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FINAL
CITY COUNCIL

CITY OF WICHITA
KANSAS

City Council Meeting
09:30 a.m. August 26, 2014

First Floor Board Room
455 North Main

OPENING OF REGULAR MEETING

- Call to Order
- Approve the minutes of the regular meeting on August 19, 2014

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 AGENDA

VIII. COUNCIL MEMBER AGENDA

None

IX. COUNCIL MEMBER APPOINTMENTS

1. Board Appointments.

RECOMMENDED ACTION: Approve the Appointments.

Adjournment

*****WORKSHOP TO FOLLOW*****

(ATTACHMENT 1 – CONSENT AGENDA ITEMS 1 THROUGH 14)

II. CITY COUNCIL CONSENT AGENDA ITEMS

1. Report of Board of Bids and Contracts dated August 25, 2014.

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

2. Applications for Licenses to Retail Cereal Malt Beverages:

<u>Renewal</u>	<u>2014</u>	<u>(Consumption off Premises)</u>
James Smith	Farmers Market Inc. ***	2901 North Broadway

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

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

3. Preliminary Estimates:

- a. List of Preliminary Estimates.

RECOMMENDED ACTION: Receive and file.

4. Petitions for Public Improvements:

- a. Revised Petitions for Improvements to Legacy Third Addition (District IV)
b. Petitions for Improvements to Ridge Port North Sixth Addition. (District V)
c. Petitions for Paving Improvements in Tyler’s Landing Fourth. Addition(District V)

RECOMMENDED ACTION: Approve Petitions; adopt resolutions.

5. Design Services Agreement:

- a. Supplemental Design Agreement No. 1 for Improvements to Pawnee, from Hydraulic to Grove.
(District III)

RECOMMENDED ACTION: Approve Agreements/Contracts; authorize the necessary signatures.

6. Minutes of Advisory Boards/Commissions

Board of Park Commissioners, July 14, 2014
Wichita Public Library, July 15, 2014
Board of Electrical Appeals, July 8, 2014

RECOMMENDED ACTION: Receive and file.

7. Repair or Removal of Dangerous and Unsafe Structures. (District I)

<u>Property Address</u>	<u>Council District</u>
a. 347 N. Ash	I
b. 2922 E. Mossman	I

RECOMMENDED ACTION: Adopt the attached resolutions to schedule public hearings before the City Council on October 7, 2014 at 09:30 a.m. or as soon as possible thereafter, to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes and local ordinances.

8. Proposed Assessment Rolls have been prepared for twelve (12) water projects, nine (9) sewer projects, seven (7) storm sewer projects and six (6) paving projects. It is necessary to set a public hearing date. Informal hearing with City personnel will be held September 15, 2014 at 11:00 a.m. Notification of both the informal and formal public hearings regarding the proposed special assessments will be mailed to affected property owners on August 29, 2014.

RECOMMENDED ACTION: Set the hearing on the Proposed Assessment Rolls for 9:30 a.m., Tuesday, August 26, 2014 and publish the notices of hearing at least once not less than 10 days prior to the date of the hearing.

9. Second Amendment of Development Agreement – K-96 Greenwich STAR Bond Project. (District II)

RECOMMENDED ACTION: Adopt the resolution authorizing the execution of the second amendment to development agreement.

10. General Obligation Bond and Note Sale.

RECOMMENDED ACTION: Adopt the resolutions: 1) authorizing the general obligation bond and note sales; 2) approving the distribution to prospective bidders of the Preliminary Official Statements, subject to such minor revisions as may be determined necessary by the Director of Finance and Bond Counsel; 3) finding that such Preliminary Official Statements are in a form "deemed final" for the purpose of the Securities Exchange Commission's Rule 15c2-12(b)(1), subject to revision, amendment and completion in the final Official Statements; 4) authorizing publication and distribution of the Notices of Sale; and 5) authorizing staff, in consultation with Bond Counsel, to take such further action reasonably required to implement the resolutions.

11. Second Reading Ordinances: (First Read August 19, 2014)

- a. List of Second Reading Ordinances.

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.

12. *VAC2013-00017 - Request to Vacate a Platted Easement, Platted Setbacks, Platted Access Control and Platted Contingent Street Right-of-Way on Property Generally Located on the Northeast Corner of 21st Street North and Amidon Avenue. (District VI)

RECOMMENDED ACTION: Approve the Vacation Order and authorize the necessary signatures.

13. *ZON2014-00013 – Zone Change Request from SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) to LI Limited Industrial (LI), Generally Located East of South Tyler Road and North of the K42 Highway. (District IV)

RECOMMENDED ACTION: Adopt the findings of the MAPC and approve the zone change subject to platting within one year of approval, instruct the Planning Department to forward the ordinance for first reading when the plat is recorded (simple majority vote required).

14. *ZON2014-00014 and CUP2014-00017 – Amendment to the Foliage Center Community Unit Plan DP-282 to Add 11,972.06 Square Feet and Rezone the Same From the GO General Office District to the LC Limited Commercial District; Relocate and Reduce the Size of Parcel 2; Modify Various Development Standards Dealing with Screening, Setbacks, Signage, Lighting Use and Access Control on Property Located Northwest of the Intersection Of North Webb Road and East 13th Street North. (District II)

RECOMMENDED ACTION: Adopt the findings of the MAPC and approve the requested zone change and recommended development standards (simple majority vote required); authorize the Mayor to sign the ordinance and place the ordinance on first reading.

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.

Fern Griffith, Housing Member is also seated with the City Council.

None

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

Wichita, Kansas
August 25, 2014
10:00 a.m., Monday
Conference Room, 12th Floor

MINUTES - BOARD OF BIDS AND CONTRACTS*

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works Engineering in the Chair; Fanny Chan, Senior Accountant, Finance, representing the Director of Finance, , Elizabeth Goltry-Wadle, Senior Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Zack Daniel, Management Fellow, representing the City Manager's Office, and Janis Edwards, Deputy City Clerk, present.

Minutes of the regular meeting dated August 18, 2014, were read and on motion approved.

Bids were opened August 22, 2014, pursuant to advertisements published on:

Lateral 3, Main 19, Four Mile Creek Sewer; Stonebridge 2nd and 3rd Additions 468-84148 744368)

Bids rejected

Dodge/Maywood to serve Southern Shores Addition (west of Seneca, north of 55th Street South) 472-85172 (766315)

Bids rejected

Traffic Signals at 3300 South Meridian (3300 South Meridian) 472-85073 (707043)

Bids rejected

Water Distribution System 448-90595 (735505) Lateral 519, SWI Sewer 468-84312 (744367)

Bids rejected

Purchasing Manager recommended that the contracts be rejected as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

On motion the Board recommended that the contracts be rejected as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

**PUBLIC WORKS AND UTILITIES DEPARTMENT/SEWER MAINTENANCE DIVISION:
Manhole Rehabilitation Material.**

Quadex Inc.* - \$51,105.60

*Estimate – Contract approved on unit cost basis; refer to attachments.

**HOUSING AND COMMUNITY SERVICES DEPARTMENT/PUBLIC HOUSING DIVISION:
HVAC Equipment.**

Defer two weeks

**PUBLIC WORKS AND UTILITIES DEPARTMENT/FLEET AND FACILITIES DIVISION:
14,000 GVWR Utility Trailer.**

Kansas Underground Inc. \$25,835.00 Base Bid (each)

\$148.00 Option 1 (each)

**PUBLIC WORKS AND UTILITIES DEPARTMENT/FLEET AND FACILITIES DIVISION:
Rubber Track Snow Pusher – REBID.**

Professional Turf Products LP - \$38,056.00

**PUBLIC WORKS AND UTILITIES DEPARTMENT/TRAFFIC MAINTENANCE DIVISION:
LED Traffic Signal Lamps.**

Mid America Signal* - \$198,825.00 Group 1

Pinkley Sales Co.* - \$12,090.00 Group 2

*Estimate – Contract approved on unit cost basis; refer to attachments.

MUNICIPAL COURT: Audio/Visual Equipment.

Conference Technologies, Inc. - \$38,470.52*

*Includes \$3,470.52 for Annual Service Agreement

**PUBLIC WORKS AND UTILITIES DEPARTMENT/SEWAGE TREATMENT DIVISION:
Recoat Rollers and Install Pillow Blocks and Bearings at Sewage Treatment Plant #2.**

Alfa Laval Ashbrook Simon Hartley Inc.* - \$53,709.00

*Purchases utilizing Sole Source of Supply Ordinance No. 35-856, Section 2. (b)

The Purchasing Division recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids adjourned.

Marty Strayer, Administrative Assistant
Department of Public Works

Janis Edwards, CMC
Deputy City Clerk

FORMAL BID REPORT

TO: Robert Layton, City Manager

DATE: August 25, 2014

ENGINEERING BIDS – GARY JANZEN, CITY ENGINEER**August 22, 2014**

Lateral 3, Main 19, Four Mile Creek Sewer to serve Stonebridge 2nd & 3rd Additions – Public Works & Utilities Department/Engineering Division (All Bids Rejected)

Paving - Dodge/Maywood to serve Southern Shores Addition (west of Seneca, north of 55th Street South) – Public Works & Utilities Department/Engineering Division (All Bids Rejected)

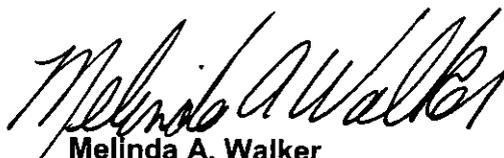
Traffic Signals at 3300 S. Meridian – Public Works & Utilities Department/Engineering Division (All Bids Rejected)

Water Distribution System; Lateral 519, SWI Sewer to serve Legacy 3rd Addition – Public Works & Utilities Department/Engineering Division (All Bids Rejected)

PURCHASING BIDS – MELINDA A. WALKER, PURCHASING MANAGER**August 22, 2014**

Manhole Rehabilitation Material – Public Works & Utilities Department/Sewer Maintenance Division		
Quadex, Inc.	(Per Pound)	\$0.39
HVAC Equipment – Housing & Community Services Department/Public Housing Division		
	(Defer to September 8, 2014)	
14,000 GVWR Utility Trailer – Public Works & Utilities Department/Fleet & Facilities Division		
Kansas Underground, Inc.	Base Bid	\$25,835.00
	Option 1 (Add) (Per Each)	\$148.00
Rubber Track Snow Pusher - REBID – Public Works & Utilities Department/Fleet & Facilities Division		
Professional Turf Products, LP		\$38,056.00
LED Traffic Signal Lamps – Public Works & Utilities Department/Traffic Maintenance Division (Deferred from August 18, 2014) (See Exhibit B for Itemized Pricing in the Formal Bid Report)		
Mid-American Signal	Group 1	\$198,825.00
Pinkley Sales Company	Group 2	\$12,090.00
Audio/Visual Equipment – Municipal Court		
Conference Technologies, Inc.	(Deferred from August 18, 2014)	\$38,470.52*
*Includes \$3,470.52 for Annual Service Agreement		
Recoat Rollers and Install Pillow Blocks and Bearings at Sewage Treatment Plant #2 – Public Works & Utilities Department/Sewage Treatment Division		
Alfa Laval Ashbrook Simon Hartley, Inc.	Sole Source of Supply,	\$53,709.00
	Ordinance No. 35-856, Section 2(b)	

ITEMS TO BE PURCHASED AS ADVERTISED IN THE OFFICIAL CITY NEWSPAPER.



Melinda A. Walker
Purchasing Manager

SANITARY SEWER BID TABULATION SUMMARY

BOARD OF BIDS - August 22, 2014

RQ440863

FB440146		Engineer's Construction Estimate	Dondlinger & Sons	Duling Construction	Mies Construction
Lateral 3, Main 19, Four Mile Creek Sewer			\$96,985.10	\$135,654.00	\$100,448.10
Stonebridge 2nd & 3rd Addition	BID BOND				
468-84148	ADDENDA	0			
(744368)					

		Engineer's Construction Estimate	McCullough Excavation	Nowak Construction	Utilities Plus
Lateral 3, Main 19, Four Mile Creek Sewer				\$135,530.00	
Stonebridge 2nd & 3rd Addition	BID BOND				
468-84148	ADDENDA	0			
(744368)					

		Engineer's Construction Estimate	Wildcat Construction	Stannard Construction d/b/a WB Carter	Danco Enterprises Inc.
Lateral 3, Main 19, Four Mile Creek Sewer					\$126,186.00
Stonebridge 2nd & 3rd Addition	BID BOND				X
468-84148	ADDENDA	0			
(744368)					

		Engineer's Construction Estimate			
Lateral 3, Main 19, Four Mile Creek Sewer					
Stonebridge 2nd & 3rd Addition	BID BOND				
468-84148	ADDENDA	0			
(744368)					

REJECT BIDS					

CHECKED BY: kp
 REVIEWED BY: ps

PAVING BID TABULATION SUMMARY

BOARD OF BIDS - August 22, 2014

RQ440864

FB440147		Engineer's Construction Estimate	APAC - Kansas Inc	Barkley Construction	Cornejo & Sons, LLC
Dodge/Maywood to serve Southern Shores Addition			\$617,298.00		\$544,614.20
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1	X		X
		Engineer's Construction Estimate	Dondlinger & Sons	Kansas Paving Company	
Dodge/Maywood to serve Southern Shores Addition				\$635,580.05	
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1		X	
		Engineer's Construction Estimate			
Dodge/Maywood to serve Southern Shores Addition					
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1			
		Engineer's Construction Estimate			
Dodge/Maywood to serve Southern Shores Addition					
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1			
REJECT BIDS					

CHECKED BY: KP
 REVIEWED BY: PS



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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line

Solicitation: FB440143 **Manhole Rehabilitation Material** **Close Date/Time:** 8/22/2014 10:00 AM CST

Solicitation Type: Formal Bid **Return to the Bid List**

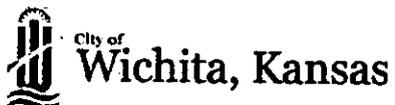
Award Method: Aggregate Cost

Department: Water Sewer Maintenance Division **Responses:** 2

Vendors	Complete	Bid Total	City Comments
QUADEX INC	Complete	\$51,105.60	Award 08/26/2014 Public Works & Utilities Department/Sewer Maintenance Division
AP/M PERMAFORM	Complete	\$61,588.80	

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB440143 **Manhole Rehabilitation Material** **Close Date/Time:** 8/22/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Aggregate Cost

Department: Water Sewer Maintenance Division

Responses: 2

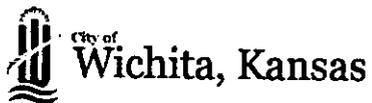
Go to:

Line 001 | Provide Manhole Rehabilitation material as per specifications and contract. Approved products: * Quadex Dynastone * Strong High Performance Mix * Permacast CR9000 * Permacast MS-10000 with Conshield/CS Identifier
 Manufacturer/Product: _____ Bid prices to include pallet charge, freight and delivery. Successful bidder to provide the use of a spinner applicator for this order at no rental charge or deposit.

Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
QUADEX INC	131040	Pound	\$0.3900	\$51,105.60	Complete	Quadex Dynastone
AP/M PERMAFORM	131040	Pound	\$0.4700	\$61,588.80	Complete	10 business days, Bidding Permacast CR9000

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440144 **HVAC Equipment** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Housing & Community Services **Responses:** 3

Vendors	Complete	Bid Total	City Comments
FERGUSON ENTERPRISES INC	Complete	\$23,869.00	Defer to 9-8-14 Housing & Community Services Dept./Public Housing Division
WASHER SPECIALTIES COMPANY	Complete	\$27,877.00	
FLEGLER INVESTMENT COMPANY INC	Complete	\$28,316.39	

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440145 **14,000 GVWR Utility Trailer** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Public Works Fleet & Facilities **Responses:** 3

Vendors	Complete	Bid Total	City Comments
KANSAS UNDERGROUND INC	Complete	\$25,983.00	Award 08/26/2014 Base Bid w/opt 1 Public Works & Utilities Department/Fleet & Facilities Division
VERDE INC	Complete	\$29,275.00	
WHITE STAR MACHINERY & SUPPLY	Complete	\$30,775.00	

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB440145 **14,000 GVWR Utility Trailer** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Public Works Fleet & Facilities **Responses:** 3
Go to: 001

Line 001 | BASE BID: New Unused Current Model 14,000 # G.V.W.R. Utility Trailer
 Manufacturer: _____ Model: _____ Year: _____

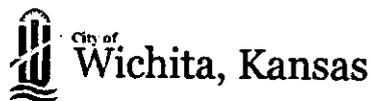
Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
KANSAS UNDERGROUND INC	5	Each	\$5,167.0000	\$25,835.00	Complete	PJ8316G
VERDE INC	5	Each	\$5,795.0000	\$28,975.00	Complete	Manufacturer: PJ Trailers Model: 16' 6" Channel Car Hauler
WHITE STAR MACHINERY & SUPPLY	5	Each	\$6,115.0000	\$30,575.00	Complete	Belshe Brand

Line 002 | OPTION 1: Trimmer Rack Kit

Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
KANSAS UNDERGROUND INC	1	Each	\$148.0000	\$148.00	Complete	3 Trimmer Rack
WHITE STAR MACHINERY & SUPPLY	1	Each	\$200.0000	\$200.00	Complete	
VERDE INC	1	Each	\$300.0000	\$300.00	Complete	

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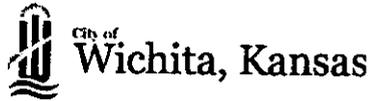
This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440154 **Rubber Track Snow Pusher - REBID** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Public Works Fleet & Facilities **Responses:** 2

Vendors	Complete	Bid Total	City Comments
PROFESSIONAL TURF PRODUCTS LP	Complete	\$38,056.00	Award 08/26/2014 Public Works & Utilities Department/Fleet & Facilities Division
ANDOVER AUTO PARTS INC	In-Complete	\$0.00	

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440129 **LED Traffic Signal Lamps** **Close Date/Time:** 8/8/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Group
Department: Public Works & Utilities **Responses:** 6

Vendors	Complete	Bid Total	City Comments
MID-AMERICAN SIGNAL	Complete	\$213,780.00	Award Group 1 8/26/2014 Public Works & Utilities Dept./Traffic Maintenance Division
PINKLEY SALES CO	Complete	\$219,270.00	Award Group 2 8/26/2014 Public Works & Utilities Dept./Traffic Maintenance Division
TRASTAR INC.	Complete	\$229,492.00	
GADES SALES CO INC	Complete	\$245,690.00	
EXCELLENCE OPTO INC	Partial	\$164,200.00	Bid Withdrawn
GENERAL TRAFFIC EQUIPMENT CORPORATION	Partial	\$207,000.00	

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This page summarizes bids by the totals for each group listed on the solicitation.

Vendor Group Line

Solicitation: FB440129 LED Traffic Signal Lamps

Close Date/Time: 8/8/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Group

Department: Public Works & Utilities

Responses: 6

Go to: 1

Group 1

Vendors	Complete	Group Total Net Bid
<u>EXCELLENCE OPTO INC</u>	Complete	\$164,200.00
<u>MID-AMERICAN SIGNAL</u>	Complete	\$198,825.00
<u>GENERAL TRAFFIC EQUIPMENT CORPORATION</u>	Complete	\$207,000.00
<u>PINKLEY SALES CO</u>	Complete	\$207,180.00
<u>TRASTAR INC.</u>	Complete	\$229,492.00
<u>GADES SALES CO INC</u>	Complete	\$231,350.00

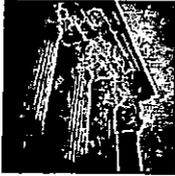
[Top of the Page](#)

Group 2

Vendors	Complete	Group Total Net Bid
<u>TRASTAR INC.</u>	Complete	\$0.00
<u>PINKLEY SALES CO</u>	Complete	\$12,090.00
<u>GADES SALES CO INC</u>	Complete	\$14,340.00
<u>MID-AMERICAN SIGNAL</u>	Complete	\$14,955.00
<u>GENERAL TRAFFIC EQUIPMENT CORPORATION</u>	In-Complete	\$0.00
<u>EXCELLENCE OPTO INC</u>	In-Complete	\$0.00

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Bids On Solicitation

Vendor Solicitations System Admin Logout Help

This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB440129 LED Traffic Signal Lamps

Close Date/Time: 8/8/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Group

Department: Public Works & Utilities

Responses: 6

Go to: .001

Line 001 GROUP 1: 12" Red Ball LED as per specifications. GelCore DR6-RTFB-17A, Duralight JXC300-HFR or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	1500	Each	\$19.8000	\$29,700.00	Complete
EXCELLENCE OPTO INC	1500	Each	\$21.2500	\$31,875.00	Complete
MID-AMERICAN SIGNAL	1500	Each	\$22.1500	\$33,225.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	1500	Each	\$23.0000	\$34,500.00	Complete
GADES SALES CO INC	1500	Each	\$26.7000	\$40,050.00	Complete
TRASTAR INC.	1500	Each	\$27.5000	\$41,250.00	Complete

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Line 002 GROUP 1: 12" Amber Ball LED as per specifications. GelCore DR6-YTFB-17A-YX, Duralight JXC300-HFY-02 or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	1500	Each	\$21.7500	\$32,625.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	1500	Each	\$23.0000	\$34,500.00	Complete
EXCELLENCE OPTO INC	1500	Each	\$23.2500	\$34,875.00	Complete
MID-AMERICAN SIGNAL	1500	Each	\$24.2500	\$36,375.00	Complete
GADES SALES CO INC	1500	Each	\$26.7000	\$40,050.00	Complete
TRASTAR INC.	1500	Each	\$30.0000	\$45,000.00	Complete

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Line 003 GROUP 1: 12" Green Ball LED as per specifications. GelCore DR6-GCFB-17A, Duralight JXC300-HFG or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	1500	Each	\$20.7500	\$31,125.00	Complete
EXCELLENCE OPTO INC	1500	Each	\$22.5000	\$33,750.00	Complete
MID-AMERICAN SIGNAL	1500	Each	\$22.6500	\$33,975.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	1500	Each	\$23.0000	\$34,500.00	Complete
TRASTAR INC.	1500	Each	\$28.0000	\$42,000.00	Complete
GADES SALES CO INC	1500	Each	\$30.0000	\$45,000.00	Complete

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Line 004 GROUP 1: 12" Amber Arrow LED as per specifications. GelCore DR6-YTAAAN-17A-YX, Duralight JXJ300-HFY01 or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended	Complete
---------	-----	-----	-------	----------	----------

					Cost	
PINKLEY SALES CO	500	Each	\$22.6500	\$11,325.00	Complete	
EXCELLENCE OPTO INC	500	Each	\$24.5000	\$12,250.00	Complete	
GENERAL TRAFFIC EQUIPMENT CORPORATION	500	Each	\$25.0000	\$12,500.00	Complete	
MID-AMERICAN SIGNAL	500	Each	\$25.5500	\$12,775.00	Complete	
GADES SALES CO INC	500	Each	\$30.0000	\$15,000.00	Complete	
TRASTAR INC.	500	Each	\$31.0000	\$15,500.00	Complete	

Line 005 GROUP 1: 12" Green Arrow LED as per specifications. GelCore DR6-GCAAN-17A, Duralight JXJ300-HFG or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	500	Each	\$21.6500	\$10,825.00	Complete
EXCELLENCE OPTO INC	500	Each	\$24.5000	\$12,250.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	500	Each	\$26.0000	\$13,000.00	Complete
MID-AMERICAN SIGNAL	500	Each	\$27.3500	\$13,675.00	Complete
GADES SALES CO INC	500	Each	\$28.9000	\$14,450.00	Complete
TRASTAR INC.	500	Each	\$35.5800	\$17,790.00	Complete

Line 006 GROUP 1: 16" x 18" Hand/Man Countdown LED as per specifications. GE PS7-CFF1-01A-18, Duralight JXM-400-VIEIL or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

Vendors	QTY	UOM	Price	Extended Cost	Complete
EXCELLENCE OPTO INC	400	Each	\$98.0000	\$39,200.00	Complete
TRASTAR INC.	400	Each	\$169.8800	\$67,952.00	Complete
MID-AMERICAN SIGNAL	400	Each	\$172.0000	\$68,800.00	Complete
GADES SALES CO INC	400	Each	\$192.0000	\$76,800.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	400	Each	\$195.0000	\$78,000.00	Complete
PINKLEY SALES CO	400	Each	\$228.9500	\$91,580.00	Complete

Line 007 GROUP 2: 5 1/2" Red LED for Programmable Signal as per specifications. GelCore DR3 Series or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

Vendors	QTY	UOM	Price	Extended Cost	Complete
TRASTAR INC.	100	Each	\$0.0000	\$0.00	Complete
PINKLEY SALES CO	100	Each	\$34.7500	\$3,475.00	Complete
MID-AMERICAN SIGNAL	100	Each	\$43.2000	\$4,320.00	Complete
GADES SALES CO INC	100	Each	\$47.8000	\$4,780.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION				No Bid.	
EXCELLENCE OPTO INC				No Bid.	

Line 008 GROUP 2: 5 1/2" Yellow LED for Programmable Signal as per specifications. GelCore DR3 Series or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

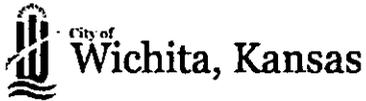
Vendors	QTY	UOM	Price	Extended Cost	Complete
TRASTAR INC.	100	Each	\$0.0000	\$0.00	Complete
PINKLEY SALES CO	100	Each	\$34.7500	\$3,475.00	Complete
MID-AMERICAN SIGNAL	100	Each	\$43.2000	\$4,320.00	Complete
GADES SALES CO INC	100	Each	\$47.8000	\$4,780.00	Complete
EXCELLENCE OPTO INC				No Bid.	
GENERAL TRAFFIC EQUIPMENT CORPORATION				No Bid.	

Line 009 GROUP 2: 5 1/2" Green LED for Programmable Signal as per specifications. GelCore DR3 Series or Approved Equal Top of the Page
 MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
TRASTAR INC.	100	Each	\$0.0000	\$0.00	Complete
GADES SALES CO INC	100	Each	\$47.8000	\$4,780.00	Complete
PINKLEY SALES CO	100	Each	\$51.4000	\$5,140.00	Complete
MID-AMERICAN SIGNAL	100	Each	\$63.1500	\$6,315.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION				No Bid.	
EXCELLENCE OPTO INC				No Bid.	

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440134 **Audio/Visual Equipment** **Close Date/Time:** 8/8/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Municipal Court **Responses:** 1

Vendors	Complete	Bid Total	City Comments
CONFERENCE TECHNOLOGIES, INC.	Complete	\$35,000.00	Award 8-26-14 Add \$3,470.52 for Annual Service Agreement, Bid Total \$38,470.52 Municipal Court

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Purchases Utilizing Sole Source of Supply

Ordinance No. 35-856 Section 2. (b)

SUBJECT: Recoat Rollers and Install Pillow Blocks and Bearings at Sewage Treatment Plant #2

- 2 each – Roller, 10", 014297RWC
- 4 each – Roller, 11 3/4", 075082RWC
- 1 each – Roller, 14", 075075RWC
- 1 each – Roller, 18", 065927RWC
- 34 each – Bearing Pillow Block, 056412
- 2 each – Bearing Trk Pillow Block NE Pillow block, 056413
- 2 each – Bearing, Trk Pillow Block CE expansion, 056414
- 2 each – Bearing Housing Kit, 056411
- 39 each – Bearing Splashguard kit, 030306
- 7 each – Roller 8", 014290RWC
- 5 each – Roller 12", 014293RWC

FOR A TOTAL OF \$53,709.00

This is a sole source of supply when material to be purchased is available from a sole distributor.

Department: PUBLIC WORKS & UTILITIES/WATER SEWAGE TREATMENT DIVISION

Vendor	Reference Authority	Cost
Alfa Laval Ashbrook Simon Hartley Inc.	Ordinance No. 35-856 Section 2 (b)	\$53,709.00

Wichita, Kansas
August 25, 2014
10:00 a.m., Monday
Conference Room, 12th Floor

MINUTES - BOARD OF BIDS AND CONTRACTS*

The Board of Bids and Contracts met with Marty Strayer, Administrative Assistant, Public Works Engineering in the Chair; Fanny Chan, Senior Accountant, Finance, representing the Director of Finance, , Elizabeth Goltry-Wadle, Senior Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Zack Daniel, Management Fellow, representing the City Manager's Office, and Janis Edwards, Deputy City Clerk, present.

Minutes of the regular meeting dated August 18, 2014, were read and on motion approved.

Bids were opened August 22, 2014, pursuant to advertisements published on:

Lateral 3, Main 19, Four Mile Creek Sewer; Stonebridge 2nd and 3rd Additions 468-84148 744368)

Bids rejected

Dodge/Maywood to serve Southern Shores Addition (west of Seneca, north of 55th Street South) 472-85172 (766315)

Bids rejected

Traffic Signals at 3300 South Meridian (3300 South Meridian) 472-85073 (707043)

Bids rejected

Water Distribution System 448-90595 (735505) Lateral 519, SWI Sewer 468-84312 (744367)

Bids rejected

Purchasing Manager recommended that the contracts be rejected as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

On motion the Board recommended that the contracts be rejected as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

**PUBLIC WORKS AND UTILITIES DEPARTMENT/SEWER MAINTENANCE DIVISION:
Manhole Rehabilitation Material.**

Quadex Inc.* - \$51,105.60

*Estimate – Contract approved on unit cost basis; refer to attachments.

**HOUSING AND COMMUNITY SERVICES DEPARTMENT/PUBLIC HOUSING DIVISION:
HVAC Equipment.**

Defer two weeks

**PUBLIC WORKS AND UTILITIES DEPARTMENT/FLEET AND FACILITIES DIVISION:
14,000 GVWR Utility Trailer.**

Kansas Underground Inc. \$25,835.00 Base Bid (each)

\$148.00 Option 1 (each)

**PUBLIC WORKS AND UTILITIES DEPARTMENT/FLEET AND FACILITIES DIVISION:
Rubber Track Snow Pusher – REBID.**

Professional Turf Products LP - \$38,056.00

**PUBLIC WORKS AND UTILITIES DEPARTMENT/TRAFFIC MAINTENANCE DIVISION:
LED Traffic Signal Lamps.**

Mid America Signal* - \$198,825.00 Group 1

Pinkley Sales Co.* - \$12,090.00 Group 2

*Estimate – Contract approved on unit cost basis; refer to attachments.

MUNICIPAL COURT: Audio/Visual Equipment.

Conference Technologies, Inc. - \$38,470.52*

*Includes \$3,470.52 for Annual Service Agreement

**PUBLIC WORKS AND UTILITIES DEPARTMENT/SEWAGE TREATMENT DIVISION:
Recoat Rollers and Install Pillow Blocks and Bearings at Sewage Treatment Plant #2.**

Alfa Laval Ashbrook Simon Hartley Inc.* - \$53,709.00

*Purchases utilizing Sole Source of Supply Ordinance No. 35-856, Section 2. (b)

The Purchasing Division recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids adjourned.

Marty Strayer, Administrative Assistant
Department of Public Works

Janis Edwards, CMC
Deputy City Clerk

FORMAL BID REPORT

TO: Robert Layton, City Manager
 DATE: August 25, 2014

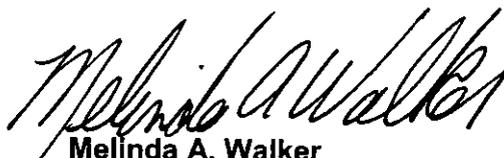
ENGINEERING BIDS – GARY JANZEN, CITY ENGINEER**August 22, 2014**

Lateral 3, Main 19, Four Mile Creek Sewer to serve Stonebridge 2nd & 3rd Additions – Public Works & Utilities Department/Engineering Division (All Bids Rejected)
 Paving - Dodge/Maywood to serve Southern Shores Addition (west of Seneca, north of 55th Street South) – Public Works & Utilities Department/Engineering Division (All Bids Rejected)
 Traffic Signals at 3300 S. Meridian – Public Works & Utilities Department/Engineering Division (All Bids Rejected)
 Water Distribution System; Lateral 519, SWI Sewer to serve Legacy 3rd Addition – Public Works & Utilities Department/Engineering Division (All Bids Rejected)

PURCHASING BIDS – MELINDA A. WALKER, PURCHASING MANAGER**August 22, 2014**

Manhole Rehabilitation Material – Public Works & Utilities Department/Sewer Maintenance Division Quadex, Inc.	(Per Pound)	\$0.39
HVAC Equipment – Housing & Community Services Department/Public Housing Division Quadex, Inc.	(Defer to September 8, 2014)	
14,000 GVWR Utility Trailer – Public Works & Utilities Department/Fleet & Facilities Division Kansas Underground, Inc.	Base Bid	\$25,835.00
	Option 1 (Add) (Per Each)	\$148.00
Rubber Track Snow Pusher - REBID – Public Works & Utilities Department/Fleet & Facilities Division Professional Turf Products, LP		\$38,056.00
LED Traffic Signal Lamps – Public Works & Utilities Department/Traffic Maintenance Division (Deferred from August 18, 2014) (See Exhibit B for Itemized Pricing in the Formal Bid Report) Mid-American Signal	Group 1	\$198,825.00
Pinkley Sales Company	Group 2	\$12,090.00
Audio/Visual Equipment – Municipal Court Conference Technologies, Inc.	(Deferred from August 18, 2014)	\$38,470.52*
*Includes \$3,470.52 for Annual Service Agreement		
Recoat Rollers and Install Pillow Blocks and Bearings at Sewage Treatment Plant #2 – Public Works & Utilities Department/Sewage Treatment Division Alfa Laval Ashbrook Simon Hartley, Inc.	Sole Source of Supply, Ordinance No. 35-856, Section 2(b)	\$53,709.00

ITEMS TO BE PURCHASED AS ADVERTISED IN THE OFFICIAL CITY NEWSPAPER.


 Melinda A. Walker
 Purchasing Manager

SANITARY SEWER BID TABULATION SUMMARY

BOARD OF BIDS - August 22, 2014

RQ440863

FB440146		Engineer's Construction Estimate	Dondlinger & Sons	Duling Construction	Mies Construction
Lateral 3, Main 19, Four Mile Creek Sewer			\$96,985.10	\$135,654.00	\$100,448.10
Stonebridge 2nd & 3rd Addition	BID BOND				
468-84148	ADDENDA	0			
(744368)					

		Engineer's Construction Estimate	McCullough Excavation	Nowak Construction	Utilities Plus
Lateral 3, Main 19, Four Mile Creek Sewer				\$135,530.00	
Stonebridge 2nd & 3rd Addition	BID BOND				
468-84148	ADDENDA	0			
(744368)					

		Engineer's Construction Estimate	Wildcat Construction	Stannard Construction d/b/a WB Carter	Danco Enterprises Inc.
Lateral 3, Main 19, Four Mile Creek Sewer					\$126,186.00
Stonebridge 2nd & 3rd Addition	BID BOND				X
468-84148	ADDENDA	0			
(744368)					

		Engineer's Construction Estimate			
Lateral 3, Main 19, Four Mile Creek Sewer					
Stonebridge 2nd & 3rd Addition	BID BOND				
468-84148	ADDENDA	0			
(744368)					

REJECT BIDS					

CHECKED BY: kp
 REVIEWED BY: ps

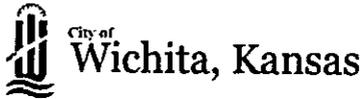
PAVING BID TABULATION SUMMARY

BOARD OF BIDS - August 22, 2014

RQ440864

FB440147		Engineer's Construction Estimate	APAC - Kansas Inc	Barkley Construction	Cornejo & Sons, LLC
Dodge/Maywood to serve Southern Shores Addition			\$617,298.00		\$544,614.20
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1	X		X
Engineer's Construction Estimate					
Dodge/Maywood to serve Southern Shores Addition			Dondlinger & Sons	Kansas Paving Company	
(west of Seneca, north of 55th Street South)	BID BOND			\$635,580.05	
472-85172 (766315)	ADDENDA	1			
				X	
Engineer's Construction Estimate					
Dodge/Maywood to serve Southern Shores Addition					
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1			
Engineer's Construction Estimate					
Dodge/Maywood to serve Southern Shores Addition					
(west of Seneca, north of 55th Street South)	BID BOND				
472-85172 (766315)	ADDENDA	1			
REJECT BIDS					

CHECKED BY: KP
 REVIEWED BY: PS



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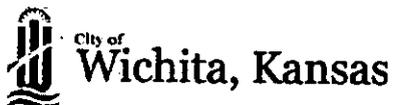
This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440143 **Manhole Rehabilitation Material** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Water Sewer Maintenance Division **Responses:** 2

Vendors	Complete	Bid Total	City Comments
QUADEX INC	Complete	\$51,105.60	Award 08/26/2014 Public Works & Utilities Department/Sewer Maintenance Division
AP/M PERMAFORM	Complete	\$61,588.80	

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB440143 **Manhole Rehabilitation Material** **Close Date/Time:** 8/22/2014 10:00 AM CST

Solicitation Type: Formal Bid [Return to the Bid List](#)

Award Method: Aggregate Cost

Department: Water Sewer Maintenance Division **Responses:** 2

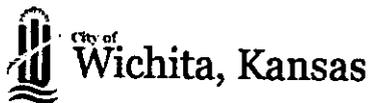
Go to:

Line 001 | Provide Manhole Rehabilitation material as per specifications and contract. Approved products: * Quadex Dynastone * Strong High Performance Mix * Permacast CR9000 * Permacast MS-10000 with Conshield/CS Identifier
 Manufacturer/Product: _____ Bid prices to include pallet charge, freight and delivery. Successful bidder to provide the use of a spinner applicator for this order at no rental charge or deposit.

Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
QUADEX INC	131040	Pound	\$0.3900	\$51,105.60	Complete	Quadex Dynastone
AP/M PERMAFORM	131040	Pound	\$0.4700	\$61,588.80	Complete	10 business days, Bidding Permacast CR9000

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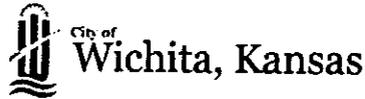
This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440144 **HVAC Equipment** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Housing & Community Services **Responses:** 3

Vendors	Complete	Bid Total	City Comments
FERGUSON ENTERPRISES INC	Complete	\$23,869.00	Defer to 9-8-14 Housing & Community Services Dept./Public Housing Division
WASHER SPECIALTIES COMPANY	Complete	\$27,877.00	
FLEGLER INVESTMENT COMPANY INC	Complete	\$28,316.39	

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440145 **14,000 GVWR Utility Trailer** **Close Date/Time:** 8/22/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Public Works Fleet & Facilities **Responses:** 3

Vendors	Complete	Bid Total	City Comments
KANSAS UNDERGROUND INC	Complete	\$25,983.00	Award 08/26/2014 Base Bid w/opt 1 Public Works & Utilities Department/Fleet & Facilities Division
VERDE INC	Complete	\$29,275.00	
WHITE STAR MACHINERY & SUPPLY	Complete	\$30,775.00	

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This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB440145 **14,000 GVWR Utility Trailer** **Close Date/Time:** 8/22/2014 10:00 AM CST

Solicitation Type: Formal Bid [Return to the Bid List](#)

Award Method: Aggregate Cost

Department: Public Works Fleet & Facilities **Responses:** 3

Go to: 001

Line 001 | BASE BID: New Unused Current Model 14,000 # G.V.W.R. Utility Trailer
 Manufacturer: _____ Model: _____ Year: _____

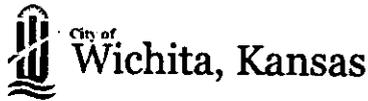
Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
KANSAS UNDERGROUND INC	5	Each	\$5,167.0000	\$25,835.00	Complete	PJ8316G
VERDE INC	5	Each	\$5,795.0000	\$28,975.00	Complete	Manufacturer: PJ Trailers Model: 16' 6" Channel Car Hauler
WHITE STAR MACHINERY & SUPPLY	5	Each	\$6,115.0000	\$30,575.00	Complete	Belshe Brand

Line 002 | OPTION 1: Trimmer Rack Kit

Vendors	QTY	UOM	Price	Extended Cost	Complete	Comments
KANSAS UNDERGROUND INC	1	Each	\$148.0000	\$148.00	Complete	3 Trimmer Rack
WHITE STAR MACHINERY & SUPPLY	1	Each	\$200.0000	\$200.00	Complete	
VERDE INC	1	Each	\$300.0000	\$300.00	Complete	

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line

Solicitation: FB440154 **Rubber Track Snow Pusher - REBID** **Close Date/Time:** 8/22/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Aggregate Cost

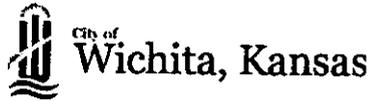
Department: Public Works Fleet & Facilities

Responses: 2

Vendors	Complete	Bid Total	City Comments
PROFESSIONAL TURF PRODUCTS LP	Complete	\$38,056.00	Award 08/26/2014 Public Works & Utilities Department/Fleet & Facilities Division
ANDOVER AUTO PARTS INC	In-Complete	\$0.00	

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This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440129 **LED Traffic Signal Lamps** **Close Date/Time:** 8/8/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Group
Department: Public Works & Utilities **Responses:** 6

Vendors	Complete	Bid Total	City Comments
MID-AMERICAN SIGNAL	Complete	\$213,780.00	Award Group 1 8/26/2014 Public Works & Utilities Dept./Traffic Maintenance Division
PINKLEY SALES CO	Complete	\$219,270.00	Award Group 2 8/26/2014 Public Works & Utilities Dept./Traffic Maintenance Division
TRASTAR INC.	Complete	\$229,492.00	
GADES SALES CO INC	Complete	\$245,690.00	
EXCELLENCE OPTO INC	Partial	\$164,200.00	Bid Withdrawn
GENERAL TRAFFIC EQUIPMENT CORPORATION	Partial	\$207,000.00	

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This page summarizes bids by the totals for each group listed on the solicitation.

Vendor Group Line

Solicitation: FB440129 LED Traffic Signal Lamps

Close Date/Time: 8/8/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Group

Department: Public Works & Utilities

Responses: 6

Go to: 1

Group 1

Vendors	Complete	Group Total Net Bid
<u>EXCELLENCE OPTO INC</u>	Complete	\$164,200.00
<u>MID-AMERICAN SIGNAL</u>	Complete	\$198,825.00
<u>GENERAL TRAFFIC EQUIPMENT CORPORATION</u>	Complete	\$207,000.00
<u>PINKLEY SALES CO</u>	Complete	\$207,180.00
<u>TRASTAR INC.</u>	Complete	\$229,492.00
<u>GADES SALES CO INC</u>	Complete	\$231,350.00

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Group 2

Vendors	Complete	Group Total Net Bid
<u>TRASTAR INC.</u>	Complete	\$0.00
<u>PINKLEY SALES CO</u>	Complete	\$12,090.00
<u>GADES SALES CO INC</u>	Complete	\$14,340.00
<u>MID-AMERICAN SIGNAL</u>	Complete	\$14,955.00
<u>GENERAL TRAFFIC EQUIPMENT CORPORATION</u>	In-Complete	\$0.00
<u>EXCELLENCE OPTO INC</u>	In-Complete	\$0.00

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Bids On Solicitation

Vendor Solicitations System Admin Logout Help

This page summarizes vendor bids by the extended cost for each commodity line on the solicitation.

Vendor Group Line

Solicitation: FB440129 LED Traffic Signal Lamps

Close Date/Time: 8/8/2014 10:00 AM CST

Solicitation Type: Formal Bid

[Return to the Bid List](#)

Award Method: Group

Department: Public Works & Utilities

Responses: 6

Go to: .001

Line 001 GROUP 1: 12" Red Ball LED as per specifications. GelCore DR6-RTFB-17A, Duralight JXC300-HFR or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	1500	Each	\$19.8000	\$29,700.00	Complete
EXCELLENCE OPTO INC	1500	Each	\$21.2500	\$31,875.00	Complete
MID-AMERICAN SIGNAL	1500	Each	\$22.1500	\$33,225.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	1500	Each	\$23.0000	\$34,500.00	Complete
GADES SALES CO INC	1500	Each	\$26.7000	\$40,050.00	Complete
TRASTAR INC.	1500	Each	\$27.5000	\$41,250.00	Complete

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Line 002 GROUP 1: 12" Amber Ball LED as per specifications. GelCore DR6-YTFB-17A-YX, Duralight JXC300-HFY-02 or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	1500	Each	\$21.7500	\$32,625.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	1500	Each	\$23.0000	\$34,500.00	Complete
EXCELLENCE OPTO INC	1500	Each	\$23.2500	\$34,875.00	Complete
MID-AMERICAN SIGNAL	1500	Each	\$24.2500	\$36,375.00	Complete
GADES SALES CO INC	1500	Each	\$26.7000	\$40,050.00	Complete
TRASTAR INC.	1500	Each	\$30.0000	\$45,000.00	Complete

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Line 003 GROUP 1: 12" Green Ball LED as per specifications. GelCore DR6-GCFB-17A, Duralight JXC300-HFG or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	1500	Each	\$20.7500	\$31,125.00	Complete
EXCELLENCE OPTO INC	1500	Each	\$22.5000	\$33,750.00	Complete
MID-AMERICAN SIGNAL	1500	Each	\$22.6500	\$33,975.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	1500	Each	\$23.0000	\$34,500.00	Complete
TRASTAR INC.	1500	Each	\$28.0000	\$42,000.00	Complete
GADES SALES CO INC	1500	Each	\$30.0000	\$45,000.00	Complete

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Line 004 GROUP 1: 12" Amber Arrow LED as per specifications. GelCore DR6-YTAA-17A-YX, Duralight JXJ300-HFY01 or Approved Equal MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended	Complete
---------	-----	-----	-------	----------	----------

					Cost	
PINKLEY SALES CO	500	Each	\$22.6500	\$11,325.00	Complete	
EXCELLENCE OPTO INC	500	Each	\$24.5000	\$12,250.00	Complete	
GENERAL TRAFFIC EQUIPMENT CORPORATION	500	Each	\$25.0000	\$12,500.00	Complete	
MID-AMERICAN SIGNAL	500	Each	\$25.5500	\$12,775.00	Complete	
GADES SALES CO INC	500	Each	\$30.0000	\$15,000.00	Complete	
TRASTAR INC.	500	Each	\$31.0000	\$15,500.00	Complete	

Line 005 GROUP 1: 12" Green Arrow LED as per specifications. GelCore DR6-GCAAN-17A, Duralight JXJ300-HFG or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

Vendors	QTY	UOM	Price	Extended Cost	Complete
PINKLEY SALES CO	500	Each	\$21.6500	\$10,825.00	Complete
EXCELLENCE OPTO INC	500	Each	\$24.5000	\$12,250.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	500	Each	\$26.0000	\$13,000.00	Complete
MID-AMERICAN SIGNAL	500	Each	\$27.3500	\$13,675.00	Complete
GADES SALES CO INC	500	Each	\$28.9000	\$14,450.00	Complete
TRASTAR INC.	500	Each	\$35.5800	\$17,790.00	Complete

Line 006 GROUP 1: 16" x 18" Hand/Man Countdown LED as per specifications. GE PS7-CFF1-01A-18, Duralight JXM-400-VIEIL or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

Vendors	QTY	UOM	Price	Extended Cost	Complete
EXCELLENCE OPTO INC	400	Each	\$98.0000	\$39,200.00	Complete
TRASTAR INC.	400	Each	\$169.8800	\$67,952.00	Complete
MID-AMERICAN SIGNAL	400	Each	\$172.0000	\$68,800.00	Complete
GADES SALES CO INC	400	Each	\$192.0000	\$76,800.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION	400	Each	\$195.0000	\$78,000.00	Complete
PINKLEY SALES CO	400	Each	\$228.9500	\$91,580.00	Complete

Line 007 GROUP 2: 5 1/2" Red LED for Programmable Signal as per specifications. GelCore DR3 Series or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

Vendors	QTY	UOM	Price	Extended Cost	Complete
TRASTAR INC.	100	Each	\$0.0000	\$0.00	Complete
PINKLEY SALES CO	100	Each	\$34.7500	\$3,475.00	Complete
MID-AMERICAN SIGNAL	100	Each	\$43.2000	\$4,320.00	Complete
GADES SALES CO INC	100	Each	\$47.8000	\$4,780.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION				No Bid.	
EXCELLENCE OPTO INC				No Bid.	

Line 008 GROUP 2: 5 1/2" Yellow LED for Programmable Signal as per specifications. GelCore DR3 Series or Approved Equal
 MANUFACTURER/MODEL: _____ Top of the Page

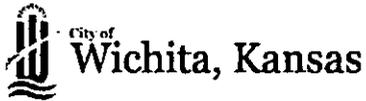
Vendors	QTY	UOM	Price	Extended Cost	Complete
TRASTAR INC.	100	Each	\$0.0000	\$0.00	Complete
PINKLEY SALES CO	100	Each	\$34.7500	\$3,475.00	Complete
MID-AMERICAN SIGNAL	100	Each	\$43.2000	\$4,320.00	Complete
GADES SALES CO INC	100	Each	\$47.8000	\$4,780.00	Complete
EXCELLENCE OPTO INC				No Bid.	
GENERAL TRAFFIC EQUIPMENT CORPORATION				No Bid.	

Line 009 GROUP 2: 5 1/2" Green LED for Programmable Signal as per specifications. GelCore DR3 Series or Approved Equal Top of the Page
 MANUFACTURER/MODEL: _____

Vendors	QTY	UOM	Price	Extended Cost	Complete
TRASTAR INC.	100	Each	\$0.0000	\$0.00	Complete
GADES SALES CO INC	100	Each	\$47.8000	\$4,780.00	Complete
PINKLEY SALES CO	100	Each	\$51.4000	\$5,140.00	Complete
MID-AMERICAN SIGNAL	100	Each	\$63.1500	\$6,315.00	Complete
GENERAL TRAFFIC EQUIPMENT CORPORATION				No Bid.	
EXCELLENCE OPTO INC				No Bid.	

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BID RESULTS

[Registration](#) [Solicitations](#) [Document Inquiry](#) [Login](#) [Help](#)

This page summarizes vendor responses by the bid total. Awarded vendors will be notified of their respective purchase orders/contracts.

Vendor Group Line
Solicitation: FB440134 **Audio/Visual Equipment** **Close Date/Time:** 8/8/2014 10:00 AM CST
Solicitation Type: Formal Bid **Return to the Bid List**
Award Method: Aggregate Cost
Department: Municipal Court **Responses:** 1

Vendors	Complete	Bid Total	City Comments
CONFERENCE TECHNOLOGIES, INC.	Complete	\$35,000.00	Award 8-26-14 Add \$3,470.52 for Annual Service Agreement, Bid Total \$38,470.52 Municipal Court

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Purchases Utilizing Sole Source of Supply

Ordinance No. 35-856 Section 2. (b)

SUBJECT: Recoat Rollers and Install Pillow Blocks and Bearings at Sewage Treatment Plant #2

- 2 each – Roller, 10", 014297RWC
- 4 each – Roller, 11 3/4", 075082RWC
- 1 each – Roller, 14", 075075RWC
- 1 each – Roller, 18", 065927RWC
- 34 each – Bearing Pillow Block, 056412
- 2 each – Bearing Trk Pillow Block NE Pillow block, 056413
- 2 each – Bearing, Trk Pillow Block CE expansion, 056414
- 2 each – Bearing Housing Kit, 056411
- 39 each – Bearing Splashguard kit, 030306
- 7 each – Roller 8", 014290RWC
- 5 each – Roller 12", 014293RWC

FOR A TOTAL OF \$53,709.00

This is a sole source of supply when material to be purchased is available from a sole distributor.

Department: PUBLIC WORKS & UTILITIES/WATER SEWAGE TREATMENT DIVISION

Vendor	Reference Authority	Cost
Alfa Laval Ashbrook Simon Hartley Inc.	Ordinance No. 35-856 Section 2 (b)	\$53,709.00

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council

SUBJECT: Revised Petitions for Improvements to Legacy Third Addition (District IV)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve the revised petitions and adopt the amending resolutions.

Background: On October 1, 2013 and March 4, 2014, the City Council approved petitions for water and sanitary sewer improvements to serve Legacy Third Addition. An attempt to award a construction contract within the budgets set by the petitions was not successful. The developer has submitted new petitions with increased budgets. The signatures on the petitions represent 100% of the improvement district and the petitions are valid per Kansas Statute 12-6a01.

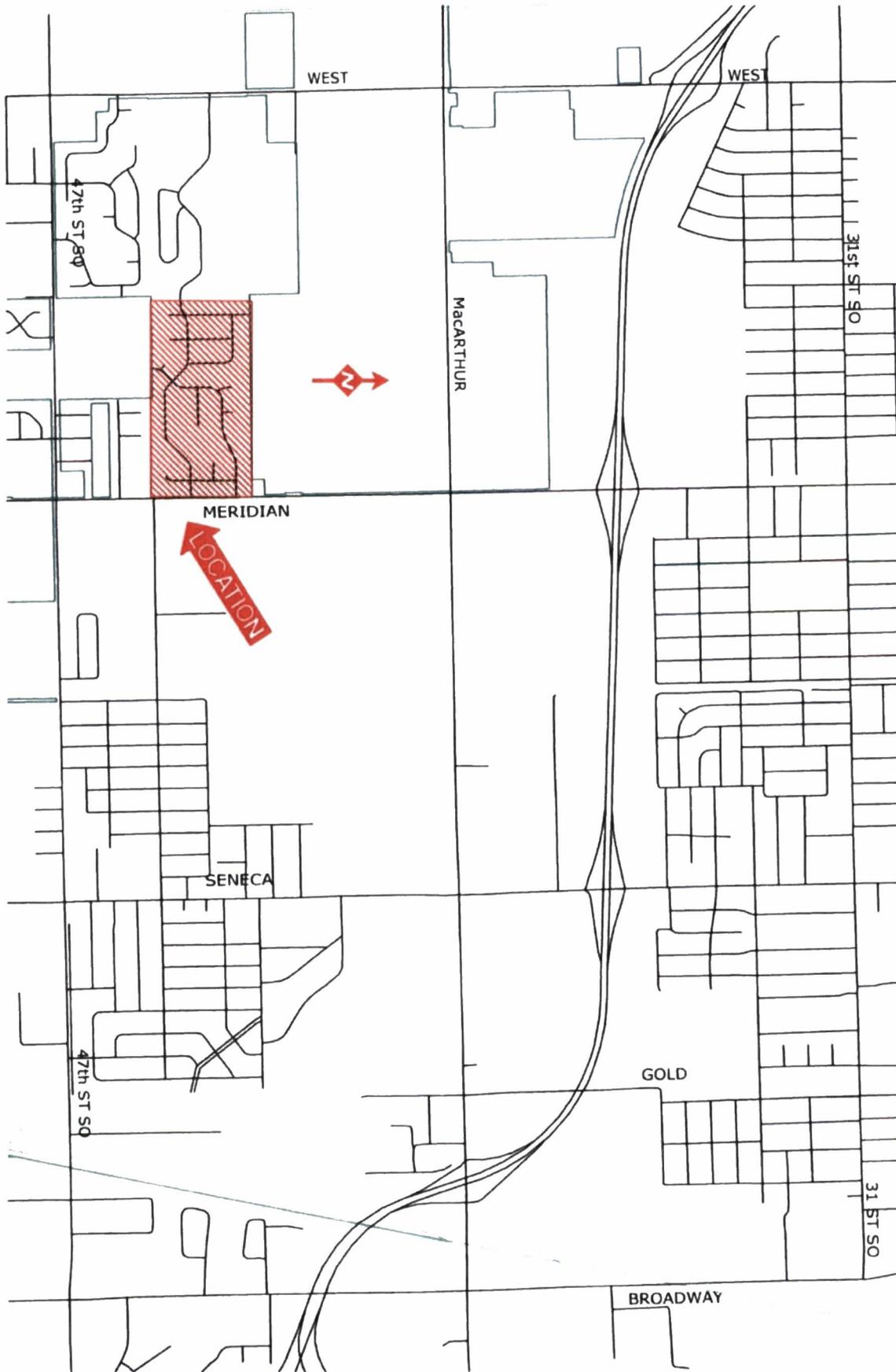
Analysis: The projects will provide water and sanitary sewer improvements required for a new residential development located west of Meridian, north of 47th Street South.

Financial Considerations: The original petition totals were \$26,000 (water) and \$25,000 (sanitary sewer). The revised petition totals are \$39,000 (water) and \$49,000 (sanitary sewer). The improvement district will also be assessed a benefit fee of \$7,200 with the sanitary sewer project. The funding source for both projects is special assessments.

Legal Considerations: The Law Department has reviewed and approved the revised petitions and amending resolutions as to form.

Recommendations/Actions: It is recommended that the City Council approve the revised petitions, adopt the amending resolutions, and authorize the necessary signatures.

Attachments: Map, budget sheets, petitions, and amending resolutions.



Project Request

CIP Non-CIP

NEIGHBORHOOD IMPROVEMENT

ORDERED BY WCC

PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 14-

FUND: 470 Water Improvements N.I.

ENGINEERING REFERENCE #: 448-90595

COUNCIL DISTRICT: 04 Council District 4

DATE COUNCIL APPROVED: Aug 26, 2014

REQUEST DATE: _____

PROJECT #: 470178

PROJECT TITLE: WDS to serve Legacy 3rd Addition

PROJECT DETAIL #: 01

PROJECT DETAIL DESCRIPTION: WDS to serve Legacy 3rd Addition

OCA #: 735505

OCA TITLE: WDS to serve Legacy 3rd Addition

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

NEW BUDGET

REVISED BUDGET

Revenue Object Level 3	Original Budget	Adjustment	New Budget
9730 S.A. Bonds	\$26,000.00	\$13,000.00	\$39,000.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
	\$26,000.00	\$13,000.00	\$39,000.00

Expense Object Level 3	Original Budget	Adjustment	New Budget
2999 Contractuals	\$26,000.00	\$13,000.00	\$39,000.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
Total Expense:	\$26,000.00	\$13,000.00	\$39,000.00

NOTES:

SIGNATURES REQUIRED

Print Form

DIVISION HEAD: _____

DATE: _____

DEPARTMENT HEAD: _____

DATE: _____

BUDGET OFFICER: _____

DATE: _____

CITY MANAGER: _____

DATE: _____

Project Request

CIP Non-CIP

NEIGHBORHOOD IMPROVEMENT

ORDERED BY WCC

PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 14-

FUND: 480 Sewer Improvements N.I.

SUBFUND: 480 Sanitary Sewers N.I.

ENGINEERING REFERENCE #: 468-84312

COUNCIL DISTRICT: 04 Council District 4

DATE COUNCIL APPROVED: Aug 26, 2014

REQUEST DATE: _____

PROJECT #: 480059

PROJECT TITLE: Lat 519, SWI for Legacy 3rd Addition

PROJECT DETAIL #: 01

PROJECT DETAIL DESCRIPTION: Lat 519, SWI for Legacy 3rd Addition

OCA #: 744367

OCA TITLE: Lat 519, SWI for Legacy 3rd Addition

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

NEW BUDGET

REVISED BUDGET

Revenue Object Level 3	Original Budget	Adjustment	New Budget
9730 S.A. Bonds	\$25,000.00	\$24,000.00	\$49,000.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
	\$25,000.00	\$24,000.00	\$49,000.00

Expense Object Level 3	Original Budget	Adjustment	New Budget
2999 Contractuals	\$25,000.00	\$24,000.00	\$49,000.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
_____	\$0.00	\$0.00	\$0.00
Total Expense:	\$25,000.00	\$24,000.00	\$49,000.00

NOTES:

SIGNATURES REQUIRED

Print Form

DIVISION HEAD: _____

DATE: _____

DEPARTMENT HEAD: _____

DATE: _____

BUDGET OFFICER: _____

DATE: _____

CITY MANAGER: _____

DATE: _____

PHASE 2 WATER DISTRIBUTION SYSTEM PETITION

To the Mayor and City Council
Wichita, Kansas

Revised 448-90595

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

LEGACY 3RD ADDITION

Lots 10 – 19, Block 3

Lots 1 – 6, Block 5

Lots 7 – 12, Block 6

do hereby petition, pursuant to the provisions of K.S.A. 12-6a01 et seq., as amended, as follows:

- (a) That there be constructed a water distribution system, including necessary water mains, pipes, valves, hydrants, meters and appurtenances to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the foregoing improvements being Thirty Nine Thousand Dollars (\$39,000.00) exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above setforth is hereby increased at the pro rata rate of 1 percent per month from and after January 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis:

That the following tracts and lots in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 1/22 of the total cost of the improvement district:

LEGACY 3RD ADDITION

Lots 10 – 19, Block 3

Lots 1 – 6, Block 5

Lots 7 – 12, Block 6

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

<u>LEGAL DESCRIPTION</u>	<u>SIGNATURE</u>	<u>DATE</u>
<u>LEGACY 3RD ADDITION PHASE 2</u>		
Lots 10 – 19, Block 3	x 	7/24/14
Lots 1 – 6, Block 5	Eugene Vitarelli, Member, JO, LLC	
Lots 7 – 12, Block 6	x 	7-24-14
	Brett Orth, Member, JO, LLC	

AFFIDAVIT

The undersigned, being duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.


Eric J Glover

924 N. Main _____
Address

264-8008 _____
Telephone number

Sworn to and subscribed before me this 4th day of August, 2014.




Deputy City Clerk

7-

RECEIVED

AUG 4 '14

CITY CLERK OFFICE

PHASE 2 SANITARY SEWER PETITION

To the Mayor and City Council
Wichita, Kansas

*Revised 468-84312
Lot 519, SWI*

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

LEGACY 3RD ADDITION

Lots 1 - 12, Block 5
Lots 7 - 12, Block 6

do hereby petition pursuant to the provisions of K.S.A. 12-6a01 et seq., as amended, as follows:

- (a) That there be constructed a lateral sanitary sewer to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas, said lateral sanitary sewer to connect to an existing sanitary sewer main.
- (b) That the estimated and probable cost of the foregoing improvements being Forty Nine Thousand Dollars (\$49,000.00), exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro rata rate of 1 percent per month from and after January 1, 2014.
- (c) That, in accordance with the provisions of K.S.A. 12-6a19, a benefit fee be assessed against the improvement district with respect to the improvement district's share of the cost of the existing sanitary sewer main, such benefit being Seven Thousand Two Hundred Dollars (\$7,200.00).
- (d) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the lateral sewer for which the improvement district is liable, plus the benefit fee.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign,

repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (e) That the method of assessment of all costs of the lateral sanitary sewer for which the improvement district shall be liable shall be on a fractional basis:

That the following described lots and tracts situated in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 1/28 of the total cost payable by the improvement district:

LEGACY 3RD ADDITION

Lots 3, 4, 9, 10 Block 5

That the following described lots and tracts situated in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 3/28 of the total cost payable by the improvement district:

LEGACY 3RD ADDITION

Lots 1, 2, 5, 6, 7, 8, 11, 12 Block 5

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

- (f) That the method of assessment of all costs of the sanitary sewer main benefit fee for which the improvement district shall be liable shall be on a fractional basis:

That the following described lots and tracts situated in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 1/12 of the total cost payable by the improvement district:

LEGACY 3RD ADDITION

Lots 1-6, Block 5
Lots 7-12, Block 6

2. (a) It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04.
- (b) Signatures on this petition are made with full knowledge and understanding that said signatures constitute a waiver of the limitations contained in K.S.A. 12-1013, which appear to limit the assessment for a lateral sewer to not more than one lateral sewer.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use if and when such improvements are necessary to serve any building which may be constructed on the real property after the date on this petition.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

LEGAL DESCRIPTION	SIGNATURE	DATE
-------------------	-----------	------

LEGACY 3RD ADDITION

Lots 1 – 12, Block 5
 Lots 7 – 12, Block 6

x		7/24/14
	Eugene Vitarelli, Member, JO, LLC	
x		7-24-14
	Brett Orth, Member, JO, LLC	

AFFIDAVIT

The undersigned, being duly sworn on his oath, states: That he circulated the attached petition and that the signatures thereon are the genuine signatures of the persons they purport to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the presence of one of the resident owners whose signature appears on the petition.


Eric J Glover

924 N. Main _____
Address

264-8008 _____
Telephone number

Sworn to and subscribed before me this 4th day of August, 2014.




Deputy City Clerk

First Published in the Wichita Eagle on August 29, 2014

RESOLUTION NO. 14-239

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 519, SOUTHWEST INTERCEPTOR SEWER (NORTH OF 47TH ST. SOUTH, WEST OF MERIDIAN) 468-84312** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF THE CONSTRUCTION OF **LATERAL 519, SOUTHWEST INTERCEPTOR SEWER (NORTH OF 47TH ST. SOUTH, WEST OF MERIDIAN) 468-84312** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That Resolution No. **07-191**(468-84312), Resolution No. **07-193** (468-84314) adopted on **March 13, 2007** and Resolution No. **14-078** adopted on **March 18, 2014** are hereby rescinded.

SECTION 2. That it is necessary and in the public interest to construct **Lateral 519, Southwest Interceptor Sewer (north of 47th St. South, west of Meridian) 468-84312**.

Said sanitary sewer shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 3. That the cost of said improvements provided for in Section 2 hereof is estimated to be **Forty-Nine Thousand Dollars (\$49,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **January 1, 2014** exclusive of the costs of temporary financing.

That, in accordance with the provisions of K.S.A. 12-6a19, a benefit fee be assessed against the improvement district with respect to the improvement district's share of the cost of the existing sanitary sewer main, such benefit being Seven Thousand Two Hundred Dollars (\$7,200).

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

LEGACY 3RD ADDITION

Lots 1 through 12, Block 5

Lots 7 through 12, Block 6

SECTION 5. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **fractional** basis:

That the method of assessment of all costs of the lateral sanitary sewer for which the improvement district shall be liable shall be on a fractional basis:

That the following described lots and tracts situated in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 1/28 of the total cost payable by the improvement district:

LEGACY 3RD ADDITION

Lots 3, 4, 9, 10, Block 5

That the following described lots and tracts situated in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 3/28 of the total cost payable by the improvement district:

LEGACY 3RD ADDITION

Lots 1, 2, 5, 6, 7, 8, 11, 12, Block 5

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

That the method of assessment of all costs of the sanitary sewer main benefit fee for which the improvement district shall be liable shall be on a fractional basis:

That the following described lots and tracts situated in Legacy 3rd Addition, Wichita, Sedgwick County, Kansas shall each pay 1/12 of the total cost payable by the improvement district:

LEGACY 3RD ADDITION

Lots 1 through 6, Block 5

Lots 7 through 12, Block 6

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, 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 26th day of August, 2014.

CARL BREWER, MAYOR

ATTEST:

KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

SHARON L. DICKGRAFE
INTERIM DIRECTOR OF LAW AND CITY ATTORNEY

First Published in the Wichita Eagle on August 29, 2014

RESOLUTION NO. 14-240

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING THE IMPROVEMENT OF **WATER DISTRIBUTION SYSTEM NUMBER 448-90595 (NORTH OF 47TH STREET SOUTH, WEST OF MERIDIAN)** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF IMPROVING **WATER DISTRIBUTION SYSTEM NUMBER 448-90595 (NORTH OF 47TH STREET SOUTH, WEST OF MERIDIAN)** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That Resolution No. 13-187 adopted on **October 1, 2013** is hereby rescinded.

SECTION 2. That it is necessary and in the public interest to improve **Water Distribution System Number 448-90595 (north of 47th Street South, west of Meridian)**.

SECTION 3. That the cost of said improvements provided for in Section 2 hereof is estimated to be **Thirty-Nine Thousand Dollars (\$39,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **January 1, 2014**, exclusive of the costs of temporary financing.

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

LEGACY 3RD ADDITION

- Lots 10 through 19, Block 3
- Lots 1 through 6, Block 5
- Lots 7 through 12, Block 6

SECTION 5. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **fractional** basis.

That the following tracts and lots in LEGACY 3RD ADDITION, Wichita, Sedgwick County, Kansas shall each pay 1/22 of the total cost of the improvement district:

LEGACY 3RD ADDITION

- Lots 10 through 19, Block 3
- Lots 1 through 6, Block 5
- Lots 7 through 12, Block 6

Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, 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 26th day of August, 2014.

CARL BREWER, MAYOR

ATTEST:

KAREN SUBLETT, CITY CLERK
(SEAL)

APPROVED AS TO FORM:

SHARON L. DICKGRAFE
INTERIM DIRECTOR OF LAW & CITY ATTORNEY

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council
SUBJECT: Petitions for Improvements to Ridge Port North Sixth Addition (District V)
INITIATED BY: Department of Public Works & Utilities
AGENDA: Consent

Recommendation: Approve the petitions and adopt the resolutions.

Background: The signatures on the petitions represent 100% of the improvement district. The petitions are a requirement for a lot split and are valid per Kansas Statute 12-6a01.

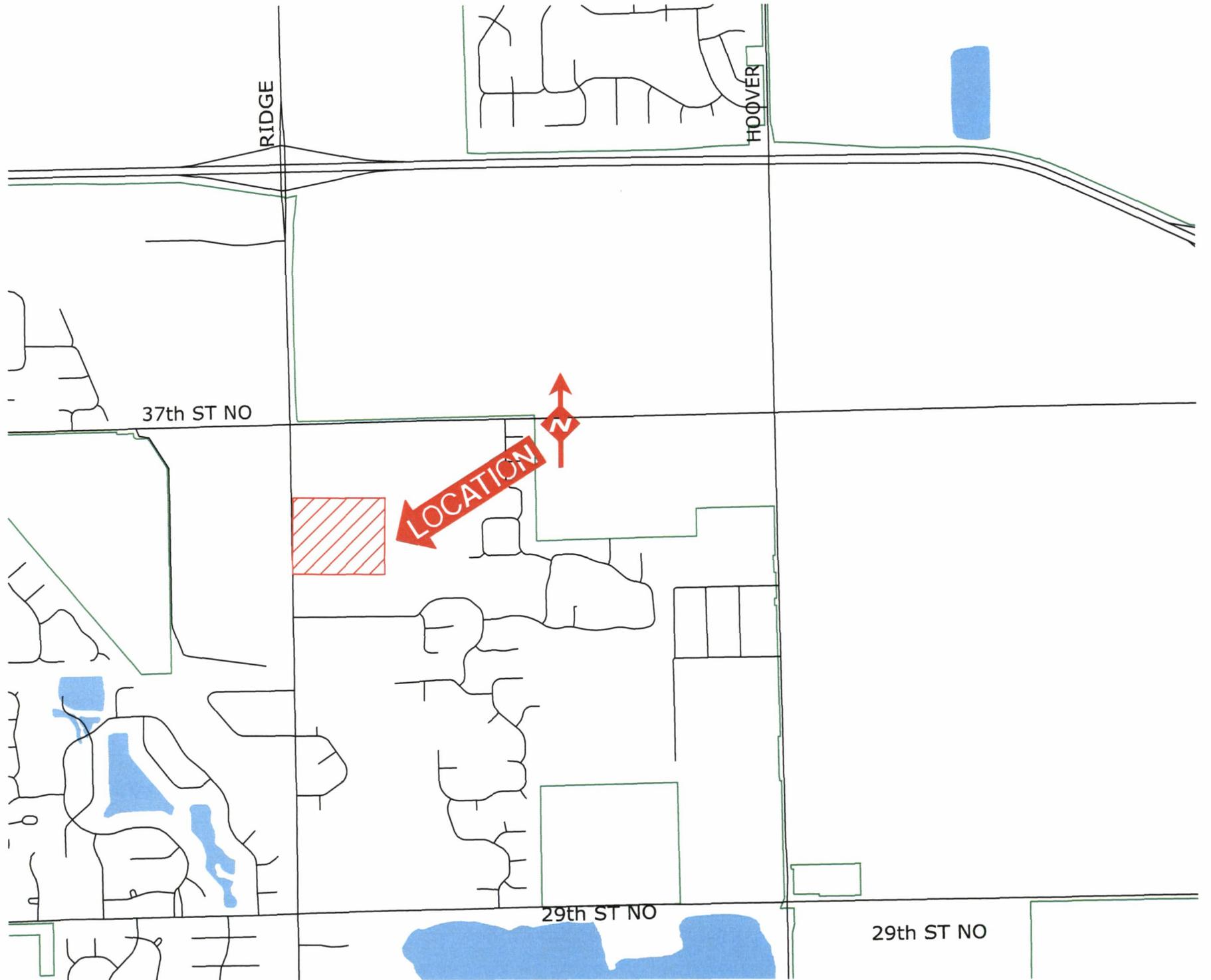
Analysis: The projects will provide sanitary and storm water sewer improvements required for a new commercial development located south of 37th Street North, east of Ridge Road.

Financial Considerations: The petition totals are \$12,000 for the sanitary sewer and \$48,000 for the storm water sewer. The funding source for both projects is special assessments.

Legal Considerations: The Law Department has reviewed and approved the petitions and resolutions as to form.

Recommendations/Actions: It is recommended that the City Council approve the petitions, adopt the resolutions, and authorize the necessary signatures.

Attachments: Map, budget sheets, petitions, and resolutions.



Project Request

CIP Non-CIP

NEIGHBORHOOD IMPROVEMENT ORDERED BY WCC PETITION PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities DIVISION: Engineering RESOLUTION/ORDINANCE #: 14-

FUND: 480 Sewer Improvements N.I. SUBFUND: 485 Storm Drainage N.I. ENGINEERING REFERENCE #: 468-84977

COUNCIL DISTRICT: 05 Council District 5 DATE COUNCIL APPROVED: Aug 26, 2014 REQUEST DATE: _____

PROJECT #: _____ PROJECT TITLE: SWS 685 for Ridge Port North 6th Addition

PROJECT DETAIL #: 01 PROJECT DETAIL DESCRIPTION: SWS 685 for Ridge Port North 6th Addition

OCA #: _____ OCA TITLE: SWS 685 for Ridge Port North 6th Addition

PERSON COMPLETING FORM: Joni Chamberlain PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman PHONE #: 268-4236

NEW BUDGET REVISED BUDGET

REVENUE

EXPENSE

Object Level 3	Budget	Object Level 3	Budget
<u>9730 S.A. Bonds</u>	<u>\$48,000.00</u>	<u>2999 Contractuals</u>	<u>\$48,000.00</u>
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00

REVENUE TOTAL: \$48,000.00

EXPENSE TOTAL: \$48,000.00

NOTES: HOLD FOR LOC

Print Form

SIGNATURES REQUIRED

DIVISION HEAD: _____ DATE: _____

DEPARTMENT HEAD: _____ DATE: _____

BUDGET OFFICER: _____ DATE: _____

CITY MANAGER: _____ DATE: _____

\$

STORM WATER SEWER PETITION

RECEIVED

JUL 24 '14

CITY CLERK OFFICE

To the Mayor and City Council
Wichita, Kansas

SWS # 685

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

PARCEL "A"

468-84977

The north 230.15 feet of Lot 1, Block A,
Ridge Port North 6th Addition,
Wichita, Sedgwick County, Kansas.

do hereby petition pursuant to the provisions of K.S.A. 12-6a01 et seq., as follows:

- (a) That there be constructed a storm water sewer system to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the improvements is Forty-Eight Thousand Dollars (\$48,000.00) exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above set forth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata rate of one percent per month from and after August 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvements for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said

improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvements for which the improvement district is liable shall be on a fractional basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: PARCEL "A" shall pay 100 percent of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. (a) It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature to form one public improvement project.
- (b) Signatures on this petition are made with full knowledge and understanding that said signatures constitute a waiver of the limitations contained in K.S.A. 13-1013, which appear to limit the assessment for a lateral sewer to not more than one lateral sewer.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

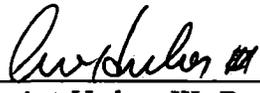
4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use if and when such improvements are necessary to serve any building that may be constructed on the real property after the date on this petition.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

LEGAL DESCRIPTION	SIGNATURE	DATE
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PARCEL "A"

Via Christi Property Services, Inc.

By: 
Art Huber III, President 7/23/14

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and the signatures thereon are the genuine signatures of the persons they support to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the resident owners whose signatures appears on the petition.

Donald N. Harward

Name

Baughman Company, P.A.
315 Ellis, Wichita, KS 67211
Address

262-7271

Telephone No.

Sworn to and subscribed before me this 24 day of July
2014.



