

A. CALL TO ORDER/ROLL CALL

__Garretson __Schmidt __Nisly __Brislin __Fairbanks __Scofield

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF AGENDA

D. CITIZEN COMMENTS

E. CONSENT AGENDA

1. Approval of Minutes – Regular Council Meeting, August 14, 2023

2. Approval of Invoices

Motion _____ Second _____ Vote _____

F. ACTION ITEMS

1. Adopt Ordinance 23-02: Adopting the 2023 Standard Traffic Ordinance

Motion _____ Second _____ Vote _____

2. Adopt Ordinance 23-03: Adopting the 2023 Uniform Public Offense Code

Motion _____ Second _____ Vote _____

3. Accept waiver of CID assessment proceedings and have Ideatek execute waiver

Motion _____ Second _____ Vote _____

4. Ordinance 23-04: Assessment ordinance of CID Assessment

Motion _____ Second _____ Vote _____

5. Adopt Resolution 23-04: Authorizing the Sale of GO bonds

Motion _____ Second _____ Vote _____

6. Adopt resolution 23-05: Approving a development agreement

Motion _____ Second _____ Vote _____

G. DISCUSSION ITEMS

1. 2024 Budget review

H. CITY ADMINISTRATOR'S REPORT

I. GOVERNING BODY COMMENTS

J. ADJOURNMENT

SUBMITTED BY: Jeff Schenk, City Administrator

MEETING DATE: August 28, 2023

AGENDA ITEM: Consent Agenda

BACKGROUND:

Consent agendas are designed to take routine business items, non-controversial items, and other matters where a consensus has been reached and combine them into one single motion and vote.

DESCRIPTION:

Items on the consent agenda should not be discussed or debated by the governing body. Any member of the governing body may elect to pull an item from the consent agenda for a separate vote.

PROPOSED ITEMS:

- Approval of Minutes from the following meetings:
 - August 14, 2023, Regular Council Meeting
- Approval of Invoices

RECOMMENDATION:

Motion to approve the consent agenda as presented.

ATTACHEMENTS:

Exhibit A – Minutes from August 14, 2023, Regular Council Meeting

Exhibit B – AP Invoices

Present: Mayor Brian Garretson, Councilmembers: Jeremy Schmidt, Matt Nisly, John Fairbanks, Paul Scofield, City Administrator Jeff Schenk, City Attorney Mark Tremaine, Police Chief Darrin Pickering, Fire Chief Greg Henke, and City Superintendent Ronnie Pederson.

Absent: Councilmember Dina Brislin

A. **CALL TO ORDER/ROLL CALL**
_X_Garretson _X_Schmidt _X_Nisly _A_Brislin _X_Fairbanks _X_Scofield

B. **PLEDGE OF ALLEGIANCE**

C. **APPROVAL OF AGENDA**

No additions or deletions

D. **CITIZEN COMMENTS**

Austin Mason, VP, Hand Up Program.

This program is a non-profit organization that began in May 2023. Hand Up assists people in crisis, who may be in a lower class or who grew up in the system, had legal difficulties (such as prison, parole, or community corrections) or past drug abuse. They have opened a house at 122 S. Poplar named First Start to help such individuals better their lives. Austin is hoping the community will be open to these residents and treat them with respect and have open communication as they become part of our community. His desire is that everyone is treated equally, no matter their class.

Mayor Garretson suggested Austin speak with Jeff Schenk if he can think of any way the city may be of assistance. Jeff Schenk provided Austin with his contact information.

E. **CONSENT AGENDA**

1. Approval of Minutes – Regular Council Meeting, July 24, 2023
2. Approval of Invoices

Motion: Nisly Second: Scofield Vote: 4-0

F. **ACTION ITEMS**

1. Purchase Street Signs (not to exceed \$40,000.00)

Motion: Fairbanks Second: Schmidt Vote: 4-0

City Administrator, Jeff Schenk shared his proposal for the purchase of new street signs for the city of South Hutchinson. This project would be replacing our existing poles and signs, using the same system as the City of Hutchinson and Reno County. They are more durable, and signs are less likely to be stolen, or damaged by windstorms. It is estimated to cost \$40,000.00. There are 187 poles.

The council agreed to not exceed the \$40,000.00 estimate and Jeremy Schmidt asked to see different color samples, other than green and what it would entail to include the block number. Jeremy also inquired as to the amount of manpower this project would take.

G. **DISCUSSION ITEMS**

1. KDOT Traffic Engineering Assistance Program (TEAP) study for Main Street and Des Moines Street intersection

Jeff Schenk has asked KDOT for a study of the above-mentioned intersection. KDOT will select a consultant who will then contact Jeff. KDOT will do a traffic count and the study may take some time after it begins.

2. 2024 Budget Timeline

Jeff Schenk hired a CPA firm to assist in building the 2024 budget. December has been finalized, along with the audit of 2022. Jeff will meet with department heads this week to confirm budget numbers to be ready for approval at the next council meeting on August 28, 2023. Budget must be published by September 8, 2023.

3. Engineering Firm and Planning Firm Selection

Jeff Schenk would like to change the contract system and has met with PEC and will be meeting with JEO soon. Jeff can bring his recommendation, or the council may vote on which they prefer.

4. Leading Edge quotes

Jeff Schenk questioned the council as to why the city was 2 years behind on computer maintenance and rotation. It was made known that the previous administration had paused this plan with Leading Edge. Jeff will begin looking at recycling computers and assess the city's needs in this matter.

H. CITY ADMINISTRATOR'S REPORT

Jeff Schenk informed the council of the Lighthouse Landing area at Frontier Road and the property owner wanting the city to mow their frontage. The city will inquire as to the right of way maintenance and ordinance policy and look at the defined mowing routines but it is suggested the property owner will most likely be responsible for mowing their own frontage.

Jeff Schenk spoke on Hutchibell and how they are making the necessary repairs. Fire Chief Greg Henke informed Hutchibell he will continue making unscheduled drop-ins for inspections. Hutchibell stated they will continue making repairs such as the electric doors.

Jeff Schenk advised council that he would be meeting with the United Way to discuss their United Way Day to see if they would come to South Hutchinson to possibly work on the Lionette Field. The city would have to purchase the materials, but United Way would provide the labor.

I. GOVERNING BODY COMMENTS

In keeping with the United Way and Lionette Field discussion it was suggested the city begin looking at different ways to utilize the park, such as installing disc golf, pickleball, batting cages, or basketball courts. This would be a consideration for the 2025 budget. Jeff stated he would talk with Hutchinson Recreation to discuss bringing more events to South Hutchinson, as we want to work with the city of Hutchinson and not be in competition.

Jeff Schenk informed the council that the Splash Pad Park has been vandalized over the summer and upgrades should be made to the storage area. He suggested a facilities study and these upgrades would come out of the park budget.

Jeff Schenk stated there was a free study done and it was determined the city is in need of more trees. Jeff will investigate a park grant.

John Fairbanks stated he heard good things about the SHFD spraying the children during their camp at Our Lady of Guadalupe. Greg Henke confirmed the kids seemed to have a great time.

Jeremy Schmidt expressed thanks to Jeff Schenk for the Agenda change.

J. ADJOURNMENT

Jeremy Schmidt motioned to adjourn the meeting at 6:56 pm.

Motion: Schmidt

Second: Nisly

Vote: 4-0

(Attest): Michele Nightingale
Michele Nightingale, City Clerk

INVOICES PAID (8/12/2023 thru 8/24/2023)

Gen Gov	Description	Vendor	Inv. Amt	Ck Date
101-101-5001	August Premiums	BCBS	\$658.63	8/14/2023
101-101-6000	Cable Services	Cox	\$16.78	8/15/2023
101-101-6000	July Gas Service	KS Gas Service	\$46.61	8/15/2023
101-101-6000	Phone Service	Vaspian	\$116.70	8/15/2023
101-101-6002	Sept Health Premiums	Freedom Claims	\$5,730.19	8/14/2023
101-101-7001	City Attorney Conference (1/2)	League Ks Muni	\$60.00	8/15/2023
101-101-7001	LKM October Conference - Jeff	LKM	\$275.00	8/16/2023
			\$6,903.91	

Police	Description	Vendor	Inv. Amt	
101-102-5001	August Premiums	BCBS	\$5,439.01	8/14/2023
101-102-5001	Sept. Vision Insurance	Vision Care Direct	\$256.72	8/14/2023
101-102-6000	Cable Services	Cox	\$39.87	8/15/2023
101-102-6000	July Gas Service	KS Gas Service	\$136.57	8/15/2023
101-102-6000	Phone Service & 2 call blocks	Vaspian	\$236.70	8/15/2023
101-102-6002	3 Volt 123AP	Dess LLC	\$73.28	8/15/2023
101-102-6002	Office Chairs (contract thru Office Plus)	HON	\$2,808.13	8/15/2023
101-102-7009	Men's Apex Pants	Gall's LLC	\$450.00	8/15/2023
			\$9,440.28	

