project Soft Costs deemed necessary and as approved by the Department of Housing and Community Services, Site Improvements, 10% Developer Fee, Construction Loan Refinance/Principal Reduction, Operating Reserves.)

\$ 166,014.00

TOTAL

\$ 166,014.00

**DEVELOPMENT BUDGET**

**Per Unit Cost (Prepare for One Unit)**

(A) Site Acquisition Cost	4,000.00
(B) Plus: Construction (Hard) Costs Including Demolition	90,732.29
(C) Plus: Project Soft Costs (Loan Fees, Interest, Appraisals, Property Taxes, Surveys, Utilities, Advertising/Affirmative Marketing Expense, etc.)	1,810.00
(D) Plus: Estimated Permit Fees (Include Water/Sewer Tap Fees if Applicable – Enter “0.00” if project is to be undertaken in the City NRA)	0.00
(E) Plus: Required Site Improvements (Fencing; Lawn Seeding)	2,500.00
(F) Subtotal (A+B+C+D+E); Preliminary Per-Unit Development Cost	99,042.29
(G) Plus: Developer Fee ( __10__ %) of Original Per-Unit Development Cost of \$98,743	9,874.00
(H) Total Per-Unit Cost (F + G)	108,916.29
(I) Less: Anticipated Net Sale Proceeds, after expenses and real estate commission	78,000.00
(J) Less: Cash Match Contributions (Other Sources Contributed to the Project, on a per-unit basis, such as AHP development subsidy.)	7,200.00
<b>(K) Project Subsidy (Gap Financing) Required, per unit (H – I – J)</b>	<b>23,716.29</b>

Sources and Uses of Funds Statement for 7 Housing Units

<u>Sources</u>	<u>Amount</u>	<u>Uses</u>	<u>Amount</u>
Construction Financing	546,000.00	Acquisition Costs	28,000.00
		Project “Soft” Costs	12,670.00
HOME (Gap) Financing	166,014.00	Construction Costs	635,126.00
Repayment of Subsidy Loans		Site Improvements	17,500.00
Gifts in Kind	50,400.00	Developer Fee	69,118.00
<b>TOTAL</b>	<b>762,414.00</b>	<b>TOTAL</b>	<b>762,414.00</b>

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Mayor and City Council

**SUBJECT:** Relocation of Pipeline in Southfork Commercial Addition (District III)

**INITIATED BY:** Department of Public Works & Utilities

**AGENDA:** Consent

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**Recommendation:** Approve the increased expenditures.

**Background:** On April 16, 2013, the City Council approved a pipeline relocation and reimbursement agreement with Southern Star Central Gas Pipeline to relocate a pipeline in a private easement within Southfork Commercial Addition. The pipeline relocation was necessary for construction of infrastructure and development of the property.

**Analysis:** Southern Star has submitted final costs which are higher than the original estimated amounts for the relocation. The increase in the actual cost over the original estimate is mainly due to two failed boring attempts before resorting to installation of the pipe using open trench methods.

**Financial Considerations:** The original estimated relocation cost was \$1,129,480. The agreement provides that the City will reimburse for 100% of the actual cost of the relocation. The final Southern Star invoice brings the total cost of relocation to \$1,566,497, which is an increase of \$437,017. Funding is available in the existing petition budget, approved by the City Council on February 25, 2014 and is funded by special assessments.

**Legal Considerations:** The Law Department reviewed and approved the reimbursable agreement to form on April 16, 2013.

**Recommendation/Action:** It is recommended that the City Council approve the increased expenditures in compliance with the approved agreement.

**Attachments:** Invoices.

# SOUTHERN STAR

**CENTRAL GAS PIPELINE**

Southern Star Central Gas Pipeline, Inc.  
 4700 Hwy 56  
 P.O. Box 20010  
 Owensboro, Kentucky 42301  
 Phone 270/852-5000

June 17, 2015

The schedule below shows the invoices billed to the City of Wichita for the Southfork Development project.