Karen Sobel

Deputy City Clerk

RIDGE PORT NORTH 6TH ADDITION

Wichita, Sedgwick County, Kansas

STORM WATER SEWER PETITION

**Benefit District:
Parcel "A"**

Cost Estimate:

Item	Quantity	Unit	Unit Price	Amount
24" Pipe	400	L.F.	\$60.00	\$24,000.00
Inlet	1	EA.	\$4,500.00	\$4,500.00
Easement Grading	1	L.S.	\$1,000.00	\$1,000.00
Erosion Control	1	L.S.	\$500.00	\$500.00
Site Clearing & Restoration	1	L.S.	\$5,000.00	\$5,000.00
Subtotal				\$35,000.00
+ 35% Design, Insp., & Administration				\$12,250.00
Total				\$47,250.00

Petition Amount

\$48,000

RECEIVED

JUL 24 '14

CITY CLERK OFFICE

SANITARY SEWER PETITION

To the Mayor and City Council
Wichita, Kansas

Lateral 33, Main 19 SWI

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

PARCEL "A"

468-84978

The north 230.15 feet of Lot 1, Block A,
Ridge Port North 6th Addition,
Wichita, Sedgwick County, Kansas.

do hereby petition pursuant to the provisions of K.S.A. 12-6a01 et seq., as follows:

- (a) That there be constructed a lateral sanitary sewer to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the improvements is Twelve Thousand Dollars (\$12,000.00) exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above set forth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata rate of one percent per month from and after August 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvements for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said

improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvements for which the improvement district is liable shall be on a fractional basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: PARCEL "A" shall pay 100 percent of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

2. (a) It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature to form one public improvement project.
- (b) Signatures on this petition are made with full knowledge and understanding that said signatures constitute a waiver of the limitations contained in K.S.A. 13-1013, which appear to limit the assessment for a lateral sewer to not more than one lateral sewer.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

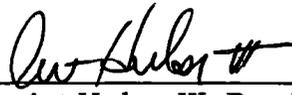
4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use if and when such improvements are necessary to serve any building that may be constructed on the real property after the date on this petition.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

LEGAL DESCRIPTION	SIGNATURE	DATE
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PARCEL "A"

Via Christi Property Services, Inc.

By: 
Art Huber III, President 1/29/14

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and the signatures thereon are the genuine signatures of the persons they support to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the resident owners whose signatures appears on the petition.

Donald R. Howard
Name

Baughman Company, P.A.
315 Ellis, Wichita, KS 67211
Address

262-7271
Telephone No.

Sworn to and subscribed before me this 24 day of July
2014.



Karen Sweet
Deputy City Clerk

RIDGE PORT NORTH 6TH ADDITION

Wichita, Sedgwick County, Kansas

SANITARY SEWER PETITION

Benefit District:
Parcel "A"

Cost Estimate:

Item	Quantity	Unit	Unit Price	Amount
8" Pipe	50	L.F.	\$40.00	\$2,000.00
Standard Manhole	1	EA.	\$4,000.00	\$4,000.00
Stubs	1	EA.	\$150.00	\$150.00
Easement Grading	1	L.S.	\$500.00	\$500.00
Erosion Control	1	L.S.	\$200.00	\$200.00
Site Clearing & Restoration	1	L.S.	\$2,000.00	\$2,000.00
Subtotal				\$8,850.00
+ 35% Design, Insp., & Administration				\$3,097.50
Total				\$11,947.50

Petition Amount

\$12,000

First Published in the Wichita Eagle on August 29, 2014

RESOLUTION NO. 14-241

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 33, MAIN 19, SOUTHWEST INTERCEPTOR SEWER (SOUTH OF 37TH STREET NORTH, EAST OF RIDGE) 468-84978** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF THE CONSTRUCTION OF **LATERAL 33, MAIN 19, SOUTHWEST INTERCEPTOR SEWER (SOUTH OF 37TH STREET NORTH, EAST OF RIDGE) 468-84978** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That it is necessary and in the public interest to construct **Lateral 33, Main 19, Southwest Interceptor Sewer (south of 37th Street North, east of Ridge) 468-84978**.

Said sanitary sewer shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 2. That the cost of said improvements provided for in Section 1 hereof is estimated to be **Twelve Thousand Dollars (\$12,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **August 1, 2014**, exclusive of the costs of temporary financing.

SECTION 3. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

PARCEL "A"

The north 230.15 feet of Lot 1, Block A
Ridge Port North 6th Addition Wichita, Sedgwick County, Kansas

SECTION 4. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **fractional** basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: **PARCEL "A"** shall pay 100 percent of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replanted before assessments have been levied, the assessments against the replanted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis or re-assessed per the method established in a Re-spread Agreement submitted to the City of Wichita.

SECTION 5. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 6 That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 7. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 8. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 9. That the City Clerk shall make proper publication of this resolution, 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 26th day of August, 2014.

CARL BREWER, MAYOR

ATTEST:

KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

SHARON L. DICKGRAFE
INTERIM DIRECTOR OF LAW & CITY ATTORNEY

First Published in the Wichita Eagle on August 29, 2014

RESOLUTION NO. 14-242

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING IMPROVING **STORM WATER SEWER NO. 685 (SOUTH OF 37TH STREET NORTH, EAST OF RIDGE) 468-84977** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF IMPROVING **STORM WATER SEWER NO. 685 (SOUTH OF 37TH STREET NORTH, EAST OF RIDGE) 468-84977** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That it is necessary and in the public interest to improve **Storm Water Sewer No. 685 (south of 37th Street North, east of Ridge) 468-84977**.

SECTION 2. That the cost of said improvements provided for in Section 1 hereof is estimated to be **Forty-Eight Thousand Dollars (\$48,000)** exclusive of interest on financing and administrative and financing costs, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **August 1, 2014**, exclusive of the costs of temporary financing.

SECTION 3. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

PARCEL "A"

The north 230.15 feet of Lot 1, Block A
Ridge Port North 6th Addition
Wichita, Sedgwick County, Kansas

SECTION 4. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **fractional** basis:

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: PARCEL "A" shall pay 100 percent of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis or re-assessed per the method established in a Re-spread Agreement submitted by the City of Wichita.

SECTION 5. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 6. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 7. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 8. Be it further resolved that the above-described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. That the City Clerk shall make proper publication of this resolution, 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 26th day of August, 2014.

CARL BREWER, MAYOR

ATTEST:

KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

SHARON L. DICKGRAFE, INTERIM DIRECTOR
OF LAW & CITY ATTORNEY

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council

SUBJECT: Petitions for Paving Improvements in Tyler's Landing Fourth Addition (District V)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve the petitions and adopt the resolutions.

Background: On September 16, 2008, the City Council approved a petition for paving improvements to serve Tyler's Landing Fourth Addition. The developer has submitted new petitions to split the construction of improvements into two phases to reflect current market conditions. The signatures on the petitions represent 100% of the improvement district and are valid per Kansas Statute 12-6a01.

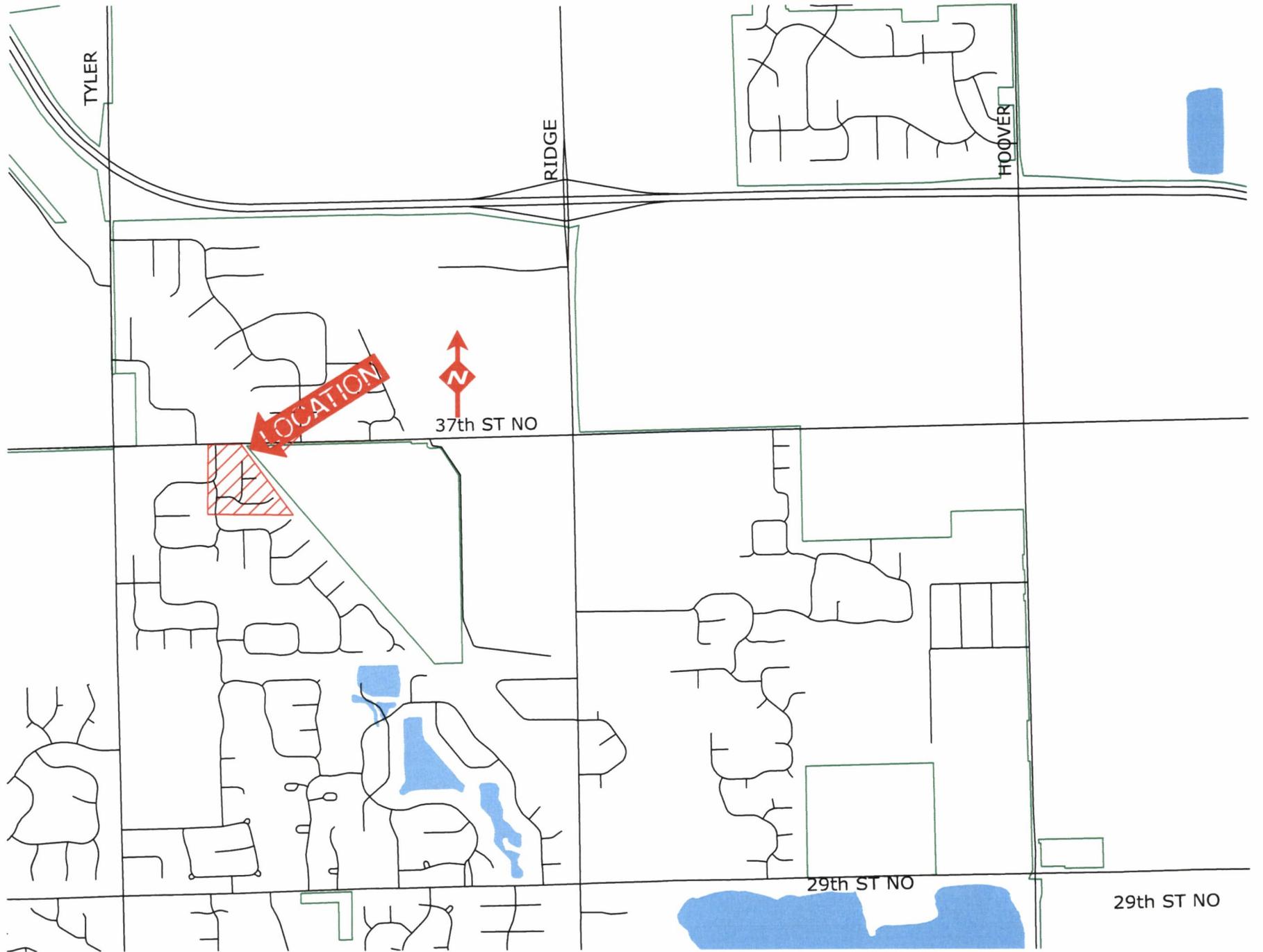
Analysis: The project will provide paving improvements required for a new residential development located east of Tyler, south of 37th Street North.

Financial Considerations: The original petition total was \$278,000 and the new petition totals are \$252,000 for Phase 1, \$173,000 for Phase 2. The funding source for both phases is special assessments.

Legal Considerations: The Law Department has reviewed and approved the petitions and resolutions as to form.

Recommendations/Actions: It is recommended that the City Council approve the petitions, adopt the resolutions, and authorize the necessary signatures.

Attachments: Map, budget sheets, petitions, and resolutions.



Project Request

CIP Non-CIP

NEIGHBORHOOD IMPROVEMENT

ORDERED BY WCC

PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 14-

FUND: 400 Street Improvements

SUBFUND: 490 Paving N.I.

ENGINEERING REFERENCE #: 472-84755

COUNCIL DISTRICT: 05 Council District 5

DATE COUNCIL APPROVED: Aug 26, 2014

REQUEST DATE:

PROJECT #:

PROJECT TITLE: Kackley Cir/Ct Tyler's Landing 4th Addition Ph 1

PROJECT DETAIL #: 01

PROJECT DETAIL DESCRIPTION: Kackley Cir/Ct Tyler's Landing 4th Addition Ph 1

OCA #:

OCA TITLE: Kackley Cir/Ct Tyler's Landing 4th Addition Ph 1

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

NEW BUDGET REVISED BUDGET

REVENUE

EXPENSE

Object Level 3	Budget	Object Level 3	Budget
9730 S.A. Bonds	\$252,000.00	2999 Contractuals	\$252,000.00
	\$0.00		\$0.00
	\$0.00		\$0.00
	\$0.00		\$0.00
	\$0.00		\$0.00
	\$0.00		\$0.00
	\$0.00		\$0.00
	\$0.00		\$0.00
REVENUE TOTAL:	\$252,000.00	EXPENSE TOTAL:	\$252,000.00

NOTES: HOLD FOR LOC

SIGNATURES REQUIRED

Print Form

DIVISION HEAD: _____

DATE: _____

DEPARTMENT HEAD: _____

DATE: _____

BUDGET OFFICER: _____

DATE: _____

CITY MANAGER: _____

DATE: _____

Project Request

CIP Non-CIP

NEIGHBORHOOD IMPROVEMENT

ORDERED BY WCC

PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 14-

FUND: 400 Street Improvements

SUBFUND: 490 Paving N.I.

ENGINEERING REFERENCE #: 472-85181

COUNCIL DISTRICT: 05 Council District 5

DATE COUNCIL APPROVED: Aug 26, 2014

REQUEST DATE: _____

PROJECT # : _____

PROJECT TITLE: Kackley Court Tyler's Landing 4th Addition Ph 2

PROJECT DETAIL # : 01

PROJECT DETAIL DESCRIPTION: Kackley Court Tyler's Landing 4th Addition Ph 2

OCA # : _____

OCA TITLE: Kackley Court Tyler's Landing 4th Addition Ph 2

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

NEW BUDGET REVISED BUDGET

REVENUE

EXPENSE

Object Level 3	Budget	Object Level 3	Budget
<u>9730 S.A. Bonds</u>	<u>\$173,000.00</u>	<u>2999 Contractuals</u>	<u>\$173,000.00</u>
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
_____	\$0.00	_____	\$0.00
REVENUE TOTAL:	\$173,000.00	EXPENSE TOTAL:	\$173,000.00

NOTES: HOLD FOR LOC

SIGNATURES REQUIRED

Print Form

DIVISION HEAD: _____

DATE: _____

DEPARTMENT HEAD: _____

DATE: _____

BUDGET OFFICER: _____

DATE: _____

CITY MANAGER: _____

DATE: _____

RECEIVED

JUL 21 14

CITY CLERK OFFICE

PAVING PETITION
PHASE 1

REVISED
PROJECT #472-84755

To the Mayor and City Council
Wichita, Kansas

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

TYLER'S LANDING 4TH ADDITION
Lots 1 through 30, Block A

do hereby petition, pursuant to the provisions of K.S.A. 12-6a01 et seq., as follows:

- (a) That there be constructed pavement on Kackley Cir. from the east line of Pepper Ridge, east to and including the cul-de-sac; and on Kackley Ct., from the north line of Kackley Cir. north to the north line of Lot 1, Block A.

That said pavement between aforesaid limits be constructed for a width of twenty-four (24) feet from gutter line to gutter line, and each gutter to be two (2) feet in width, making a total roadway width of twenty-eight (28) feet with plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas. Drainage to be installed where necessary.

- (b) That the estimated and probable cost of the foregoing improvement being Two Hundred Fifty-Two Thousand Dollars (\$252,000), with 100 percent payable by the improvement district. Said estimated cost as above setforth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata of 1 percent per month from and after July 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in

accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: Lot 1, and Lots 17 through 30, Block A, TYLER'S LANDING 4TH ADDITION shall each pay 84/1500 of the total cost of the improvements, and Lots 2 through 16, Block A, TYLER'S LANDING 4TH ADDITION shall each pay 16/1500 of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

Except when driveways are requested to serve a particular tract, lot, or parcel, the cost of said driveway shall be in addition to the assessment to said tract, lot, or parcel and shall be in addition to the assessment for other improvements.

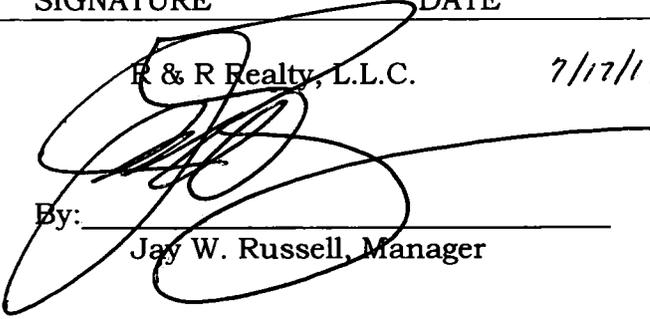
2. It is requested that the improvements hereby petitioned be made without notice and hearing, which but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature in order to form one public improvement project.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing body commences consideration of the petition or later than seven (7) days after filing, whichever comes first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether

resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

LEGAL DESCRIPTION	SIGNATURE	DATE
<u>TYLER'S LANDING 4TH ADDITION</u> Lots 1 through 30, Block A	R & R Realty, L.L.C. 	7/17/14
	By: _____ Jay W. Russell, Manager	
	Ritchie Associates, Inc., Manager	
	By:  _____	

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and the signatures thereon are the genuine signatures of the persons they support to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the resident owners whose signatures appears on the petition.

Donald N. Howard
Name

Baughman Company, P.A.
315 Ellis, Wichita, KS 67211
Address

262-7271
Telephone No.

Sworn to and subscribed before me this 21st day of July
2014.



Rae Sobel, MCA
Deputy City Clerk

TYLERS LANDING 4th ADDITION

City of Wichita, Sedgwick County, Kansas

PAVING PETITION - PHASE 1

Benefit District: (1500 Fractions)

Lot 1, Block A (1 Lot, 84 Fractions)

Lots 17 through 30, Block A (14 Lots, 84 Fractions Each)

Lots 2 through 16, Block A (15 Lots, 16 Fractions Each)

Cost Estimate:

Item	Quantity	Unit	Unit Price	Amount
A.C. Pavement	2600	S.Y.	\$34.00	\$88,400.00
18" Pipe	310	L.F.	\$45.00	\$13,950.00
Curb Inlets	4	EA.	\$5,000.00	\$20,000.00
Drop Inlets	1	EA.	\$2,800.00	\$2,800.00
Flowable Fill	40	L.F.	\$50.00	\$2,000.00
Signage	1	L.S.	\$2,000.00	\$2,000.00
Seeding	1	L.S.	\$2,000.00	\$2,000.00
Ditch Grading	800	L.F.	\$5.00	\$4,000.00
Erosion Control BMP's	1	L.S.	\$1,000.00	\$1,000.00
Easement Grading	1	L.S.	\$6,000.00	\$6,000.00
Borrow Excavation	6000	C.Y.	\$6.00	\$36,000.00
Site Clearing & Restoration	1	L.S.	\$15,000.00	\$15,000.00
Subtotal				\$193,150.00
+ 30% Design, Insp., & Administration				\$57,945.00
Total				\$251,095.00

Total Petition Amount	\$252,000
Average Cost Per Fraction	\$168
Average Monthly Assessment (84 Fraction Lots)	\$104 (Based on 15 years @ 4%)
Average Monthly Assessment (16 Fraction Lots)	\$20 (Based on 15 years @ 4%)

RECEIVED
JUL 21 '14
CITY CLERK OFFICE

PAVING PETITION
PHASE 2

PROJECT #472-85181

To the Mayor and City Council
Wichita, Kansas

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

472-85181

TYLER'S LANDING 4TH ADDITION
Lots 2 through 16, Block A

do hereby petition, pursuant to the provisions of K.S.A. 12-6a01 et seq., as follows:

- (a) That there be constructed pavement on Kackley Ct., (Lots 1 through 9, Block A) from the north line of Lot 1, Block A, north to and including the cul-de-sac; and on Kackley Ct. (Lots 10 through 16, Block A), from the east line of Kackley Ct. east to and including the cul-de-sac.

That said pavement between aforesaid limits be constructed for a width of twenty-four (24) feet from gutter line to gutter line, and each gutter to be two (2) feet in width, making a total roadway width of twenty-eight (28) feet with plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas. Drainage to be installed where necessary.

- (b) That the estimated and probable cost of the foregoing improvement being One Hundred Seventy-Three Thousand Dollars (\$173,000), with 100 percent payable by the improvement district. Said estimated cost as above setforth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata of 1 percent per month from and after July 1, 2014.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvement for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of

Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvement for which the improvement district shall be liable shall be on a fractional basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: Lots 2 through 16, Block A, TYLER'S LANDING 4TH ADDITION shall each pay 1/15 of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

Except when driveways are requested to serve a particular tract, lot, or parcel, the cost of said driveway shall be in addition to the assessment to said tract, lot, or parcel and shall be in addition to the assessment for other improvements.

2. It is requested that the improvements hereby petitioned be made without notice and hearing, which but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature in order to form one public improvement project.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing body commences consideration of the petition or later than seven (7) days after filing, whichever comes first.

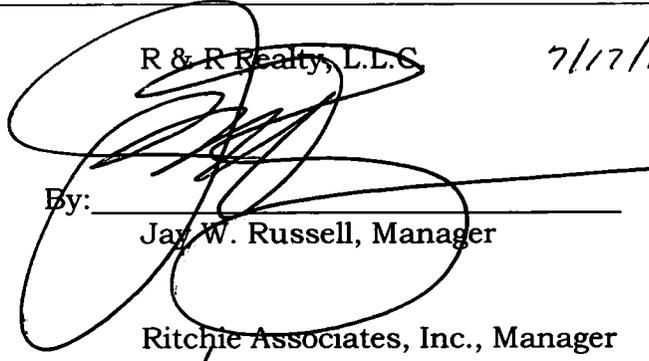
4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the

proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

LEGAL DESCRIPTION	SIGNATURE	DATE
-------------------	-----------	------

TYLER'S LANDING 4TH ADDITION
Lots 2 through 16, Block A

R & R Realty, L.L.C. 7/17/14


By: _____
Jay W. Russell, Manager

Ritchie Associates, Inc., Manager

By:  _____

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and the signatures thereon are the genuine signatures of the persons they support to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the resident owners whose signatures appears on the petition.

Donald R. Howard
Name

Baughman Company, P.A.
315 Ellis, Wichita, KS 67211
Address

262-7271
Telephone No.

Sworn to and subscribed before me this 21 day of July
2014.



R. Kevin Sobolewski
Deputy City Clerk

TYLERS LANDING 4th ADDITION

City of Wichita, Sedgwick County, Kansas

PAVING PETITION - PHASE 2

Benefit District: (15 Lots)

Lots 2 through 16, Block A

Cost Estimate:

Item	Quantity	Unit	Unit Price	Amount
A.C. Pavement	1800	S.Y.	\$34.00	\$61,200.00
Signage	1	L.S.	\$2,000.00	\$2,000.00
Seeding	1	L.S.	\$1,000.00	\$1,000.00
Erosion Control BMP's	1	L.S.	\$1,000.00	\$1,000.00
Easement Grading	1	L.S.	\$7,500.00	\$7,500.00
Borrow Excavation	7500	C.Y.	\$6.00	\$45,000.00
Site Clearing & Restoration	1	L.S.	\$15,000.00	\$15,000.00
Subtotal				\$132,700.00
+ 30% Design, Insp., & Administration				\$39,810.00
Total				\$172,510.00

Total Petition Amount	\$173,000
Average Cost Per Lot	\$11,533
Average Monthly Assessment	\$85 (Based on 15 years @ 4%)

RESOLUTION NO. 14-243

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTING PAVEMENT ON **KACKLEY CIRCLE FROM THE EAST LINE OF PEPPER RIDGE, EAST TO AND INCLUDING THE CUL-DE-SAC; AND ON KACKLEY COURT FROM THE NORTH LINE OF KACKLEY CIRCLE NORTH TO THE NORTH LINE OF LOT 1, BLOCK A (EAST OF TYLER, SOUTH OF 37TH ST. NORTH) 472-84755** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF AUTHORIZING CONSTRUCTING **KACKLEY CIRCLE FROM THE EAST LINE OF PEPPER RIDGE, EAST TO AND INCLUDING THE CUL-DE-SAC; AND ON KACKLEY COURT FROM THE NORTH LINE OF KACKLEY CIRCLE NORTH TO THE NORTH LINE OF LOT 1, BLOCK A (EAST OF TYLER, SOUTH OF 37TH ST. NORTH) 472-84755** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That Resolution No. **08-455** adopted on **September 16, 2008** is hereby rescinded.

SECTION 2. That it is necessary and in the public interest to authorize constructing a **Kackley Circle from the east line of Pepper Ridge, east to and including the cul-de-sac; and on Kackley Court from the north line of Kackley Circle north to the north line of Lot 1, Block A (east of Tyler, south of 37th St. North) 472-84755.**

Said pavement shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 3. That the cost of said improvements provided for in Section 2 hereof is estimated to **Two Hundred Fifty-Two Thousand Dollars (\$252,000)** exclusive of interest on financing and administrative and financing costs, with 100 percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after July 1, 2014 exclusive of the costs of temporary financing.

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

TYLER’S LANDING 4TH ADDITION

Lots 1 through 30, Block A

SECTION 5. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a fractional basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: Lot 1, and Lots 17 through 30, Block A, **TYLER’S LANDING 4TH ADDITION** shall each pay 84/1500 of the total cost of the improvements, and Lots 2 through 16, Block A, **TYLER’S LANDING 4TH ADDITION,** shall each pay 16/1500 of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot or tract is or may be divided into two or more parcels, the assessment to the lot or tract so divided shall be assessed to each ownership or parcel on a square foot basis. Except when driveways are requested to serve a particular tract, lot or parcel, the cost of said driveway shall be in addition to the assessment to said tract, lot, or parcel and shall be in addition to the assessment for other improvements.

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq., as amended.

SECTION 9. Be it further resolved that the above-described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, 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 26th day of August, 2014.

CARL BREWER, MAYOR

ATTEST:

KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

SHARON L. DICKGRAFE
INTERIM DIRECTOR OF LAW & CITY ATTORNEY

First Published in the Wichita Eagle on August 29, 2014

RESOLUTION NO. 14-244

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTING PAVEMENT ON KACKLEY COURT, (LOTS 1 THROUGH 9, BLOCK A) FROM THE NORTH LINE OF LOT 1, BLOCK A, NORTH TO AND INCLUDING THE CUL-DE-SAC; AND ON KACKLEY COURT (LOTS 10 THROUGH 16, BLOCK A), FROM THE EAST LINE OF KACKLEY COURT EAST TO AND INCLUDING THE CUL-DE-SAC (EAST OF TYLER, SOUTH OF 37TH STREET NORTH) 472-85181 IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF AUTHORIZING CONSTRUCTING PAVEMENT ON KACKLEY COURT, (LOTS 1 THROUGH 9, BLOCK A) FROM THE NORTH LINE OF LOT 1, BLOCK A, NORTH TO AND INCLUDING THE CUL-DE-SAC; AND ON KACKLEY COURT (LOTS 10 THROUGH 16, BLOCK A), FROM THE EAST LINE OF KACKLEY COURT EAST TO AND INCLUDING THE CUL-DE-SAC (EAST OF TYLER, SOUTH OF 37TH STREET NORTH) 472-85181 IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO-WIT:

SECTION 1. That it is necessary and in the public interest to construct pavement on Kackley Court, (Lots 1 through 9, Block A) from the north line of Lot 1, Block A, north to and including the cul-de-sac; and on Kackley Court (Lots 10 through 16, Block A), from the east line of Kackley Court east to and including the cul-de-sac (east of Tyler, south of 37th Street North) 472-85181.

Said pavement shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 2. That the cost of said improvements provided for in Section 1 hereof is estimated to be **One Hundred Seventy-Three Thousand Dollars (\$173,000)** exclusive of interest on financing and administrative and financing costs, with 100 Percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **July 1, 2014**, exclusive of the costs of temporary financing.

SECTION 3. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

TYLER’S LANDING 4TH ADDITION
Lots 2 through 16, Block A

SECTION 4. That the method of apportioning all costs of said improvements attributable to the improvement district to the owners of land liable for assessment therefore shall be on a **fractional** basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: Lots 2 through 16, Block A, TYLER’S LANDING 4TH ADDITION shall each pay 1/15 of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the

basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 5. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 6. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 7. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 1980 Supp. 12-6a01 et seq.

SECTION 8. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 9. That the City Clerk shall make proper publication of this resolution, 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 26th day of
August, 2014.

CARL BREWER, MAYOR

ATTEST:

KAREN SUBLETT, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

SHARON L. DICKGRAFE
INTERIM DIRECTOR OF LAW & CITY ATTORNEY

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council Members

SUBJECT: Supplemental Design Agreement No. 1 for Improvements to Pawnee, from Hydraulic to Grove (District III)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve the supplemental agreement.

Background: On June 4, 2013, the City Council approved a design agreement with MKEC which provided for improvements to Pawnee Avenue from Hydraulic to Grove. The approved design fee was \$117,833.

Analysis: Qwest Communications is installing a fiber optic line within the project limits prior to the construction of planned improvements. Staff requests MKEC coordinate with Qwest to determine a location for the fiber optic line that will not require its relocation during construction of the Pawnee improvements and will minimize conflicts with existing utilities. The proposed fee for this coordination work is \$3,720.

MKEC prepared tract maps and legal descriptions for right-of-way, drainage easement, and temporary construction easement acquisitions, after which the Kansas Department of Transportation (KDOT) determined that additional temporary construction easement is necessary. This change requires preparation of additional tract maps and revisions to existing tract maps, as well as revisions to construction plan sheets. The proposed fee for the tract map revisions and related work is \$6,470.

Design of additional sanitary sewer improvements is also requested of MKEC, including replacement of approximately 100 feet of sanitary sewer, abandonment of remaining portions and related manhole removal, and reconstruction of two separate manholes within the project area. Design will also be needed for replacement of the existing 78-inch diameter interceptor sewer under I-135. The condition of the manhole in Pawnee to serve this line has deteriorated significantly since the start of design. The extent of remaining sanitary sewer reconstruction could only be determined after final project limits were defined and conflicts with new improvements identified. These improvements will require additional design surveys, structural designs, review of shop drawings, additional roadway removal and replacement, and additional utility coordination and traffic control work. The proposed fee also includes the cost of necessary geotechnical investigations. The proposed fee for the additional sanitary sewer work is \$53,400.

Supplemental Agreement No. 1 has been prepared to authorize the additional work.

Financial Considerations: The total fee for Supplemental Agreement No. 1 is \$63,590, payable to MKEC on a lump sum basis. With this supplemental agreement, the total design fee will be \$181,423. Funding for the sanitary sewer design work is available in the 2014 Reconstruction or Rehabilitation of Aged Sanitary Sewers (S-4) budget, which is funded by future revenue bonds or Sewer Utility cash reserves. Funding for the remaining work is available in the existing budget, which was approved by the

City Council on June 4, 2013 and is funded by General Obligation bonds.

Legal Considerations: The Law Department has reviewed and approved the supplemental agreement as to form.

Recommendation/Action: It is recommended that the City Council approve the supplemental agreement and authorize all necessary signatures for the acquisition or granting of easements, utility relocation agreements, and all required permits.

Attachments: Supplemental Agreement No. 1.

SUPPLEMENTAL AGREEMENT NO. 1
TO THE
AGREEMENT FOR PROFESSIONAL SERVICES DATED JUNE 4, 2013
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"

WITNESSETH:

WHEREAS, there now exists a Contract (dated June 4, 2013) between the two parties covering engineering services to be provided by the ENGINEER in conjunction with the construction of improvements in **PAWNEE, HYDRAULIC TO GROVE** (Project No. 472-85101).

WHEREAS, Paragraph IV. B. of the above referenced Contract 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 and is hereby amended to include the following:

DESIGN AND PLAN DEVELOPMENT PHASE SERVICES
(see attached for further 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 additional professional services as outlined in this supplemental agreement shall be made on the basis of the lump sum fee amount specified below:

Project No. 472 85101 \$63,590.00

C. PROVISIONS OF THE ORIGINAL CONTRACT

The parties hereunto mutually agree that all provisions and requirements of the existing Contract, not specifically modified by this Supplemental Agreement, shall remain in force and effect.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this Supplemental Agreement as of this _____ day of _____, 2014.

BY ACTION OF THE CITY COUNCIL

Carl Brewer, Mayor

ATTEST:

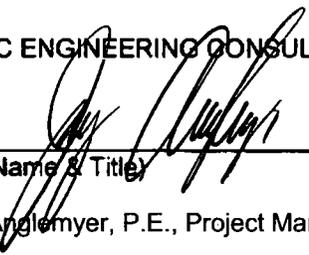
Karen Sublett, City Clerk

APPROVED AS TO FORM:



Sharon Dickgrafe, Interim Director of Law
and City Attorney

MKEC ENGINEERING CONSULTANTS, INC.



(Name & Title)

Jay Anglemeyer, P.E., Project Manager

ATTEST:



Cynthia A. Womack, Admin. Asst.

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council Members
SUBJECT: Repair or Removal of Dangerous and Unsafe Structures
(District I)
INITIATED BY: Metropolitan Area Building and Construction Department
AGENDA: Consent

Recommendations: Adopt the attached resolutions to schedule required City Council public hearings to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes.

Background: On August 4, 2014, the Board of Building Code Standards and Appeals conducted hearings on the properties listed below. The buildings on these properties are considered dangerous and unsafe structures per State Statutes and local ordinances, and are being presented in order to schedule condemnation hearings before the City Council. The Board of Building Code Standards and Appeals has recommended that the City Council proceed with condemnation, demolition and removal of the dangerous buildings on these properties.

Analysis: Minimum Housing Code violation notices have been issued on these structures; however, compliance has not been achieved. Pre-condemnation and formal condemnation letters have also been issued, and the time granted for repair or removal has expired. No actions have been taken by the property owners and/or other interested parties to complete required building repairs or to remove the dangerous buildings.

<u>Property Address</u>	<u>Council District</u>
a. 347 N. Ash	I
b. 2922 E. Mossman	I

Financial Considerations: Structures condemned as dangerous buildings are demolished with funds from the Metropolitan Area Building and Construction Department (MABCD) 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 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 \$500 administrative fee. If the property owner fails to pay, these charges are recorded as a special property tax assessment against the property.

Legal Considerations: The Law Department has reviewed and approved the resolution as to form.

Recommendations/Actions: It is recommended that the City Council adopt the attached resolutions to schedule a public hearing before the City Council on October 7, 2014 at 9:30 a.m. or soon thereafter, to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes and local ordinances.

Attachments: Letter to Council, summary, and resolution.

GROUP # 2

NOTICE OF DEMOLITION ACTION

This is to certify that the property located at **347 N ASH** and legally described as: **Lots 47 and 49, on Short Street, now Ash Street, EXCEPT that part taken in Condemnation Case No. 95C-1056, Butler and Fisher's Subdivision of Lot 2, Butler and Fisher's Addition to the City of Wichita, Sedgwick County, Kansas.**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **October 7, 2014** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

Thomas Stolz, Director, Metropolitan Area Building and Construction Department
City of Wichita

STATE OF KANSAS)
) ss:
SEDGWICK COUNTY)

BE IT REMEMBERED, That on this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

Notary Public

My Appointment Expires:



TO: The Mayor and City Council
Wichita, Kansas

RE: Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

(a) Description of Structure: A one and one half story wood frame dwelling about 28 x 45 feet in size. Vacant for about 4 years, this structure has shifting and missing block basement and foundation walls; rotted and missing wood siding; badly worn composition roof; deteriorated wood front porch; missing porch steps; and rotted soffit, fascia and wood trim.

(b) Street Address: 347 N Ash

(c) Owners:
Robert Hughes
1010 Cedar Point Circle
Rose Hill, KS 67133

John G. Metz
1010 Cedar Point Circle
Rose Hill, KS 67133

(d) Resident Agent:

(e) Occupant:

(f) Lienholders of Record:
Kelly Arnold, County Clerk
525 N Main
Wichita, KS 67203

Chris McElgunn, Attorney
301 N Main #1600
Wichita, KS 67202

(g) Mortgage Holder(s):

(h) Interested Parties:

DATE: August 5, 2014

CDM SUMMARY

COUNCIL DISTRICT # I

ADDRESS: 347 N Ash

LEGAL DESCRIPTION: Lots 47 and 49, on Short Street, now Ash Street, EXCEPT that part taken in Condemnation Case No. 95C-1056, Butler and Fisher's Subdivision of Lot 2, Butler and Fisher's Addition to the City of Wichita, Sedgwick County, Kansas.

DESCRIPTION OF STRUCTURE: A one and one half story wood frame dwelling about 28 x 45 feet in size. Vacant for about 4 years, this structure has shifting and missing block basement and foundation walls; rotted and missing wood siding; badly worn composition roof; deteriorated wood front porch; missing porch steps; and rotted soffit, fascia and 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

OCA: 230200

_____ **PUBLISHED IN THE WICHITA EAGLE ON** _____
RESOLUTION NO. _____

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 47 AND 49, ON SHORT STREET, NOW ASH STREET, EXCEPT THAT PART TAKEN IN CONDEMNATION CASE NO. 95C-1056, BUTLER AND FISHER'S SUBDIVISION OF LOT 2, BUTLER AND FISHER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS. KNOWN AS 347 N ASH** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of August 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of October 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at Lots 47 and 49, on Short Street, now Ash Street, EXCEPT that part taken in Condemnation Case No. 95C-1056, Butler and Fisher's Subdivision of Lot 2, Butler and Fisher's Addition to the City of Wichita, Sedgwick County, Kansas., known as: 347 N Ash, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one and one half story wood frame dwelling about 28 x 45 feet in size. Vacant for about 4 years, this structure has shifting and missing block basement and foundation walls; rotted and missing wood siding; badly worn composition roof; deteriorated wood front porch; missing porch steps; and rotted soffit, fascia and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of August 2014**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

GROUP # 2

NOTICE OF DEMOLITION ACTION

This is to certify that the property located at **2922 E MOSSMAN** and legally described as: **Lots 40 and 42, and the South 5 feet of a vacant alley, on Mossman Avenue, Frisco Avenue Addition to the City of Wichita, Kansas, Sedgwick County, Kansas.**, is the subject of a demolition action by the City of Wichita, Kansas, under the provisions of Section 18.16 of the Code of the City of Wichita. Unless certain improvements to the structure(s) located thereon are commenced and completed by **October 7, 2014** such structures are subject to being demolished and the costs associated therewith charged, as a lien, against the above-described real property.

Thomas Stolz, Director, Metropolitan Area Building and Construction Department
City of Wichita

STATE OF KANSAS)
) ss:
SEDGWICK COUNTY)

BE IT REMEMBERED, That on this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas Stolz, Director of Metropolitan Area Building and Construction Department, City of Wichita, personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal; the day and year last above written.

Notary Public

My Appointment Expires:



TO: The Mayor and City Council
Wichita, Kansas

RE: Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

(a) Description of Structure: A two story wood frame dwelling about 30 x 40 feet in size. Vacant and open, this structure has been damaged by fire. It has a deteriorated composition roof with holes; fire damaged vinyl siding; charred framing members; deteriorated wood trim; and the interior has been badly damaged by fire.

(b) Street Address: 2922 E Mossman

(d) Owners:
Eddie Wells
1301 Bridgewater
Wichita, KS 67209

(d) Resident Agent:

(e) Occupant:

(f) Lienholders of Record:
Kelly Arnold, County Clerk
525 N Main
Wichita, KS 67203

Chris McElgunn, Attorney
301 N Main #1600
Wichita, KS 67202

(i) Mortgage Holder(s):

(j) Interested Parties:

DATE: August 4, 2014

CDM SUMMARY

COUNCIL DISTRICT # I

ADDRESS: 2922 E Mossman

LEGAL DESCRIPTION: Lots 40 and 42, and the South 5 feet of a vacant alley, on Mossman Avenue, Frisco Avenue Addition to the City of Wichita, Kansas, Sedgwick County, Kansas.