Street	Description	Vendor	Inv. Amt	
101-103-5001	August Premiums	BCBS	\$1,368.13	8/14/2023
101-103-5001	Sept. Vision Insurance	VCD	\$70.40	8/14/2023
101-103-6000	July Gas Service	KS Gas Service	\$92.57	8/15/2023
101-103-6000	Phone Service	Vaspian	\$50.00	8/15/2023
101-103-6002	Decal for Dump Truck	Sign Source	\$42.00	8/15/2023
101-103-7002	Windshield Replacement - Tom's	Weber Auto Glass	\$268.98	8/15/2023
			\$1,892.08	

Fire	Description	Vendor	Inv. Amt	
101-104-6000	Cable Services	Cox	\$10.49	8/15/2023
101-104-6000	July Gas Service	KS Gas Service	\$61.86	8/15/2023
101-104-6000	Phone Service	Vaspian	\$50.00	8/15/2023
			\$122.35	

Court	Description	Vendor	Inv. Amt	
101-106-6017	July Inmate Housing	RC Sheriff's Office	\$960.00	8/16/2023
101-106-6018	Court Appointed Case	Kaplan Law	\$75.00	8/15/2023
101-106-7001	City Attorney Conference (1/2)	League Ks Muni	\$60.00	8/15/2023
			\$1,095.00	
		GENERAL TOTAL	\$19,453.62	

Water	Description	Vendor	Inv. Amt	
201-000-5001	August Premiums	BCBS	\$1,200.66	8/14/2023
201-000-5001	Sept. Vision Insurance	VCD	\$46.50	8/14/2023
201-000-7002	HYD EXT K562	Core & Main	\$1,079.43	8/15/2023
			\$2,326.59	

Sewer	Description	Vendor	Inv. Amt	
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301-000-5001	August Premiums	BCBS	\$1,177.74	8/14/2023
301-000-5001	Sept. Vision Insurance	VCD	\$18.30	8/14/2023
301-000-6002	ECSR 10 Fuse 600 V	Zenor Electric	\$576.68	8/15/2023
301-000-6002	June Lab Analysis	SDK Labs	\$703.00	8/15/2023
301-000-6003	Grit Removal	RC Solid Waste	\$205.00	8/15/2023
301-000-7002	Fuses - Sewer Plant Lift Stations	Sunflower Electric	\$99.64	8/15/2023
			\$2,780.36	

Bond & Interest	Description	Vendor	Inv. Amt	
601-000-8003	GO Bond Series 2019-Principal	State Treasurer	\$90,000.00	8/15/2023
601-000-8003	GO Ref & Imp Bd's 2012 Principal	State Treasurer	\$210,000.00	8/15/2023
601-000-8003	TX GO Bond SR 2017 - Principal	State Treasurer	\$40,000.00	8/16/2023
601-000-8003	GO Bond 2018 - Prinicpal	State Treasurer	\$75,000.00	8/16/2023
601-000-8004	GO Bond Series 2019-Interest	State Treasurer	\$29,250.00	8/15/2023
601-000-8004	GO Ref & Imp Bd's 2012 Interest	State Treasurer	\$10,075.00	8/15/2023
601-000-8004	TX GO Bond SR 2017 - Interest	State Treasurer	\$9,381.25	8/16/2023
601-000-8004	GO Bond 2018 - Interest	State Treasurer	\$27,650.00	8/16/2023
601-000-8005	TX GO Bond SR 2017 - Fee	State Treasurer	\$1.25	8/16/2023
			\$491,357.50	

ASAP	Description	Vendor	Inv. Amt	
801-000-4009	Forfeit Cash Bonds	SH Muni Court	\$250.00	8/15/2023
			\$250.00	

Comm Ctr	Description	Vendor	Inv. Amt	
811-000-6000	July Gas Service	KS Gas Service	\$97.31	8/15/2023
			\$97.31	

GRAND TOTAL **\$516,265.38**

SUBMITTED BY: Jeff Schenk, City Administrator
PREPARED BY: Mark Tremaine, City Attorney
MEETING DATE: August 28, 2023
AGENDA ITEM: Adopt the 2023 Standard Traffic Ordinance

BACKGROUND:

The City of South Hutchinson annually adopts revisions to the Standard Traffic Ordinance (STO) which is published annually by the League of Kansas Municipalities (KLM). The STO is a uniform code derived from the Kansas Statutes and may include local amendments pertinent to traffic laws adopted by the City Council each year.

DESCRIPTION:

This item is adopting the 2023 Standard Traffic Ordinance for Kansas Cities, 50th edition, prepared and published in book form by the League of Kansas Municipalities.

RECOMMENDATION:

City staff recommends the council adopt the ordinance number 23-02 An ordinance regulating traffic within the corporate limits of the City of South Hutchinson Kansas and authorize the mayor to sign.

ORDINANCE NO. 23-02

AN ORDINANCE REGULATING TRAFFIC WITHIN THE CORPORATE LIMITS OF THE CITY OF SOUTH HUTCHINSON, KANSAS; INCORPORATING BY REFERENCE THE STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES, 50th EDITION, WITH CERTAIN OMISSIONS, CHANGES AND ADDITIONS; PRESCRIBING ADDITIONAL REGULATIONS; PROVIDING CERTAIN PENALTIES AND REPEALING ORDINANCE NUMBERED 22-05.

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

SECTION 1. INCORPORATING STANDARD TRAFFIC ORDINANCE. There is hereby incorporated by reference for the purpose of regulating traffic within the corporate limits of the City of South Hutchinson, Kansas, that certain standard traffic ordinance known as the Standard Traffic Ordinance for Kansas Cities, 50th Edition, prepared and published in book form by the League of Kansas Municipalities, Topeka, Kansas. One copy of said Standard Traffic Ordinance shall be marked or stamped “Official Copy as Adopted by Ordinance No. _____,” and to which shall be attached a copy of this ordinance and filed with the city clerk to be open to inspection and available to the public at all reasonable hours. The police department, municipal judge and all administrative departments of the city charged with enforcement of the ordinance shall be supplied, at the cost of the city such number of official copies of such Standard Traffic Ordinance similarly marked, as may be deemed expedient.

SECTION 2. TRAFFIC INFRACTIONS AND TRAFFIC OFFENSES.

(a) An ordinance traffic infraction is a violation of any section of this ordinance that prescribes or requires the same behavior as that prescribed or required by a statutory provision that is classified as a traffic infraction in K.S.A. 8-2118.

(b) All traffic violations that are included within this ordinance, and are not ordinance traffic infractions, as defined in subsection (a) of this section, shall be considered traffic offenses.

SECTION 3. PENALTY FOR SCHEDULED FINES. The fine for violation of an ordinance traffic infraction or any other traffic offense in which the municipal judge establishes a fine in a fine schedule shall not be less than \$10.00 nor more than \$100.00, except for speeding, which shall not be less than \$15.00 nor more than \$500.00. A person tried and convicted for violation of an ordinance traffic infraction or other traffic offense in which a fine has not been established in a schedule or fines shall pay a fine fixed by the court not to exceed \$500.00.

SECTION 4. REPEAL. Ordinance numbered 22-05 is repealed.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect and be in force upon its passing.

PASSED, APPROVED AND ADOPTED by the governing body of the City of South Hutchinson, Kansas, this 29th day of August, 2023.

Brian Garretson, Mayor

ATTEST:

Michele Nightingale, City Clerk

SUBMITTED BY: Jeff Schenk, City Administrator
PREPARED BY: Mark Tremaine, City Attorney
MEETING DATE: August 28, 2023
AGENDA ITEM: Adopt the 2023 Uniform Public Offense Code

BACKGROUND:

The City of South Hutchinson annually adopts revisions to the Uniform Public Offense Code (UPOC) which is published annually by the League of Kansas Municipalities (KLM). The UPOC is a uniform code derived from Kansas Statutes. The UPOC can be amended to reflect the local ordinances address public offenses.

DESCRIPTION:

This item is adopting the 2023 Uniform Public Offence Code 39th edition, prepared and published in book form by the league of Kansas Municipalities.

RECOMMENDATION:

City staff recommends the council adopt the ordinance number 23-03 An ordinance regulating public offenses within the corporate limits of the City of South Hutchinson Kansas and authorize the mayor to sign.

ORDINANCE NO. 23-03

AN ORDINANCE REGULATING PUBLIC OFFENSES WITHIN THE CORPORATE LIMITS OF THE CITY OF SOUTH HUTCHINSON, KANSAS; INCORPORATING BY REFERENCE THE UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES, 39th EDITION, PROVIDING CERTAIN PENALTIES AND REPEALING ORDINANCE NUMBERED 22-06.