	Billed	Paid	Amount Owed
M0011671	74,770.40	74,770.40	-
M0011813	214,229.49	214,229.49	-
M0011852	351,647.72	351,647.72	-
M0011899	550,760.06		550,760.06
M0011986	321,075.61		321,075.61
M0012026	51,282.98		51,282.98
M0012108	2,730.51		2,730.51
	1,566,496.77	640,647.61	925,849.16

Diane Bowers  
 Property Accounting  
 270-852-4601



Southern Star Central Gas Pipeline, Inc.  
4700 Highway 56  
P.O. Box 20010  
Owensboro, KY 42304

270-852-5000

**Account:**

City Of Wichita  
Attn: City Engineer's Office  
455 N. Main Street - 7th Floor  
Wichita, KS 67202  
United States

**Date:** 12/18/14  
**Invoice Number:** M0011899  
**Terms:** Net 30 Days

**Remit To:**

Southern Star Central Gas Pipeline, Inc.  
Attn Treasury  
P O Box 20010  
Owensboro, KY 42304-0010

**For Questions regarding this invoice contact:**

Diane Bowers  
270-852-4601

**Invoice Description:**

Interim billing for charges to relocate our Line TE for the Southfork Development.

**Invoice Line Item:**

Southern Star charges	\$9,330.14
Total material	\$6,162.93
Total Outside Engineering	\$167.50
Total Construction Contractor Cost	\$526,950.68
Total Inspection Services	\$14,077.02
Total Surveying Charges	\$1,308.84
Total Environmental Charges	\$175.86
Total AFUDC	\$2,041.55
Total administrative & general overhead	(\$9,454.46)

**Please Pay This Amount**

**\$550,760.06 USD**



Southern Star Central Gas Pipeline, Inc.  
4700 Highway 56  
P.O. Box 20010  
Owensboro, KY 42304

**Date:** 01/30/15  
**Invoice Number:** M0011986  
**Terms:** Net 30 Days

270-852-5000

**Account:**  
City Of Wichita  
Attn: City Engineer's Office  
455 N. Main Street - 7th Floor  
Wichita, KS 67202  
United States

**Remit To:**  
Southern Star Central Gas Pipeline, Inc.  
Attn Treasury  
P O Box 20010  
Owensboro, KY 42304-0010

**For Questions regarding this invoice contact:**  
Diane Bowers  
270-852-4601

**Invoice Description:**

Interim billing for charges to relocate our Line TE for the Southfork Development.

**Invoice Line Item:**

Southern Star charges	\$1,474.01
Total material	(\$3,801.77)
Total Outside Engineering	\$766.75
Total Construction Charges	\$257,087.43
Total Inspection Services	\$56,275.06
Total Surveying Charges	\$2,517.00
Total AFUDC	\$1,175.40
Total Administrative and General Overhead	\$5,581.73

**Please Pay This Amount**

**\$321,075.61** USD

*Julianne Kallman*



Southern Star Central Gas Pipeline, Inc.  
4700 Highway 56  
P.O. Box 20010  
Owensboro, KY 42304

270-852-5000

**Account:**

City Of Wichita  
Attn: City Engineer's Office  
455 N. Main Street - 7th Floor  
Wichita, KS 67202  
United States

**Date:** 01/30/15  
**Invoice Number:** M0012026  
**Terms:** Net 30 Days

**Remit To:**

Southern Star Central Gas Pipeline, Inc.  
Attn Treasury  
P O Box 20010  
Owensboro, KY 42304-0010

**For Questions regarding this invoice contact:**

Diane Bowers  
270-852-4601

**Invoice Description:**

Interim billing for charges to relocate our Line TE for the Southfork Development.

**Invoice Line Item:**

Southern Star charges	\$1,029.99
Total Outside Engineering	\$17,894.25
Total Inspection Services	\$10,119.00
Total Environmental Charges	\$928.08
Total Administrative and General Overhead	\$21,311.66

**Please Pay This Amount**

**\$51,282.98** USD

RECEIVED

FEB 23 2015

CITY-ENGINEERING



Southern Star Central Gas Pipeline, Inc.  
4700 Highway 56  
P.O. Box 20010  
Owensboro, KY 42304

270-852-5000

**Account:**

City Of Wichita  
Attn: City Engineer's Office  
455 N. Main Street - 7th Floor  
Wichita, KS 67202  
United States

**Date:** 04/06/15  
**Invoice Number:** M0012108  
**Terms:** Net 30 Days

**Remit To:**

Southern Star Central Gas Pipeline, Inc.  
Attn Treasury  
P O Box 20010  
Owensboro, KY 42304-0010

**For Questions regarding this invoice contact:**  
Diane Bowers  
270-852-4601

**Invoice Description:**

Final billing for charges to relocate our Line TE for the Southfork Development.