DESCRIPTION OF STRUCTURE: A two story wood frame dwelling about 30 x 40 feet in size. Vacant and open, this structure has been damaged by fire. It has a deteriorated composition roof with holes; fire damaged vinyl siding; charred framing members; deteriorated wood trim; and the interior has been badly damaged by fire.

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 open to unauthorized persons or those permitted to be attractive to loiterers, vagrants, or children.**
- D. 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

OCA: 230200

_____ PUBLISHED IN THE WICHITA EAGLE ON _____
RESOLUTION NO. _____

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 40 AND 42, AND THE SOUTH 5 FEET OF A VACANT ALLEY, ON MOSSMAN AVENUE, FRISCO AVENUE ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS. KNOWN AS 2922 E MOSSMAN** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of August 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of October 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at Lots 40 and 42, and the South 5 feet of a vacant alley, on Mossman Avenue, Frisco Avenue Addition to the City of Wichita, Kansas, Sedgwick County, Kansas., known as: 2922 E Mossman, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a two story wood frame dwelling about 30 x 40 feet in size. Vacant and open, this structure has been damaged by fire. It has a deteriorated composition roof with holes; fire damaged vinyl siding; charred framing members; deteriorated wood trim; and the interior has been badly damaged by fire.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of August 2014**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

OCA: 230200

**PUBLISHED IN THE WICHITA EAGLE ON AUGUST 29, 2014 and SEPTEMBER 5, 2014
RESOLUTION NO. 14-245**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 47 AND 49, ON SHORT STREET, NOW ASH STREET, EXCEPT THAT PART TAKEN IN CONDEMNATION CASE NO. 95C-1056, BUTLER AND FISHER'S SUBDIVISION OF LOT 2, BUTLER AND FISHER'S ADDITION TO THE CITY OF WICHITA, SEDGWICK COUNTY, KANSAS. KNOWN AS 347 N ASH** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of August 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of October 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at Lots 47 and 49, on Short Street, now Ash Street, EXCEPT that part taken in Condemnation Case No. 95C-1056, Butler and Fisher's Subdivision of Lot 2, Butler and Fisher's Addition to the City of Wichita, Sedgwick County, Kansas., known as: 347 N Ash, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a one and one half story wood frame dwelling about 28 x 45 feet in size. Vacant for about 4 years, this structure has shifting and missing block basement and foundation walls; rotted and missing wood siding; badly worn composition roof; deteriorated wood front porch; missing porch steps; and rotted soffit, fascia and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of August 2014**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

OCA: 230200

**PUBLISHED IN THE WICHITA EAGLE ON AUGUST 29, 2014 and SEPTEMBER 5, 2014
RESOLUTION NO. 14-246**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 40 AND 42, AND THE SOUTH 5 FEET OF A VACANT ALLEY, ON MOSSMAN AVENUE, FRISCO AVENUE ADDITION TO THE CITY OF WICHITA, KANSAS, SEDGWICK COUNTY, KANSAS. KNOWN AS 2922 E MOSSMAN** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of August 2014**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of October 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council chambers, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at Lots 40 and 42, and the South 5 feet of a vacant alley, on Mossman Avenue, Frisco Avenue Addition to the City of Wichita, Kansas, Sedgwick County, Kansas., known as: 2922 E Mossman, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is a two story wood frame dwelling about 30 x 40 feet in size. Vacant and open, this structure has been damaged by fire. It has a deteriorated composition roof with holes; fire damaged vinyl siding; charred framing members; deteriorated wood trim; and the interior has been badly damaged by fire.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of August 2014**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

For August 26, 2014 – City Council

Proposed Assessment Rolls

Proposed Assessment Rolls have been prepared for twelve (12) water projects, nine (9) sewer projects, seven (7) storm sewer projects and six (6) paving projects. It is necessary to set a public hearing date. Informal hearing with City personnel will be held September 15, 2014 at 11:00 a.m. Notification of both the informal and formal public hearings regarding the proposed special assessments will be mailed to affected property owners on August 29, 2014.

RECOMMENDED ACTION:

Set the hearing on the Proposed Assessment Rolls for 9:30 a.m., Tuesday, August 26, 2014 and publish the notices of hearing at least once not less than 10 days prior to the date of the hearing. [August 29, 2014]

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council

SUBJECT: Second Amendment of Development Agreement – K-96 Greenwich STAR Bond Project (District II)

INITIATED BY: Urban Development Office

AGENDA: Consent Agenda

Recommendations: Adopt the resolution authorizing the execution of the second amendment to the development agreement.

Background: On January 22, 2013, the City Council adopted the Phase 1 STAR Bond Project Plan which provided the details of a multi-use commercial development located within the K-96 Greenwich STAR Bond District, which is based on the development of a major multi-sport athletic complex called the Goodsports Fieldhouse. On September 10, 2013, the City Council approved a development agreement with the developers of the Phase I STAR bond project, setting forth the rights, duties and obligations of the City and developers in regard to the Phase I project. On November 5, 2013, the City Council adopted an amendment to the development agreement to extend the City’s “clawback” provision by 12 months to conform to the developer’s agreement with the STAR bond purchaser, ORIX USA.

The developer has found it necessary to modify the project site plan to realign the internal connecting street within the project. This change creates the need to replace three exhibits within the development agreement. In addition to the replacement of the exhibits, the amended agreement will allow the City representative to approve similar changes to the exhibits.

Analysis: The attached second amendment to the development agreement replaces two exhibits to the development agreement relating to the site plan and infrastructure. The realignment of the internal street within the project allows the development additional flexibility and will reduce the construction costs.

The amendment further allows the City representative (City Manager), or his or her designee, to approve minor changes to the site plan without the need to bring the item to the City Council. Developers need the ability to modify site plans on occasion as development occurs, to accommodate tenant needs. The ability to receive quick approval allows the development to build-out quickly. The development agreement already allows for the City representative to take any approvals authorized to be made by the City representative to the City Council for approval, at his or her discretion.

The amendments to the development agreement include changes to conform to the new site plan. The new site plan includes new Exhibit H and Exhibit M. All other provisions of the original development agreement and first amendment remain unchanged.

Financial Considerations: The amendments to the development agreement do not have any financial implications. Changes to the interior road construction will create savings to the project which accrue to contingency.

Legal Considerations: The resolution and second amendment to the development agreement have been approved as to form by the Law Department.

Recommendation/Action: It is recommended that the City Council adopt the resolution authorizing the execution of the second amendment to development agreement.

Attachment(s): Resolution
Second Amendment to the Development Agreement

RESOLUTION NO. 14-247

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT OF DEVELOPMENT AGREEMENT RELATING TO THE K-96 GREENWICH STAR BOND PROJECT DISTRICT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH SAID AGREEMENT.

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

WHEREAS, pursuant to Ordinance No. 49-572, passed September 10, 2013 and published September 13, 2013, the Governing Body authorized the execution of a Development Agreement, dated September 13, 2013, among the City, Wichita Destination Developers, Inc., Goodsports Village Wichita, LLC and Goodsports Communities, Inc. (the “Original Development Agreement”); and

WHEREAS, pursuant to Ordinance No. 49-605, passed November 19, 2013 and published November 22, 2013, the Governing Body authorized the execution of a First Amendment of Development Agreement, dated November 22, 2013, among the City, Wichita Destination Developers, Inc., Goodsports Village Wichita, LLC and Goodsports Communities, Inc. (the “First Amendment”); and

WHEREAS, the Governing Body hereby finds and determines that it is necessary and advisable to authorize the execution of a Second Amendment of Development Agreement, dated August 19, 2014, among the City, Wichita Destination Developers, Inc., Goodsports Village Wichita, LLC and Goodsports Communities, Inc. (the “Second Amendment”) and to take certain actions and execute certain other documents as therein provided.

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

Section 1. Approval of Second Amendment. The Second Amendment is hereby approved in substantially the form presented to the Governing Body at this meeting, a copy of which shall be filed in the records of the City Clerk.

Section 2. Execution of Second Amendment and Other Documents. The Mayor or Vice Mayor of the City is hereby authorized and directed to execute the Second Amendment and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, with such changes therein as shall be approved by the City Attorney and 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. The City Clerk or any Deputy City Clerk is hereby authorized to attest to the signature of the Mayor or Vice Mayor the City and affix the seal of the City to said documents.

Section 3. Further Authority. The City shall, and the officers, employees and agents of the City and Gilmore & Bell, P.C., the City's bond counsel, 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 Resolution

and the transactions contemplated therein and to carry out, comply with and perform the duties of the City with respect to the Development Agreement, as amended by the First Amendment and Second Amendment, and related documents.

Section 4. Effective Date. This Resolution shall take effect and be in full force after its adoption by the Governing Body.

ADOPTED by the City Council of the City of Wichita, Kansas, on August 26, 2014.

(SEAL)

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Sharon L. Dickgrafe, Interim City Attorney &
Director of Law

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 14-247 (the "Resolution") of the City of Wichita, Kansas, adopted by the Governing Body on August 26, 2014, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: August 19, 2014.

Karen Sublett, City Clerk

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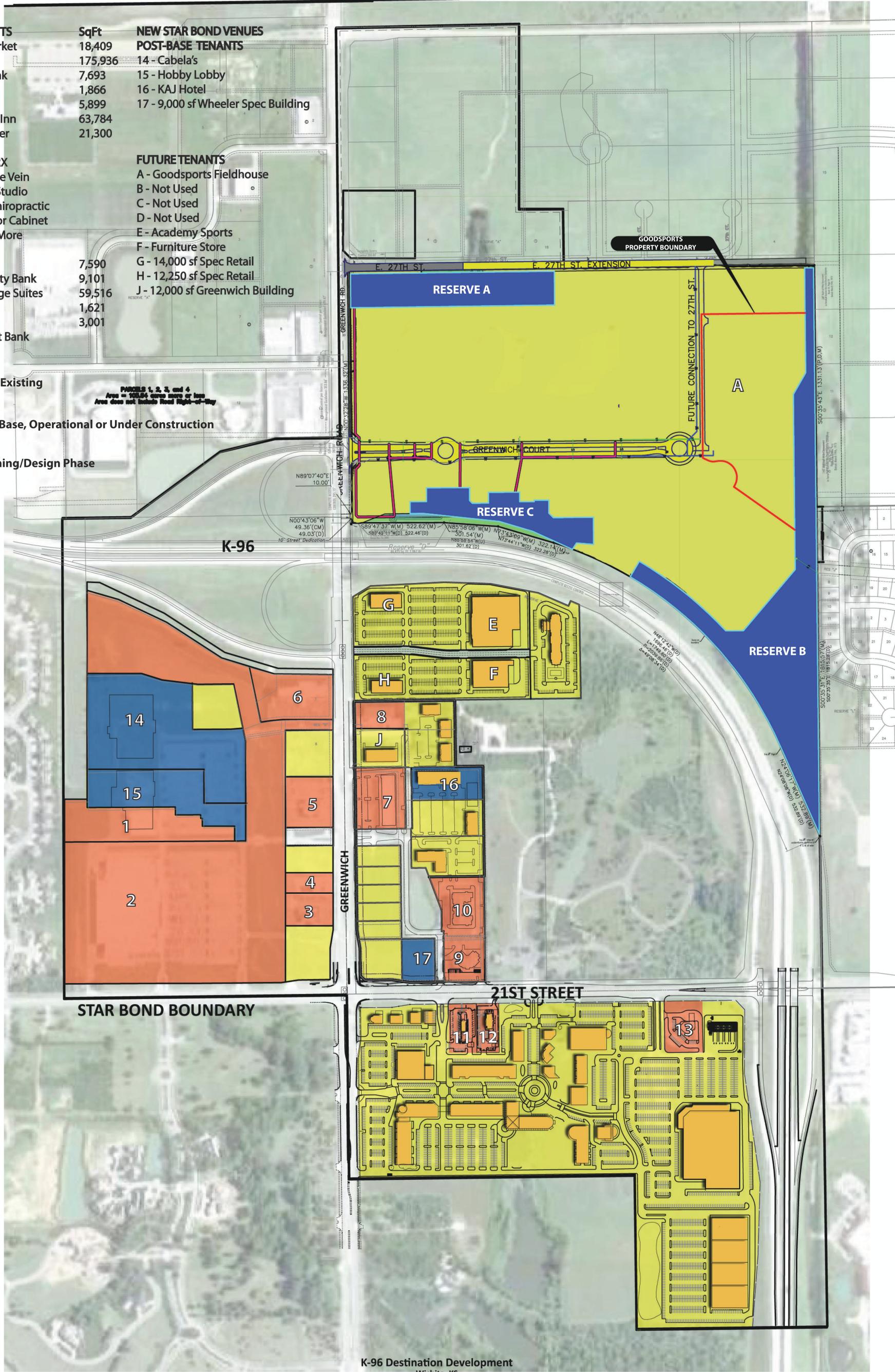
BASE TENANTS	SqFt
1 - World Market	18,409
2 - Target	175,936
3 - Kanza Bank	7,693
4 - Subway	1,866
5 - Chili's	5,899
6 - Hampton Inn	63,784
7 - Strip Center	21,300
Go Run	
Custom RX	
Innovative Vein	
Lux Nail Studio	
Dopps Chiropractic	
The Liquor Cabinet	
Cigars & More	
Postnet	
8 - Firestone	7,590
9 - Community Bank	9,101
10 - Staybridge Suites	59,516
11 - Sonic	1,621
12 - Arby's	3,001
13 - Meritrust Bank	

NEW STAR BOND VENUES
14 - Cabela's
15 - Hobby Lobby
16 - KAJ Hotel
17 - 9,000 sf Wheeler Spec Building

POST-BASE TENANTS
A - Goodsports Fieldhouse
B - Not Used
C - Not Used
D - Not Used
E - Academy Sports
F - Furniture Store
G - 14,000 sf Spec Retail
H - 12,250 sf Spec Retail
J - 12,000 sf Greenwich Building

FUTURE TENANTS
A - Goodsports Fieldhouse
B - Not Used
C - Not Used
D - Not Used
E - Academy Sports
F - Furniture Store
G - 14,000 sf Spec Retail
H - 12,250 sf Spec Retail
J - 12,000 sf Greenwich Building

- Base Existing
- Post-Base, Operational or Under Construction
- Planning/Design Phase



K-96 Destination Development
Wichita, KS

SECOND AMENDMENT OF DEVELOPMENT AGREEMENT

DATED AUGUST 19, 2014

AMONG

CITY OF WICHITA, KANSAS,

WICHITA DESTINATION DEVELOPERS, INC.,

GOODSPORTS VILLAGE WICHITA, LLC

AND

GOODSPORTS COMMUNITIES, INC.

RELATING TO THE PHASE I STAR BOND PROJECT PLAN

FOR THE

K-96 AND GREENWICH STAR BOND DISTRICT

AND THE

K-96 STAR BOND CID DISTRICT

SECOND AMENDMENT OF DEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT OF DEVELOPMENT AGREEMENT (this “**Second Amendment**”), is made and entered into as of August 19, 2014, among the **CITY OF WICHITA, KANSAS**, a municipal corporation duly organized under the laws of the State of Kansas (the “**City**”); **WICHITA DESTINATION DEVELOPERS, INC.**, a Kansas corporation (the “**Developer**”); **GOODSPORTS VILLAGE WICHITA, LLC**, a Delaware Series limited liability company (the “**Fieldhouse Developer**”); and **GOODSPORTS COMMUNITIES, INC.**, a Florida corporation (“**GoodSports Communities**”), with the “Developer,” the “Fieldhouse Developer,” “GoodSports Communities” and the “City” collectively referred to as the “**Parties**” and each a “**Party**”).

RECITALS

A. The Parties have entered into a Development Agreement dated September 13, 2013 (the “Original Development Agreement” and with all amendments thereto the “Agreement”) in connection with a STAR bond district created by the City pursuant to K.S.A. § 12-17,160 *et seq.*, as amended, known as the K-96 Greenwich STAR Bond District (the “**District**”), which comprises over 400 acres of property located within the City.

B. The Parties have entered into a First Amendment to Development Agreement dated November 22, 2013 (the “First Amendment”).

C. The Parties now desire to enter into this Second Amendment to amend the Original Development Agreement.

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 AND RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. For all purposes of this Second Amendment, except as otherwise provided or unless the context otherwise requires, the words and terms used in this Second Amendment shall have the meanings set forth in **Section 1.01** of the Original Development Agreement and the First Amendment.

ARTICLE II

AMENDMENT OF ORIGINAL DEVELOPMENT AGREEMENT

Section 201. Amendment to Exhibits H and M of the Original Development Agreement.

(a) **Exhibit H – Project Site Plan** to the Original Development Agreement shall be amended in whole by substituting the provisions of **Exhibit H** attached hereto.

(b) **Exhibit M – On-Site Public Infrastructure** to the Original Development Agreement shall be amended in whole by substituting the provisions of **Exhibit M** attached hereto.

Section 202. Amendment to Section 11.04 of the Original Development Agreement. *Section 11.04* of the Original Development Agreement is hereby amended to read as follows:

Section 11.04. Amendments. Except as provided in *Section 3.02* hereof, this Agreement may be amended only by the mutual consent of the Parties hereto, or their successors in interest, as reflected in a written amendment executed by the duly authorized representative of each such Parties, or their successors in interest. Except for amendments to *Exhibits J, H, M* and *R*, which may be approved and executed on behalf of the City by the City Representative, each amendment shall be subject to the adoption of a resolution by the governing body of the City approving such amendment.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 301. Applicability of the Original Development Agreement and First Amendment. Except as otherwise provided in this Second Amendment, the provisions of the Original Development Agreement, as heretofore amended and supplemented by the First Amendment, are hereby ratified, approved and confirmed and incorporated herein.

Section 302. Severability. If any provision in this Second Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 303. Execution in Counterparts. This Second Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 304. Governing Law. This Second Amendment shall be governed by and construed in accordance with the laws of the State of Kansas.

[Signatures Pages Follow]

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

CITY OF WICHITA, KANSAS

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

STATE OF KANSAS)
) ss.
COUNTY OF SEDGWICK)

Appeared before me today, on August __, 2014, Carl Brewer, personally known to me and after first being sworn did state that he is the Mayor of the City of Wichita, State of Kansas, and that the seal affixed to the foregoing instrument is the official Seal of the City of Wichita, and that said instrument was signed and sealed on behalf of the City, and that the matters set forth herein are true and correct to the best of his and the City's knowledge, information and belief, and acknowledge that he executed the same on behalf of the City as its free act and deed.

Notary Public

My Commission Expires:

APPROVED AS TO FORM:

Sharon L. Dickgrafe, Interim Director of Law
and City Attorney

DEVELOPER:

**WICHITA DESTINATION DEVELOPERS, INC.,
a Kansas corporation**

By: _____
Michael J. Boyd, President

STATE OF KANSAS)
) ss.
COUNTY OF SEDGWICK)

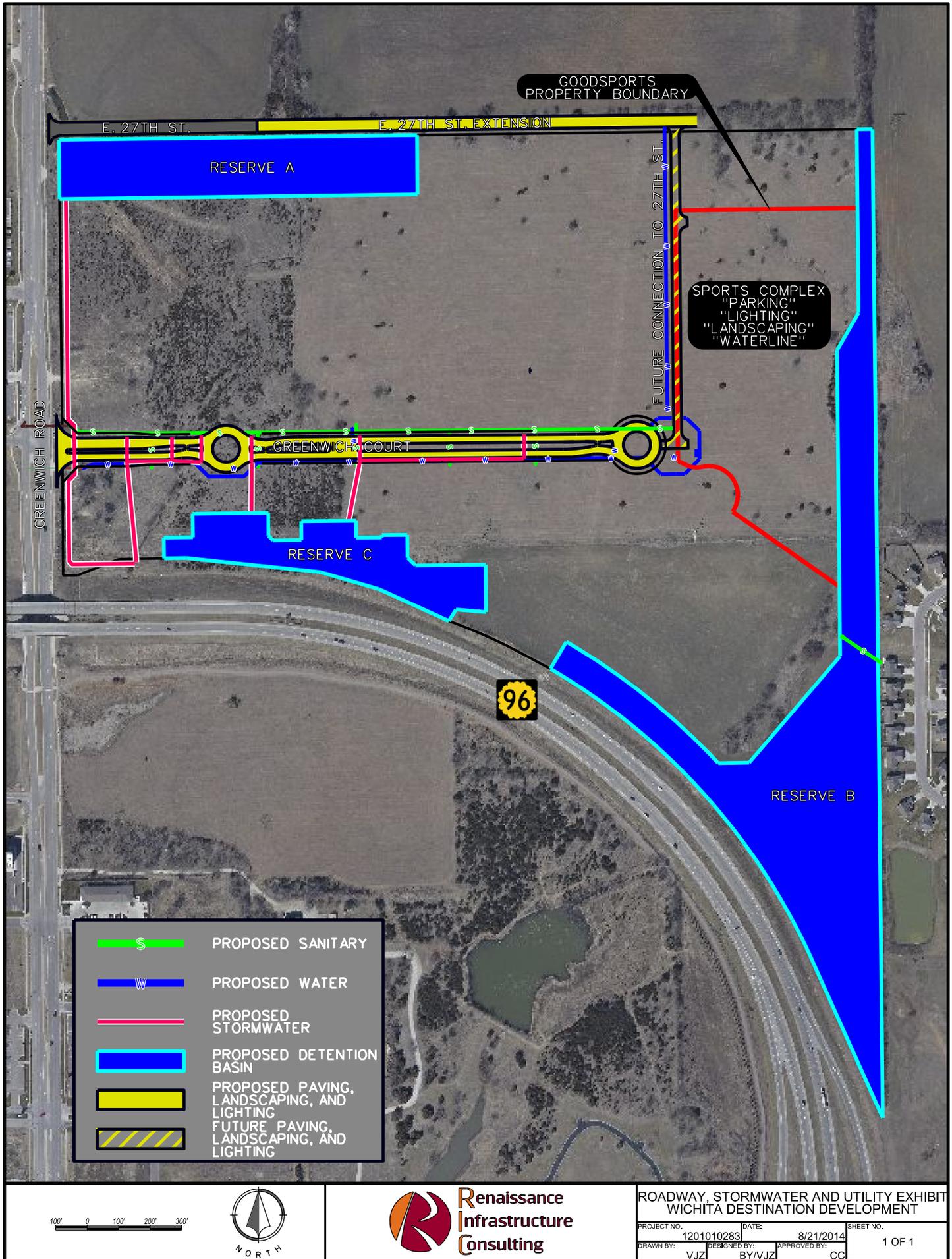
On August __, 2014, before me personally appeared Michael J. Boyd, to me personally known, who being by me duly sworn did say that he is the President of Wichita Destination Developers, Inc., and that said instrument was signed and delivered on behalf of said corporation and acknowledged to me that he executed the same as the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC

My Commission Expires:

[SEAL]



	PROPOSED SANITARY
	PROPOSED WATER
	PROPOSED STORMWATER
	PROPOSED DETENTION BASIN
	PROPOSED PAVING, LANDSCAPING, AND LIGHTING
	FUTURE PAVING, LANDSCAPING, AND LIGHTING

100' 0 100' 200' 300'



**ROADWAY, STORMWATER AND UTILITY EXHIBIT
WICHITA DESTINATION DEVELOPMENT**

PROJECT NO. 1201010283	DATE 8/21/2014	SHEET NO. 1 OF 1
DRAWN BY: VJZ	DESIGNED BY: BY/VJZ	APPROVED BY: CC

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council Members
SUBJECT: General Obligation Bond and Note Sale
INITIATED BY: Finance Department
AGENDA: Consent

Recommendation: Adopt the resolutions.

Background: The City is planning to offer for sale three series of general obligation temporary notes in the principal amount of approximately \$185,270,000 (Series 253, 268 and 270) and four series of general obligation bonds (Series 811, 813, 814 and 962) in the principal amount of approximately \$182,910,000. The bonds and notes are being issued for the purpose of providing temporary and permanent financing for capital improvement projects of the City. The public sale of the bonds and notes is scheduled for 10:00 a.m. C.S.T. on September 16, 2014, at which time bids will be received and the City Council will award the sale of bonds and notes to the bidders whose proposed interest rates result in the lowest overall cost to the City.

Analysis: The sale of temporary notes allows short-term financing of improvements that shall be permanently financed through the issuance of bonds, pay-as-you-go financing or other sources. The bonds are being issued on a reimbursement basis to finance project costs previously incurred.

The City's Fall 2014 general obligation bond and note sale includes the following issues:

Temporary Notes

The proceeds from the sale of the Series 253 and 268 Renewal and Improvement Temporary Notes will be used to provide interim financing for Airport projects, improvement district projects, public improvement projects and improvements related to Tax Increment Financing (TIF) Districts. The proceeds from the sale of the Series 270 Renewal and Improvement Temporary Notes will be used to provide interim financing for Exempt Facility Airport projects. Temporary Note Series 253 will be issued in a principal amount of approximately \$10,285,000 and is taxable under Federal law due to the nature of the TIF, Airport and facade improvements being financed. Temporary Note Series 268 will be issued in a principal amount of approximately \$80,550,000. Temporary Note Series 270 will be issued in a principal amount of approximately \$94,435,000 and is subject to Alternative Minimum Tax.

General Obligation Bonds

The Series 811 Bonds will be issued in a principal amount of approximately \$156,445,000 and will be used to permanently finance public improvement projects, the aquifer storage and recovery project and transit buses. The Series 813 Bonds will be issued in a principal amount of approximately \$8,090,000 and is taxable under Federal law due to the nature of the TIF and special assessment improvements being financed. The Series 814 Bonds will be issued in a principal amount of approximately \$11,230,000 and will be used to permanently finance special assessment projects. The Series 962 Bonds will be issued in a principal amount of approximately \$7,145,000 and will be used to permanently finance a portion of the TIF improvements related to the Water Walk project.

Financial Considerations: The City of Wichita awards the sale of bonds to the bidder with the lowest true interest cost, or “TIC”. Using the TIC to calculate the bids, accounts for the time value of money. The TIC is the rate that will discount all future cash payments so that the sum of their present value will equal the bond proceeds. Further, using the TIC calculation can potentially result in the City saving money because TIC does not ignore the timing of interest payments. Due to their short term, the awards for the sale of temporary notes are made to the bidder with the lowest net interest cost.

The Series 253, 268 and 270 Temporary Notes will mature on October 15, 2015 and will be retired using the proceeds of permanent financing bonds, renewal notes and/or other available funds of the City. The Series 253, 268 and 270 Temporary Notes will be callable April 15, 2015 at par.

The Series 811 General Obligation Bonds will mature serially over 10, 19 and 20 years. The 10 and 20 year maturities are structured to produce level annual payments of principal and interest for each maturity term while the 19 year maturity is structured to coordinate cash flows with TIF revenues. The Series 811 Bonds will be callable beginning in 2023 at par and are payable from City-wide ad valorem taxes and Water Utility revenues, which if not so paid, are payable from City-wide ad valorem taxes.

The Series 813 General Obligation Bonds will mature serially over 10, 13, 15 and 16 years. The 16 year maturity is structured to coordinate cash flows with TIF revenues, while each of the other maturities are structured to produce level annual payments of principal and interest for each maturity term. The Series 813 Bonds will be callable beginning in 2023 at par and are payable from City-wide ad valorem taxes and from the collection of special assessments levied against benefitting properties, and if not so paid, from City-wide ad valorem taxes.

The Series 814 General Obligation Bonds will mature serially over 15 and 20 years, with principal maturities structured to produce level annual payments of principal and interest for each maturity term. The Series 814 Bonds will be callable beginning in 2023 at par and are payable from the collection of special assessments levied against benefitting properties, and if not so paid, from City-wide ad valorem taxes.

The Series 962 General Obligation Bonds will mature serially over 10 years, with principal maturities structured to produce level annual payments of principal and interest for each maturity term. The Series 962 Bonds will be callable beginning in 2022 at par and are payable from City-wide ad valorem taxes.

Legal Considerations: The Law Department has approved the resolutions as to form, authorizing the sale of the bonds and notes and directing the publication and distribution of the Notices of Sale (prepared by the City’s Bond Counsel).

Recommendation/Action: It is recommended the City Council adopt the resolutions: 1) authorizing the general obligation bond and note sales; 2) approving the distribution to prospective bidders of the Preliminary Official Statements, subject to such minor revisions as may be determined necessary by the Director of Finance and Bond Counsel; 3) finding that such Preliminary Official Statements are in a form “deemed final” for the purpose of the Securities Exchange Commission’s Rule 15c2-12(b)(1), subject to revision, amendment and completion in the final Official Statements; 4) authorizing publication and distribution of the Notices of Sale; and 5) authorizing staff, in consultation with Bond Counsel, to take such further action reasonably required to implement the resolutions.

Attachments: Sales Resolutions
Official Notices of Sale

CITY OF WICHITA, KANSAS
OFFICIAL NOTICE OF BOND SALE

<i>Principal Amount*</i>	<i>Description</i>	<i>Series</i>	<i>Reference</i>
\$156,445,000	General Obligation Bonds	811	“Series 811 Bonds”
8,090,000	Taxable General Obligation Bonds	813	“Series 813 Bonds”
11,230,000	General Obligation Bonds	814	“Series 814 Bonds”
7,145,000	General Obligation Tax Increment Financing Bonds	962	“Series 962 Bonds”

*Subject to change

(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED AD VALOREM TAXES)

Bids. *Separate* electronic bids for the purchase of each series of the above-referenced bonds (collectively, the “Bonds”) of the City of Wichita, Kansas (the “City”) herein described will be received by the Director of Finance of the City via **PARITY**[®] until 10:00 a.m., Central Daylight Time (the “Submittal Hour”), on

TUESDAY, SEPTEMBER 16, 2014

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of each series of the Bonds to the successful bidders (collectively, the “Successful Bidder”) will be acted upon by the City Council (the “Governing Body”) of the City as soon thereafter as may be practical at its meeting to be held on the Sale Date in the Council Chamber at City Hall. No oral, auction, facsimile or other written bids will be considered and no bid for less than the entire principal amount of the Bonds will be considered. Other capitalized terms not otherwise defined in this Notice of Bond Sale (the “Notice”) shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

Each series of Bonds shall be sold separately, and bidders may bid on any series of Bonds.

Terms of the Bonds

General. The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated October 1, 2014 (the “Dated Date”) and will become due as hereinafter set forth. The Bonds will bear interest from the Dated Date at rates to be determined when each series of the Bonds are sold as hereinafter provided, payable semiannually on June 1 and December 1, beginning on June 1, 2015 (collectively, the “Interest Payment Dates”).

Series 811 Bonds. The Series 811 Bonds will become due in principal installments as follows:

<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>
2015	\$6,065,000	2025	\$ 7,415,000
2016	6,250,000	2026	7,645,000
2017	6,440,000	2027	7,875,000
2018	6,630,000	2028	8,120,000

2019	6,830,000	2029	8,365,000
2020	7,035,000	2030	8,625,000
2021	7,245,000	2031	8,885,000
2022	7,465,000	2032	9,160,000
2023	7,690,000	2033	9,445,000
2024	7,915,000	2034	11,345,000

Series 813 Bonds. The Series 813 Bonds will become due in principal installments as follows:

<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>
2015	\$375,000	2023	\$640,000
2016	430,000	2024	675,000
2017	460,000	2025	575,000
2018	485,000	2026	605,000
2019	515,000	2027	635,000
2020	545,000	2028	315,000
2021	570,000	2029	340,000
2022	605,000	2030	320,000

Series 814 Bonds. The Series 814 Bonds will become due in principal installments as follows:

<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>
2015	\$550,000	2025	\$715,000
2016	565,000	2026	730,000
2017	580,000	2027	750,000
2018	595,000	2028	775,000
2019	610,000	2029	790,000
2020	625,000	2030	240,000
2021	640,000	2031	250,000
2022	660,000	2032	255,000
2023	675,000	2033	265,000
2024	690,000	2034	270,000

Series 962 Bonds. The Series 962 Bonds will become due in principal installments as follows:

<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>
2015	\$640,000	2020	\$720,000
2016	655,000	2021	740,000
2017	670,000	2022	760,000
2018	685,000	2023	775,000
2019	705,000	2024	795,000

***Principal Amount Subject to Change.** The City reserves the right to adjust the total principal amount of any series of the Bonds and the principal amount of any maturity, depending on the purchase price bid by the Successful Bidder and amounts necessary to finance the public improvements to be financed thereby, subject to minimum Authorized Denominations. If there is an adjustment in the final aggregate principal amount of any series of the Bonds or the principal amount of any maturity as described above, the City will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m., Central Daylight Time, on the Sale Date. Any adjustment in principal amount for any series will maintain the Successful Bidder's compensation set forth on the original bid form as a percentage of the total principal amount of such

series. At the request of the City, the Successful Bidder agrees to execute a revised bid form or repayment schedule reflecting the adjusted principal amounts and purchase price. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of each series of the Bonds or the schedule of principal payments as described herein.

Place of Payment and Registration

Payment. The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of each Bond will be payable at maturity or earlier redemption to the owners thereof whose names are on the registration books (the “Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”): (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co., by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Registration. The Bonds will be registered pursuant to a plan of registration approved by the City and the Attorney General of the State of Kansas. The City will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Registered Owners.

Book-Entry-Only System

The Bonds shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the City will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The City will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the City determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the City will discontinue the book-entry-only form of registration with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will cause to be authenticated and delivered to the beneficial owners, replacement Bonds in the form of fully registered certificates. Reference is made to the Preliminary Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

Redemption Provisions

General. Whenever the City is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

Series 811 Bonds. At the option of the City, the Series 811 Bonds maturing in the years 2024 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2023, and thereafter, as a whole or in part (selection of the amount of Series 811 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Series 813 Bonds. At the option of the City, the Series 813 Bonds maturing in the years 2024 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2023, and thereafter, as a whole or in part (selection of the amount of Series 813 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Series 814 Bonds. At the option of the City, the Series 814 Bonds maturing in the years 2024 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2023, and thereafter, as a whole or in part (selection of the amount of Series 814 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Series 962 Bonds. At the option of the City, the Series 962 Bonds maturing in the years 2023 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2022, and thereafter, as a whole or in part (selection of the amount of Series 962 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption. A bidder may elect to have all or a portion of any series of the Bonds scheduled to mature in consecutive years issued as term bonds (the “Term Bonds”) and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; (b) callable and noncallable serial maturities of the Bonds may not be combined in the same Term Bond maturity; and (c) a bidder shall make such an election by completing the applicable information on PARITY®.

Notice and Effect of Call for Redemption. Unless waived by any owner of Bonds to be redeemed, if the City shall call any Bonds for redemption and payment prior to the maturity thereof, the City shall give written notice of its intention to call and pay said Bonds to the Bond Registrar and the Successful Bidder. In addition, the City shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the date fixed for redemption. All notices of redemption shall state the date of redemption, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The City shall also give such additional notice as may be required by Kansas law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

Authority, Purpose and Security

General. The Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, as amended by Charter Ordinances of the City.

Series 811 Bonds. The Series 811 Bonds are being issued to provide permanent financing for various internal improvements and retire previously issued temporary notes of the City that financed such improvements.

Series 813 Bonds. The Series 813 Bonds are being issued to provide permanent financing for certain facade improvement projects and public building projects and to refund and retire previously issued temporary notes of the City that financed such improvements.

Series 814 Bonds. The Series 814 Bonds are being issued to provide permanent financing for various internal improvements which costs have been specially assessed to certain properties benefitted by such improvements and retire previously issued temporary notes of the City that financed such improvements.

Series 962 Bonds. The Series 962 Bonds are being issued to provide permanent financing for certain tax increment financing projects and to refund and retire previously issued temporary notes of the City that financed such improvements.

Security. The Bonds shall be general obligations of the City payable as to both principal and interest 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. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due. The Series 813 and 814 Bonds are payable in part from special assessments levied upon the property benefitted by the construction of certain internal improvements, 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. The Series 962 Bonds are payable as to both principal and interest from incremental property tax revenues derived in certain tax increment financing districts within the City, 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.

Submission of Bids

Separate bids shall be submitted for each series of the Bonds, which shall be sold separately. Bidders may bid on any or all series of the Bonds. All bids shall be submitted electronically via PARITY[®] and must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice. If provisions of this Notice conflict with those of PARITY[®], this Notice shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which shall be submitted separately. The City shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. Information about the electronic bidding services of PARITY[®] may be obtained from Ipreo at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

Conditions of Bids

Separate proposals will be received on each series of the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of such series of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 6% for the Series 811, 814 and 962 Bonds and plus 7% for the Series 813 Bonds; and (c) no supplemental interest payments will be considered. No bid for less than **100%** of the principal amount of each series of Bonds and accrued interest thereon to the date of delivery will be considered. **The initial price to the public for each maturity of each issue must be 98.0% or greater.** Each bid shall specify: (a) the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid; (b) the purchase price offered by the bidder; (c) the net interest cost (expressed in dollars) on the basis of such bid; and (d) an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the bid form; the City will be entitled to rely on such

certifications. Each bidder agrees that, if it is awarded any series of the Bonds, it will provide the certification as to initial offering prices described under the caption “Certification as to Offering Price” in this Notice.

Good Faith Deposit

General. Each bid shall be accompanied by a good faith deposit (the Deposit”) in an amount equal to **2% of the principal amount of each series of the Bonds** as stated on the initial page of this Notice, payable to the order of the City to secure the City from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. **Separate Deposits must be submitted for each series of Bonds.** Each Deposit, **which must be received by the City prior to 9:30 a.m. Central Daylight Time on the Sale Date**, must be in the form of: (a) a certified or cashier's check drawn on a bank located in the United States of America, payable to the order of the City; (b) a Financial Surety Bond (as described below) payable to the order of the City; or (c) a wire of Federal Reserve funds (as described below), immediately available for use by the City. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the City until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price, at the option of the City. If a bid is accepted, but the City fails to deliver the Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the Successful Bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the City as and for liquidated damages. No interest on any Deposit shall be paid by the City.

Deposit Submission Details.

(a) ***Certified or Cashier's Check.*** Certified or cashier’s checks must be delivered to the Debt Coordinator at the address set forth on the last page of this Notice.

(b) ***Financial Surety Bond.*** Any financial surety bond (the “Surety Bond”) must be issued by an insurance or surety company rated “AA” by Standard & Poor’s Ratings Services, a division of McGraw Hill Financial Inc., or “Aa” by Moody's Investors Service and licensed to issue such a Surety Bond in the State of Kansas, and shall identify each bidder whose Deposit is guaranteed by such Surety Bond. Notice of the issuance of such Surety Bond shall be given by the issuer thereof via email transmission to the Director of Finance at the address set forth on the last page of this Notice. If the sale a series of the Bonds is awarded to a bidder utilizing a Surety Bond, the Successful Bidder is required to submit to the City a cashier's or certified check or wire transfer of immediately available federal funds to such financial institution requested by the City, not later than 2:00 p.m., Central Daylight Time on the next business day following the Sale Date. If such funds are not received by such time, the Surety Bond may be drawn on by the City to satisfy the Deposit requirement.