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

SECTION 1. INCORPORATING UNIFORM PUBLIC OFFENSE CODE. There is hereby incorporated by reference for the purpose of regulating public offenses within the corporate limits of the City of South Hutchinson, Kansas, that certain code known as the Uniform Public Offense Code, 39th Edition, prepared and published in book form by the League of Kansas Municipalities, Topeka, Kansas. One official copy of said Uniform Public Offense Code shall be marked or stamped "Official Copy as Adopted by Ordinance No. 23-03," and to which shall be attached a copy of this Ordinance, and filed with the city clerk to be open to inspection and available to the public at all reasonable hours.

SECTION 2. REPEAL. Ordinance numbered 22-06 is hereby repealed.

SECTION 3. EFFECTIVE DATE. This ordinance shall take effect and be in force upon its passing.

PASSED, APPROVED AND ADOPTED by the governing body of the City of South Hutchinson, Kansas, this 29th day of August, 2023.

Brian Garretson, Mayor

ATTEST:

Michele Nightingale, City Clerk

WAIVER OF MAXIMUM ASSESSMENT PROCEEDINGS

TO THE GOVERNING BODY OF THE CITY OF SOUTH HUTCHINSON, KANSAS:

The undersigned (the "Owner"), hereby states that the Owner is the record owner of 100% of the hereinafter described real estate (the "Property") situated in the City of South Hutchinson, Reno County, Kansas (the "City"), which Property is liable for special assessment for the costs of constructing the following described improvements (the "Improvements"):

City of South Hutchinson Fiber Optic Project Community Improvement District Improvements

Ordinance No. 22-03

Construction of a new facility to house certain improvements necessary in the creation of a fiber optic communication network for the benefit of the City of South Hutchinson, Kansas and its environs, including costs for infrastructure located outside the District but contiguous to any portion of the District and such infrastructure is related to a project within the District or substantially for the benefit of the District.

The Owner hereby further states that the Owner has received a copy of the proposed maximum assessments attached as **Exhibit A** hereto relating to the Improvements, which have been prepared by or on behalf of the City.

After being advised of the Owner's right to a public hearing and other matters related to the Improvements, the Owner hereby agrees to the following:

1. Waiver of formal notice of and the holding of a public hearing by the governing body of the City for the purpose of considering and assessing maximum special assessments against the Property in accordance with K.S.A. 12-6a30 and K.S.A. 12-6a09(c);
2. Consent to the levy of special assessments against the Property in the amounts hereinafter described (the "Special Assessment") by appropriate proceedings of the governing body of the City, *provided* that there shall be no penalty associated with the prepayment of the Special Assessment, *provided further* that the amount necessary for the full prepayment of the Special Assessment shall not be less than the amount necessary to call for redemption such general obligation bonds as may be issued to pay the costs of the Improvements, including interest accruing on such general obligation bonds to the date of redemption.
3. Waiver of the thirty (30) day period after publication of the assessment ordinance of the City to contest the levy of the Special Assessment;
4. Waiver of any period established by the governing body of the City for the prepayment of the Special Assessment;
5. Consent that the City may immediately, if necessary, proceed to issue its general obligation bonds to finance the costs of the Improvements in accordance with K.S.A. 12-6a26 *et seq.*

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Dated: August __, 2023

Signature	Amount of Maximum Assessment	Property Owned and Liable for Assessment
<i>IDEATEK TELCOM, LLC</i> By: _____ Title: Director of Bus. Development & Authorized Agent	\$1,670,000	The South 35.00 feet of Lot 14, West Avenue "C", Original Town of South Hutchinson, Reno County, Kansas TOGETHER WITH the North 15.00 feet of West Avenue "C" and the West 10.00 feet of South Washington Street, both reverting thereto by reason of vacation.

EXHIBIT A

**PROPOSED MAXIMUM ASSESSMENTS
CITY OF SOUTH HUTCHINSON FIBER OPTIC PROJECT
COMMUNITY IMPROVEMENT DISTRICT IMPROVEMENTS**

Amount of Proposed Maximum Assessment	Property Owned and Liabile for Assessment
\$1,670,000	The South 35.00 feet of Lot 14, West Avenue "C", Original Town of South Hutchinson, Reno County, Kansas TOGETHER WITH the North 15.00 feet of West Avenue "C" and the West 10.00 feet of South Washington Street, both reverting thereto by reason of vacation.

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF SOUTH HUTCHINSON, KANSAS
HELD ON AUGUST 28, 2023**

The City Council (the “Governing Body”) of the City of South Hutchinson, Kansas (the “City”) met in regular session at the usual meeting place in the City at 6:00 p.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

There was presented to the Governing Body the following items relating to the City of South Hutchinson Fiber Optic Project Community Improvement District Improvements, authorized by Ordinance No. 22-03 of the City:

- **WAIVER OF MAXIMUM ASSESSMENT PROCEEDINGS**
- **AN ORDINANCE LEVYING MAXIMUM SPECIAL ASSESSMENTS ON CERTAIN PROPERTY TO PAY THE COSTS OF COMMUNITY IMPROVEMENT DISTRICT IMPROVEMENTS IN THE CITY OF SOUTH HUTCHINSON, KANSAS, AS HERETOFORE AUTHORIZED BY ORDINANCE NO. 22-03 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS.**

Councilmember _____ moved (a) that said Waiver of Maximum Assessment Proceedings be accepted; and (b) that said Ordinance be passed. The motion was seconded by Councilmember _____. Said Ordinance was duly considered, and upon being put, the motion for the passage of said Ordinance was carried by the vote of the governing body, the vote being as follows:

Aye: _____.

Nay: _____.

Thereupon, the Mayor declared the Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. 23-04, was signed and approved by the Mayor and attested by the City Clerk and the Ordinance or a summary thereof was directed to be published one time in the official newspaper of the City.

(Other Proceedings)

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the City Council of the City of South Hutchinson, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

City Clerk

WAIVER OF MAXIMUM ASSESSMENT PROCEEDINGS

ORDINANCE NO. 23-04

AN ORDINANCE LEVYING MAXIMUM SPECIAL ASSESSMENTS ON CERTAIN PROPERTY TO PAY THE COSTS OF COMMUNITY IMPROVEMENT DISTRICT IMPROVEMENTS IN THE CITY OF SOUTH HUTCHINSON, KANSAS, AS HERETOFORE AUTHORIZED BY ORDINANCE NO. 22-03 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS.

WHEREAS, the governing body of the City of South Hutchinson, Kansas (the “City”) has heretofore created the City of South Hutchinson Fiber Optic Project Community Improvement District and authorized certain improvements thereon (the “Improvements”) to be constructed pursuant to K.S.A. 12-6a26 *et seq.* (the “Act”); and

WHEREAS, the owners of 100% of the real property described herein (the “Property”) have executed a waiver of maximum assessment proceedings (the “Waiver”): (a) waiving formal notice of and holding of a public hearing regarding the levy of maximum special assessments upon the Property (the “Assessments”); (b) consenting to the levy of the Assessments; (c) waiving the 30-day period following the publication of the ordinance levying the Assessments to contest the Assessments; (d) waiving the prepayment period for the Assessments; and (e) consenting to the immediate issuance, if necessary, of general obligation bonds to finance the costs of the Improvements in accordance with the Act.

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

Section 1. Levy of Assessments. For the purpose of paying the costs of the following described Improvements:

City of South Hutchinson Fiber Optic Project Community Improvement District Improvements

Ordinance No. 22-03

Construction of a new facility to house certain improvements necessary in the creation of a fiber optic communication network for the benefit of the City of South Hutchinson, Kansas and its environs, including costs for infrastructure located outside the District but contiguous to any portion of the District and such infrastructure is related to a project within the District or substantially for the benefit of the District;

there are hereby levied and assessed the amounts set forth below (with such clerical or administrative amendments thereto as may be approved by the City Attorney) against the following property located in the City:

Description of Property	Amount of Maximum Assessment
The South 35.00 feet of Lot 14, West Avenue “C”, Original Town of South Hutchinson, Reno County, Kansas TOGETHER WITH the North 15.00 feet of West Avenue “C” and the West 10.00 feet of South Washington Street, both reverting thereto by reason of vacation.	\$1,670,000

Section 2. Payment of Assessments. The amounts so levied and assessed in *Section 1* of this Ordinance shall be due and payable from and after the date of publication of this Ordinance or a summary thereof.

Section 3. Certification. The Assessments shall be certified by the City Clerk to the Clerk of Reno County, Kansas, in the same manner and at the same time as other taxes are certified and will be collected in 20 annual installments, together with interest on such amounts at a rate not exceeding the maximum rate therefor as prescribed by the Act. Interest on the assessed amount remaining unpaid between the effective date of this Ordinance and the date the first installment is payable, but not less than the amount of interest due during the coming year on any outstanding bonds issued to finance the Improvements, shall be added to the first installment. The interest for one year on all unpaid installments shall be added to each subsequent installment until paid.