**Invoice Line Item:**

Southern Star charges	\$2,876.38
Total Outside Engineering	\$7,348.50
Total Surveying Charges	\$472.50
Total Material Returned	(\$9,728.73)
Total Administrative and General Overhead	\$1,763.86
	<hr/>
<b>Please Pay This Amount</b>	<b>\$2,730.51 USD</b>

*Julianne Kallman*

**Second Reading Ordinances for July 21, 2015 (first read on July 14, 2015)**

**A. Community Event Ordinance Amendment and Race/Organized Walk Permit Regulations.**

ORDINANCE NO. 50-039

AN ORDINANCE AMENDING SECTIONS 3.11.020, 3.11.038, 3.11.040 AND 3.11.180, AND CREATING SECTION 3.11.185 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO COMMUNITY EVENTS AND THE ADOPTION OF ADDITIONAL REGULATIONS FOR RACE EVENTS AND REPEALING THE ORIGINALS OF SECTIONS 3.11.020, 3.11.038, 3.11.040 AND 3.11.180 OF THE CODE OF THE CITY OF WICHITA, KANSAS.

**B. Amendment to the Code of the City of Wichita Pertaining to Hotels and Romming Houses.**

ORDINANCE NO. 50-040

AN ORDINANCE AMENDING SECTIONS 5.38.020, 5.38.035 AND 5.38.040 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO HOTELS AND ROOMING HOUSES.

**C. A15-04 Request by Tier 1, LLC to Annex Lands Generally Located at the Northeast Corner of 37<sup>th</sup> Street North and Ridge Road.**

ORDINANCE NO.50-042

AN ORDINANCE INCLUDING AND INCORPORATING CERTAIN BLOCKS, PARCELS, PIECES AND TRACTS OF LAND WITHIN THE LIMITS AND BOUNDARIES OF THE CITY OF WICHITA, KANSAS. (A15-04)

City of Wichita  
City Council Meeting  
July 21, 2015

**TO:** Wichita Housing Authority Board Members

**SUBJECT:** Housing Choice Voucher Family Self-Sufficiency Grant Application

**INITIATED BY:** Housing and Community Services Department

**AGENDA:** Wichita Housing Authority Board (Consent)

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**Recommended Actions:** Approve the application, approve the grant award upon receipt, and authorize the necessary signatures.

**Background:** The Department of Housing and Urban Development (HUD) has issued a Notice of Funding Availability (NOFA) for continued funding of the Family Self-Sufficiency Program Coordinator positions.

**Analysis:** HUD requires that Housing Authorities operate a Family Self-Sufficiency (FSS) program in order to receive additional Section 8 Housing Choice Vouchers. Though it is a HUD requirement for Housing Authorities, participation by Section 8 Housing Choice Voucher holders is voluntary. The advantage to the client is the FSS program provides the opportunity for participants to increase their income potential and eventually become independent of public assistance. The Family Self-Sufficiency Coordinators work with FSS program participants to help them increase earned income, enhance their financial literacy, reduce or eliminate the need for public assistance, and move toward economic independence and self-sufficiency. The Family Self-Sufficiency program accomplishes these goals through partnerships with community employers and service providers. Since program inception in 2002, 59 FSS participants have become homeowners through the Housing Choice Voucher Homeownership Program as a result of their FSS participation.

**Financial Consideration:** The application request is for \$176,384 in federal funds, which covers the salary and fringe benefits for three Family Self-Sufficiency Program Coordinator positions, which is the current staffing level. There is no impact to the General Fund as a result of this action.

**Legal Consideration:** The Law Department has reviewed the grant application and approved it as to form.

**Recommendation/Actions:** It is recommended that the Wichita Housing Authority Board approve the application, approve the grant award upon receipt, and authorize the necessary signatures.

**Attachment:** Housing Choice Voucher Family Self-Sufficiency Grant Application.

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