(c) ***Wire Transfer.*** Any wire transfer shall be submitted to a financial institution designated by the City, and wire transfer instructions may be obtained from the Debt Coordinator at the address set forth on the last page of this Notice. ***Each wire transfer Deposit must reference “City of Wichita, Kansas, Good Faith Deposit, Series 811, Series 813, Series 814 or Series 962.”*** Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Director of Finance or Debt Coordinator at the email address set forth on the last page of this Notice, including the following information: (i) notification that a wire transfer has been made; (ii) the amount of the wire transfer; (iii) the wire transfer federal reference number; (iv) the name of the bidder for which the wire transfer is to be credited as a Deposit, (v) if the name of the bidder as shown on *PARITY* does not match the name shown as the beneficiary on the wire instructions, the email will also state that the bidder is identified by the

beneficiary's name on the wire instructions; and (vi) return wire transfer instructions in the event such bid is unsuccessful.

Deposit Return Details. Good Faith checks submitted by unsuccessful bidders will be returned promptly via United States first class mail; wire transfer Deposits submitted by unsuccessful bidders will not be accepted or shall be returned in the same manner received not later than the next business day following the Sale Date, and the City reserves the right to withhold reasonable charges for any fees or expenses incurred in returning a wire transfer Deposit.

Basis of Award

General. Each series of the Bonds shall be sold separately. The City reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any disputes arising hereunder shall be governed by the laws of the State of Kansas, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Kansas with regard to such dispute. Any bid received after the Submittal Hour on the Sale Date will be rejected or returned to the bidder.

Award. The award of a series of Bonds will be made on the basis of the lowest true interest cost ("TIC"), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the bid form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the City or the bidder. The City will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

Ratings

The City's outstanding general obligation bonds are rated "Aa1" by Moody's Investors Service, Inc. ("Moody's") and "AA+" by Standard & Poor's, a division of McGraw Hill Financial Inc ("S&P"). The City has applied to the same rating agencies that currently rate the Bonds for ratings on the Bonds. Additional information regarding such application and ratings are further described in the Preliminary Official Statement, as hereinafter described. Any explanations of the significance of such ratings (as well as any positive or negative outlooks thereon or potential changes to any rating in the near future) should be obtained from Moody's and S&P.

Bond Insurance

The City has **not** applied for any policy of municipal bond insurance with respect to the Bonds, and will not pay the premium in connection with any policy of municipal bond insurance desired by any Successful Bidder. In the event a bidder desires to purchase and pay all costs associated with the issuance of a policy of municipal bond insurance in connection with any series of Bonds, such indication and the name of the desired insurer must be set forth on the bidder's bid form and the bid must be accompanied by a commitment from the selected insurer and shall specify all terms and conditions to which the City will be required to agree in connection with the issuance of such insurance policy. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City.

CUSIP Numbers

The CUSIP Service Bureau will be requested to assign CUSIP identification numbers to the Bonds, and such numbers shall be printed on the Bonds; however, neither the failure to assign any such number to or print any such number on any Bond, nor any error with respect thereto, shall constitute cause for the failure or refusal by the Successful Bidder to accept delivery of and to make payment for the Bonds in accordance with the terms of this Notice and of its bid. All expenses in relation to the printing of the CUSIP numbers and the expenses of the CUSIP Service Bureau for the assignment thereof shall be the responsibility of and shall be paid for by the City.

Delivery and Payment

The City will pay for printing the Bonds and will deliver each series of the Bonds properly prepared, executed and registered without cost on or about **OCTOBER 15, 2014** (the “Closing Date”), at DTC for the account of the Successful Bidder. Each Successful Bidder will be furnished with a certified transcript of the proceedings in CD-ROM format evidencing the authorization and issuance of such series of Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be received by 12:00 noon, Central Daylight Time, on the Closing Date, in Federal Reserve funds immediately available for use by the City. The City will deliver a single Bond for each maturity of each series of Bonds registered in the nominee name of DTC.

Reoffering Prices

The Successful Bidder for each series of Bonds will be required to complete, execute and deliver to the City prior to the delivery of the Bonds, a written certification (the “Issue Price Certificate”) containing the following: (a) the initial offering price and interest rate for each maturity of the Bonds; (b) that all of the Bonds were offered to the public in a bona fide public offering at the initial offering prices on the Sale Date; and (c) on the Sale Date the Successful Bidder reasonably expected that at least 10% of each maturity of the Bonds would be sold to the “public” at prices not higher than the initial offering prices. For purposes of the preceding sentence “public” means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. ***Such initial offering prices to the public must also be included in the Official Bid Form submitted for each series of the Bonds.***

At the request of the City, the Successful Bidder will provide information explaining the factual basis for the Successful Bidder’s Issue Price Certificate. This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the City requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the City pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement

On August 26, 2014, the Governing Body authorized and directed the preparation of a Preliminary Official Statement “deemed final” by the City except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12, copies of which may be obtained by contacting the Department of Finance at the address set forth on the last page of this Notice or by visiting www.onlinemuni.com. Authorization is hereby given to redistribute this Notice and the Preliminary Official Statement, but this entire Notice and the entire Preliminary Official Statement, and not portions

thereof, must be redistributed. Upon the sale of the Bonds, the City will prepare the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder's proposal, with a sufficient number of copies thereof, which may be in electronic format, in order to comply with the requirements of Rule 15c2-12(3) and (4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board (collectively the "Rules"). The City's acceptance, including electronic acceptance through PARITY[®], of the Successful Bidder's proposal for the purchase of each series of the Bonds in accordance with this Notice shall constitute a contract between the City and the Successful Bidder for purposes of the Rules. The City designates the senior managing underwriter of any syndicate of the Successful Bidder as agent for purposes of distributing copies of the final Official Statement to each participating underwriter. Any bidder submitting a bid for the purchase of the Bonds agrees thereby that if such bid is accepted: (a) it shall accept such designation, and (b) it shall enter into a contractual relationship with all participating underwriters of the Bonds for purposes of assuring the receipt by each such participating underwriter of the final Official Statement. Additional copies may be ordered by the Successful Bidder at its expense.

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to its Rule 15c2-12 (the "Rule") requiring continuous secondary market disclosure for certain issues. In the separate resolutions authorizing each series of Bonds, the City has covenanted to enter into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds to send to the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access facility, or other applicable entity as required or permitted under the Rule, certain financial information and operating data annually and to provide notice to the MSRB of certain events, pursuant to the requirements of the Rule. For further information regarding the Undertaking, reference is made to the caption "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

Assessed Valuation and Bonded Indebtedness

Assessed Valuation. The City's equalized assessed tangible valuation for computation of bonded debt limitations for the year 2013 is \$3,520,765,043.

Bonded Indebtedness. The total general obligation indebtedness of the City as of the Closing Date is \$837,430,000, which includes the Bonds being sold, the City's temporary notes also dated as of the Dated Date, which will be issued on the Closing Date, less the City's previously issued temporary notes to be retired out of proceeds of the Bonds and other funds on the Closing Date.

Legal Opinion

Each series of Bonds will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel, which opinion will be furnished and paid for by the City, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Bonds being excludable from gross income for federal income tax purposes and exempt from income taxation by the State of Kansas. Reference is made to the Preliminary Official Statement for further discussion of federal and Kansas income tax matters relating to the interest on the Bonds.

Additional Information

Additional information regarding the Bonds, the delivery of the Deposit and notification regarding the same may be obtained from the Department of Finance, 12th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679, or by contacting:

Ms. Shawn Henning
Director of Finance
Phone: (316) 268-4300
Fax: (316) 858-7520
Email: shenning@wichita.gov

Ms. Cheryl Busada
Debt Coordinator
Phone: (316) 268-4143
Fax: (316) 858-7520
cbusada@wichita.gov

**BY ORDER OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, ON
AUGUST 26, 2014.**

(Seal)

By: /s/ Carl Brewer, Mayor
Carl Brewer, Mayor

ATTEST:

By: /s/ Karen Sublett, City Clerk
Karen Sublett, City Clerk

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS: See “Ratings” herein

*In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”): (1) the interest on Series 811, 814 and 962 Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; (2) the interest on the Bonds (as hereinafter defined) is exempt from income taxation by the State of Kansas; and (3) the Bonds have **not** been designated as “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). The interest on the Series 813 Bonds is included in gross income for federal income tax purposes. See “TAX MATTERS – Opinion of Bond Counsel” in this Official Statement.*

CITY OF WICHITA, KANSAS

\$156,445,000* General Obligation Bonds Series 811	\$8,090,000* Taxable General Obligation Bonds Series 813
\$11,230,000* General Obligation Bonds Series 814	\$7,145,000* General Obligation Tax Increment Financing Bonds Series 962

*subject to change

Dated: October 15, 2014

Due: as shown on the inside cover

Each of the above-referenced bonds (the “Series 811 Bonds,” the “Series 813 Bonds,” the “Series 814 Bonds,” the “Series 962 Bonds” or collectively, the “Bonds”) will be issued by the City of Wichita, Kansas (the “Issuer”), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds. Principal will be payable at maturity or earlier redemption upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and registrar (the “Paying Agent” and “Registrar”). Interest on each Bond will be payable on June 1 and December 1, commencing June 1, 2015 (the “Interest Payment Dates”) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the month of such interest payment date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The schedule of maturity and interest payment dates, interest rates, yields, redemption provisions and security for each series of the Bonds are set forth herein.

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. Certain other legal matters will be passed on for the Issuer by Sharon L. Dickgrafe, Esq., Interim Director of Law and City Attorney. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about October 15, 2014.

SEPARATE BIDS FOR EACH SERIES OF BONDS WILL BE RECEIVED ON TUESDAY, SEPTEMBER 16, 2014, UNTIL 10:00 A.M., CENTRAL STANDARD TIME VIA PARITY®

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. “APPENDIX F – SUMMARY OF FINANCING DOCUMENTS” CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Preliminary Official Statement is September [___], 2014.



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**C I T Y ■ O F
W I C H I T A**

MATURITY SCHEDULES

\$156,445,000*
General Obligation Bonds
Series 811

<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>	<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>
2015	\$6,065,000				2025	\$ 7,415,000			
2016	6,250,000				2026	7,645,000			
2017	6,440,000				2027	7,875,000			
2018	6,630,000				2028	8,120,000			
2019	6,830,000				2029	8,365,000			
2020	7,035,000				2030	8,625,000			
2021	7,245,000				2031	8,885,000			
2022	7,465,000				2032	9,160,000			
2023	7,690,000				2033	9,445,000			
2024	7,915,000				2034	11,345,000			

\$8,090,000*
Taxable General Obligation Bonds
Series 813

<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>	<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>
2015	\$375,000				2023	\$640,000			
2016	430,000				2024	675,000			
2017	460,000				2025	575,000			
2018	485,000				2026	605,000			
2019	515,000				2027	635,000			
2020	545,000				2028	315,000			
2021	570,000				2029	340,000			
2022	605,000				2030	320,000			

\$11,230,000*
General Obligation Bonds
Series 814

<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>	<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>
2015	\$550,000				2025	\$715,000			
2016	565,000				2026	730,000			
2017	580,000				2027	750,000			
2018	595,000				2028	775,000			
2019	610,000				2029	790,000			
2020	625,000				2030	240,000			
2021	640,000				2031	250,000			
2022	660,000				2032	255,000			
2023	675,000				2033	265,000			
2024	690,000				2034	270,000			

\$7,145,000*
General Obligation Tax Increment Financing Bonds
Series 962

<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>	<u>Stated Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 967244</u>
2015	\$640,000				2020	\$720,000			
2016	655,000				2021	740,000			
2017	670,000				2022	760,000			
2018	685,000				2023	775,000			
2019	705,000				2024	795,000			

*subject to change

⁽¹⁾ CUSIP numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of McGraw Hill Financial Inc., and are included solely for the convenience of the Owners of the Bonds. Neither the Issuer nor the Original Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth above



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C I T Y ■ O F
W I C H I T A

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE BONDS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER.

IN CERTAIN INSTANCES, AS NOTED HEREIN, INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED FROM HISTORICAL RECORDS AND SOURCES OTHER THAN THE ISSUER. ALTHOUGH THE ISSUER BELIEVES SUCH OUTSIDE SOURCES OF INFORMATION ARE RELIABLE, THE ISSUER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF INFORMATION CONTAINED HEREIN WHICH WAS OBTAINED FROM SOURCES OTHER THAN THE ISSUER.

THE FINANCIAL AND OTHER INFORMATION PRESENTED HEREIN IS INTENDED TO SHOW RECENT HISTORIC INFORMATION, AND IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS IN THE FINANCIAL POSITION OR OTHER AFFAIRS OF THE ISSUER. NO REPRESENTATION IS MADE THAT PAST PERFORMANCE, AS MIGHT BE SHOWN BY SUCH FINANCIAL AND OTHER INFORMATION, WILL NECESSARILY CONTINUE OR BE EXPECTED IN THE FUTURE. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE AFTER SUCH DELIVERY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE OF THIS OFFICIAL STATEMENT.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

CITY OF WICHITA, KANSAS

PRELIMINARY OFFICIAL STATEMENT



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CITY OFFICIALS

Mayor

Carl Brewer

Vice Mayor

Jeff Blubaugh (District IV)

City Council

- Lavonta Williams (District I)
Pete Meitzner (District II)
James Clendenin (District III)
Jeff Longwell (District V)
Janet Miller (District VI)

City Manager

Robert Layton

Director of Finance

Shawn Henning

Interim Director of Law and City Attorney

Sharon L. Dickgrafe

BOND COUNSEL

Gilmore & Bell, P.C.
Wichita, Kansas



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C I T Y ■ O F
W I C H I T A

**PRELIMINARY OFFICIAL STATEMENT
OF THE
CITY OF WICHITA, KANSAS
RELATING TO**

\$156,445,000*
General Obligation Bonds
Series 811

\$8,090,000*
Taxable General Obligation Bonds
Series 813

\$11,230,000*
General Obligation Bonds
Series 814

\$7,145,000*
General Obligation Tax Increment
Financing Bonds
Series 962

*subject to change

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Wichita, Kansas (the "Issuer" or the "City"), and the following obligations of the Issuer, each of which will be dated October 15, 2014 (the "Dated Date"):

<i>Principal Amount*</i>	<i>Description</i>	<i>Series</i>	<i>Reference</i>
\$156,445,000	General Obligation Bonds	811	"Series 811 Bonds"
8,090,000	Taxable General Obligation Bonds	813	"Series 813 Bonds"
11,230,000	General Obligation Bonds	814	"Series 814 Bonds"
7,145,000	General Obligation Tax Increment Financing Bonds	962	"Series 962 Bonds"

(collectively, the "Bonds").

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the "State"). Additional information regarding the Issuer is contained in *APPENDIX A* to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. Except for the information expressly attributed to other sources deemed to be reliable, all information has been compiled or provided by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned "LEGAL MATTERS," and accordingly Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Each series of the Bonds will be authorized pursuant to an ordinance and resolution of the Governing Body, which are referred to respectively as the "Series 811 Bond Resolution," the "Series 813 Bond Resolution," the "Series 814 Bond Resolution," the "Series 962 Bond Resolution," and collectively as the Bond Resolution. Other capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in "*APPENDIX F – SUMMARY OF FINANCING DOCUMENTS.*"

Purpose

General. The Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, as amended by Charter Ordinances of the City.

Series 811 Bonds. The Series 811 Bonds are being issued to provide permanent financing for various internal improvements and retire previously issued temporary notes of the City that financed such improvements.

Series 813 Bonds. The Series 813 Bonds are being issued to provide permanent financing for certain facade improvement projects and public building projects and to refund and retire previously issued temporary notes of the City that financed such improvements.

Series 814 Bonds. The Series 814 Bonds are being issued to provide permanent financing for various internal improvements which costs have been specially assessed to certain properties benefitted by such improvements and retire previously issued temporary notes of the City that financed such improvements.

Series 962 Bonds. The Series 962 Bonds are being issued to provide permanent financing for certain tax increment financing projects and to refund and retire previously issued temporary notes of the City that financed such improvements.

Security

The Bonds are general obligations of the Issuer payable, if necessary, 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 Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due. Security for the Bonds is discussed more fully in the section of this Official Statement entitled “THE BONDS – Security for the Bonds.”

Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. The Issuer has adopted ordinances establishing master undertakings to provide ongoing disclosure concerning the Issuer in connection with its general obligation bonds and notes for the benefit of the owners of bonds and notes, including the Bonds described herein (the “Disclosure Undertaking”) wherein the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. In the Bond Resolution the Issuer has covenanted with the Original Purchaser and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Bonds. For the past five years the Issuer has filed its Comprehensive Annual Financial Report (the “CAFR”) within the time period prescribed by the Disclosure Undertaking. The CAFRs contain the audited financial statements of, and statistical information regarding, the Issuer. The statistical information included in the CAFRs contains most, but not all, of the information described as Operating Data in Prior Undertakings. The Issuer’s filings for such years are set forth in the table below.

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Filing Time</u> <u>Period (Days)</u>	<u>CAFR</u> <u>Filing Date</u>
2009	180	06/28/2010
2010	180	06/14/2011
2011	180	06/27/2012
2012	180	06/27/2013
2013	180	06/26/2014

While the Issuer had the filing deficiencies referred to above, it issued General Obligation Bonds in 2009 through 2012, payable from the same source of revenue as the Bonds. The official statements for such General Obligation Bonds were filed with the MSRB, but were not incorporated by reference in the filings made by the Issuer with respect to one or more series of then outstanding bonds. During the past five years, the Issuer has made

filings of event notices on EMMA with respect to bond calls, defeasances and rating changes, however, during said time period, the Issuer may not have made timely filings of event notices on EMMA relating to all bond calls, defeasances or rating changes. The Issuer believes this information was disseminated or available through other sources. In particular, event notices were not timely filed on EMMA in connection with certain rating changes on various series of bonds resulting from changes in the ratings of the applicable bond insurers. Specific information about such rating changes was filed on EMMA on July 3, 2014. For more information regarding the Disclosure Undertaking, see “**APPENDIX F – SUMMARY OF FINANCING DOCUMENTS – THE DISCLOSURE UNDERTAKING.**”

Certification

The Issuer has authorized the distribution of this Official Statement for use in connection with the initial sale of the Bonds. This Official Statement does not constitute a contract between the Issuer or the Original Purchasers and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds. As of the date of the delivery of the Bonds, the Original Purchaser of each series of the Bonds will be furnished with a certificate signed by an officer of the Issuer stating that, to the best of such officer’s knowledge, in the Official Statement, the Issuer has not made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

Additional Information

Additional information regarding the Bonds may be obtained from the Department of Finance, 12th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679, or by contacting:

Ms. Cheryl Busada
Debt Coordinator
Phone: (316) 268-4143
Fax: (316) 858-7520
Email: cbusada@wichita.gov.

Additional copies of this Official Statement may be obtained at www.onlinemunis.com.

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution, particularly Article 12, Section 5 thereof, and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.* In addition, Act means, with respect to: (a) Series 811 – K.S.A. 12-685 *et seq.*, K.S.A. 13-1024c, as amended by Charter Ordinance No. 156; (b) Series 813 – K.S.A. 12-6a01 *et seq.*, K.S.A. 12-1770 *et seq.*, and K.S.A. 13-1024c, as amended by Charter Ordinance No. 156; (c) Series 814 – K.S.A. 12-6a01 *et seq.*; and (d) Series 962 – K.S.A. 12-1770 *et seq.* and K.S.A. 13-1024c, as amended by Charter Ordinance No. 156, all as amended and supplemented (collectively the “Act”), and the Bond Resolution.

Security for the Bonds

General. The Bonds are general obligations of the Issuer payable, if necessary, 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 Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

Series 811 Bonds. The Series 811 Bonds shall be general obligations of the Issuer payable as to both principal and interest 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 Issuer.

Series 813 Bonds. The Series 813 Bonds shall be general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefitted by the construction of certain public improvements financed by the proceeds of the Series 813 Bonds, 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 Issuer.

Series 814 Bonds. The Series 814 Bonds shall be general obligations of the Issuer payable as to both principal and interest in part from special assessments levied upon the property benefitted by the construction of certain public improvements financed by the proceeds of the Series 814 Bonds, 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 Issuer.

Series 962 Bonds. The Series 962 Bonds shall be general obligations of the Issuer payable as to both principal and interest from incremental property tax revenues derived in certain tax increment financing districts within the Issuer, 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 Issuer.

Levy and Collection of Annual Tax, Transfer to Debt Service Account. The Governing Body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes and/or assessments shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

Description of the Bonds

The Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as hereinafter set forth, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar” and “Paying Agent”) has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is

registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See “THE BONDS – Book-Entry Bonds; Securities Depository.”

Payments Due on Saturdays, Sundays and Holidays

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Book-Entry Bonds; Securities Depository

The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

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

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

Registration, Transfer and Exchange of Bonds

As long as any of the Bonds remain Outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed Bonds

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentment of Bonds

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

Redemption Provisions

Optional Redemption.

Series 811 Bonds. At the option of the City, the Series 811 Bonds maturing in the years 2024 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2023, and thereafter, as a whole or in part (selection of the amount of Series 811 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Series 813 Bonds. At the option of the City, the Series 813 Bonds maturing in the years 2024 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2023, and thereafter, as a whole or in part (selection of the amount of Series 813 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Series 814 Bonds. At the option of the City, the Series 814 Bonds maturing in the years 2024 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2023, and thereafter, as a whole or in part (selection of the amount of Series 814 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Series 962 Bonds. At the option of the City, the Series 962 Bonds maturing in the years 2023 and thereafter will be subject to redemption and payment prior to maturity on June 1, 2022, and thereafter, as a whole or in part (selection of the amount of Series 962 Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption.

(a) *Series 811 Bonds.* [There are no Series 811 Term Bonds.]

(i) [The Series 811 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 811 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(ii) [The Series 811 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 811 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(b) *Series 813 Bonds.* [There are no Series 813 Term Bonds.]

(i) [The Series 813 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 813 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(ii) [The Series 813 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be

sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 813 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(c) *Series 814 Bonds.* [There are no Series 814 Term Bonds.]

(i) [The Series 814 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 814 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(ii) [The Series 814 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 814 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(d) *Series 962 Bonds.* [There are no Series 962 Term Bonds.]

(i) [The Series 962 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 962 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

(ii) [The Series 962 [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on June 1 in each year, the following principal amounts of such Series 962 [____] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine, Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denomination in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar and the Original Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and

from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Bonds and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co.

or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OF OR INTEREST ON THE BONDS; THE TRANSMITTAL TO BENEFICIAL OWNERS OR DTC PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS OF THE BONDS UNDER THE BOND RESOLUTION; THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

THE IMPROVEMENTS

General. Pursuant to the authority of various Kansas statutes and Charter Ordinances of the Issuer, the Issuer’s Governing Body has adopted various ordinances and resolutions that authorize the improvements to be financed by the Bonds (collectively, the “Improvements”) and has provided that the costs of the Improvements are to be financed, in whole or in part, by the issuance of general obligation bonds of the Issuer. Financing costs and, in some cases, administrative costs are included in the final cost of the Improvements. See “INTRODUCTION – Purpose herein for additional information on the Improvements. The Issuer is authorized by the laws of the State to issue temporary notes for interim financing during the construction of capital improvements which may be permanently financed by the issuance of general obligation bonds, and is further authorized to issue renewal temporary notes in order to refund previously issued temporary notes when the Issuer is hindered or delayed from the issuance of general obligation bonds.

Improvements Listing. Reference is made to *Appendix E* to this Official Statement for a complete listing of the Improvements.

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Bonds:

Sources of Funds:	<i>811 Bonds</i>	<i>813 Bonds</i>	<i>814 Bonds</i>	<i>962 Bonds</i>
Principal Amount [Bid Premium]	\$156,445,000*	\$8,090,000*	\$11,230,000*	\$7,145,000*
<i>Total</i>	\$	\$	\$	\$
Uses of Funds:				
Deposit to Redemption Fund	[_____]	[_____]	[_____]	[_____]
Deposit to Improvement Fund	[_____]	[_____]	[_____]	[_____]
Deposit to Costs of Issuance Account	[_____]	[_____]	[_____]	[_____]
Deposit to Debt Service Account	[_____]	[_____]	[_____]	[_____]
<i>Total</i>	\$[_____]	\$[_____]	\$[_____]	\$[_____]

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE ORIGINAL PURCHASERS OF EACH SERIES OF THE BONDS.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 811, 814 and 962 Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 811, 814 and 962 Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Series 811, 814 and 962 Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Series 811, 814 and 962 Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Series 811, 814 and 962 Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 811, 814 and 962 Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Series 811, 814 and 962 Bonds to become includable in gross income as of the date of issuance.

Premium on Bonds

[The initial offering prices of certain maturities of the Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.]Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under "THE BONDS – Redemption Provisions."

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Bond Resolution does not provide for the payment of additional interest or penalty on the Series 811, 814 and 962 Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, there is no provision for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

The tax exempt feature of the Series 811, 814 and 962 Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 811, 814 and 962 Bonds are an appropriate investment.

Market for the Bonds

Ratings. The Bonds have been assigned the financial ratings set forth in the section hereof entitled “RATINGS.” There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Bonds.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of Bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

RATINGS

Moody's Investors Service has assigned a rating of “[]” to the Bonds and Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., has assigned a rating of “[]” to the Bonds. Such ratings reflect only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any obligations, including the Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Bonds.

ABSENCE OF LITIGATION

The Issuer is a defendant in various actions pending or in process for property damages, civil rights, personal injury and other miscellaneous claims. The ultimate liability that might result from final resolution of these matters is not presently determinable. City staff and the City's Department of Law are of the opinion that the final outcome of these matters will not have an adverse material effect on the City's financial condition.

There is currently no controversy, suit or other proceeding of any kind pending, or to the knowledge of the Governing Body, City staff or the City's Department of Law, threatened which would adversely affect the validity of the Bonds or the ability of the Issuer to provide for the payment of the principal of and the interest on the Bonds in the manner described herein. Concurrently with the delivery of the Bonds, the Issuer will deliver an executed non-litigation certificate in the form required by State law.

LEGAL MATTERS

Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas (“Bond Counsel”). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned “THE BONDS,” “LEGAL MATTERS,”

“TAX MATTERS” and “**APPENDIX F – SUMMARY OF FINANCING DOCUMENTS.**” Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain other legal matters will be passed on for the City by Sharon L. Dickgrafe, Esq., Interim Director of Law and City Attorney.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

SERIES 811, 814 AND 962 BONDS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Series 811, 814 and 962 Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 811, 814 and 962 Bonds is *not* an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Series 811, 814 and 962 Bonds have *not* been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b).

Kansas Tax Exemption. The interest on the Series 811, 814 and 962 Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel’s opinions are provided as of the date of the original issue of the Series 811, 814 and 962 Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 811, 814 and 962 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 811, 814 and 962 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 811, 814 and 962 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 811, 814 and 962 Bonds.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 811, 814 and 962 Bonds, except as expressly provided herein. Purchasers of the Series 811, 814 and 962 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Series 811, 814 and 962 Bonds, including the possible application of state, local, foreign and other tax laws.

SERIES 813 BONDS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, OWNERS OF THE SERIES 813 BONDS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE SERIES 813 BONDS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY OWNERS OF THE SERIES 813 BONDS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THOSE OWNERS UNDER THE INTERNAL REVENUE CODE; (B) THE DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE SERIES 813 BONDS WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THOSE SERIES 813 BONDS; AND (C) OWNERS OF THE SERIES 813 BONDS SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR PARTICULAR CIRCUMSTANCES.

Opinion of Bond Counsel.

No Federal Tax Exemption. The interest on the Series 813 Bonds is *included* in gross income for federal income tax purposes, in accordance with an owner's normal method of accounting.

Kansas Tax Exemption. The interest on the Series 813 Bonds is exempt from income taxation by the State of Kansas.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 813 Bonds, except as expressly provided herein. Purchasers of the Series 813 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Series 813 Bonds, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

[**Original Issue Discount.** The Series 813 Bonds have an initial offering price below the stated redemption price at maturity as set forth on the cover hereof. Accordingly, [some or all of such][the] Series 813 Bonds (the "Taxable OID Bonds") may have original issue discount for federal income tax purposes. In the opinion of Bond Counsel, subject to the conditions set forth above, any original issue discount properly allocable to the owner of a Taxable OID Bond will be included in gross income for federal income tax purposes with respect to such owner. Following is a general discussion of the federal income tax consequences of the purchase, ownership, and disposition of obligations issued with original issue discount. Purchasers of the Taxable OID Bonds should consult their own tax advisors to determine the specific treatment of original issue discount for federal income tax purposes and to determine the state and local tax consequences of owning such obligations.

Under Code § 1273 and applicable Regulations, original issue discount is the excess of the stated redemption price at maturity of an obligation over its issue price, if such excess equals or exceeds a *de minimis* amount equal to $\frac{1}{4}$ of 1% of the obligation's stated redemption price at maturity multiplied by either (a) the number of complete years to stated maturity from its issue date, or (b) in the case of an obligation providing for the mandatory, or in certain cases optional, payment prior to stated maturity of any amount other than qualified stated interest (as defined below), the weighted average maturity of such obligation. The issue price of each obligation in an issue of obligations equals the first price at which a substantial amount of such obligations are sold to the public (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters). The stated redemption price at maturity of an obligation is the sum of all payments provided by the obligation other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

The owner of a Taxable OID Bond must include original issue discount in income as ordinary interest for federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such owner's regular method of tax accounting. In general, the amount of original issue discount included in income by the initial owner of a Taxable OID Bond is the sum of the daily portions (as defined below) of original issue discount with respect to such Taxable OID Bond for each day during

the taxable year (or portion of the taxable year) on which such owner held such Taxable OID Bond. The “daily portion” of original issue discount on any Taxable OID Bond is determined by allocating to each day in any accrual period (as defined below) a ratable portion of the original issue discount allocable to that accrual period. An “accrual period” may be of any length and the accrual periods may vary in length over the term of the Taxable OID Bond, so long as each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the Taxable OID Bond’s adjusted issue price (as defined below) at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period), and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Taxable OID Bond at the beginning of any accrual period is the sum of the issue price of the Taxable OID Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Taxable OID Bond that were not qualified stated interest payments.

The portion of the original issue discount included in an owner’s gross income while the owner holds a Taxable OID Bond will increase the owner’s adjusted tax basis in the Taxable OID Bond. Upon sale, exchange, redemption, or other disposition of a Taxable OID Bond, an owner generally will recognize taxable gain or loss equal to the difference between the amount realized by the owner upon such disposition and the owner’s adjusted tax basis in the Taxable OID Bond. Any such gain or loss generally will be capital gain or loss and may be long-term capital gain or loss if the owner has held the Taxable OID Bond for the required holding period (currently one year). Noncorporate taxpayers currently are subject to reduced maximum income tax rates on long-term capital gains and generally are subject to income tax at ordinary income rates on short-term capital gains. An owner’s ability to deduct capital losses is subject to certain limitations. Owners should consult their own tax advisors concerning the specific tax consequences of disposing of a Taxable OID Bond.]

[**Original Issue Premium.** If a Series 813 Bond is issued at a price that exceeds the stated redemption price of the Bond at maturity, the excess of the issue price over the stated redemption price at maturity constitutes premium on the Bond, and that Bond is referred to in this discussion as a “Taxable Premium Bond.” Under Code § 171, the purchaser of a Taxable Premium Bond may elect to amortize the premium over the term of the Taxable Premium Bond using constant yield principles, based on the purchaser’s yield to maturity. An owner of a Taxable Premium Bond amortizes bond premium by offsetting the qualified stated interest allocable to an accrual period with the bond premium allocable to that accrual period. This offset occurs when the owner takes the qualified stated interest into income under the owner’s regular method of accounting. If the premium allocable to an accrual period exceeds the qualified stated interest for that period, the excess is treated by the owner as a deduction under Code § 171(a)(1). As premium is amortized, the owner’s basis in the Taxable Premium Bond will be reduced by the amount of amortizable premium properly allocable to the owner. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

OTHER TAX CONSEQUENCES - ALL BONDS

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of such Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CUSIP NUMBERS

Any CUSIP numbers for the Bonds included in this Official Statement are provided for the convenience of the owners of the Bonds and prospective investors. The CUSIP numbers for the Bonds have been assigned by an organization unaffiliated with the Issuer. The Issuer is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in this Official Statement. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance of the Bonds.

UNDERWRITING

Series 811 Bonds. The Series 811 Bonds have been sold at public sale by the Issuer to [an account managed by] [Series 811 Purchaser], [City, State] (the “Series 811 Original Purchaser”) on the basis of lowest net interest cost. The Series 811 Original Purchaser has agreed to purchase the Series 811 Bonds at a price equal to the principal amount of the Series 811 Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

Series 813 Bonds. The Series 813 Bonds have been sold at public sale by the Issuer to [an account managed by] [Series 813 Purchaser], [City, State] (the “Series 813 Original Purchaser”) on the basis of lowest net interest cost. The Series 813 Original Purchaser has agreed to purchase the Series 813 Bonds at a price equal to the principal amount of the Series 813 Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

Series 814 Bonds. The Series 814 Bonds have been sold at public sale by the Issuer to [an account managed by] [Series 814 Purchaser], [City, State] (the “Series 814 Original Purchaser”) on the basis of lowest net interest cost. The Series 814 Original Purchaser has agreed to purchase the Series 814 Bonds at a price equal to the principal amount of the Series 814 Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

Series 962 Bonds. The Series 962 Bonds have been sold at public sale by the Issuer to [an account managed by] [Series 962 Purchaser], [City, State] (the “Series 962 Original Purchaser”) on the basis of lowest net interest cost. The Series 962 Original Purchaser has agreed to purchase the Series 962 Bonds at a price equal to the principal amount of the Series 962 Bonds, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

General. Simultaneously with the delivery of the Bonds, each Original Purchaser will certify to the Issuer that the appropriate series of Bonds will be offered to the public initially at the price determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Original Purchasers may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Original Purchasers may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

MISCELLANEOUS

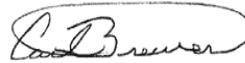
References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement, they will be furnished on request. So far as any statements are made in this Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The agreement of the Issuer with the owners of the Bonds is full set forth in the Bond Resolution, and neither the any advertisement for the Bonds or this Official Statement is to be construed as constituting and agreement with any owner of the Bonds. A summary of the Bond Resolution is set forth in **APPENDIX F – SUMMARY OF FINANCING DOCUMENTS**; a complete copy is on file in the office of the City Clerk.

APPROVAL OF PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement, and the lawful distribution thereof, was duly approved by the City's Governing Body on August 26, 2014. Authorization to lawfully redistribute this Preliminary Official Statement is hereby given, but this entire Preliminary Official Statement, and not portions hereof, must be redistributed.

CITY OF WICHITA, KANSAS



By: _____
Carl Brewer, Mayor



By: _____
Shawn Henning, Director of Finance

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APPENDIX A

CITY OF WICHITA, KANSAS

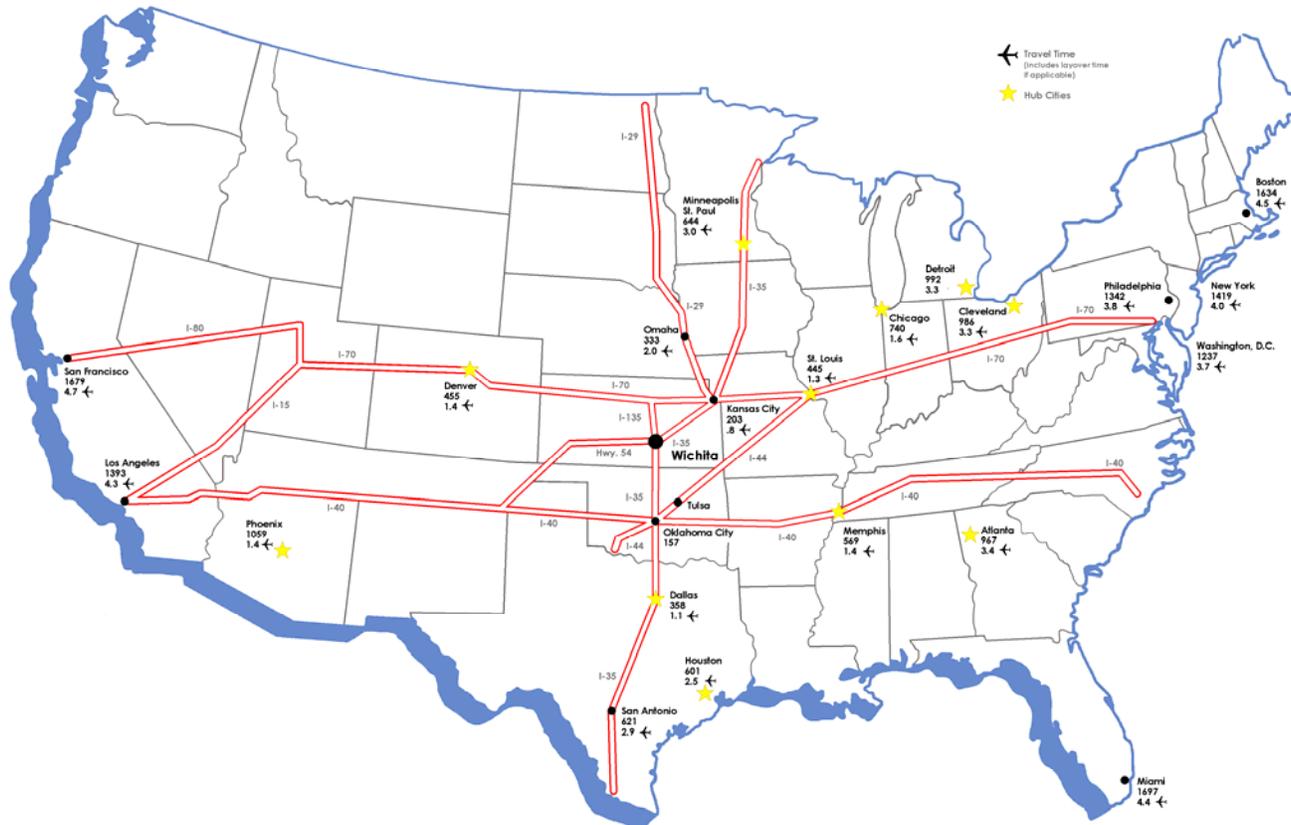


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C I T Y ■ O F
W I C H I T A

CITY OF WICHITA, KANSAS

GENERAL INFORMATION



Location

Wichita, the largest city in Kansas, population 385,586¹, is the county seat of Sedgwick County. Major highways, including the Kansas Turnpike and Interstate I-35, link the City with a large trade area that encompasses a population of more than one million people² 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.