Section 4. Effective Date. This Ordinance shall be effective upon passage by the governing body, approval by the Mayor and publication of the Ordinance or a summary thereof once in the official City newspaper.

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PASSED by the City Council of the City of South Hutchinson, Kansas, on August 28, 2023 and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

Mayor

ATTEST:

City Clerk

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on August 28, 2023; that the record of the final vote on its passage is found on page ____ of journal ____; and that the Ordinance or a summary thereof was published in the Official Newspaper of the City on September __, 2023.

DATED: September __, 2023.

City Clerk

SUMMARY OF ORDINANCE NO. 23-04

On August 28, 2023, the governing body of the City of South Hutchinson, Kansas passed an ordinance entitled:

AN ORDINANCE LEVYING MAXIMUM SPECIAL ASSESSMENTS ON CERTAIN PROPERTY TO PAY THE COSTS OF COMMUNITY IMPROVEMENT DISTRICT IMPROVEMENTS IN THE CITY OF SOUTH HUTCHINSON, KANSAS, AS HERETOFORE AUTHORIZED BY ORDINANCE NO. 22-03 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS.

The Ordinance levies maximum special assessments on certain property located in the City described as: City of South Hutchinson Fiber Optic Project Community Improvement District Improvements. The amounts of the special assessments and the property benefitted are described in the Ordinance. The special assessments shall be certified by the City Clerk to the Clerk of Reno County, Kansas, in the same manner and at the same time as other taxes are certified and will be collected in annual installments, together with interest on such amounts at a rate not exceeding the maximum rate therefor as prescribed by law. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, City Hall, 2 S. Main, South Hutchinson, Kansas 67505. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at www.southhutch.com.

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

DATED: August 28, 2023.

City Attorney

**EXCERPT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF
THE CITY OF SOUTH HUTCHINSON, KANSAS
HELD ON AUGUST 28, 2023**

The City Council (the "Governing Body") met in regular session at the usual meeting place in the City at 6:00 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

The matter of providing for the offering for sale of Taxable General Obligation Bonds, came on for consideration and was discussed.

Councilmember _____ presented and moved the adoption of a Resolution entitled:

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF TAXABLE
GENERAL OBLIGATION BONDS OF THE CITY OF SOUTH HUTCHINSON,
KANSAS.**

Councilmember _____ seconded the motion to adopt the Resolution. Thereupon, the Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: _____.

Nay: _____.

The Mayor declared the Resolution duly adopted by the Governing Body and the Clerk designated the same Resolution No. 23-04.

* * * * *

(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of South Hutchinson, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

RESOLUTION NO. 23-04

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF TAXABLE
GENERAL OBLIGATION BONDS OF THE CITY OF SOUTH HUTCHINSON,
KANSAS.**

WHEREAS, the City of South Hutchinson, Kansas (the “Issuer”) has previously authorized certain improvements described below (the “Improvements”) for the construction of a fiber optic communication network to serve the Issuer and its environs (the “Network”):

<u>Project Description</u>	<u>Ord. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Fiber Optic Network Improvements *exclusive of cost of issuance & capitalized interest	22-03	12-6a26 <i>et seq.</i>	\$1,500,000*

WHEREAS, the Issuer anticipates entering into a development agreement (the “Development Agreement”) with Ideatek Telcom, LLC (“Ideatek”) to facilitate the acquisition and/or construction of the Improvements and subsequent operation of the Network; and

WHEREAS, the Issuer proposes to issue its general obligation bonds to pay the costs of the Improvements, including costs of issuance and capitalized interest; and

WHEREAS, the City Council of the Issuer (the “Governing Body”) has selected the firm of Stifel, Nicolaus & Company, Incorporated, Wichita, Kansas (the “Purchaser”), as underwriter for one or more series of general obligation bonds of the Issuer in order to provide funds to finance the Improvements; and

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

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

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

WHEREAS, due to the volatile nature of the municipal bond market and the desire of the Issuer to achieve maximum benefit of timing of the sale of said general obligation bonds, the Governing Body desires to authorize the Mayor (or member of the Governing Body authorized to exercise the power and duties of the Mayor in the Mayor’s absence) (the “Mayor”), to confirm the sale of such general obligation bonds, if necessary, prior to the meeting of the Governing Body to adopt the necessary ordinance and resolution providing for the issuance thereof.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SOUTH HUTCHINSON, KANSAS, AS FOLLOWS:**

Section 1. The Purchaser is hereby authorized to proceed with the offering for sale of the Issuer's Taxable General Obligation Bonds, Series 2023 (the "Bonds"). The offering for sale of the Bonds shall be accomplished in consultation with the City Administrator, Clerk and Bond Counsel. The confirmation of the sale of the Bonds shall be subject to publication of a notice of intent to sell the Bonds as hereinafter set forth, the execution of a bond purchase agreement between the Purchaser and the Issuer (the "Bond Purchase Agreement") in a form approved by Bond Counsel and the Issuer's legal counsel, the passage of an ordinance and adoption of a resolution by the Governing Body authorizing the issuance of the Bonds and the execution of various documents necessary to deliver the Bonds. The Mayor is hereby authorized to execute the Bond Purchase Agreement subject to the following parameters: (a) the principal amount of the Bonds shall not exceed \$1,670,000; (b) the true interest cost of the Bonds shall not exceed 7.00%; and (c) the Development Agreement has been executed by the Issuer and Ideatek.

Section 2. The Purchaser, in conjunction with the Clerk and Bond Counsel, is hereby authorized to cause to be prepared a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). The Issuer hereby consents to the use and public distribution by the Purchaser of the Preliminary Official Statement in connection with the offering for sale of the Bonds.

Section 3. For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Mayor and Clerk or other appropriate officers of the Issuer are hereby authorized: (a) to approve the form of the Preliminary Official Statement, and to execute the "Certificate Deeming Preliminary Official Statement Final" in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official Statement, such official's signature thereon being conclusive evidence of such official's and the Issuer's approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

Section 4. The Issuer agrees to provide to the Purchaser within seven business days of the date of the Bond Purchase Agreement or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 5. The Mayor, City Administrator, Clerk, and the other officers and representatives of the Issuer, the Purchaser and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds.

The transactions described in this Resolution may be conducted, and documents related to the Bonds may be sent, received, executed, and stored, by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6. This Resolution shall be in full force and effect from and after its adoption.

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ADOPTED by the City Council on August 28, 2023.

(SEAL)

Mayor

ATTEST:

Clerk

EXHIBIT A

**CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL**

_____, 2023

To: Stifel, Nicolaus & Company, Incorporated
Wichita, Kansas

Re: City of South Hutchinson, Kansas, Taxable General Obligation Bonds, Series 2023

The undersigned are the duly acting Mayor and Clerk of the City of South Hutchinson, Kansas (the "Issuer"), and are authorized to deliver this Certificate to the purchaser (the "Purchaser") of the above-referenced bonds (the "Bonds") on behalf of the Issuer. The Issuer has previously caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the Bonds.

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

CITY OF SOUTH HUTCHINSON, KANSAS

By: _____
Title: Mayor

By: _____
Title: Clerk

NOTICE OF INTENT TO SEEK PRIVATE PLACEMENT

**CITY OF SOUTH HUTCHINSON, KANSAS
TAXABLE GENERAL OBLIGATION BONDS, SERIES 2023**

Notice is hereby given that the City of South Hutchinson, Kansas (the “Issuer”) proposes to seek a private placement of the above-referenced bonds (the “Bonds”). The maximum aggregate principal amount of the Bonds shall not exceed \$1,670,000. The proposed sale of the Bonds is in all respects subject to approval of a bond purchase agreement between the Issuer and the purchaser of the Bonds and the passage of an ordinance and adoption of a resolution by the Governing Body authorizing the issuance of the Bonds and the execution of various documents necessary to deliver the Bonds.

DATED: AUGUST 28, 2023.

Michele Nightingale, Clerk

KANSAS REGISTER

DOCUMENT NO. _____

(Above space for Register Office Use)

Submission Form
Municipal Bond Sale Notice
(K.S.A. 10-106 as amended)

TITLE OF DOCUMENT NOTICE OF INTENT TO SEEK PRIVATE PLACEMENT
Re: City of South Hutchinson, Kansas, Taxable General Obligation Bonds, Series 2023

NUMBER OF PAGES: 1 DESIRED PUBLICATION DATE: September __, 2023

BILL TO: Michele Nightingale, Clerk
2 South Main Street, South Hutchinson, Kansas 67505

Please forward 2 Affidavits of Publication of same to Robyn R. Dunlap, Gilmore & Bell, P.C., 100 North Main, Suite 800, Wichita, KS 67202 at your earliest opportunity.

Any questions regarding this document should be directed to:

NAME _____ PHONE _____ (316) 267-2091

Certification

I hereby certify that I have reviewed the attached and herein described document, and that it conforms to all applicable **Kansas Register** publication guidelines. I further certify that submission of this item for publication in the **Kansas Register** is authorized by the municipality which has issued the notice.

Authorized Signature

Typed Name of Signer

Position

TRANSMIT TO: Kansas Register; Secretary of State; State Capitol, Topeka, KS 66612
PHONE: (785) 296-3489; FAX: (785) 291-3051; EMAIL: kansasregister@sos.ks.gov

THIS SPACE FOR REGISTER OFFICE USE ONLY

SUBMITTED BY: Jeff Schenk, City Administrator

PREPARED BY: Mark Tremaine, City Attorney

MEETING DATE: August 28, 2023

AGENDA ITEM: Adopt Resolution 23-04

BACKGROUND:

Some of the earliest communications of this project date back to February 15, 2022. The intent of this project is to deliver high speed internet to everybody in the City at a good price.

DESCRIPTION:

The City will bond Capitol and the assess it to a property owned by Ideatek. Ideatek will reimburse the money in payments for the property special assessments. With this deal, residents will receive a 27% discount on Gigabit internet.

RECOMMENDATION:

City staff recommends the council adopt Resolution 23-04, A resolution approving a development agreement relating to the construction and operation of a fiber optic communications network in the city, and authorize the mayor to sign.

**EXCERPT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF
THE CITY OF SOUTH HUTCHINSON, KANSAS
HELD ON AUGUST 28, 2023**

The City Council (the "Governing Body") met in regular session at the usual meeting place in the City at 6:00 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

The matter of approving a development agreement regarding a fiber optic communications network in the City came on for consideration and was discussed.

Councilmember _____ presented and moved the adoption of a Resolution entitled:

**A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT RELATING
TO THE CONSTRUCTION AND OPERATION OF A FIBER OPTIC
COMMUNICATIONS NETWORK IN THE CITY.**

Councilmember _____ seconded the motion to adopt the Resolution. Thereupon, the Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: _____.

Nay: _____.

The Mayor declared the Resolution duly adopted by the Governing Body and the Clerk designated the same Resolution No. 23-04.

* * * * *

(Other Proceedings)

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CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of South Hutchinson, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk

RESOLUTION NO. 23-04

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT RELATING TO THE CONSTRUCTION AND OPERATION OF A FIBER OPTIC COMMUNICATIONS NETWORK IN THE CITY.

WHEREAS, the City of South Hutchinson, Kansas (the “City”) has previously authorized certain improvements described as follows (the “Improvements”):

<u>Project Description</u>	<u>Ord. No.</u>	<u>Authority (K.S.A.)</u>	<u>Amount</u>
Fiber Optic Network Improvements *exclusive of cost of issuance & capitalized interest	22-03	12-6a26 <i>et seq.</i>	\$1,500,000*

WHEREAS, the City proposes to contract with Ideatek Telcom, LLC and its affiliates, successors, and assigns (collectively, “Ideatek”) for the construction of the Improvements and subsequent operation of a fiber optic communications network in the City (collectively the “Project”); and

WHEREAS, there has been presented to the City Council of the City (the “Governing Body”) a development agreement between the City and Ideatek (the “Development Agreement”) setting forth each parties rights and responsibilities with respect to the Project; and

WHEREAS, the Governing Body finds the Development Agreement to be acceptable to the City and deems it advisable to authorize the Mayor or designee (the “Mayor”) to execute the Development Agreement as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH HUTCHINSON, KANSAS, AS FOLLOWS:

Section 1. The Development Agreement is approved in substantially the form presented this date. The Mayor is authorized to execute the Development Agreement on behalf of the City with such changes as the Mayor, City Administrator and City Attorney deem advisable, the Mayor’s execution of the Development Agreement to be conclusive evidence of the approval of such changes.

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

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the City Council on August 28, 2023.

(SEAL)

Mayor

ATTEST:

Clerk

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”), is made and entered into this ____ day of _____, ____ by and between the **CITY OF SOUTH HUTCHINSON, KANSAS**, a municipal corporation duly organized under the laws of the State of Kansas (the “City”); and **Ideatek Telcom, LLC**, a Kansas limited liability company (the “Developer”) (with the “Developer” and the “City” collectively referred to as the “Parties” and each a “Party”).

RECITALS

WHEREAS, the City has authority to create a community improvement district (“CID”), pursuant to K.S.A. § 12-6a26 *et seq.* (the “CID Act”), for the purpose of financing certain projects and costs as defined therein. Under the CID Act, the owners of all of the land area within the proposed CID boundaries may petition the City to request the creation of a CID and to impose special assessments on the real property upon which the district is located;

WHEREAS, the Developer is now the owner of certain land in the City located at the northeast corner of the intersection of West Avenue C and South Washington Street within the City (the “Project Site”);

WHEREAS, on June 20, 2022, the City and Developer submitted a proper petition (the “Petition”) to the City requesting the formation of a community improvement district (the “District”). A copy of the Petition is attached hereto as **Exhibit A**. A legal description and map of the boundaries of the District is set forth on **Exhibit B** attached hereto;

WHEREAS, on _____, 20__, the City approved the creation of the District through the adoption of Ordinance No. _____ (the “CID Ordinance”). As was contemplated in the Petition, the CID Ordinance approved certain public and private improvements within the District (the “CID Improvements”), as well as certain improvements outside of the District, along with administrative and operating expenses to be incurred within the District, all more particularly described on **Exhibit C** attached hereto (collectively, the “CID Costs”), to be financed to be financed by full faith and credit CID bonds issued by the City as authorized by K.S.A. 12-6a36 (the “CID Bonds”), such CID Bonds shall be general obligations of the City and payable by special assessments levied on the Project Site, and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City; and

WHEREAS, the Parties now desire to enter into this Agreement to formalize the construction and financing of the CID Improvements.

NOW, THEREFORE, in consideration of the foregoing and 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:

**ARTICLE I
DEFINITIONS**

A. Definitions of Words and Terms. Capitalized words used in this Agreement shall have the meanings set forth in the Recitals to this Agreement or they shall have the following meanings:

1. "Agreement" means this Development Agreement, as the same may be amended in accordance with the terms hereof.
2. "Bond Documents" means collectively the Ordinance and Resolution of the City authorizing the issuance and prescribing the details of the CID Bonds.
3. "CID" means the community improvement district established pursuant to the CID Act.
4. "CID Act" means K.S.A. § 12-6a26 *et seq.*
5. "CID Bonds" means community improvement district full faith and credit general obligation bonds issued by the City to finance all or a portion of the CID Projects, if any.
6. "CID Bond Fund" means the fund which shall be created and administered by the City and which will be described and defined in the Bond Documents, as set forth in Section III.C below.
7. "CID Costs" means, collectively, the costs of the CID Improvements and other eligible expenses related to the Project to the extent such expenses are "costs" of a "project" as defined in the CID Act, the estimated amounts of which are shown in **Exhibit C**, which also includes any administrative and legal fees. In the event KSA 12-6a27(f) is subsequently amended or construed by a judicial or attorney general opinion to include in the definition of "cost" interest accrued on borrowed money after the period of construction, post-construction costs of private financing shall then also be deemed included in "CID Costs."
8. "CID Improvements" means the design and construction of the Project, including all eligible hard and soft costs related thereto, including, but not limited to, infrastructure outside the district as permitted by the CID Act.
9. "CID Ordinance" means Ordinance No. _____ adopted by the City on _____, 2022.
10. "CID Proceeds" means the \$1,500,000 of net bond proceeds available to Developer for payment or reimbursement of CID Costs from the CID Bonds.
11. "CID Special Assessments" means special assessments which shall be levied against the real property within the Project Site when the CID Bonds are issued by the City as described in Section III.D.

12. "City" means the City of South Hutchinson, Kansas.
13. "City Representative" means the City Administrator or his or her designee(s) as evidenced by a written certificate furnished to the Developer containing the specimen signature of such person or persons and signed by the City Manager.
14. "Developer" means Ideatek Telcom, LLC, and its successors and assigns.
15. "District" means the area approved by the Ordinance as a community district, the boundaries of which are shown and legally described on Exhibit B attached hereto.
16. "Event of Default" means any event or occurrence as defined in Article VI of this Agreement.
17. "Force Majeure" means events causing delays as described in Article VI.F below.
18. "Network" the fiber-based network and equipment constructed by Developer and including all infrastructure within and without the district.
19. "Parties" means the City and the Developer.
20. "Petition" means the petition filed with the City on June 20, 2022 requesting the formation of a CID, a copy of which is attached as Exhibit A.
21. "Project" means the design and construction of a fiber optic network in the City, including a centralized facility within the District to house certain fiber optic network improvements, and all improvements related and appurtenant thereto.
22. "Project Site" means that certain real property owned by Developer and generally located at the northeast corner of the intersection of West Avenue C and South Washington Street within the City.
23. "State" means the State of Kansas.
24. "Term" means the earlier of twenty-two (22) years following the date of the issuance of the CID Bonds or the earlier termination of the CID as specifically provided for herein.