Historical Background

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 numerous services, distributive enterprises and metal-working industries to the City. 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.

Government

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 Commission" 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

¹Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

²Source: Estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, based on Nielsen 2013 population estimates. Estimate includes Kansas population only; not the portion of population within the 100-mile radius located in Oklahoma.

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 Council and Mayor conduct all legislative functions for the City of Wichita and establish general policies, which are executed by the City Manager.

Employees

Total authorized positions for 2014³ for the City of Wichita are as follows:

	<u>Locally Funded</u>		<u>Nonlocally Funded</u>	Total Full-Time Equivalents
	Full-Time	Full-Time Equivalents	Full-Time Equivalents	
Total Employees	3,013	3,090	108	3,198

Kansas' law prohibits strikes by public employees and provides procedures for the resolution of disputes. In the event an agreement cannot be reached between the City and a public employees union, an impasse is declared. Upon declaration of an impasse in the negotiations, the State's Public Employee Relations Board appoints an independent arbitrator. The arbitrator's recommendations are not binding upon the parties to the negotiations, and all contracts must be approved by the City Council.

Industry

Wichita is a manufacturing city with a diverse economic base. The approximately 675 Wichita metropolitan area manufacturers⁴ produce a wide variety of products from computers to aircraft. Nearly 83 percent of all manufacturing establishments are small firms employing fewer than 50 workers.⁵ Local aircraft companies are important to the economic mix in Wichita and combine to produce a significant number of the world's general aviation and commercial aircraft. Service-related firms, particularly regional health care firms, are also an important sector for Wichita's long-term growth. These strengths, combined with a skilled labor force and the City's central location, establish Wichita's prominence as a regional market.

Largest Industries by Employment: Wichita Metro Area⁶

Industry	Annual Average 2011	Annual Average 2012	Percent of 2012 Total
Total employment, all industries	276,166	278,286	100.0%
Aerospace product and parts manufacturing	30,174	30,546	11.0%
Local government	29,168	29,233	10.5%
Food services and drinking places	21,586	21,865	7.9%
Administrative and support services	16,924	16,919	6.1%
Ambulatory health care services	13,476	13,862	5.0%
Hospitals	10,243	10,052	3.6%
Professional and technical services	9,249	9,229	3.3%
Specialty trade contractors	8,329	8,641	3.1%
Nursing and residential care facilities	7,515	7,677	2.8%
General merchandise stores	6,757	6,656	2.4%

³Source: City of Wichita 2014-2015 Adopted Budget, p. 331.

⁴Source: U.S. Department of Commerce, Bureau of the Census, "2011 MSA Business Patterns, NAICS."

⁵Source: U.S. Department of Commerce, Bureau of the Census, "2011 MSA Business Patterns, NAICS."

⁶Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, total employment includes private industry and government. Annual average employment for general merchandise stores in the Wichita metro area in 2011 was estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Largest Employers Wichita Metro Area⁷

Company

1. Spirit AeroSystems, Inc.
2. McConnell Air Force Base
3. Via Christi Health
4. USD 259 Wichita
5. Cessna Aircraft Co.
6. State of Kansas
7. Bombardier Learjet
8. Beechcraft Corp.
9. City of Wichita
10. Koch Industries, Inc.

Aircraft Manufacturing

Wichita has a rich history in aviation and has one of the highest concentrations of aircraft manufacturing in the world. The local aircraft companies have a diversified mix between military, commercial and general aviation products and services, which are supported by divisions specializing in research and development, new production, modernization (refurbishing), training, subcontract work and computer services.

Agriculture

The *South Central Kansas Farm, Crop, and Livestock District*, which includes Wichita, lies in the heart of the winter wheat belt. In 2012, Kansas ranked first in the nation in wheat exports, with a value of \$1.3 billion. That same year, the state ranked third in beef and veal exports, as well as exports of hides and skins, for a total value of \$960.8 million.⁸ By virtue of being Kansas' largest city and transportation hub, Wichita plays an important role in the agricultural and agri-related business sector.

Petroleum

Wichita is located near the center of the mid-continent petroleum field. Even though the petroleum industry is a small portion of the total economy, Wichita is the headquarters for several companies engaged in oil and natural gas production and industrial oil and grease manufacturing. Koch Industries, one of the largest privately held companies in the United States, performs a variety of petroleum-related manufacturing and transportation activities throughout the world from its Wichita headquarters.

Medical Care

First class medical care is the standard in Wichita's medical community. Because of a heavy emphasis on research and training, Wichita has emerged as a nationally recognized, state-of-the-art health care center. The Wichita MSA⁹ (Metropolitan Statistical Area) boasts 19 acute care and freestanding specialty hospitals, providing the community with approximately 2,800 licensed beds. There are approximately 125 nursing homes and assisted living facilities, more than 1,250 physicians and approximately 275 dentists in the five-county area. The health care and social assistance industry employs 38,900 people in the MSA.¹⁰ In addition, there are several research institutions in the area. Numerous health care and specialty clinics provide comprehensive patient care and same-day surgery. There are at least six emergency centers in the Wichita area that provide medical care with no appointments and offer extended hours. Several medical referral services and a complete 911 emergency medical service are available throughout Sedgwick County.

Cultural and Recreational Facilities

Wichita has developed into a civic center that offers many cultural and recreational opportunities. The Wichita Center for the Arts, Whittier Fine Arts Gallery, Edwin A. Ulrich Museum of Art and the Wichita Art Museum all house fine art

⁷Source: Wichita Business Journal's Book of Lists, December 27, 2013.

⁸Source: U.S. Agricultural Exports, Commodity Detail by State, U.S. Department of Agriculture, Economic Research Service.

⁹The 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.

¹⁰Source: Kansas Department Of Labor, Current Employment Statistics data, March 2014. Employment number is for the four-county MSA.

collections. Quality theater groups such as the Wichita Community Theater, Music Theater of Wichita, Wichita Children's Theater and Dance Center, and Music Theater for Young People visit the Wichita stages throughout the year. Diverse museums such as the Wichita/Sedgwick County Historical Museum, the Mid-America All-Indian Center, the Old Cowtown Museum, the Kansas Aviation Museum, the Museum of World Treasures, the Kansas Sports Hall of Fame, and the Kansas African American Museum reveal their perspectives of the past.

Exploration Place, the Sedgwick County science and discovery center, celebrated its 10th anniversary in 2010. Its permanent and traveling exhibits, summer camps and Wichita Regional Science and Engineering Fairs encourage a deeper interest in science for all ages. The Wichita Art Museum celebrated an anniversary in 2010, as well. As the largest art museum in the state of Kansas, 2010 was its 75th year of preserving, collecting and promoting art.

Built in 1969, Century II is the performing arts and convention headquarters downtown. On March 26, 2013, the Wichita City Council authorized \$1.91 million in capital improvements to convention space at Century II. Another venue, the downtown INTRUST Bank arena, opened its doors to the public on January 2, 2010. On March 16, 2012, the arena hosted its 1 millionth guest. In Pollstar Magazine's 2013 Third Quarter Top 200 Arena Rankings, INTRUST Bank Arena ranked 33rd busiest based on tickets sold for shows that played in the first three quarters of 2013.¹¹

Recreational opportunities abound in and around Wichita. Inside the city are 127 municipal parks and public open spaces covering more than 4,900 acres. The Lake Afton Observatory features astronomy displays and space-related phenomena. Botanica, the Wichita Gardens, is the city's living museum of plants and flowers. The Sedgwick County Zoo is nationally acclaimed in natural habitat design and has become one of the top zoos in the world. The city's compact size allows minimal travel time (average 30 minutes) to outlying areas with open prairie and lakes.

The American Association of Independent Professional Baseball voted the Wichita Wingnuts baseball team the 2010 Organization of the Year. Professional hockey, indoor football and indoor soccer are additional sports attractions in the Wichita area. The twin-sheet ice skating arena, Wichita Ice Center, is available for public skating, as well as figure skating, hockey lessons and league play. Wichita has five City-owned golf courses, two other golf courses for public play and four membership-only courses.

Water sports and fishing are available on two federal reservoirs and one county lake that are within 30 minutes of Wichita. Additionally, eighteen recreational areas are within a 200-mile radius of the City. Because Wichita lies within the central waterfowl flyway, huge flocks of waterfowl are a common sight in our area during the spring and fall. Deer, pheasant, quail, wild turkey and ducks are just a few examples of wild game that may be hunted in the area.

Public Air Transportation

Wichita Mid-Continent Airport, the largest commercial air carrier and general aviation complex in Kansas, provides accommodations for all aircraft. Mid-Continent Airport's campus of 3,300 acres is home to more than 65 tenants including air cargo; general aviation businesses; airport concessions (restaurants, hotel, ground transportation); rental car companies; fixed-base operators; corporate hangars; government, including control tower, weather services, Federal Aviation Administration, and the Transportation Security Administration; and two aircraft manufacturers.

Col. James Jabara Airport, a general aviation airport, consists of 855 acres and includes a 6,100-foot runway, an instrument landing system, associated taxiways and aprons, four corporate hangars, as well as a first-class fixed base operation complete with T-hangar storage.

Jabara is also home for the National Center for Aviation Training (NCAT), which is located just north of the airport's campus. NCAT is a first-rate training facility focusing on general aviation manufacturing and aircraft and power plant mechanics. NCAT was made possible by the following funding sources: Sedgwick County, the State of Kansas, the U.S. Economic Development Association, the U.S. Small Business Administration, and the U.S. Department of Housing & Urban Development. The Wichita Area Technical College (WATC) serves as the managing partner for the Center, collaborating with Wichita State University's National Institute for Aviation Research (NIAR), to provide industry-driven training courses.

The local share of financing major improvements has been derived from the sale of general obligation bonds and passenger facility charges. These bonds have either been retired or are currently being repaid from airport revenues. Federal grants, general obligation bonds, and passenger facility charges, along with airport revenues, will finance the majority of planned improvements.

¹¹INTRUST Bank Arena Ranks 33rd Busiest Arena in the United States, News & Updates, INTRUST Bank Arena, www.intrustbankarena.com/news.asp?id=10, Oct. 11, 2013.

Passenger service in Wichita is available through the following airlines – Allegiant Air, American Airlines, Delta Air Lines, Seaport Airlines, Southwest Airlines and United Airlines. In June 2013, Southwest Airlines began service. In June 2014, Seaport Airlines began service between Great Bend and Wichita. Four major carriers, DHL, Federal Express, UPS Supply Chain Solutions, and UPS, provide cargo service.

General aviation is served by specialized retailers who provide aircraft related accessories, service, rental, storage and flight training. Since its inception, the Wichita Airport System, consisting of both Mid-Continent Airport and Colonel James Jabara Airport, has been operated and developed without local tax support.

In May 2010, Wilbur Smith Associates, Inc., with assistance from Burns & McDonnell, completed the *Kansas Aviation Economic Impact Study* for the Kansas Department of Transportation’s Division of Aviation. That study revealed that Wichita Mid-Continent Airport and Col. James Jabara Airport contributed approximately \$5.6 billion to the Kansas economy in 2009 from total combined output (direct, indirect and induced) related to on-airport activities, government tenants, visitor spending and payroll spending. The number of jobs resulting from the two airports’ activities totaled 23,051, with total payroll of more than \$1.2 billion.

The Wichita City Council decided in June 2011 to move forward with a new terminal at Wichita’s Mid-Continent Airport. Groundbreaking began in October 2012, with the expected opening in the spring of 2015. In 2011, the proposed terminal won the “Gold Award in the Unbuilt Category” from the International Interior Design Association, an organization that strives to enhance quality of life by encouraging excellence in design. Construction of a parking garage began in early 2013 and is expected to be completed prior to the opening of the new terminal.

Military Installations

McConnell Air Force Base borders southeast Wichita. The host unit is the 22nd Air Refueling Wing flying KC-135 Stratotankers, supporting worldwide air-to-air refueling and airlift. McConnell is a total force base, housing tenant units, which include the Air Force reserve’s 931st Air Refueling Group and the Air National Guard’s 184th Intelligence Wing. McConnell has 3,133 active-duty personnel, and total force strength of 6,731 active, guard, reserve and civilian personnel. The total impact of McConnell Air Force Base on the local economy in fiscal year 2013 was \$551.6 million, within a 50-mile radius of the base.¹² In May 2013, McConnell Air Force Base was selected as the preferred alternative main operating base for the KC-46A tanker. On April 23, 2014, Air Force officials announced that McConnell AFB had been selected as the first active duty led KC-46A Pegasus main operating base, clearing the way to receive 36 KC-46A aircraft.¹³

Education Institutions

The City of Wichita is served by eight unified school districts (USDs). USD 259 Wichita Public Schools, the largest district in the area, operates approximately 85 schools, including elementary, middle and high schools, as well as alternative, magnet and special schools. In fall 2013, Wichita USD 259 had its highest enrollment since 1975, with a total of 51,169 students.

The \$370 million bond issue approved in 2008 has been used to complete or begin construction on 56 projects, including six new schools. Seventy-one percent of the projects have been completed.

In addition to the public schools, there are dozens of private and parochial schools serving preschool through high school students, as well as those needing special education. Post-secondary educational opportunities abound, including numerous private and public technical education institutions.

Twelve colleges and universities in the local area serve Wichita, including Wichita State University, University of Kansas School of Medicine, Friends University and Newman University.

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¹²McConnell AFB, 22nd Air Refueling Wing, *2013 Economic Impact Analysis*.

¹³McConnell AFB, <http://www.mcconnell.af.mil/news/story.asp?id=123408336>, Apr. 23, 2014.

ENROLLMENT FIGURES

School Year	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
USD 259¹⁴						
High School	12,408	12,339	12,330	12,493	13,657	12,771
Middle School	10,267	10,217	10,181	9,951	9,944	9,588
Elementary	26,243	25,915	25,476	25,355	23,690	24,926
Other ¹⁵	2,251	2,168	2,116	2,234	2,367	1,861
Total	51,169	50,639	50,103	50,033	49,658	49,146
PAROCHIAL¹⁶						
Total	8,116	8,228	8,223	8,355	7,775	5,335
UNIVERSITIES¹⁷						
Wichita State						
University	14,550	14,898	15,100	14,806	14,823	14,612
Friends University	2,178	2,500	2,905	2,986	2,853	2,801
Newman University	3,736	3,108	3,021	2,746	2,557	2,435

Growth

Increases in land area and in the number and size of manufacturing firms have contributed to the City's growth. This growth is reflected in annexations that have increased the City's total land area from 22 square miles in 1940, to 163 square miles in 2013. World War II, with its enormous demand for aircraft production, brought about a 50 percent increase in the City's population. Continued diversification of industry since then, mixed with abundant resources and a skilled labor force, have contributed to economic growth in the area.

Demographic Trends

The metropolitan statistical area (MSA) includes Butler, Harvey, Kingman, Sedgwick and Sumner counties.¹⁸ Its 2013 population totaled 637,394.¹⁹ Sedgwick County represents the largest portion of the area's population with an estimated 505,415 residents in 2013.²⁰

The city's population density has decreased by nearly 50 percent in the past few decades. Today there are approximately 2,366 persons per square mile in Wichita, compared to 4,625 per square mile in 1960 when growth within the city limits peaked. The trend of perimeter growth and the associated increase in demand for local government services is expected to continue for Wichita. In recent years, the majority of population and housing growth has occurred along the far west/northwest and far east/northeast peripheries of the city, and into the unincorporated portions of the county.

The racial and ethnic composition of Wichita's population is comparable to that of the nation. However, Wichita's population is somewhat younger than the U.S. population, as a whole. The median age in the City of Wichita is 35.1 years, older than Sedgwick County's median age of 34.5 years, but younger than the nation's 37.4 years. Among Wichita's population 25 years and over, 88.4 percent are high school graduates and 28 percent have a bachelor's degree or higher.²¹

¹⁴Fall enrollment numbers from USD 259. Elementary includes grades K through 5, middle school includes grades 6 through 8 and high school includes grades 9 through 12.

¹⁵Other refers to special school enrollment.

¹⁶Parochial fall enrollment figures furnished by the Catholic School Office (7,182 for all of Sedgwick County, excluding Pre-K, and 934 for Wichita Collegiate School, including two years old through high school).

¹⁷Fall enrollment numbers.

¹⁸This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013. At that time, Kingman County was added to the Wichita MSA.

¹⁹Source: U.S. Census Bureau, 2013 Metropolitan Statistical Area Population Estimates.

²⁰Source: U.S. Census Bureau, 2013 County Population Estimates.

²¹Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

In 2012, the estimated median household income in Wichita was \$43,776 and the estimated per capita income was \$24,461.²² The number of families living in poverty totaled 12,434 (about 13.1 percent of families in Wichita).²³

Population Growth Trends

Year	City of Wichita	Percentage Change	Sedgwick County	Percentage Change
1950	168,300		222,300	
1960	254,700	51.3%	343,200	54.4%
1970	276,600	8.6%	350,700	2.2%
1980	279,300	1.0%	367,100	4.7%
1990	304,000	8.8%	403,700	10.0%
2000	344,300	13.3%	452,900	12.2%
2010	382,368	11.1%	498,365	10.0%

Source: U.S. Bureau of the Census, *Population of the 100 Largest Cities and Other Urban Places in the United States: 1790 to 1990*, Working Population Paper No. 27, 2000 and 2010 population counts from the respective decennial census.

Age Distribution

	City of Wichita	Percent of Total	Sedgwick County	Percent of Total	Wichita MSA*	Percent of Total
Under 5 years	30,858	8.0%	39,274	7.8%	46,864	7.5%
Age 5 to 9	27,607	7.2%	38,587	7.7%	45,998	7.3%
Age 10 to 14	25,309	6.6%	35,886	7.1%	46,349	7.4%
Age 15 to 19	26,494	6.9%	35,025	7.0%	44,732	7.1%
Age 20 to 24	28,044	7.3%	35,397	7.0%	42,909	6.8%
Age 25 to 29	29,690	7.7%	36,784	7.3%	43,349	6.9%
Age 30 to 34	24,678	6.4%	34,264	6.8%	40,836	6.5%
Age 35 to 39	23,906	6.2%	30,737	6.1%	38,951	6.2%
Age 40 to 44	23,521	6.1%	30,233	6.0%	37,695	6.0%
Age 45 to 49	24,292	6.3%	31,745	6.3%	40,207	6.4%
Age 50 to 54	27,377	7.1%	35,776	7.1%	45,233	7.2%
Age 55 to 59	24,768	6.4%	32,206	6.4%	42,075	6.7%
Age 60 to 64	21,566	5.6%	27,158	5.4%	33,880	5.4%
Age 65 to 69	16,966	4.4%	21,163	4.2%	26,386	4.2%
Age 70 to 74	9,640	2.5%	12,597	2.5%	16,334	2.6%
Age 75 to 79	7,326	1.9%	10,582	2.1%	14,450	2.3%
Age 80 to 84	6,555	1.7%	8,566	1.7%	10,680	1.7%
Age 85 and older	6,863	1.8%	8,432	1.7%	11,399	1.8%
Total population all ages	385,586	100.0%	503,889	100.0%	628,242	100.0%
Median Age (years)	35.1		34.5		35.3	

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates. Columns may not sum to totals due to rounding.

*The Wichita MSA includes Butler, Harvey, Sedgwick and Sumner counties. In February 2013, Kingman County was added to the Wichita MSA; however, Kingman County population by age has not been added to the Wichita MSA in this table because it is not available in 2012 American Community Survey 1-Year Estimates.

²²Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

²³Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

Economic Outlook²⁴

Introduction²⁵

Employment in Wichita and the rest of the United States has remained relatively stable in the wake of the 2008 recession. Both Wichita and the United States experienced modest employment growth in 2013. National employment grew by 1.7 percent in 2013, and Wichita employment grew 1.2 percent over the same time period.

The economy should continue a modest but steady recovery in 2014. A fast recovery to pre-recession levels of employment, with above average growth, should not be expected. Even the slow recovery has several potential risks that could further reduce growth. Downturns from our major trading partners abroad, tightening monetary policy, new regulation and further fiscal austerity could all darken our outlook for 2014.

Total nonfarm employment is expected to increase by 3,565 jobs in 2014, for a growth rate of 1.2 percent. Production sectors are projected to contract by 433 jobs, or 0.6 percent, with durable goods manufacturing contracting at 2.6 percent. Trade, transportation, and utilities will grow by 593 jobs, or 1.2 percent. The service sectors will provide most of the job growth for Wichita, adding 3,006 jobs, or 2.3 percent. The professional and business services sector will add 1,517 jobs, and the education and health services sector will add 912 jobs. The government sector will grow at 1.0 percent.

Economic Indicators

Wichita Income and Retail Sales

Per capita personal income in the Wichita MSA increased 3.6 percent from 2011 to 2012. This was reflected in the 3 percent increase of real taxable retail sales in 2012. Real taxable retail sales increased 2.4 percent in 2013 and are forecast to increase 0.9 percent in 2014.

Consumer Confidence and Expectations

The national Index of Consumer Confidence experienced an upward trend from 2010 through 2013, with the annual average increasing 9.3 Index points in 2010, 3.7 Index points in 2011, 8.9 Index points in 2012, and 6.1 Index points in 2013. The national Index of Consumer Expectations increased 14.3 Index points in 2010, followed by a moderate decrease of 0.9 Index points in 2011. In 2012, the Index rebounded by 5.8 Index points.

Nationally and locally, the retail trade sector has benefited from these upswings in consumer confidence and expectations. The value of new car output has been on the rise, gaining 58 percent from 2009 through 2013. Increased car sales have had a positive impact on three local car dealerships that have begun or completed new facilities since early 2012.

New national and regional retailers have moved into the Wichita area since early 2012, including The Fresh Market, Marshalls, and Academy Sports & Outdoors. Other retailers, such as Walmart and CVS pharmacies have increased their presence in Wichita, opening additional stores. A new Hobby Lobby store in east Wichita opened in October 2013 and a new Sam's Club also opened in northwest Wichita in July 2014.

Wichita Wages

The recent recession impacted total wages in the Wichita MSA significantly in 2009 with a decrease of 5.7 percent, which was followed by another decline of 1.9 percent in 2010. It was 2011 before total wages began to rebound, with a 3 percent increase that year and another 3.3 percent increase in 2012. Data from the first three quarters of 2013 show that wages over that period increased by 2.6 percent, compared to the first three quarters of 2012.

Labor Market

The Wichita MSA had an average unemployment rate of 7.9 percent in 2011, which dropped 1.0 percentage point to 6.9 percent in 2012. It fell another 0.7 percentage points to 6.2 percent in 2013. The City of Wichita had higher unemployment

²⁴Sources: Wichita State University, W. Frank Barton School of Business, Center for Economic Development and Business Research. See their home page at <http://www.cedbr.org> for the latest economic indicators.

²⁵Throughout this section, unless otherwise noted, the data presented are for the Wichita MSA (Metropolitan Statistical Area), which includes Butler, Harvey, Sedgwick and Sumner counties.

over this time period than the MSA, but followed a similar pattern. In 2011, the city had an average unemployment rate of 8.7 percent. In 2012, it fell 0.8 percentage points to 7.5 percent and fell further to 6.6 percent in 2013.

The total civilian labor force in 2013 for the four-county Wichita MSA was 301,192 people. Of that total, 282,453 were employed. In Wichita, the 2013 civilian labor force numbered 185,428 people, and 173,234 of them were employed.

Housing and Construction

In Wichita, the value of building permits experienced a large decline in 2012. While the value of residential permits grew by 41.8 percent, the value of non-residential permits declined by 41.4 percent. Overall, this meant the value of building permits fell by 22.3 percent in 2012. In 2013, the overall value of building permits had stronger growth, growing 27.6 percent. The value of residential permits grew by 45.6 percent, and the value of nonresidential permits grew by 14.7 percent. The Center for Economic Development and Business Research (CEDBR) forecasts that, for 2014, the value of residential permits will increase by 26.4 percent, and the value of nonresidential permits will increase by 16.2 percent. This implies the overall value of building permits will increase by 21.1 percent.

As a result of the most recent downturn, Wichita area home prices declined 0.9 percent in 2011 and 0.7 percent in 2012. Stanley Longhofer, director of the WSU Center for Real Estate, forecasts that home prices in Wichita will increase 1.5 percent in 2013 and another 2.2 percent in 2014. In his forecast, Longhofer goes on to say that home sales have risen for three consecutive years and are on pace to rise by 12.5 percent in 2013, the largest year-over-year gain on record. He expects this trend to continue into 2014, with sales rising another 2.5 percent.²⁶

Overall, natural resources, mining and construction employment is expected to increase 5.1 percent, or 760 jobs in 2014.

Manufacturing

More workers are employed in the manufacturing sector than any other sector in the Wichita MSA. Approximately 85.9 percent of those workers manufacture durable goods, with aerospace products and parts being the largest component of the durable goods manufactured. Aerospace products and parts jobs represent about 56.5 percent of all manufacturing jobs in the Wichita area.

The manufacturing sector in the United States lost approximately 1.7 million jobs between 2008 and 2011, for a 12.5 percent decline. During that same period, the Wichita MSA lost 15,300 manufacturing jobs, for a 22.7 percent decline. The nation began its rebound in 2011; however, Wichita did not gain jobs back until 2012, when 800 jobs were added, for a 1.5 percent increase over 2011.

Manufacturing news has been mixed in Wichita the past year. Challenges have included layoffs, divestiture of assets, reorganization, and efforts to keep up with demand. The good news includes the first international delivery of the new Cessna TTx; a 47 percent increase in Beechcraft Corp. deliveries for the first three quarters of 2013, year-over-year; the rollout of the first forward fuselage for the new KC-46 refueling tanker by Spirit AeroSystems; and the addition of the Challenger 350 business aircraft by Bombardier.

Overall, manufacturing is expected to decrease 2.3 percent, or nearly 1,200 jobs in 2014. Almost all of the job losses are expected to occur in the durable goods manufacturing sector.

Trade, Transportation and Utilities

Wholesale trade declined by 116 jobs in 2013, followed by an expected increase of 67 jobs, or 0.7 percent, in 2014. Retail trade increased by 600 jobs in 2013 and is forecasted to increase by 403 jobs, or 1.3 percent, in 2014. Transportation and utilities employment gained 198 jobs in 2013 and is expected to continue to grow by adding 123 jobs in 2014, for a growth rate of 1.4 percent.

Information Services

The information industry, at both the local and national levels, has been on a downward trend. In 2008, there were 6,600 filled information positions in the Wichita MSA. By the end of 2013, the industry had lost 2,300 jobs, for a 35 percent decline. A similar pattern occurred at the national level. Employment peaked at 3.6 million jobs in 2000, but declined to 2.7 million by the end of 2011, a 26 percent loss. National employment in information services remained relatively constant in 2012 and 2013.

Information services are expected to stop their decline in 2014 in the Wichita MSA. CEDBR estimates an increase of 86 jobs, about a 2 percent increase, after a loss of 191 jobs in 2013.

²⁶ Longhofer, Stanley, 2014 Kansas Housing Markets Forecast: Wichita Housing Forecast, Center for Real Estate, W. Frank Barton School of Business, Wichita State University.

Financial Services

The financial industry in the Wichita MSA lost 2,500 jobs from 2001 through 2012, for a 19 percent decline. The banking sector has not yet seen an improvement in employment since the recession and financial crisis. Within the banking industry there is cautious optimism, but there will likely be more bank consolidation in the Midwest, driven by continuing compliance issues.

Financial activities employment remained stable in 2013, and CEDBR estimates the sector will continue on that path, losing only a few jobs, for a loss of perhaps 0.2 percent in 2014.

Professional and Business Services

In the Wichita area, there are approximately 2,700 firms in the professional and business services sector, most of which have fewer than 10 employees. The sector reached its previous employment peak of 31,300 employees in 2008, followed by an 8.3 percent dip in 2009. By the end of 2013, the industry had regained all of the jobs lost, for a new peak of 31,500 jobs. An increase of 1,517 jobs is expected for 2014, which is a 4.8 percent increase.

Educational and Health Care Services

Education employment represents 12 percent of the education and health care industry, while health care employment composes the other 88 percent. From 2000 through 2013, Wichita employment grew 22 percent in this industry. Of the health care employment, 26 percent is in the hospital industry. This growth can be attributed, to some degree, to continued population growth in the Wichita MSA, which totaled a 10 percent increase from 2000 through 2013.

Trends in health care include increased regulation, improvements in technology, uncertainty about the Affordable Care Act and an aging population that is increasing the demand for services. The one thing the industry can count on will be change, whether it comes as a result of policy, the economy, or demographics.

Overall, education and health care employment is forecast to increase 2.1 percent, or approximately 900 jobs, in 2014.

Leisure and Hospitality Services

Economic indicators for the travel and tourism industry are sending somewhat mixed messages. Transient guest taxes increased 12.8 percent in the 12 months ending in March 2014 compared to the previous 12 months. The total number of outbound passengers at Wichita's Mid-Continent Airport increased 0.7 percent for the 12 months ending in February 2014 compared to the prior 12 months, and the hotel occupancy rate increased 2.7 percentage points for the 12 months ending in January 2014 compared to the prior 12 months.

Button sales for the 2013 Wichita Riverfest were up 38 percent from the 2012 event. The 104,000 buttons sold was the largest number since the 2008 festival.²⁷

Venues Today, an international trade publication that ranks entertainment and sports venues, ranked Wichita's INTRUST Bank Arena first in the Midwest region based on ticket sales from January 1 through December 31, 2013, for arenas with 10,001 to 15,000 seats.

Leisure and hospitality employment increased 3 percent, or 850 jobs, in 2013. Continuing growth of 1.4 percent is expected in 2014, for an increase of more than 400 jobs.

Other Services

Employment in other services reached a peak of 12,000 workers in 2004. By the end of 2012, the industry had lost 1,300 jobs, for a 10.8 percent decline. Employment increased by nine jobs in 2013, a 0.1 percent increase. For 2014, other services employment is projected to grow by 0.9 percent, adding 91 jobs.

Government

Aside from agricultural employment, government sector employment is the most difficult economic variable to predict, since employment decisions often rely on variables other than economic relationships.

Government employment reached a peak of 41,800 workers in 2010, followed by a 2.9 percent decrease, or 1,300 jobs, over the next three years. CEDBR forecasts an increase of 399 jobs in 2014, for an addition of 1 percent.

²⁷Community Embraces Reinvigorated Riverfest, Wichita Festivals Inc., www.wichitariverfest.com/riverfest_info.php?page=news-media_news, July 25, 2013.

Wichita MSA Forecast Summary

Wichita MSA Employment by Industry Summary*					2013-2014
	2012 (a)	2013 (a)	2014 (f)	2013-2014 Level Change	Percent Change
Total Nonfarm	285,511	288,814	292,380	3,565	1.2%
Production Sectors	67,390	67,557	67,125	-433	-0.6%
Natural Resources, Mining & Cons.	14,592	15,016	15,776	760	5.1%
Manufacturing	52,798	52,542	51,349	-1,193	-2.3%
Durable Goods	45,332	45,159	43,998	-1,161	-2.6%
Non-Durable Goods	7,466	7,383	7,351	-32	-0.4%
Trade, Transportation & Utilities	49,945	50,618	51,211	593	1.2%
Wholesale Trade	9,440	9,324	9,391	67	0.7%
Retail Trade	31,610	32,200	32,603	403	1.3%
Transportation & Utilities	8,895	9,093	9,216	123	1.4%
Service Sectors	127,463	130,073	133,078	3,006	2.3%
Information	4,467	4,276	4,362	86	2.0%
Financial Activities	10,543	10,534	10,517	-17	-0.2%
Professional & Business Services	29,837	31,534	33,050	1,517	4.8%
Education & Health Services	43,522	43,777	44,689	912	2.1%
Leisure & Hospitality	28,429	29,277	29,694	417	1.4%
Other Services	10,666	10,675	10,766	91	0.9%
Government	40,713	40,567	40,966	399	1.0%
*Annual values are derived from average quarterly observations and projections. (a) actual (f) forecasted					

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CITY OF WICHITA, KANSAS

RETIREMENT SYSTEMS

Wichita Employees' Retirement System

The Wichita Employees' Retirement System (WERS), covering all full-time civilian employees of the City, was established January 1, 1948, with Plan 1. All employees hired or rehired on or after July 18, 1981 and before January 1, 1994, were automatically members of Plan 2 and employees hired or rehired after January 1, 1994 are automatically members of Plan 3. Plan 1 members contribute 6.4%, and Plan 2 and Plan 3 members contribute 4.7%. The City's contribution rate for Plans 1 and 2 is 13.2% for 2014 and 4.7% for Plan 3. The 2013 City contribution rate was 12.6% for Plans 1 and 2 and 4.7% for Plan 3.

Under the provisions of Plan 1, the normal retirement age is 60 with vesting of seven years. The retirement benefit is based on age and length of service, computed at 2.5% per year of service, multiplied by final average salary, from the highest three consecutive years within the last ten years of service. Early retirement is permitted between the ages of 55 and 60, but benefits are reduced for those with less than 30 years of service. Members with 30 years of service may retire regardless of age at the maximum 75% of final average salary. There is an annual 3%, non-compounded, post-retirement adjustment to the base pension, beginning 12 months after retirement.

The normal retirement age under Plan 2 is 62, with vesting of seven years. The retirement benefit is computed at 2.25% per year of service, multiplied by final average salary, from the highest three consecutive years within the last ten years of service. Early retirement is permitted between the ages of 55 and 62, but benefits are reduced for each month under age 62. The maximum retirement benefit under Plan 2 is 75% of final average salary. There is an annual 2% non-compounded, post-retirement adjustment to the base pension, beginning 12 months after retirement.

Plan 3, a defined contribution plan, became effective January 1, 1994. All employees hired on or after January 1, 1994, automatically become members of Plan 3. Each member participating in the plan contributes 4.7% of their salary and that contribution is matched by the City's contribution of 4.7%. The vesting schedule for Plan 3 is staggered at 25% after three years, 50% after five years and 100% after seven years. Additionally, at the end of seven years, members have a one-time, irrevocable option to remain in Plan 3; otherwise, they will convert to Plan 2 at a cost of 100% of their total Plan 3 account balance. Beginning in October 2000, Plan 3 defined contribution funds had separate management and custody from the defined benefit funds. In January 2004, Plan 3 defined contribution funds were liquidated and the proceeds were reinvested with the defined benefit funds for management and custody as a combined single fund.

Members of Plans 1 and 2, eligible to retire after January 1, 2000, may elect to participate in the Deferred Retirement Option Plan (DROP) for a period of one to 60 months. The member's retirement benefit is calculated as of the DROP election date. During the DROP period, the member and the City continue to make required contributions to the WERS plan. During this period, additional pension benefits are not accrued and the member's retirement benefit, plus five percent annual interest, accumulates in their notational DROP account. At termination of service, the member receives a lump sum distribution of the DROP account and begins to receive their pension benefit calculated as of the DROP election date, plus applicable post-retirement adjustments.

As of December 31, 2013, there were 1,573 active members (15 under Plan 1, 957 under Plan 2 and 601 under Plan 3). Of these active members, 43 employees are participants in the DROP. There were 1,327 retirees, including survivors, receiving benefits and 147 deferred retirees. The total annual pension payroll as of December 31, 2013 was \$35,373,800.

The Wichita Employees' Retirement Board of Trustees and the Police and Fire Retirement Board of Trustees combined their assets into a joint fund for investment purposes on October 1, 1999. A Joint Investment Committee comprised of members of both Boards and a City Manager appointee was established to manage these assets. The Boards of Trustees have adopted a Strategic Plan and Investment Policies Statement that establishes the specific asset allocation, manager structure, rebalancing, restrictions, and other policies the Joint Investment Committee utilize in its management of the joint fund. The Joint Investment Committee employs professional money managers to invest the assets of the joint fund in a diversified mix of domestic and international equities, domestic fixed income securities, real estate, timber, commodities, and cash equivalents.

Net assets of the Wichita Employees' Retirement System, including Plan 3 assets, available at December 31, 2013 were \$564,203,801, as compared to \$494,716,075 on December 31, 2012. Significant investment losses were experienced in 2008, which were offset by investment gains in 2009 through 2013. As a result, the net assets of the WERS have increased in value by approximately 0.8% since December 31, 2007.

It should be noted that (i) the information included in this section relies on information produced by the pension plans and their independent accountants and actuaries, (ii) actuarial assessments are "forward looking" information that reflect the judgment of

the fiduciaries of the pension plans, and (iii) actuarial assessments are based on a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the pension plans.

Although an asset smoothing method is used to smooth the fluctuations of investment returns and any actuarial surplus/unfunded liability is amortized over a rolling 20-year period, given the 20.2% investment return in 2013, the City's WERS contribution rates, expressed as a percent of active member pensionable payroll, decreased from 13.2% for 2014 to 12.2% for 2015. Additional information on the general funding practices of the pension system and the actuarial methods used can be found in the Notes to the Financial Statements beginning on page B-54.

Actual investment returns over the next few years will determine the future impact on the System's funding status, the magnitude of any unfunded actuarial liability, and any increases in contribution rates. The City established a Pension Reserve Fund in 1999 to provide additional funds to help meet the City's required contributions to actuarially fund the Retirement Systems on a current basis. As of December 31, 2012, the Pension Reserve Fund totaled \$4.7 million and totaled \$4.0 million at December 31, 2013. A table of historical balances of the Pension Reserve Fund is shown on page A-18. Depending on the results of the 2014 actuarial valuation, additional funds of the Pension Reserve Fund may be used in 2015 to offset the City's required contributions.

Callan Associates, Inc., Denver, Colorado, is the fund's investment consultant, evaluating the fund on a quarterly basis. The Board retains Cavanaugh Macdonald Consulting, LLC, Bellevue, Nebraska, as its consulting actuary, and the latest actuarial report is for the period of January 1 through December 31, 2013.

Police and Fire Retirement System

The Wichita Police and Fire Retirement System (PFRS) covers all commissioned police and fire personnel of the City of Wichita and was established January 1, 1965, when a policy was adopted of funding the cost of pensions over the employees' working career. Members contribute 6%, 7%, or 8% of payroll, depending upon the plan to which they belong. The City's contribution rate for all plans is 22.4% for 2014. The 2013 City contribution rate was 22.8%.

The "20 and Out" plan was adopted June 11, 1975, for Plans A and B. This permits commissioned police and fire personnel to retire after 20 years of service, regardless of age, at 50% of final average salary, plus 2.5% per year of service above 20 years to a maximum of 75% of final average salary for 30 years of service. Final average salary is derived from the highest three consecutive years within the last ten years of service. Members under 55 years old with at least 10 years, but less than 20 years of service, will have their pension payments deferred until age 55, and receive no survivor benefits. Vesting requirement is 10 years.