ARTICLE II DEVELOPMENT OF THE PROJECT

A. Design and Construction of the Project. Developer shall, subject to the terms of this Agreement, have the sole right, and the responsibility, to design, manage, operate and construct the Project. Developer shall receive no separate fee from the City for acting as construction manager or developer of the Project. Before commencement of construction or

development of any buildings, structures or other work or improvement, the Developer shall obtain any and all permits which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. The City hereby agrees to work with Developer to expedite such permits for Developer.

B. Costs of the Project. The Developer shall be responsible for and will directly incur all of the CID Costs related to the design and construction of the Project; provided however that the Developer shall be reimbursed for the CID costs or Developer may draw on the CID Proceeds to directly pay such CID Costs, all as more particularly set forth in the terms of this Agreement.

C. Commitment to Construct and Complete the Project. Provided that the City issues the CID Bonds and makes the bond proceeds available to Developer for reimbursement of CID Costs as set forth herein on or before November 1, 2022 then Developer hereby agrees to construct the Project and commence operation of the network in the City on or before November 1, 2024. The timely performance of the Developer in the prior sentence is subject to "Force Majeure" as defined in Article VI.F below. The parties hereby agree that the dates set forth herein may from time to time be amended by mutual agreement of Developer and the City based on unforeseen circumstances.

ARTICLE III CID FINANCING

A. Method of Financing. Reference is hereby made to the estimated CID Costs for the Project, which are attached hereto and estimated as set forth in **Exhibit C**, and by this reference made a part hereof. The Project will be funded by a combination of Developer's private equity, debt and/or CID Proceeds (as defined below). Subject to the terms and conditions of this Agreement, a portion of the costs of the Project which are eligible for payment or reimbursement under the CID Act shall be directly funded and/or reimbursed in whole or in part by the CID Proceeds. The City hereby understands and agrees that the estimates of expenses related to the CID Costs may change prior to and during the expenditure of the CID Costs. Unless otherwise agreed by the Parties in writing, all payments or reimbursements of CID Costs with CID Proceeds shall be made by the City solely to the Developer.

B. CID Bonds. It is contemplated by the parties that all or a portion of the CID Costs will be funded by CID bonds and/or temporary notes (the "CID Bonds") which are issued by the City, based on a pledge of CID Special Assessments (as defined below) and are a general obligation of the City. It is further contemplated that unaffiliated third parties would purchase CID Bonds in an amount which would yield net bond proceeds available to Developer for payment or reimbursement of CID Costs in an amount which is not less than \$1,500,000 (the "CID Proceeds"). The \$1,500,000 of CID Proceeds described in the prior sentence is net of any costs of issuance and interest of any CID Bond. Beyond an amount equal to \$1,500,000 of CID Proceeds, the balance of the costs of the Project shall be paid without reimbursement by Developer.

C. CID Bond Revenue Fund. When CID Bonds are issued by the City for the Project, the CID Proceeds shall be held in the funds and accounts described in the Bond Documents and disbursed to Developer by the City as set forth herein and in the Bond Documents, and the CID Special Assessments collected by the City thereafter shall be deposited into a fund which shall be created and administered by the City and which will be described and defined in the Bond Documents and which, for purposes of this Agreement shall be referred to as the "CID Bond Fund". The CID Special Assessments in the CID Bond Fund will be utilized to first pay principal and interest payments required under CID Bonds at such times as such payments may be required under the Bond Documents. The specifics of the issuance and repayment of the CID Bonds for the Project shall be in accordance with the Bond Documents, to be approved by ordinance of the City, in accordance with this Agreement.

D. Special Assessments. Developer hereby agrees that special assessments shall be levied against the real property within the Project Site (the "CID Special Assessments") when the CID Bonds are issued by the City and such CID Special Assessments shall be based upon the amount of the CID Bonds issued by the City and shall be fixed for the term of the CID Bonds. The City agrees that the Developer shall have the right to reasonably approve the amount of the CID Special Assessments and the timing for the commencement of such CID Special Assessments, provided however that Developer understands and agrees that the CID Special Assessments must fully amortize the amount of the CID Bonds over the life of the CID Bonds. The City also agrees that the CID Bonds shall also be structured in a manner that provides for prepayment of the CID Special Assessments (in whole or in part) without penalty as permitted by K.S.A. 12-6a30. Developer hereby acknowledges that State law prescribes the levy, payment, and discharge of the CID Special Assessments, including foreclosure proceedings in the event the CID Special Assessments are not paid.

E. Certificate of Expenditures. In connection with the CID Costs for the Project, Developer shall certify all costs and expenditures in accordance with the following:

(1) Developer shall submit to the City a Certificate of Expenditure in the form attached hereto as Exhibit D setting forth the amount for which reimbursement is sought, and identification of the relevant CID Costs. Developer shall certify to the City that it shall only use the CID Proceeds for the reimbursement of CID Project Costs, as described in the Certificate of Expenditure.

(2) Each Certificate of Expenditure shall be accompanied by such bills, contracts, invoices, lien waivers or other evidence as the City shall reasonably require to document appropriate payment.

(3) The City reserves the right to have its engineer, staff or other agents or employees inspect all work in respect of which a Certificate of Expenditure is submitted, to examine Developer's records relating to all CID Costs to be paid, and to obtain from such parties such other information as is reasonably necessary for the City to evaluate compliance with the terms hereof.

(4) The City shall have fourteen (14) calendar days after receipt of any Certificate of Expenditure to review and pay or reimburse Developer. If the submitted documentation demonstrates that: (a) the costs described in the Certificate of Expenditure directly relates to CID Costs and the costs are eligible under the CID Act; (b) the expense was paid or has been incurred by or through Developer; (c) Developer is not in default under this Agreement beyond any applicable grace and cure periods; and (d) there is no fraud on the part of Developer, then the City hereby directs the City staff to approve the Certificate of Expenditure and cause reimbursement to Developer for the cost of the CID Improvements within fourteen ([14]) days following the City's receipt of the Certificate of Expenditure, pursuant to the terms of this Agreement. If the City reasonably disapproves of the Certificate of Expenditure, the City shall notify Developer in writing of the reason(s) for such disapproval within such fourteen (14) day period. Approval of a Certificate of Expenditure will not in any event be unreasonably withheld, conditioned or delayed by the City.

F. Payment of Costs of Issuance; No Other City Administrative Expenses and/or Legal Fees. The parties hereby agree that all of the Developer's and the City's legal fees and other costs of issuance related to the CID Bonds and/or related to this Agreement shall be paid for with the CID Proceeds (in all events with net CID Proceeds available to pay or reimburse CID Costs related to the Project in an amount equal to \$1,500,000). However, following the issuance of the CID Bonds, the parties hereby agree that neither the Developer nor the CID will pay or reimburse any City administrative expenses or legal fees related to the CID Bonds, the Project or this Agreement.

ARTICLE IV DEVELOPER'S PRIVATE FINANCING

A. Developer Financing. The City hereby agrees that the Developer may finance all or a portion of the CID Costs (and any additional costs of the Project) with a loan or any other private financing. Nothing herein shall be deemed to preclude Developer from obtaining such private financing or pledging the network and/or the Project Site as collateral for any such financing.

B. Collateral Assignment. The City also agrees that if Developer obtains private financing as described in Section IV.A above or has, or in the future obtains any other unrelated private financing, it may pledge the Project Site and improvements thereon as collateral, and its lender(s) (the "Lender") may require an estoppel from the City and/or a collateral assignment of this Agreement and/or the CID Proceeds. The City hereby agrees to cooperate with any such Lender and provide any estoppels or collateral assignments that are reasonably required by such Lender(s). The City also agrees that it will not cause or take any action that would cause any lien, other than permitted by law or as set forth in subsection C below, to be placed on the Project without prior consent from Developer and any parties to a Developer financing.

C. City's Security Interest and Subordination. Notwithstanding the foregoing and in order to secure Developer's obligations to design, construct, manage, use, maintain and operate the

Project in accordance with this Agreement, the City shall have the option to obtain a secured interest in any portion of the CID Improvements paid for with CID Proceeds, and Developer will execute commercially reasonable security agreements or other instruments as may be necessary to evidence the City's secured interest in such CID Improvements, subject always to a subordination of any such security interest to the Lender and its lien as set forth herein. The City hereby subordinates and subjects the security interest described in the prior sentence and all of the City's rights thereunder to the Lender and any security interest or lien held by such Lender from time to time. If, at any time, the Lender or any person or entity or any of their successors or assigns who shall acquire the interest of Developer in the Project Site, the CID Improvements and/or this Agreement through a foreclosure of the Lender's lien, or the exercise of a power of sale under the Lender's lien, a deed-in-lieu of foreclosure, an assignment-in-lieu of foreclosure or otherwise (each, a "New Owner"), then such New Owner shall succeed to the interests of the Developer to the Project Site, the CID Improvements and/or this Agreement. The City hereby agrees to attorn to and accept any such New Owner as the owner of the CID Improvements and as "Developer" under this Agreement, and any such New Owner shall be bound by and perform all of the obligations imposed by the Agreement. Nothing contained herein shall prevent the Lender from naming or joining the City in any foreclosure or other action or proceeding initiated by the Lender to the extent necessary under applicable law in order for Lender to avail itself of and complete the foreclosure or other remedy, but such naming or joinder shall not be in derogation of the rights of the City as set forth in this Agreement and shall not in any way extinguish the CID Bonds financing for the Project, or terminate the CID Special Assessments levied against the Project Site. Notwithstanding the foregoing, the City shall have the self-help rights regarding the CID Improvements that are set forth in Article VI.G until such time as a New Owner shall succeed to the interests of the Developer to the Project Site, the CID Improvements and/or this Agreement.

ARTICLE V NETWORK OPERATIONS

A. Network Ownership. The City hereby agrees that at all times during and after construction of the Project, Developer shall retain all legal ownership of the network, and the City shall not assert any claim to ownership of the network or the Project at any time, unless otherwise prescribed in this Agreement.

B. Network Use, Maintenance and Operation. The Project, including the network, shall be at all times used, maintained operated by Developer (or by the assignees of Developer with the permission and authority of the Developer) in its sole discretion. Developer will at all times have sole discretion over the use, operation and maintenance of the network and the Project for its commercial and business purposes and the City hereby agrees that Developer may use and operate the network in a manner deemed necessary or desirable by Developer in its discretion.

C. Compliance with Law. Developer will at all times during the Term of this Agreement comply with all applicable laws and regulations related to the Project or the Project Site.

D. Service Rate Commitments. Developer hereby agrees that for a period of three (3) years (hereafter, “Introductory Period”) following the date Developer commences operation of the network in the City, it will provide special residential service pricing (hereafter, “Introductory Rate”) to the residents of South Hutchinson as set forth in attached Exhibit E and subject to Developer’s residential service agreement terms and conditions. During the Introductory Period, Developer reserves the right to increase the Introductory Rate by no more than 5% per annum. Following the Introductory Period, Developer shall have the right to increase its rates consistent with its normal business practices in its sole discretion.

ARTICLE VI DEFAULTS AND REMEDIES

A. Defaults - General. The following events shall constitute an Event of Default under this Agreement:

1. Subject to the extensions of time set forth in subsection F below (Enforced Delay), failure or delay by any Party to perform any term or provision of this Agreement, after receiving written notice and failing to cure, as set forth in paragraph (2) below, constitutes a default under this Agreement. A Party claiming a default (claimant) shall give written notice of default to the other parties, specifying the default complained of.

2. The claimant shall not institute proceedings against a Party, nor be entitled to damages if the other Party within thirty (30) days from receipt of such written notice, with due diligence, commences to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy within thirty (30) days from the date of receipt of such notice or if such cure, correction or remedy by its nature cannot be effected within such thirty (30) day period, such cure, correction or remedy is diligently and continuously prosecuted until completion thereof.

B. Remedies on Default. Whenever any Event of Default by the City shall have occurred and be continuing, subject to applicable cure periods, the Developer may pursue any remedy at law and in equity, except as provided below. Whenever any Event of Default by the Developer shall have occurred and be continuing, subject to applicable cure periods, the City may (1) pursue any remedy at law and in equity, except as provided below, and/or (2) refuse to approve any further Certificates of Expenditures and make any disbursements of CID Proceeds until such Event of Default is cured by the Developer and/or (3) terminate this Agreement. Notwithstanding any other provision of this Agreement to the contrary, and absent any negligence or willful acts of the respective party, in no event shall the Developer or the City ever be liable for any punitive, special, incidental, or consequential damages in connection with this Agreement, or otherwise. For the purposes of this Section, consequential damages shall include, but not be limited to, lost profits, lost tax revenue, or other similar losses which are not direct out-of-pocket costs incurred by the non-defaulting Party. Further, specific performance shall not be available to the City to require the Developer to construct any improvements within the District.

C. Legal Actions.

1. Institution of Legal Actions. Any legal actions related to or arising out of this Agreement must be instituted in a county district court in Kansas or, if federal jurisdiction exists, in the Federal District Court in the District of Kansas.

2. Applicable Law. The laws of the State of Kansas shall govern the interpretation and enforcement of this Agreement.

3. Acceptance of Service of Process.

(a) In the event that any legal action is commenced by the Developer against the City, service of process on the City shall be made by personal service upon the City Clerk or in such other manner as may be provided by law.

(b) In the event that any legal action is commenced by the City against the Developer, service of process on the Developer shall be made by personal service upon an officer or agent of the Developer and shall be valid whether made within or without the State of Kansas or in such other manner as may be provided by law. In the event the Developer no longer has an officer or registered agent to serve, the Secretary of State is hereby irrevocably appointed to accept service for the Developer.

D. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by a Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

E. Inaction Not a Waiver of Default. Any failures or delays by a Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive such Party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

F. Enforced Delay; Extension of Times of Performance.

1. In the event that either party shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God; strikes; lockouts; failure of power or other insufficient utility service; riots; insurrection; environmental remediation required by the appropriate government authorities; discovery of cultural, archeological or paleontological resources or endangered species; any lawsuit seeking to restrain, enjoin, challenge or delay construction; war; terrorism; labor difficulties (including jurisdictional labor disputes); judicial or administrative writ, order or decree; legislative decisions or actions, or delay by, applicable local, State or federal governments; casualties at the job site and resulting in direct physical damage to the Project, or occurring off-site and directly disrupting or delaying the supply of labor or materials to the Project; global pandemic or other public health emergencies; moratoria on the issuance of applicable permits or other governmental approvals; or other reason of a

like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. .

2. Time of performance under this Agreement may also be extended in writing by the mutual agreement of the City and the Developer.

G. The City's Self Help Rights to Operate. In the event that Developer, or (following a foreclosure by Developer's Lender), Developer's Lender or a New Owner shall fail to continuously operate the Project for the provision of high-speed internet via fiber cable distribution lines throughout the City of South Hutchinson, Kansas for a period of more than 30 days after written notice from the City, then the City shall have a right to temporarily operate the Project in order to continue high speed fiber optic internet service provision within the City of South Hutchinson and to generate revenue to make scheduled special assessment payments towards the CID Bonds and other financing paying for the Project. However, the City's rights to operate the Project as set forth herein shall terminate if and when (a) the Lender (or Lender's successor in interest) shall foreclose on its security interest in and to the Project and a New Owner takes possession of the CID Improvements, the Project Site and/or the Project, or (b) the City forecloses upon its security interest in the CID Improvements as described in subsection H below.

H. City Foreclosure of the City's Security Interest. Subject and always subordinate to the security interest of Developer's Lender(s) as set forth in Article IV, if Developer defaults in the payment of the CID Special Assessments, and the City thereafter forecloses on its security interest described in Article IV.C, Developer agrees that the City will assume all of Developer's right, title and interest to the CID Improvements and may operate the same thereafter as the owner of such CID Improvements.

ARTICLE VII GENERAL PROVISIONS

A. Termination of the CID. The City shall not terminate the CID prior to the expiration of its Term, except as provided by law, or as requested by the Developer.

B. Modification of the District. From time to time during the Term, the Developer may request, and the City shall reasonably consider, any modification to the District, in accordance with the CID Act.

C. Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the mutual consent of the Parties, upon official action of the City's governing body approving said amendment, and by the execution of said amendment by the Parties or their successors in interest. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, the Parties shall take such reasonable measures including, but not limited to, reasonable amendment of this Agreement to cure such

invalidity where the invalidity contradicts the clear intent of the Parties in entering into this Agreement.

D. No Other Agreement. Except as otherwise expressly provided herein, this Agreement and all documents incorporated herein by reference supersedes all prior agreements, negotiations and discussions, both written and oral, relative to the subject matter of this Agreement and is a full integration of the agreement of the Parties.

E. Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable. In no such event shall the validity or enforceability of the remaining valid portions hereof be affected.

F. Notice. All notices and requests required pursuant to this Agreement shall be in writing and shall be sent as follows:

To the Developer:

Ideatek Telcom, LLC
ATTN: Legal Notice
111 Old Mill Lane
Buhler, Kansas 67522

With copies to: legal@ideatek.com

To the City:

City Manager
City of South Hutchinson
600 E Avenue C
South Hutchinson, Kansas

With copies to:

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

G. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

H. Recordation of Agreement. The Parties agree to execute and deliver a memorandum of this Agreement in proper form for recording in the real property records of Reno County, Kansas.

I. Consent or Approval. Except as otherwise provided in this Agreement, whenever consent or approval of either Party is required, such consent or approval shall not be unreasonably withheld.