The Police and Fire Retirement Plans were revised January 1, 1979, with all commissioned officers hired or rehired after that date automatically becoming members under Plan C-79, and are eligible for retirement after 20 years of service; payment of pension is deferred until age 50, except no age limits apply with completion of 30 years of service. The formula for calculating pensions is the same as Plans A and B. Members under 55 years old with at least 10 years, but less than 20 years of service, will have their pension payments deferred until age 55, and receive no survivor benefits. Vesting requirement is 10 years.

Members of the Police and Fire Retirement Plan eligible for retirement, and prior to retirement, may elect the Backward Deferred Retirement Option Plan (DROP) for a period of one to 60 months. The participant's retirement benefit is computed as of the Backward DROP election date. The DROP account is calculated by multiplying the monthly benefit by the number of months in the DROP period plus five percent annual interest. At termination of service, the member receives a lump sum distribution of the DROP account and begins to receive their pension benefit calculated as of the Backward DROP election date, plus applicable post-retirement adjustments.

As of December 31, 2013, there were 1,085 active members in the Plan (9 in Plan A, and 1,076 in Plan C-79). Of these active members, 636 were police officers and 449 were fire officers. There were a total of 952 retirees, including survivors, receiving pensions and 28 deferred retirees. The total annual pension payroll as of December 31, 2013 was \$31,158,006.

The Wichita Employees' Retirement Board of Trustees and the Police and Fire Retirement Board of Trustees combined their assets into a joint fund for investment purposes on October 1, 1999. A Joint Investment Committee comprised of members of both Boards and a City Manager appointee was established to manage these assets. The Boards of Trustees have adopted a Strategic Plan and Investment Policies Statement that establishes the specific asset allocation, manager structure, rebalancing, restrictions, and other policies the Joint Investment Committee utilize in its management of the joint fund. The Joint

Investment Committee employs professional money managers to invest the assets of the joint fund in a diversified mix of domestic and international equities, domestic fixed income securities, real estate, timber, commodities and cash equivalents.

Net assets of the Police and Fire Retirement System were \$598,458,276 at December 31, 2013, as compared to \$511,492,439 on December 31, 2012. Significant investment losses were experienced in 2008, which were offset by investment gains in 2009 through 2013. The net assets of the PFRS have increased in value by approximately 18.8% since December 31, 2007.

It should be noted that (i) the information included in this section relies on information produced by the pension plans and their independent accountants and actuaries, (ii) actuarial assessments are “forward looking” information that reflect the judgment of the fiduciaries of the pension plans, and (iii) actuarial assessments are based on a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the pension plans.

Although an asset smoothing method is used to smooth the fluctuations of investment returns and any actuarial surplus/unfunded liability is amortized over a rolling 20-year period, given the 20.2% investment return in 2013, the City’s PFRS contribution rates, expressed as a percent of active member pensionable payroll, decreased from 22.4% for 2014 to 21.3% in 2015. Additional information on the general funding practices of the pension system and the actuarial methods used can be found in the Notes to the Financial Statements beginning on page B-54.

Actual investment returns over the next few years will determine the future impact on the System’s funding status, the magnitude of any unfunded actuarial liability, and any increases in contribution rates. The City established a Pension Reserve Fund in 1999 to provide additional funds to help meet the City’s required contributions to actuarially fund the Retirement Systems on a current basis. As of December 31, 2012, the Pension Reserve Fund totaled \$4.7 million and totaled \$4.0 million at December 31, 2013. A table of historical balances of the Pension Reserve Fund is shown on page A-18. Depending on the results of the 2014 actuarial valuation, additional funds of the Pension Reserve Fund may be used in 2015 to offset the City’s required contributions.

Callan Associates, Inc., Denver, Colorado, is the fund's investment consultant, evaluating the fund on a quarterly basis. The Board retains Cavanaugh Macdonald Consulting, LLC, Bellevue, Nebraska, as its consulting actuary, and the latest actuarial report is for the period of January 1 through December 31, 2013.

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**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Wichita Employees' Retirement System:

Fiscal Year Ending	Employer Contributions	Employee Contributions	Net Investment Income (Loss) ¹	Rate of Return on Investments %	Net Assets Available	Unfunded Actuarial Liability ²	Funded Ratio % ³
12/31/04 ⁴	\$2,084,558	\$2,279,422	\$38,840,471	10.0%	\$440,141,428	\$(49,834,811)	112.1%
12/31/05	2,170,650	2,358,466	36,074,046	9.0	459,562,082	(45,977,631)	110.6
12/31/06	2,264,339	2,445,103	67,028,887	15.3	510,438,289	(46,693,853)	110.2
12/31/07	2,357,052	2,543,563	54,108,853	11.1	545,880,881	(50,524,437)	110.5
12/31/08	2,450,162	2,621,076	(150,525,640)	(28.1)	375,864,154	(479,823)	100.1
12/31/09	2,545,331	2,639,080	78,011,118	22.0	432,285,030	19,777,583	96.3
12/31/10	4,529,765	2,664,619	55,169,082	13.6	465,349,979	24,127,868	95.5
12/31/11	6,596,124	2,537,440	2,570,423	0.8	444,594,411	41,875,341	92.5
12/31/12	6,471,423	2,343,641	57,965,946	13.8	479,665,044	51,485,404	91.0
12/31/13	7,990,502	2,304,481	92,166,874	20.2	548,179,585	40,228,487	93.1

Wichita Employees' Retirement System – Plan 3:

Fiscal Year Ending	Employer Contributions	Employee Contributions	Net Investment Income (Loss) ¹	Rate of Return on Investments %	Net Assets Available
12/31/04 ⁴	\$1,182,148	\$1,182,148	\$1,053,879	10.0%	\$10,803,831
12/31/05	1,230,597	1,230,597	909,539	9.0	11,723,595
12/31/06	1,302,090	1,302,090	1,707,244	15.3	13,187,762
12/31/07	1,343,538	1,343,538	1,397,061	11.1	13,894,314
12/31/08	1,384,108	1,384,108	(3,796,007)	(28.1)	9,735,040
12/31/09	1,341,754	1,341,754	2,114,377	22.0	12,162,314
12/31/10 ⁵	2,159,685	1,210,032	1,730,990	13.6	15,341,430
12/31/11	1,099,193	1,099,193	154,911	0.8	14,233,092
12/31/12	1,031,580	1,031,580	1,872,282	13.8	15,051,031
12/31/13	949,420	949,633	2,833,620	20.2	16,024,216

Police and Fire Retirement System:

Fiscal Year Ending	Employer Contributions	Employee Contributions	Net Investment Income (Loss) ¹	Rate of Return on Investments %	Net Assets Available	Unfunded Actuarial Liability ²	Funded Ratio % ³
12/31/04	\$6,925,467	\$3,482,237	\$33,716,897	10.0%	\$383,074,060	\$901,952	99.8%
12/31/05	7,308,916	3,652,348	31,745,327	9.0	406,745,584	1,203,822	99.7
12/31/06	9,849,536	3,789,743	59,897,041	15.3	460,758,908	(5,318,695)	101.2
12/31/07	10,029,253	4,056,022	49,134,414	11.1	503,915,248	(12,705,361)	102.7
12/31/08	10,549,401	4,277,247	(140,686,744)	(28.1)	356,056,234	24,215,955	95.1
12/31/09	11,034,552	4,443,524	75,500,370	22.0	422,379,231	39,378,692	92.4
12/31/10	13,119,984	4,467,983	54,963,698	13.6	467,487,721	38,982,652	92.7
12/31/11	13,806,880	4,403,425	2,404,099	0.8	460,840,745	51,541,670	90.8
12/31/12	14,113,014	4,543,523	60,619,414	13.8	511,492,439	55,692,757	90.5
12/31/13	14,889,714	4,607,691	99,494,232	20.2	598,458,276	46,486,354	92.5

¹Investments and related appreciation and/or depreciation are reported at fair value.

²The unfunded actuarial liability is calculated under the entry age normal actuarial cost method. This method produces the highest amount of actuarial accrued liabilities of any of the commonly used actuarial cost methods.

³The funded ratio is the actuarial value of assets expressed as a percentage of the actuarial liability. The funded ratios for all years assume a rate of return on investments of present and future assets of 7.75% per year, compounded annually. The ratios shown assume a rate of return significantly above a "risk free" rate of return tied to U.S. Treasury yields, such that an alternative calculation of the funded ratios, based on an alternative assumption of such risk free returns, would show correspondingly lower funded ratios and greater unfunded actuarial liabilities.

⁴Beginning with 12/31/04, defined benefit funds and Plan 3 funds were held in joint custody.

⁵For the year ending 12/31/10, the City made additional contributions for the unfunded actuarial liability associated with Plan 3 members that may be eligible to convert to Plan 2 after 7 years of service.

**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Wichita Employees' Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON ACTUARIAL VALUE

Actuarial Valuation Date	Actuarial Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$462,994	\$413,159	\$(49,835)	112.1%	\$72,154	(69.1)%
12/31/05	479,275	433,297	(45,978)	110.6	72,367	(63.5)
12/31/06	505,756	459,062	(46,694)	110.2	75,881	(61.5)
12/31/07	533,911	483,387	(50,524)	110.5	78,736	(64.2)
12/31/08	512,853	512,374	(480)	100.1	81,580	(0.6)
12/31/09	509,494	529,271	19,778	96.3	82,704	23.9
12/31/10	516,308	540,436	24,128	95.5	79,636	30.3
12/31/11	513,298	555,174	41,876	92.5	75,444	55.5
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

Wichita Employees' Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON MARKET VALUE

Actuarial Valuation Date	Market Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$450,945	\$413,159	\$(37,786)	109.1%	\$72,154	(52.4)%
12/31/05	471,286	433,297	(37,989)	108.8	72,367	(52.5)
12/31/06	523,626	459,062	(64,564)	114.1	75,881	(85.1)
12/31/07	559,775	483,387	(76,388)	115.8	78,736	(97.0)
12/31/08	385,599	512,374	126,774	75.3	81,580	155.4
12/31/09	444,447	529,271	84,824	84.0	82,704	102.6
12/31/10	480,691	540,436	59,744	88.9	79,636	75.0
12/31/11	458,828	555,174	96,346	82.6	75,444	127.7
12/31/12	494,713	571,805	77,092	86.5	70,783	108.9
12/31/13	564,204	582,386	18,182	96.9	70,953	25.6

**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Police and Fire Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON ACTUARIAL VALUE

Actuarial Valuation Date	Actuarial Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$392,485	\$393,387	\$902	99.8%	\$50,414	1.8%
12/31/05	412,823	414,027	1,204	99.7	52,207	2.3
12/31/06	444,498	439,179	(5,319)	101.2	53,530	(9.9)
12/31/07	480,820	468,115	(12,705)	102.7	57,310	(22.2)
12/31/08	472,345	496,561	24,216	95.1	60,282	40.2
12/31/09	480,556	519,934	39,379	92.4	63,055	62.5
12/31/10	497,926	536,908	38,982	92.7	63,077	61.8
12/31/11	510,946	562,488	51,542	90.8	62,759	82.1
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

Police and Fire Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON MARKET VALUE

Actuarial Valuation Date	Market Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$383,074	\$393,387	\$10,313	97.4%	\$50,414	20.5%
12/31/05	406,746	414,027	7,281	98.2	52,207	13.9
12/31/06	460,759	439,179	(21,580)	104.9	53,530	(40.3)
12/31/07	503,915	468,115	(35,800)	107.6	57,310	(62.5)
12/31/08	356,056	496,561	140,505	71.7	60,282	233.1
12/31/09	422,379	519,934	97,555	81.2	63,055	154.7
12/31/10	467,488	536,908	69,421	87.1	63,077	110.1
12/31/11	460,841	562,488	101,647	81.9	62,759	162.0
12/31/12	511,492	589,074	77,582	86.8	64,150	120.9
12/31/13	598,459	617,748	19,289	96.9	65,306	29.5

**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Wichita Employees' Retirement System:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution Employees' Retirement System	Annual Required Contribution Employees' Retirement System – Plan 3	Percentage Contributed	Net Pension Obligation
12/31/04	\$2,084,558	\$1,182,148	100%	\$ 0
12/31/05	2,170,650	1,230,597	100	0
12/31/06	2,264,339	1,302,090	100	0
12/31/07	2,357,052	1,343,538	100	0
12/31/08	2,450,162	1,384,108	100	0
12/31/09	2,545,331	1,341,754	100	0
12/31/10	4,529,765	2,159,685	100	0
12/31/11	6,596,124	1,099,193	100	0
12/31/12	6,471,423	1,031,580	100	0
12/31/13	7,990,502	949,633	100	0

Police and Fire Retirement System:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contributions	Percentage Contributed	Net Pension Obligation
12/31/04	\$6,925,467	100%	\$ 0
12/31/05	7,308,916	100	0
12/31/06	9,849,536	100	0
12/31/07	10,029,253	100	0
12/31/08	10,549,401	100	0
12/31/09	11,034,552	100	0
12/31/10	13,119,984	100	0
12/31/11	13,806,880	100	0
12/31/12	14,113,014	100	0
12/31/13	14,889,174	100	0

As illustrated in the tables above, the City has contributed the Annual Required Contribution (ARC) to the Retirement Systems as calculated by the Systems' actuary.

PENSION RESERVE FUND BALANCE

RETURN ON INVESTMENTS

Fiscal Year Ending	Balance	Fiscal Year Ending	Actuarial Assumed Rate of Return on Investments	Actual Investment Return
12/31/04	\$7,277,634	12/31/04	7.75%	10.0%
12/31/05	7,418,461	12/31/05	7.75	9.0
12/31/06	6,830,924	12/31/06	7.75	15.3
12/31/07	7,114,366	12/31/07	7.75	11.1
12/31/08	8,063,749	12/31/08	7.75	(28.1)
12/31/09	8,741,272	12/31/09	7.75	22.0
12/31/10	7,501,175	12/31/10	7.75	13.6
12/31/11	5,451,175	12/31/11	7.75	0.8
12/31/12	4,726,175	12/31/12	7.75	13.8
12/31/13	4,026,175	12/31/13	7.75	20.2



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CITY OF WICHITA, KANSAS

HISTORICAL SUMMARY OF ECONOMIC INDICATORS

	2004	2005	2006	2007
Economic Base				
Demographics				
Population				
Wichita ¹	358,462	360,403	363,470	368,286
MSA ²	584,565	588,021	593,382	600,805
Population profile (MSA)				
Total personal income (in millions of \$) ³				
Nominal	\$ 19,081	\$ 20,143	\$ 22,450	\$ 23,209
Real ⁴	10,101	10,314	11,136	11,194
Personal income, per capita (in dollars) ³				
Nominal	\$ 32,177	\$ 33,782	\$ 37,325	\$ 38,121
Real ⁴	17,034	17,297	18,514	18,386
Banking and finance ⁵				
Commercial banks, Sedgwick County				
Deposits (in thousands of \$)	\$ 4,695,000	\$ 4,897,000	\$ 5,563,000	\$ 5,571,000
Number of institutions	33	32	34	34
Number of offices (branches)	127	127	132	136
Tax Base				
Assessed valuation (in thousands of dollars)				
Assessed value (total equalized)	\$ 2,545,942	\$ 2,668,035	\$ 2,833,713	\$ 2,992,305
Real property	2,147,334	2,265,832	2,434,211	2,633,615
Tangible personal property	275,516	276,669	284,827	248,988
Property assessed by State	123,092	125,534	114,675	109,702
Tangible valuation of motor vehicle:	360,861	369,682	379,910	392,292
Local source of revenue (in dollars) ¹⁰				
Taxes	\$ 99,288,559	\$ 102,805,256	\$ 107,306,811	\$ 113,728,346
Special assessment taxes:	26,371,062	27,099,006	29,101,554	30,081,924
Franchise fees	29,555,657	30,701,805	31,850,592	32,157,085
Local sales taxes	44,738,968	45,180,964	47,704,546	49,255,686
Intergovernmental	96,078,213	87,952,788	98,988,324	96,660,158
Licenses and permits	6,069,181	6,493,663	7,047,515	7,478,210
Fines and penalties	7,933,219	8,666,239	8,801,227	9,948,331
Rentals	4,061,404	3,847,629	3,956,188	5,568,210
Interest earnings	5,395,775	7,698,830	9,944,236	10,375,267
Charges for services and sales	10,414,054	10,309,977	10,398,167	9,946,102
Other	18,053,333	18,036,451	12,178,701	16,241,410
Total	<u>\$347,959,425</u>	<u>\$348,792,608</u>	<u>\$367,277,861</u>	<u>\$381,440,729</u>

¹ Source: U.S. Department of Commerce, Bureau of the Census.

² Source: U.S. Department of Commerce, Bureau of the Census, MSA population for 2001-2009 is based on the four-county MSA delineation; 2010-2012 population is based on the five-county delineation, which includes Kingman County, which was added in February 2013.

³ Source: U.S. Department of Commerce, Bureau of Economic Analysis.

⁴ Real dollars are calculated using the Consumer Price Index for All Urban Consumers. U.S. city average (1982-84 = 100).

⁵ FDIC (for the most up-to-date information see the FDIC's home page at <http://www.fdic.gov>).

⁶ Office of Central Inspection, City of Wichita.

⁷ Derived from Kansas Department of Revenue Tax Collection reports by the Center for Economic Development and Business Research, Wichita State University.

⁸ Kansas Department of Labor, Labor Market Information Services.

⁹ The service industries include information, finance, professional and business services, educational and health services, leisure and hospitality and other services. Industry sector data may not equal total employment for all industries due to rounding.

¹⁰ Includes all governmental funds.

¹¹ Includes all long-term general obligation debt.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
	373,694	380,115	382,368	383,703	385,577	N/A
	609,250	619,330	630,919	633,344	636,105	N/A
\$	24,933	\$ 23,450	\$ 23,419	\$ 25,358	\$ 26,177	N/A
	11,580	10,931	10,740	11,273	11,401	N/A
\$	40,401	\$ 37,388	\$ 37,057	\$ 40,039	\$ 41,152	N/A
	18,765	17,427	16,994	17,800	17,924	N/A
\$	6,280,000	\$ 6,788,000	\$ 7,758,000	\$ 7,784,000	\$ 9,445,000	\$ 9,752,000
	36	35	35	35	36	39
	140	143	142	144	145	150
\$	3,145,832	\$ 3,151,655	\$ 3,150,148	\$ 3,151,989	\$ 3,111,573	\$ 3,124,331
	2,827,209	2,875,134	2,904,055	2,916,488	2,889,209	2,910,786
	212,829	177,540	147,887	136,190	125,492	118,751
	105,794	98,981	98,206	99,311	96,872	94,794
	401,805	396,701	387,036	381,608	385,358	396,435
\$	120,921,994	\$ 125,833,535	\$ 124,135,356	\$ 124,028,374	\$ 125,089,390	\$ 126,105,605
	32,572,786	33,887,081	34,251,394	33,647,870	33,327,280	33,668,720
	34,272,504	33,720,386	36,923,114	36,778,909	37,406,752	39,282,857
	51,255,304	49,444,212	48,239,962	54,919,387	54,095,496	58,519,220
	94,087,216	74,089,262	72,227,757	64,002,864	61,056,534	59,822,985
	6,511,130	5,892,074	6,647,443	6,735,050	7,427,342	7,468,455
	9,443,776	10,429,819	10,640,805	10,345,485	10,475,820	9,391,142
	5,571,106	4,445,629	4,578,091	4,266,032	4,737,173	4,400,154
	8,159,766	3,594,268	2,160,107	1,022,318	551,058	850,546
	10,747,517	10,541,570	10,672,877	12,018,549	10,647,415	11,052,211
	19,565,851	35,208,572	23,219,430	21,282,560	12,985,783	13,354,297
	<u>\$393,108,950</u>	<u>\$387,086,408</u>	<u>\$373,696,336</u>	<u>\$369,047,398</u>	<u>\$357,800,043</u>	<u>\$363,916,192</u>

CITY OF WICHITA, KANSAS

HISTORICAL SUMMARY OF ECONOMIC INDICATORS (CONTINUED)

	2004	2005	2006	2007
Construction (MSA)⁶				
New dwelling units single family homes	1,604	1,625	1,545	1,486
Value of construction permits (in dollars)	\$ 546,941,473	\$ 485,564,803	\$ 427,440,317	\$ 528,406,795
New residential	192,825,017	190,407,489	188,903,588	195,473,035
Non-residential	151,531,343	151,275,832	91,991,661	133,891,258
Additions, remodels and repairs	202,585,113	143,881,483	146,545,069	199,042,505
Mill levy per \$1,000				
Assessed valuation	113.630	113.387	113.456	116.064
Retail Sales (MSA)⁷				
Annually (in millions of \$)				
Nominal	\$ 7,284.7	\$ 7,496.3	\$ 7,963.4	\$ 8,239.8
Real ⁴	3,856.7	3,838.5	3,950.3	3,974.0
Per capita				
Nominal ¹²	\$ 12,462	\$ 12,748	\$ 13,420	\$ 13,715
Employment Base(MSA)⁸				
Total civilian labor force	305,190	307,191	307,464	310,496
Unemployment rate	6.2	5.5	4.6	4.1
Employment - all industries (establishment data) ⁹	283,100	287,000	294,000	302,800
Manufacturing	58,400	60,700	63,000	65,500
Services	120,800	121,700	124,800	128,800
All others	103,900	104,600	106,200	108,500
Bonded Debt (in dollars)				
Gross bonded debt ¹¹	\$ 458,231,536	\$ 433,103,758	\$ 418,305,139	\$ 448,456,736
Debt service monies available	65,957,965	57,287,100	40,944,582	16,106,881
Debt payable from proprietary/component unit revenues	15,845,844	12,770,542	16,400,562	14,484,159
Debt payable from special assessments	206,720,000	210,370,000	217,705,000	218,545,000
Debt payable from local sales tax	122,180,000	113,500,000	104,505,000	138,205,000
Debt payable from transient guest tax	10,110,180	8,890,213	6,716,614	5,554,229
Net bonded debt	37,417,547	30,285,903	32,033,381	55,561,467
Ratio of bonded debt to market value (%)				
Net bonded debt	0.23	0.17	0.17	0.30
Special assessment debt	1.25	1.21	1.18	1.18
Bonded debt per capita (Wichita)(\$)				
Net bonded debt	\$ 105.87	\$ 85.31	\$ 89.55	\$ 155.02
Special assessment debt	584.25	592.82	607.42	609.76

¹ Source: U.S. Department of Commerce, Bureau of the Census.

² Source: U.S. Department of Commerce, Bureau of the Census.

³ Source: U.S. Department of Commerce, Bureau of the Census.

⁴ Real dollars are calculated using the Consumer Price Index for All Urban Consumers. U.S. city average (1982-84 = 100).

⁵ FDIC (for the most up-to-date information see the FDIC's home page at <http://www.fdic.gov>).

⁶ Office of Central Inspection, City of Wichita.

⁷ Derived from Kansas Department of Revenue Tax Collection reports by the Center for Economic Development and Business Research, Wichita State University.

⁸ Kansas Department of Labor, Labor Market Information Services.

⁹

The service industries include information, finance, professional and business services, educational and health services, leisure and hospitality and other services. Industry sector data may not equal total employment for all industries due to rounding.

¹⁰ General, Special Revenue (excluding Federal and State Assistance Funds) and Debt Service Funds.

¹¹ Includes all long-term general obligation debt.

¹² 2001-2009 and 2011-2012 are based on the U.S. Census Bureau's population estimates; 2010 is based on the Decennial Census population; all data are for the four-county Wichita MSA.

	2008	2009	2010	2011	2012	2013
	1,013	642	522	409	418	538
\$	514,553,353	\$ 440,256,156	\$ 462,259,482	\$ 451,016,853	\$ 356,622,263	\$ 478,581,745
	174,509,993	81,497,241	69,009,542	70,951,826	98,155,489	143,865,046
	188,118,374	212,166,613	168,317,469	175,589,218	82,628,001	134,812,174
	151,924,985	146,592,303	224,932,472	204,475,809	175,838,773	199,904,526
	117.050	117.242	120.360	120.059	120.305	120.602
\$	8,557.2	\$ 8,089.2	\$ 8,069.7	\$ 8,415.3	\$ 8,831.6	\$ 9,189.10
	3,974.5	3,770.5	3,700.9	3,741.2	3,846.6	3,944.5
\$	14,046	\$ 13,061	\$ 12,952	\$ 13,455	\$ 14,058	\$ NA
	313,387	319,942	311,091	305,488	301,454	301,192
	4.3	8.5	8.7	7.9	6.9	6.2
	307,900	292,400	283,100	282,900	285,600	288,800
	67,300	57,900	52,500	52,000	52,800	52,500
	130,900	128,100	125,200	126,500	128,000	130,100
	109,700	106,400	105,400	104,400	104,800	106,200
\$	432,681,285	\$ 466,110,861	\$ 518,189,355	\$ 525,794,000	\$ 558,037,000	\$ 480,004,999
	6,231,047	22,221,043	29,586,463	23,648,000	18,325,000	26,142,122
	12,491,836	20,100,610	26,723,006	40,681,000	48,360,000	44,285,000
	227,550,000	241,420,000	255,270,000	269,630,000	254,955,000	216,625,000
	129,165,000	119,540,000	130,730,000	123,455,000	152,390,000	122,195,000
	4,638,543	3,737,066	2,847,155	1,956,000	1,064,000	167,425
	52,604,859	59,092,142	73,032,731	66,424,000	82,943,000	70,591,000
	0.25	0.28	0.35	0.32	0.40	0.34
	1.10	1.15	1.22	1.28	1.23	1.04
\$	143.23	\$ 159.99	\$ 191.00	\$ 172.78	\$ 215.75	\$ 183.08
	619.54	653.65	667.60	701.35	663.18	561.82



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APPENDIX B

AUDITED FINANCIAL INFORMATION



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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, 2013, 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 and the *Kansas Municipal Audit and Accounting Guide*. 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, 2013, 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.

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

June 16, 2014
Wichita, Kansas

This discussion and analysis of the City of Wichita's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013. 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 \$53.9 million from current operations and \$39.4 million after prior period adjustments. The most significant increases in net position occurred in the Water Utilities and the Airport Authority Funds.
- Approximately 77% of the City's total assets are held in capital assets.
- The cost of governmental activities was \$319.8 million in 2013 compared to \$333.4 million in 2012.
- Sales tax revenue increased \$4.4 million in 2013.
- In 2013, the City reduced its bonded debt by \$111.6 million.
- In governmental activities, capital grants and contributions decreased \$22.8 million, or 67.2%, from 2012 levels, of which \$22.5 million was for highways and streets.
- In business-type activities, capital grants and contributions increased \$17.7 million in 2013 with the majority of the increase recorded in the airport function.
- The cost of the business-type activities was comparable to 2012; however, the cost of governmental activities decreased \$13.6 million.
- The General Fund, on a budgetary basis, reported \$2 million of revenue and other sources in excess of expenditures and other uses.
- On December 31, 2013, the General Fund reported a budgetary fund balance of 11.1% of the 2014 appropriated budget, which includes a \$14 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).

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, culture and recreation, health and welfare, and sanitation. Business-type activities include public water, sewer, airport, stormwater, golf, and transportation services.

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 on 22 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-23, 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, golf, stormwater, 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 Funds, 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 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. In 2013, the City implemented *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, which resulted in some items being classified as deferred outflows of funds that were previously reported as assets, and some items being classified as deferred inflows of funds that were previously reported as liabilities. The table below restates the 2012 information for comparison purposes.

Net Position – Primary Government As of December 31 (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012*	2013	2012*	2013	2012*
Current and other assets	\$ 515.0	\$ 637.6	\$ 291.1	\$ 253.4	\$ 806.1	\$ 891.0
Capital assets	1,207.4	1,156.7	1,522.5	1,456.2	2,729.9	2,612.9
Total assets	1,722.4	1,794.3	1,813.6	1,709.6	3,536.0	3,503.9
Total deferred outflows of resources	2.1	2.7	6.5	7.2	8.6	9.9
Non-current liabilities	534.8	629.5	487.6	509.4	1,022.4	1,138.9
Other liabilities	107.9	77.1	266.5	184.7	374.4	261.8
Total liabilities	642.7	706.6	754.1	694.1	1,396.8	1,400.7
Total deferred inflows of resources	96.5	101.2	-	-	96.5	101.2
Net position:						
Net investment in capital assets	730.4	659.1	854.2	820.1	1,584.6	1,479.2
Restricted assets	266.2	328.2	171.4	164.2	437.6	492.4
Unrestricted assets	(11.3)	1.9	40.4	38.4	29.1	40.3
Total net position	\$ 985.3	\$ 989.2	\$ 1,066.0	\$ 1,022.7	\$ 2,051.3	\$ 2,011.9

*2012 restated for implementation of GASB 65.

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 \$39.4 million during 2013. Approximately 77% 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 to purposes. The unrestricted portion of the net position may be used to meet other obligations of the government. Furthermore, the unrestricted and restricted portion of net position for governmental activities declined from the prior year due to the

defeasance of refunding bonds and capital spending, which has not yet been financed through the issuance of debt.

The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. In 2013, total revenues decreased by \$10.6 million. During the same period, expenses of the primary government decreased \$13.4 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	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 34.4	\$ 36.4	\$ 151.9	\$ 164.1	\$ 186.3	\$ 200.5
Operating grants and contributions	47.0	47.4	7.1	6.7	54.1	54.1
Capital grants and contributions	11.1	33.9	33.1	15.4	44.2	49.3
General revenues						
Property taxes	106.3	105.9	-	-	106.3	105.9
Sales taxes	58.5	54.1	-	-	58.5	54.1
Franchise taxes	39.3	37.4	-	-	39.3	37.4
Motor vehicle taxes	13.4	13.1	-	-	13.4	13.1
Transient guest taxes	6.4	6.1	-	-	6.4	6.1
Investment earnings	0.8	0.5	0.5	3.8	1.3	4.3
Miscellaneous	7.8	5.7	4.5	2.1	12.3	7.8
Total revenues	<u>325.0</u>	<u>340.5</u>	<u>197.1</u>	<u>192.1</u>	<u>522.1</u>	<u>532.6</u>
Expenses						
General government	44.5	52.5	-	-	44.5	52.5
Public safety	129.6	129.7	-	-	129.6	129.7
Highways and streets	60.8	62.5	-	-	60.8	62.5
Sanitation	4.7	3.5	-	-	4.7	3.5
Health and welfare	29.9	35.4	-	-	29.9	35.4
Culture and recreation	34.6	36.1	-	-	34.6	36.1
Interest on long-term debt	15.7	13.7	-	-	15.7	13.7
Water	-	-	50.1	48.6	50.1	48.6
Sewer	-	-	43.7	38.6	43.7	38.6
Airport	-	-	26.8	32.6	26.8	32.6
Stormwater	-	-	7.9	8.5	7.9	8.5
Transit	-	-	15.1	15.2	15.1	15.2
Golf	-	-	4.8	4.6	4.8	4.6
Total expenses	<u>319.8</u>	<u>333.4</u>	<u>148.4</u>	<u>148.1</u>	<u>468.2</u>	<u>481.5</u>
Excess before transfers and prior period adjustments	5.2	7.1	48.7	44.0	53.9	51.1
Transfers	2.4	2.6	(2.4)	(2.6)	-	-
Prior period adjustments	(11.5)	-	(3.0)	-	(14.5)	-
Increase in net position	<u>\$ (3.9)</u>	<u>\$ 9.7</u>	<u>\$ 43.3</u>	<u>\$ 41.4</u>	<u>\$ 39.4</u>	<u>\$ 51.1</u>

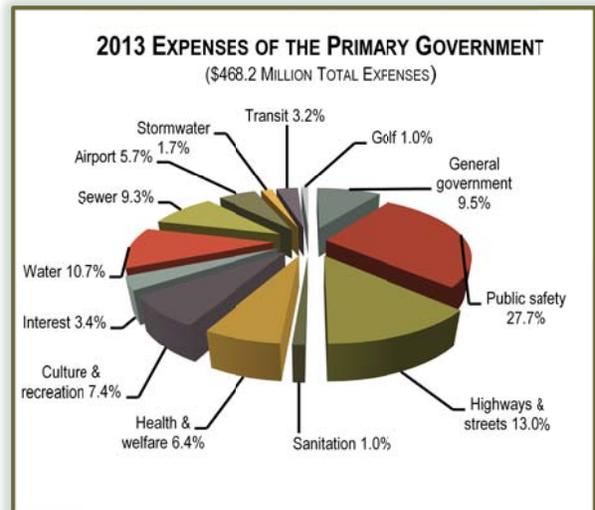
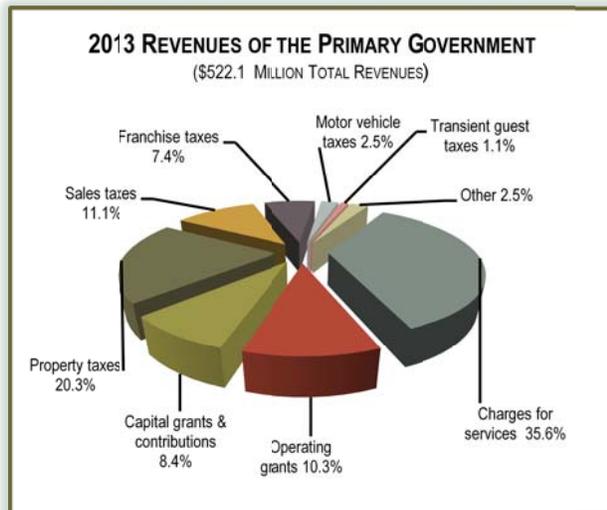
Governmental activities: The net position from governmental activities decreased \$3.9 million in 2013. The results of current year operations increased net position by \$7.6 million, offset by prior period adjustments that reduced the net position from governmental activities. The prior period adjustments resulted from the

implementation of Government Accounting Standard No. 65 and other corrections. Additional information about the prior period adjustments is provided in Note 20 to the financial statements.

During the current fiscal year, governmental revenues, excluding transfers, decreased \$15.5 million. Nonetheless, revenues exceeded expenses by \$5.2 million. Increases in sales and franchise taxes were offset by a reduction in capital grants and contributions. Continuing the trend of declining capital grants and contributions, the 2013 decline of \$22.8 million followed a \$26.4 million decline last year. The 2013 decline in capital grants and contributions primarily resulted from fewer federal and state funds and fewer construction projects funded with special assessments.

In light of reduced resources, management took actions to reduce expenses. The \$13.6 million decrease in expenses largely consists of an \$8 million reduction in general government and a \$5.5 million reduction in health and welfare expenses. The reduction in general government reflects fewer capital related maintenance and equipment expenses, while the reduction in health and welfare largely reflects a lower level of environmental remediation costs in 2013.

Despite the challenge of delivering essential services with fewer resources, capital investment continued. Net investment in governmental capital assets increased \$71.3 million through a combination of acquisitions and reductions in long-term debt. 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 \$68.1 million lower at the close of 2013 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 \$43.3 million increase in 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.

The Water Utility implemented a rate increase in 2013, but due to an unusually wet summer and a community focus on conservation, water sales were substantially lower, resulting in lower overall revenue. Nonetheless, program revenues in the Water Utility exceeded expenses by \$19.9 million. The Airport Authority Fund recorded increased federal revenue for the continued construction of a new terminal building, which is scheduled to be completed in 2015. Program revenues from Airport activities exceeded expenses by \$13.3 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 \$9.7 million.

The business-type activities reduced long-term debt in 2013 by \$28 million, with no new long-term debt issued. However, temporary notes totaling \$78.5 million and \$7.9 million in bond anticipation notes were issued in 2013 for the airport terminal and parking garage project. Outstanding temporary notes and bond anticipation notes at the close of the year totaled \$247.7 million for the business-type activities.

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. The liabilities of the WPBC are revenue bonds issued to finance the public assets, secured with proceeds from direct financing leases which are recorded as assets of the WPBC. Changes in assets and liabilities reflect the declining balances on direct financing leases that correspond to the retirement of debt. In addition to the scheduled debt service, two bond issues totaling \$6.7 million were also refunded in 2013.

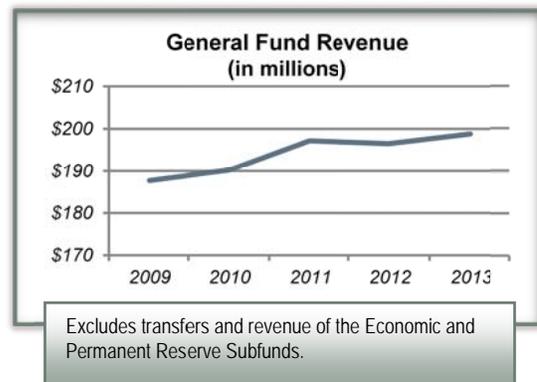
ANALYSIS OF THE GOVERNMENT’S FUNDS

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 \$68.6 million compared to \$154 million at the close of 2012. Three elements are the primary cause of change in net position. In 2013, \$35.5 million in crossover refunded bonds were defeased, reducing cash with the fiscal agent. This has a significant effect on net position as the corresponding reduction in debt is not reflected on governmental fund statements. Additionally, the City’s capital expenses exceeded the amount of short-term borrowing with temporary notes, drawing on cash reserves for the remainder of the capital expenses. And last, in addition to using temporary notes to finance capital investment, the City also uses available cash and issues long-term debt on a reimbursement basis. The fiscal year closed with the City preparing to issue long-term debt to reimburse cash resources.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2013, the unassigned fund balance of the General Fund and its combined subfunds was \$26.3 million compared to \$24.3 million last year. Revenue of the General Fund and its subfunds, excluding transfers, was \$0.9 million above last year, with expenditures \$1.8 million higher than last year. The excess expenditures above revenue resulted from planned expenditures in the Economic Development Subfund.

An important note is that 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 2009 through 2013*
(dollars in millions)

	2009	2010	2011	2012	2013	2013 Percent of Total
General government	\$ 28.0	\$ 28.8	\$ 30.9	\$ 30.5	\$ 32.0	15.8%
Public safety	108.5	112.3	114.5	117.3	119.6	59.1%
Highways and streets	20.9	19.1	22.4	18.1	16.7	8.3%
Sanitation	2.7	3.0	2.9	2.6	2.6	1.3%
Health and welfare	4.0	4.0	3.4	3.6	3.8	1.9%
Culture and recreation	29.1	28.7	28.0	28.3	27.5	13.6%
Total expenses	\$ 193.2	\$ 195.9	\$ 202.1	\$ 200.4	\$ 202.2	100.0%

*Information for 2009 through 2010 restated to reflect GASB 54 fund consolidations implemented in 2011.