J. Representations and Warranties of Developer. Developer represents and warrants to the City as follows:

1. Organization. Developer is a Kansas limited liability company duly formed and validly existing under the laws of the State Kansas (the "State"). Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall (1) preserve and keep in full force and effect its corporate or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

2. Authority. The execution, delivery and performance by Developer of this Agreement are within Developer's powers and have been duly authorized by all necessary action of Developer.

3. No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

4. No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or governmental authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other governmental units.

5. Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

K. Representations and Warranties of the City.

1. Authority. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

2. No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the City or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the City is bound or to which the City is subject.

3. No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or governmental authority or regulatory body or third party is required for the due execution and delivery by the City of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or governmental authority or regulatory body or third party is required for the performance by the City of this Agreement or the consummation of the transactions contemplated hereby.

4. Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

L. Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

M. Time. Time is of the essence in this Agreement.

N. Incorporation of Exhibits. The Exhibits attached hereto and incorporated herein by reference are a part of this Agreement to the same extent as if fully set forth herein.

[Remainder of page intentionally left blank]

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

IDEATEK TELCOM, LLC

By: _____
Thomas Garrett, Director of Business Development

ATTEST:

CITY OF SOUTH HUTCHINSON, KANSAS

By: _____
Brian Garretson, Mayor

ATTEST:

APPROVED AS TO FORM:

Michele Nightingale, City Clerk

Austin Parker # _____
Special Counsel for City of South Hutchinson

Ethan S. Kaplan #24307
General Counsel for Ideatek Telcom, LLC

INDEX OF EXHIBITS

Exhibit A	CID Petition
Exhibit B	Legal Description and Map of CID District
Exhibit C	Budget/CID Costs
Exhibit D	Certificate of Expenditure Form
Exhibit E	Service Rate Tiers

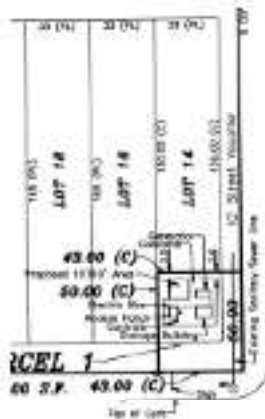
EXHIBIT A

CID Petition

(SEE ATTACHED)

EXHIBIT B

Legal Description and Map of CID District



The South 35.00 feet of Lot 14, West Avenue "C", Original Town of South Hutchinson, Reno County, Kansas TOGETHER WITH the North 15.00 feet of West Avenue "C" and the West 10.00 feet of South Washington Street, both reverting thereto by reason of vacation.

EXHIBIT C

Budget/CID Costs

South Hutchinson Fiber Build Budget Summary	
Category	Amount
Materials	\$159,234
Electronics	\$91,559
Construction Labor	\$561,098
Splicing	\$113,813
Contingency	\$128,735
Premise Equipment and Install	\$269,131
Design, Development, Legal, and Project Management	\$161,430
South Hutchinson Pre-project Legal and Administrative	\$15,000
Total	\$1,500,000

EXHIBIT D

Certificate of Expenditure Form

South Hutchinson CID - Certificate of Expenditure

This document should be used as a certification of an acceptable expenditure under the South Hutchinson CID fiber-optic network expansion project.

Certificate ID Number _____

Certificate Date _____

Reimbursement Due Date _____

Date of Expenditure	Expenditure	Category of Expenditure	Amount
[SAMPLE]	[SAMPLE]	[SAMPLE]	[SAMPLE]

TOTAL: _____

Ideatek hereby verifies and affirms that these expenditures are true and accurate and reflect the amounts to be paid for the CID fiber-optic network expansion project.

IDEATEK TELCOM, LLC

BY: _____
[NAME]
AUTHORIZED REPRESENTATIVE

APPROVED AND AUTHORIZED

Pursuant to the Bond Documents and the Development Agreement between the City of South Hutchinson, Kansas and Ideatek Telecom, LLC, the City of South Hutchinson hereby approves the foregoing Certificate of Expenditure and authorizes payment to be released.

BY: _____
[NAME]
CITY MANAGER OR DESIGNER

DATE: _____

EXHIBIT E

Service Rate Tiers

[PLACEHOLDER]

NOTICE OF HEARING TO EXCEED REVENUE NEUTRAL RATE AND BUDGET HEARING

The governing body of
City of South Hutchinson

will meet on September 18, 2023 at 6:00 PM at City Hall South Hutchinson, KS for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds, the amount of ad valorem tax, and the Revenue Neutral Rate. Detailed budget information is available at City Hall South Hutchinson, KS and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2024 Expenditures and Amount of 2023 Ad Valorem Tax establish the maximum limits of the 2024 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2022		Current Year Estimate for 2023		Proposed Budget for 2024		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2023 Ad Valorem Tax	Proposed Estimated Tax Rate*
General	2,413,371	26.939	2,417,884	26.499	4,006,769	876,026	32.340
Debt Service	1,061,564	14.311	859,926	14.000	833,738	216,118	7.978
Employee Benefits	37,739	1.250	54,000	2.000	106,000	58,992	2.178
Flood Control	25,110	1.000	25,170	1.000	54,300	27,197	1.004
Special Highway	51,672		50,000		224,012		
Water Utility	677,363		753,713		899,100		
Sewer Utility	1,026,344		1,185,100		1,191,100		
Convention & Tourism	30,054		70,000		70,000		
Special Park	0		0		4,009		
Diversion	2,288		20,000		29,900		
Street/Economic Dev Sales Tax	101,157		106,500		614,209		
Non-Budgeted Funds-A	858,628		0		0		
Non-Budgeted Funds-B	69,473		0		0		
Non-Budgeted Funds-C	11,737		0		0		
Totals	6,366,500	43.500	5,542,293	43.499	8,033,137	1,178,333	43.500
						Revenue Neutral Rate**	41.646
Less: Transfers	1,432,312		1,149,766		1,266,400		
Net Expenditure	4,934,188		4,392,527		6,766,737		
Total Tax Levied	1,086,411		1,128,154		xxxxxxxxxxxx		
Assessed Valuation	24,974,049		25,935,288		27,087,631		
Outstanding Indebtedness, January 1,							
G.O. Bonds	8,700,000		7,880,000		7,160,000		
Revenue Bonds	0		0		0		
Other	0		0		0		
Lease Purchase Principal	0		0		0		
Total	8,700,000		7,880,000		7,160,000		

*Tax rates are expressed in mills

** Revenue Neutral Rate as defined by KSA 79-2988

Michele Nightingale

Official Title: City Clerk

City of South Hutchinson

2024

Adopted Budget General Fund - Detail Expenditures	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Expenditures:			
General Administration			
Personal Services	82,607	95,000	95,000
Contractual	139,968	120,000	150,000
Commodities	11,949	12,500	19,659
Transfer to Equipment Reserve	6,000	6,000	6,000
Transfer to Capital Improvement Fund	6,000	6,000	6,000
Total	246,524	239,500	276,659
Police Department			
Personal Services	518,609	550,000	585,000
Contractual	93,925	107,327	110,000
Commodities	37,119	51,000	74,300
Capital Outlay	2,729	0	0
Transfer to Equipment Reserve	27,996	65,000	30,000
Total	680,378	773,327	799,300
Fire Department			
Personal Services	170,199	194,500	195,000
Contractual	64,156	66,604	80,000
Commodities	24,390	25,300	25,000
Capital Outlay	15,752	0	16,000
Transfer to Equipment Reserve	66,000	123,000	64,700
Transfer to Capital Improvement Fund	10,000	10,000	10,000
Total	350,497	419,404	390,700
Street Department			
Personal Services	113,438	205,125	150,000
Contractual	49,952	132,000	132,000
Commodities	47,042	17,100	27,000
Transfer to Equipment Reserve	50,000	50,000	0
Transfer to Capital Improvement Fund			50,000
Total	260,432	404,225	359,000
Parks Department			
Personal Services	0	0	0
Contractual	8,656	11,000	11,000
Commodities	2,291	1,000	3,000
Transfer to Equipment Reserve	25,000	25,000	0
Transfer to Capital Improvement Fund	10,000	10,000	35,000
Total	45,947	47,000	49,000
Municipal Court			
Personal Services	57,963	67,075	69,000
Contractual	66,279	94,400	119,000
Commodities	1,053	4,000	4,000
Capital Outlay	2,946	0	0
Total	128,241	165,475	192,000
Non-Departmental			
Refuse	107,638	108,000	110,000
Street Lighting	72,950	64,000	75,000
Commodities	7,969	5,000	10,000
Capital Outlay	0	0	95,110
Capital Improvements	12,795	0	0
Transfer to Capital Improvement Fund	500,000	191,953	450,000
Total	701,352	368,953	740,110
Page Total	2,413,371	2,417,884	2,806,769

(Note: Should agree with general sub-totals.)