The fund balance of the Debt Service Fund and its subfunds decreased \$26.1 million in 2013, due primarily to the retirement of \$35.5 million of refunded debt. Revenue in the Debt Service Fund increased \$2 million, reflecting the planned shift in property tax from the General Fund, with a slight increase in special assessments. Due to the timing of financing activities in 2013, cash was used to fund improvements totaling \$8.9 million, as compared to \$22.8 million in 2012. A prior period adjustment related to the implementation of GASB 65 increased the fund balance by an additional \$4.6 million.

In the Street Improvement Fund and other governmental funds, which includes the non-major capital improvement funds, the timing of debt issuance also resulted in decreased fund balances. The fund balance of the Street Improvement Fund declined \$40.5 million from 2012, with capital expenditures of \$87.6 million, which were slightly above 2012 levels. The proceeds from debt, however, were \$30.7 million lower than in 2012 resulting in a decrease in the fund balance. In other governmental funds, the \$20.2 million decrease in fund balances was also related to the timing of debt issuance. In 2013, proceeds from issuance of long-term debt were \$10.3 million less than in the prior year. Revenue, expenditures and fund balances of the non-major special revenue funds remained relatively stable in 2013.

Proprietary Funds. The combined net position of the proprietary funds increased \$45.1 million from 2013 operations, substantially from increases in the Water Utility, Airport Authority, and Sewer Utility Funds.

The Water Utility, which accounts for the operation and maintenance of the water supply system, implemented a rate increase at the beginning of 2013 to ensure adequate resources for operations, capital maintenance and capital investment. The unusually wet summer and a community focus on conservation resulted in a lower volume of water sales and a corresponding lower level of revenue. Despite the decreased revenue, the Water Utility controlled expenses and increased net position by \$18.2 million before prior period adjustments.

The Airport Authority Fund captures the financial activity for Mid-Continent Airport, serving commercial airlines, and Jabara Airport, serving smaller aircraft. The net position of the Airport Authority Fund increased \$14.6 million during 2013 compared to \$3.4 million in 2012. Increased revenue from customer facility charges, combined with capital contributions from federal grants were the major reasons for the growth in net position. Also contributing, were the reduced level of operating expenses in 2013.

The Sewer Utility, which accounts for the waste water treatment system, also implemented a 2013 rate increase, which resulted in \$3.8 million of additional revenue, offset with increased operating expenses. The operating income of \$13.6 million, combined with lower non-operating expenses and increased capital contributions yielded an \$8.4 million increase in the net position of the Sewer Utility.

Net Position of Proprietary Funds (dollars in thousands)		
	2013	2012
Water Utility	\$ 434,900	\$ 418,538
Sewer Utility	278,171	270,806
Airport	191,617	177,040
Stormwater Utility	144,087	138,461
Transit	15,069	16,144
Golf Course System	340	1,006
Total	<u>\$ 1,064,184</u>	<u>\$ 1,021,995</u>

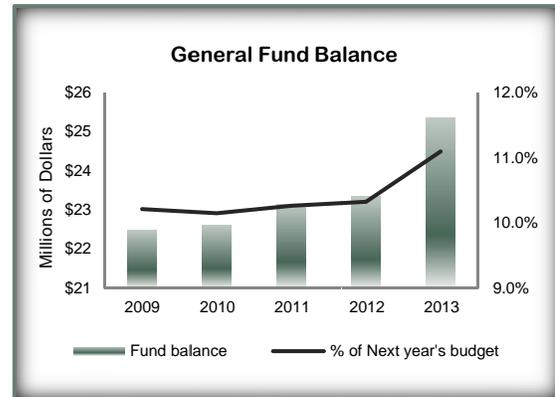
The Stormwater Utility is funded from fees paid by customers with the last rate increase in 2007. The Utility operates eleven pump stations, which move excess surface water from heavy rains. The Utility also maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the City. The net position of the Stormwater Utility Fund increased \$5.7 million with 88% of the increase from capital contributions. Revenue and expenditures of the Utility were stable in 2013 and yielded an operating income of \$2.1 million, compared to \$1.5 million in 2012.

In the non-major business-type funds, the Golf Fund recorded a decrease of 10.7% in revenue and an increase in expenses of 5.4%, lowering the Fund's net position overall. The lower revenue was the result of fewer rounds played in 2013, a year with significantly more days of rain and snow. To provide financial assistance to the fund, an interfund loan with a long-term repayment plan is in place.

Also in the non-major business-type funds, the Transit Fund generated less revenue from fares in 2013 due to lower ridership, with operating costs increasing slightly. A 6.7% decline in net position resulted from operations. Operating revenues and transfers provided approximately 38% of the revenue for 2013, with the balance of funding from Federal and State grants.

General Fund Budgetary Highlights. Total revenue at year end fell short of projections in the original and final budgets, but was slightly above revenue in 2012. Expenditures were also below the projections of the adopted and final budgets, but 1.7% above expenditures in 2012. After transfers, the General Fund unencumbered fund balance increased \$2 million in 2013.

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 increases in franchise and sales taxes.



Expenditures remained relatively flat in all areas except public safety and general government functions. Within general government, public works administration and building services comprised 70% of the \$1.7 million increase. Police and fire services represent the bulk of public safety services and consume 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 2013 with a fund balance of \$25.3 million, which is 11.1% of the 2014 Adopted Budget and includes an appropriated reserve of \$14 million for emergency needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2013, the City of Wichita reported \$2.7 billion in capital assets net of depreciation, compared to \$2.6 billion at the end of 2012. 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.

	Governmental Activities		Business-type Activities		Total Primary Government		Percent Change
	2013	2012	2013	2012	2013	2012	
Land	\$ 294	\$ 261	\$ 43	\$ 41	\$ 337	\$ 302	11.6%
Airfield	-	-	39	43	39	43	(9.3%)
Buildings & improvements	219	219	966	921	1,185	1,140	3.9%
Equipment	35	30	45	47	80	77	3.9%
Infrastructure	586	555	-	-	586	555	5.6%
Construction in progress	73	92	430	404	503	496	1.4%
Total	\$ 1,207	\$ 1,157	\$ 1,523	\$ 1,456	\$ 2,730	\$ 2,613	4.5%

The most significant capital asset investments of 2013 in the business-type activities are listed below:

- Automated water meter project totaling \$8.1 million.
- Repairs and rehabilitation of water mains totaling \$5.9 million.
- Phase II of the aquifer storage and recharge project with additions totaling \$2 million.
- Sanitary sewer reconstruction and rehabilitation totaling \$4.7 million.

- Airport terminal construction totaling \$42.5 million.
- Airport parking facility construction totaling \$6.6 million.
- Stormwater Utility Meridian Drainage Outfall construction totaling \$1.6 million.

Major asset additions in 2013 in governmental activities included the following projects:

- Major arterial streets, including freeway expansion and interchange improvements totaling \$73.2 million.
- Bridge improvements totaling \$7.5 million.
- Neighborhood paving projects totaling \$3.5 million.
- Continued improvements at Botanica, the Wichita Gardens totaling \$1 million.
- Various improvements of park facilities and playgrounds totaling \$1.1 million.
- Replacement of fire apparatus totaling \$7.9 million.
- Replacement of heavy fleet equipment totaling \$2.1 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 \$893.8 million in outstanding bonds. The City also held \$326.3 million in general obligation temporary notes. The most significant temporary notes outstanding were held as follows: \$160 million in the Water Utility Fund, \$86.5 million in the Airport Authority Fund, and \$78.6 million in governmental capital project funds. Bonded debt of the City of Wichita decreased by \$111.6 million in 2013.

General Obligation and Revenue Bonds						
As of December 31						
(in millions of dollars)						
Revenue source	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Ad valorem property taxes	\$ 75.9	\$ 77.8	\$ -	\$ -	\$ 75.9	\$ 77.8
Special assessments	216.6	254.9	-	-	216.6	254.9
Tax increment	20.8	23.5	-	-	20.8	23.5
Transient guest tax	0.2	1.1	-	-	0.2	1.1
Local sales tax	122.2	152.4	-	-	122.2	152.4
G.O. and revenue	-	-	456.5	484.5	456.5	484.5
Wichita Public Building Commission	-	-	1.6	11.2	1.6	11.2
Total	\$ 435.7	\$ 509.7	\$ 458.1	\$ 495.7	\$ 893.8	\$ 1,005.4

Kansas State Statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2013 limitation for the City was \$1 billion, with a legal debt margin of \$918.7 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 BUDGET¹

Measured by unemployment, the local economy continues to perform better than the national economy. Wichita’s unemployment rate averaged 7% in 2013 compared to the national rate of 7.4%. The Wichita metropolitan statistical area fared even better averaging 6.3% in 2013.

The demand for new housing increased with new residential single-family permits rising more than 25% in 2013. Despite the rise in new home construction, the new permits are about a third of the level in the pre-recession year. The industrial and retail sectors reported improvement in 2013, with vacancy rates slightly above 2012 levels. Additionally, hotel occupancy rates rose by 1.8% in 2013, with several large new hotels scheduled to open in 2014. Construction of new apartments led the construction industry in 2013, but overall, the construction and mining sectors continued to shrink.

Important to the community is the continued revitalization of downtown, along with improving the walkability of the area. Many downtown projects have been completed in recent years and more are underway. Additional good news in 2013 was that Wichita’s Historic Union Station was under new ownership, with plans to renovate the 57,000 square foot building to include retail, restaurants, hospitality and office space, yet keeping the historic significance of the building in consideration. Each new project adds strength to the economic base of the City’s core area.

	Average Annual Unemployment Rate ²		
	Wichita	Wichita MSA	Nation
2008	4.8%	4.3%	5.8%
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%

Retail trade activity in the Wichita area generated increased general sales tax for the third consecutive year, indicating improved consumer confidence and an improved local economy. Under construction now is the GoodSports complex, a 65,000 square-foot multi-sports facility. The GoodSports facility is targeting national and regional tournaments, which will bring players and guests to the city. New retailers and restaurants continue to be attracted to the Wichita market, keeping the offerings fresh for residents and visitors alike.

The Wichita City Council decided in June 2011 to move forward with the construction of a new terminal at Wichita’s Mid-Continent 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 is currently under construction and is scheduled to open in early 2015.

Southwest Airlines committed to serving the Wichita market with five daily flights beginning in June 2013. Two flights daily are to Dallas Love Field, two to Chicago Midway and one to Las Vegas. Serving west-bound passengers is United Airlines, providing daily nonstop flights to Los Angeles beginning in May 2013. 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.

¹Economic information was drawn from information compiled by Wichita State University, Center for Economic Development and Business Research.

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

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION

December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
ASSETS				
Cash and cash equivalents	\$ 193,245,375	\$ 50,467,248	\$ 243,712,623	\$ -
Investments	4,219,458	-	4,219,458	-
Receivables (net of allowances for uncollectibles)	303,087,096	16,154,748	319,241,844	-
Internal balances	5,916,738	(5,916,738)	-	-
Prepaid items	189,451	959,414	1,148,865	-
Inventories	1,041,734	2,915,768	3,957,502	-
Due from other agencies	2,064,142	3,718,345	5,782,487	-
Notes receivable	4,936,730	-	4,936,730	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	211,462,245	211,462,245	-
Investments	-	-	-	235,911
Receivables	-	-	-	15,519
Net investment in direct financing leases	-	11,310,000	11,310,000	1,595,000
Permanently restricted:				
Cash and cash equivalents	181,570	-	181,570	-
Investments	53,867	-	53,867	-
Capital assets :				
Land and construction in progress	366,566,842	472,859,329	839,426,171	-
Other capital assets, net of depreciation	840,855,667	1,049,668,970	1,890,524,637	-
Total capital assets	<u>1,207,422,509</u>	<u>1,522,528,299</u>	<u>2,729,950,808</u>	<u>-</u>
Total assets	<u>1,722,358,670</u>	<u>1,813,599,329</u>	<u>3,535,957,999</u>	<u>1,846,430</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding costs	2,053,696	6,587,119	8,640,815	-
Total deferred outflows of resources	<u>2,053,696</u>	<u>6,587,119</u>	<u>8,640,815</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	26,689,348	13,201,967	39,891,315	-
Accrued interest payable	3,950,099	5,675,567	9,625,666	15,519
Temporary notes payable	75,147,191	239,729,916	314,877,107	-
Deposits	2,116,627	4,308,238	6,424,865	-
Deferred revenue	-	3,610,506	3,610,506	-
Due to other agencies	14,493	-	14,493	235,911
Noncurrent liabilities, including claims payable:				
Due within one year	72,616,930	36,086,012	108,702,942	1,595,000
Due in more than one year	462,205,651	451,517,535	913,723,186	-
Total liabilities	<u>642,740,339</u>	<u>754,129,741</u>	<u>1,396,870,080</u>	<u>1,846,430</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	96,404,119	-	96,404,119	-
Total deferred inflows of resources	<u>96,404,119</u>	<u>-</u>	<u>96,404,119</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	730,438,788	854,194,947	1,584,633,735	-
Restricted for:				
Capital projects	23,033,560	53,652,462	76,686,022	-
Debt service	226,947,251	-	226,947,251	-
Revenue bond covenants	-	117,762,729	117,762,729	-
Cemetery:				
Expendable	526,347	-	526,347	-
Nonexpendable	235,437	-	235,437	-
Other purposes	15,371,644	-	15,371,644	-
Unrestricted	(11,285,119)	40,446,569	29,161,450	-
Total net position	<u>\$ 985,267,908</u>	<u>\$ 1,066,056,707</u>	<u>\$ 2,051,324,615</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, 2013

	Program Revenues		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
General government	\$ 44,509,733	\$ 12,431,912	\$ 2,306,737
Public safety	129,626,865	6,635,837	3,279,654
Highways and streets	60,735,095	4,313,548	14,060,435
Sanitation	4,699,419	1,264,799	-
Health and welfare	29,919,373	5,138,357	23,187,193
Culture and recreation	34,624,247	4,633,699	4,115,942
Interest on long-term debt	15,656,198	-	-
Total governmental activities	319,770,930	34,418,152	46,949,961
Business-type activities:			
Water	50,066,025	64,789,466	-
Sewer	43,743,229	49,753,720	-
Airport	26,780,791	21,964,371	-
Stormwater	7,932,853	9,170,163	-
Transit	15,139,100	2,050,064	7,139,144
Golf Course System	4,764,861	4,182,180	-
Total business-type activities	148,426,859	151,909,964	7,139,144
Total primary government	\$ 468,197,789	\$ 186,328,116	\$ 54,089,105
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
 Prior period adjustments

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
\$ 843,838	\$ (28,927,246)	\$ -	\$ (28,927,246)	\$ -
280,220	(119,431,154)	-	(119,431,154)	-
10,008,731	(32,352,381)	-	(32,352,381)	-
-	(3,434,620)	-	(3,434,620)	-
-	(1,593,823)	-	(1,593,823)	-
-	(25,874,606)	-	(25,874,606)	-
-	(15,656,198)	-	(15,656,198)	-
<u>11,132,789</u>	<u>(227,270,028)</u>	<u>-</u>	<u>(227,270,028)</u>	<u>-</u>
5,152,945	-	19,876,386	19,876,386	-
3,676,047	-	9,686,538	9,686,538	-
18,084,277	-	13,267,857	13,267,857	-
4,961,237	-	6,198,547	6,198,547	-
1,227,926	-	(4,721,966)	(4,721,966)	-
-	-	(582,681)	(582,681)	-
<u>33,102,432</u>	<u>-</u>	<u>43,724,681</u>	<u>43,724,681</u>	<u>-</u>
<u>\$ 44,235,221</u>	<u>(227,270,028)</u>	<u>43,724,681</u>	<u>(183,545,347)</u>	<u>-</u>
<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	106,347,180	-	106,347,180	-
	58,519,220	-	58,519,220	-
	39,282,857	-	39,282,857	-
	13,398,168	-	13,398,168	-
	6,360,256	-	6,360,256	-
	827,489	486,563	1,314,052	-
	7,754,920	4,463,830	12,218,750	-
	2,405,568	(2,405,568)	-	-
	<u>234,895,658</u>	<u>2,544,825</u>	<u>237,440,483</u>	<u>-</u>
	7,625,630	46,269,506	53,895,136	-
	989,169,761	1,022,747,083	2,011,916,844	-
	(11,527,483)	(2,959,882)	(14,487,365)	-
	<u>\$ 985,267,908</u>	<u>\$ 1,066,056,707</u>	<u>\$ 2,051,324,615</u>	<u>\$ -</u>

CITY OF WICHITA, KANSAS

BALANCE SHEET GOVERNMENTAL FUNDS

December 31, 2013

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,108,040	\$ 26,142,120	\$ 45,160	\$ 36,332,461	\$ 88,627,781
Cash with fiscal agent	-	57,519,924	-	-	57,519,924
Investments	-	-	-	4,273,325	4,273,325
Receivables, net:					
Property taxes	70,447,851	24,980,465	-	-	95,428,316
Due from other agencies	-	-	-	2,064,142	2,064,142
Special assessments	-	195,375,000	-	-	195,375,000
Accounts	3,155,314	-	3,547,957	6,375,650	13,078,921
Due from other funds	19,611,960	4,924,179	-	41,712,983	66,249,122
Notes receivable	-	4,636,730	-	300,000	4,936,730
Inventories	47,423	-	-	48,976	96,399
Prepaid items	-	-	-	60,551	60,551
Total assets	<u>\$ 119,370,588</u>	<u>\$ 313,578,418</u>	<u>\$ 3,593,117</u>	<u>\$ 91,168,088</u>	<u>\$ 527,710,211</u>
LIABILITIES					
Accounts payable and other liabilities	\$ 13,683,267	\$ -	\$ 4,926,292	\$ 3,014,434	\$ 21,623,993
Accrued interest payable	-	-	35,392	77,175	112,567
Temporary notes payable	-	-	30,650,948	44,496,243	75,147,191
Deposits	1,572,876	293,246	62,876	187,629	2,116,627
Due to other agencies	-	-	-	14,493	14,493
Due to other funds	-	-	47,141,281	11,712,983	58,854,264
Total liabilities	<u>15,256,143</u>	<u>293,246</u>	<u>82,816,789</u>	<u>59,502,957</u>	<u>157,869,135</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	70,447,851	24,980,465	-	-	95,428,316
Unavailable revenue-special assessments	-	195,375,000	-	-	195,375,000
Unavailable revenue-forgivable loans	1,112,820	-	-	-	1,112,820
Unavailable revenue-other	-	4,636,730	-	4,663,249	9,299,979
Total deferred inflows of resources	<u>70,447,851</u>	<u>220,355,465</u>	<u>-</u>	<u>-</u>	<u>290,803,316</u>
FUND BALANCES (DEFICITS)					
Nonspendable	847,423	-	-	344,964	1,192,387
Restricted	-	88,292,977	-	54,353,565	142,646,542
Committed	-	-	-	15,590,339	15,590,339
Assigned	5,391,950	-	-	8,901,203	14,293,153
Unassigned	26,314,401	-	(79,223,672)	(52,188,189)	(105,097,460)
Total fund balances (deficits)	<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>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 118,257,768</u>	<u>\$ 308,941,688</u>	<u>\$ 3,593,117</u>	<u>\$ 86,504,839</u>	<u>\$ 517,297,412</u>

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, 2013

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

Total fund balance - governmental funds		\$ 68,624,961
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 1,638,746,429	
Accumulated depreciation	<u>(438,998,342)</u>	1,199,748,087
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	219,094,639	
Special assessment bonds payable	216,625,000	
Premium on bonds payable	22,225,211	
Accrued interest payable on the bonds	3,837,532	
Bond anticipation notes	3,465,300	
Compensated absences	8,940,623	
Other post employment benefits	12,462,497	
Environmental remediation liability	19,569,714	
Liability for landfill closure and post-closure costs	12,818,780	
Legal liability	2,284,557	
Liability for termination benefits	<u>449,017</u>	(521,772,870)
Deferred refunding resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements.		
		2,053,696
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.		
		8,324,176
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.		
		195,375,000
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>32,914,858</u>
Total net position - governmental activities		<u><u>\$ 985,267,908</u></u>

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, 2013

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 85,162,836	\$ 30,100,160	\$ -	\$ 10,842,609	\$ 126,105,605
Special assessments	-	33,055,594	11,965	601,161	33,668,720
Franchise taxes	39,282,857	-	-	-	39,282,857
Local sales tax	27,071,126	77,325	3,107,270	28,263,499	58,519,220
Intergovernmental	15,922,483	-	11,773,883	32,126,619	59,822,985
Licenses and permits	2,511,065	-	-	4,957,390	7,468,455
Fines and penalties	9,385,629	-	-	5,513	9,391,142
Rentals	2,787,441	99,323	-	1,513,390	4,400,154
Interest earnings	562,029	229,159	-	59,358	850,546
Charges for services and sales	8,233,095	-	-	2,819,116	11,052,211
Other	7,655,467	481,554	681,393	4,535,883	13,354,297
Total revenues	<u>198,574,028</u>	<u>64,043,115</u>	<u>15,574,511</u>	<u>85,724,538</u>	<u>363,916,192</u>
EXPENDITURES					
Current:					
General government	32,017,682	-	-	4,396,533	36,414,215
Public safety	119,604,914	-	-	9,968,737	129,573,651
Highways and streets	16,675,979	-	-	-	16,675,979
Sanitation	2,586,180	-	-	1,187,567	3,773,747
Health and welfare	3,803,344	-	-	28,050,598	31,853,942
Culture and recreation	27,490,261	-	-	2,888,467	30,378,728
Debt service:					
Principal retirement	-	51,671,665	8,251,509	2,213,673	62,136,847
Interest and fiscal charges	-	20,285,022	48,992	104,083	20,438,097
Capital outlay	-	-	87,648,499	20,731,592	108,380,091
Total expenditures	<u>202,178,360</u>	<u>71,956,687</u>	<u>95,949,000</u>	<u>69,541,250</u>	<u>439,625,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,604,332)</u>	<u>(7,913,572)</u>	<u>(80,374,489)</u>	<u>16,183,288</u>	<u>(75,709,105)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	-	-	14,066,723	2,223,577	16,290,300
Premiums on bonds sold	-	646,440	-	-	646,440
Payments on refunded bonds	-	(35,460,000)	-	-	(35,460,000)
Transfers from other funds	11,677,891	23,170,180	25,870,728	21,316,113	82,034,912
Transfers to other funds	(6,686,607)	(11,108,561)	(66,012)	(59,965,141)	(77,826,321)
Total other financing sources (uses)	<u>4,991,284</u>	<u>(22,751,941)</u>	<u>39,871,439</u>	<u>(36,425,451)</u>	<u>(14,314,669)</u>
Net change in fund balances	1,386,952	(30,665,513)	(40,503,050)	(20,242,163)	(90,023,774)
Fund balances (deficits) - beginning as previously reported	31,166,822	114,344,250	(38,720,622)	47,244,045	154,034,495
Prior period adjustment	-	4,614,240	-	-	4,614,240
Fund balances (deficits)- beginning as restated	<u>31,166,822</u>	<u>118,958,490</u>	<u>(38,720,622)</u>	<u>47,244,045</u>	<u>158,648,735</u>
Fund balances (deficits) - ending	<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>

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, 2013

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

Net change in position in total governmental funds	\$ (90,023,774)
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	\$ (29,954,258)
Net capital asset acquisition	<u>81,584,250</u>
	51,629,992
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.	(1,198,294)
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.	(77,382)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(16,290,300)
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.	(646,440)
The amortization of bond premiums decrease the long term liabilities in the statement of net position but does not provide current financial resources to governmental funds.	4,011,425
The amortization of refunding costs reduces deferred outflows in the statement of net position but does not provide current financial resources to governmental funds.	(683,327)
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	45,076,665
Special assessment bonds	41,705,000
Bond anticipation notes	10,465,182
Section 108 Housing & Urban Development loan	<u>350,000</u>
	97,596,847
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.	740,186
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 is shown as an expense on the statement of activities.	(43,819)
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.	1,585,614
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.	(38,330,000)
In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.	713,615
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.	(1,818,249)
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.	(279,470)
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.	(101,242)
In the statement of activities, an expense is recorded for environmental remediation obligations when the expected outlay is reasonably estimatable. In the governmental funds, an expense is recorded when paid.	504,378
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.	<u>335,870</u>
Change in net position of governmental activities	<u>\$ 7,625,630</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 83,750,616	\$ 83,750,616	\$ 85,162,836	\$ 1,412,220
Franchise taxes	39,495,365	39,495,365	39,282,857	(212,508)
Local sales tax	27,155,660	27,155,660	27,071,126	(84,534)
Intergovernmental	16,714,440	16,714,440	15,922,483	(791,957)
Licenses and permits	2,858,768	2,858,768	2,511,065	(347,703)
Fines and penalties	11,822,188	11,822,188	9,385,629	(2,436,559)
Rentals	2,516,665	2,516,665	2,267,190	(249,475)
Interest earnings	480,000	480,000	562,029	82,029
Charges for services and sales	10,192,896	10,192,896	7,894,592	(2,298,304)
Other	7,770,423	7,770,423	7,171,673	(598,750)
Total revenues	202,757,021	202,757,021	197,231,480	(5,525,541)
EXPENDITURES				
Current:				
General government	28,163,861	28,163,861	28,614,138	(450,277)
Public safety	119,991,140	119,991,140	119,649,984	341,156
Highways and streets	21,152,073	21,152,073	17,211,054	3,941,019
Sanitation	3,012,237	3,012,237	2,587,711	424,526
Health and welfare	5,508,884	5,508,884	3,778,499	1,730,385
Culture and recreation	29,257,013	29,257,013	27,452,547	1,804,466
Total expenditures	207,085,208	207,085,208	199,293,933	7,791,275
Deficiency of revenues under expenditures	(4,328,187)	(4,328,187)	(2,062,453)	2,265,734
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	11,195,815	11,195,815	10,637,891	(557,924)
Transfers to other funds	(6,867,628)	(6,867,628)	(6,572,427)	295,201
Total other financing sources (uses)	4,328,187	4,328,187	4,065,464	(262,723)
Net change in fund balances	-	-	2,003,011	2,003,011
Fund balance - beginning	23,124,934	23,124,934	23,336,963	212,029
Fund balance - ending	\$ 23,124,934	\$ 23,124,934	\$ 25,339,974	\$ 2,215,040

The accompanying notes to the financial statements are an integral part of this statement.
The 2013 certified expenditure budget is \$226,147,836 including an appropriated reserve of \$12,195,000.

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION PROPRIETARY FUNDS

December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and temporary investments	\$ 6,561,503	\$ 4,502,541	\$ 28,084,769
Receivables, net	15,510,747	38,890	382,857
Due from other funds	-	-	-
Due from other agencies	-	-	2,029,692
Inventories	2,488,901	119,666	-
Prepaid items	1,054	958,360	-
Restricted assets:			
Cash and temporary investments	16,716,163	11,763,645	65,576,420
Total current assets	41,278,368	17,383,102	96,073,738
Noncurrent assets:			
Restricted assets:			
Cash and temporary investments	98,741,858	18,664,159	-
Net investment in direct financing leases	-	-	11,310,000
Capital assets:			
Land	10,104,517	4,170,074	17,676,746
Airfield	-	-	150,951,326
Buildings	65,246,940	107,988,816	55,951,082
Improvements other than buildings	498,045,615	385,986,968	50,478,286
Machinery, equipment and other assets	51,402,042	49,317,184	21,742,765
Construction in progress	281,465,650	25,802,983	108,784,494
Less accumulated depreciation	(202,903,497)	(149,890,888)	(194,703,787)
Total capital assets (net of accumulated depreciation)	703,361,267	423,375,137	210,880,912
Due from other funds	-	-	-
Total noncurrent assets	802,103,125	442,039,296	222,190,912
Total assets	843,381,493	459,422,398	318,264,650
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	2,670,867	3,916,252	-
Total deferred outflows of resources	2,670,867	3,916,252	-

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
\$ 10,721,642	\$ 596,793	\$ 50,467,248	\$ 47,279,240
-	222,254	16,154,748	317,679
-	141,281	141,281	-
-	1,688,653	3,718,345	-
-	307,201	2,915,768	945,335
-	-	959,414	128,900
-	-	94,056,228	-
<u>10,721,642</u>	<u>2,956,182</u>	<u>168,413,032</u>	<u>48,671,154</u>
-	-	117,406,017	-
-	-	11,310,000	-
7,938,561	2,608,718	42,498,616	-
-	-	150,951,326	-
8,704,097	15,437,228	253,328,163	74,242
148,886,402	14,942,454	1,098,339,725	74,907
5,415,655	24,069,630	151,947,276	40,468,239
14,305,286	2,300	430,360,713	-
(22,744,193)	(34,655,155)	(604,897,520)	(32,942,966)
<u>162,505,808</u>	<u>22,405,175</u>	<u>1,522,528,299</u>	<u>7,674,422</u>
-	-	-	394,500
<u>162,505,808</u>	<u>22,405,175</u>	<u>1,651,244,316</u>	<u>8,068,922</u>
<u>173,227,450</u>	<u>25,361,357</u>	<u>1,819,657,348</u>	<u>56,740,076</u>
-	-	6,587,119	-
-	-	6,587,119	-

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION (CONTINUED) PROPRIETARY FUNDS December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 3,159,150	\$ 976,616	\$ 8,296,028
Accrued interest payable	319,447	-	327,525
Temporary notes payable	160,000,000	-	78,520,470
Deposits	4,282,612	7,305	16,161
Current portion of long-term obligations:			
General obligation bonds payable	-	-	8,472,593
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	564,998	311,466	482,846
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	-	-	80,416
Accrued interest payable	2,938,079	1,989,428	-
Revenue bonds payable	13,165,521	9,323,815	-
Total current liabilities	184,429,807	12,608,630	96,196,039
Noncurrent liabilities:			
Unearned revenue	-	-	3,610,506
Due to other funds	-	-	-
General obligation bonds payable	-	-	15,525,000
General obligation bonds unamortized premium	-	-	-
Revenue bonds payable	216,785,189	161,634,545	11,310,000
Revenue bonds unamortized premium	9,931,846	10,921,377	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	5,471	3,016	5,607
Total noncurrent liabilities	226,722,506	172,558,938	30,451,113
Total liabilities	411,152,313	185,167,568	126,647,152
NET POSITION			
Net investment in capital assets	313,460,341	247,742,607	138,060,312
Restricted for:			
Capital projects	17,620,014	125,352	35,878,957
Revenue bond covenants	91,780,661	25,982,068	-
Unrestricted	12,039,031	4,321,055	17,678,229
Total net position	\$ 434,900,047	\$ 278,171,082	\$ 191,617,498

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
\$ 308,674	\$ 381,083	\$ 13,121,551	\$ 2,780,798
95,439	5,649	748,060	-
1,209,446	-	239,729,916	-
-	2,160	4,308,238	-
2,715,284	660,000	11,847,877	-
-	-	-	7,815,084
-	-	-	161,624
111,028	278,461	1,748,799	366,463
-	-	80,416	-
-	-	4,927,507	-
-	-	22,489,336	-
<u>4,439,871</u>	<u>1,327,353</u>	<u>299,001,700</u>	<u>11,123,969</u>
-	-	3,610,506	-
-	7,930,639	7,930,639	-
24,150,076	695,000	40,370,076	-
549,490	-	549,490	-
-	-	389,729,734	-
-	-	20,853,223	-
-	-	-	10,549,310
-	-	-	273,446
588	330	15,012	5,873
<u>24,700,154</u>	<u>8,625,969</u>	<u>463,058,680</u>	<u>10,828,629</u>
<u>29,140,025</u>	<u>9,953,322</u>	<u>762,060,380</u>	<u>21,952,598</u>
133,881,512	21,050,175	854,194,947	7,239,352
-	28,139	53,652,462	-
-	-	117,762,729	-
10,205,913	(5,670,279)	38,573,949	27,548,126
<u>\$ 144,087,425</u>	<u>\$ 15,408,035</u>	<u>\$ 1,064,184,087</u>	<u>\$ 34,787,478</u>

Total net position \$ 1,064,184,087

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

1,872,620

Net position of business-type activities

\$ 1,066,056,707

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges for services and sales	\$ 64,618,096	\$ 49,730,731	\$ 2,924,467
Fees	135,901	-	3,442,445
Rentals	35,469	22,989	15,597,459
Employer contributions	-	-	-
Employee contributions	-	-	-
Other	177,085	8,797	2,034,974
Total operating revenues	<u>64,966,551</u>	<u>49,762,517</u>	<u>23,999,345</u>
OPERATING EXPENSES			
Personnel services	9,549,396	9,585,333	8,496,196
Contractual services	12,646,777	7,269,935	3,559,920
Materials and supplies	4,726,101	3,440,703	4,557,408
Cost of materials used	-	-	-
Other	761,172	459,994	174,844
Administrative charges	738,797	279,057	275,227
Franchise taxes and payments in lieu of delinquent specials	4,099,364	2,353,603	-
Depreciation	10,753,615	12,794,177	8,593,178
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	<u>43,275,222</u>	<u>36,182,802</u>	<u>25,656,773</u>
Operating income (loss)	<u>21,691,329</u>	<u>13,579,715</u>	<u>(1,657,428)</u>
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	-	-
Gain on investments	-	-	486,563
Other revenues (expenses)	180,709	11,706	-
Interest expense	(7,255,587)	(7,795,783)	(1,291,854)
Gain (loss) from sale of assets	(19)	-	(86,542)
Actuarial reserve adjustment	-	-	-
Bond premium amortization	859,176	847,116	-
Total nonoperating revenues (expenses)	<u>(6,215,721)</u>	<u>(6,936,961)</u>	<u>(891,833)</u>
Income (loss) before contributions and transfers	15,475,608	6,642,754	(2,549,261)
Capital contributions and operating transfers:			
Capital contributions - cash	3,348,811	1,452,999	18,084,277
Capital contributions - non cash	1,804,134	2,223,048	-
Transfers from other funds	-	-	-
Transfers to other funds	<u>(2,427,898)</u>	<u>(1,872,215)</u>	<u>(957,793)</u>
Change in net position	18,200,655	8,446,586	14,577,223
Net position - beginning as previously reported	418,537,878	270,806,003	177,040,275
Prior period adjustment	<u>(1,838,486)</u>	<u>(1,081,507)</u>	<u>-</u>
Net position - beginning as restated	416,699,392	269,724,496	177,040,275
Net position - ending	<u>\$ 434,900,047</u>	<u>\$ 278,171,082</u>	<u>\$ 191,617,498</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
\$ 9,170,163	\$ 2,526,299	\$ 128,969,756	\$ 16,351,388
-	2,816,398	6,394,744	-
-	889,547	16,545,464	8,570,524
-	-	-	32,723,684
-	-	-	8,579,414
29,404	257,640	2,507,900	1,292,466
<u>9,199,567</u>	<u>6,489,884</u>	<u>154,417,864</u>	<u>67,517,476</u>
2,251,091	9,205,597	39,087,613	7,190,850
2,033,539	3,890,064	29,400,235	6,637,253
338,858	3,069,624	16,132,694	8,723,470
-	-	-	(272,736)
39,638	-	1,435,648	-
92,560	406,493	1,792,134	589,519
-	-	6,452,967	-
2,383,405	3,367,329	37,891,704	2,726,550
-	-	-	33,188,562
-	-	-	5,468,261
<u>7,139,091</u>	<u>19,939,107</u>	<u>132,192,995</u>	<u>64,251,729</u>
2,060,476	(13,449,223)	22,224,869	3,265,747
-	7,139,144	7,139,144	-
-	-	486,563	-
-	(60,366)	132,049	(2,976)
(854,071)	(97,303)	(17,294,598)	(13,363)
(50,680)	(16,943)	(154,184)	252,987
-	-	-	929,960
70,126	-	1,776,418	-
<u>(834,625)</u>	<u>6,964,532</u>	<u>(7,914,608)</u>	<u>1,166,608</u>
1,225,851	(6,484,691)	14,310,261	4,432,355
151,615	1,369,207	24,406,909	-
4,809,622	-	8,836,804	77,382
-	3,489,080	3,489,080	250,000
<u>(520,972)</u>	<u>(115,770)</u>	<u>(5,894,648)</u>	<u>(2,053,023)</u>
5,666,116	(1,742,174)	45,148,406	2,706,714
138,461,198	17,150,209	1,021,995,563	32,080,764
<u>(39,889)</u>	<u>-</u>	<u>(2,959,882)</u>	<u>-</u>
138,421,309	17,150,209	1,019,035,681	32,080,764
<u>\$ 144,087,425</u>	<u>\$ 15,408,035</u>	<u>\$ 1,064,184,087</u>	<u>\$ 34,787,478</u>

Increase in net position per fund statements \$ 45,148,406

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

1,121,100

Change in net position of business-type activities \$ 46,269,506

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 66,809,952	\$ 49,758,174	\$ 19,812,197
Cash payments to suppliers for goods and services	(19,346,455)	(12,428,058)	(5,103,032)
Cash payments to employees for services	(9,505,707)	(9,576,496)	(8,501,656)
Franchise taxes and payments in lieu of delinquent specials	(4,099,364)	(2,353,603)	-
Other operating revenues	177,085	8,797	2,034,974
Other operating expenses	-	-	-
Net cash provided by (used in) operating activities	34,035,511	25,408,814	8,242,483
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Interfund loans	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(2,427,898)	(1,872,215)	(957,793)
Net cash provided by (used in) noncapital financing activities	(2,427,898)	(1,872,215)	(957,793)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of temporary notes	160,000,000	-	78,520,470
Issuance of bond anticipation notes	-	-	7,932,593
Retirement of temporary notes	(160,000,000)	-	-
Additions to property, plant and equipment	(22,028,704)	(8,000,634)	(56,422,066)
Principal payment on long-term debt and capital lease	(13,546,404)	(10,290,294)	(520,000)
Interest payment on long-term debt and capital lease	(11,274,290)	(8,332,723)	(742,250)
Debt service - other expenses	-	-	-
Proceeds from sale of assets	-	-	11,066
Capital contributions	3,348,811	1,277,121	18,704,367
Net cash provided by (used in) capital and related financing activities	(43,500,587)	(25,346,530)	47,484,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	-	1,902
Net cash provided by investing activities	-	-	1,902
Net increase (decrease) in cash and temporary investments	(11,892,974)	(1,809,931)	54,770,772
Cash and temporary investments - January 1	133,912,498	36,740,276	38,890,417
Cash and temporary investments - December 31	\$ 122,019,524	\$ 34,930,345	\$ 93,661,189

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
\$ 9,170,163	\$ 6,102,321	\$ 151,652,807	\$ 66,378,979
(2,288,793)	(8,087,633)	(47,253,971)	(53,559,283)
(2,253,646)	(9,229,145)	(39,066,650)	(7,195,369)
-	-	(6,452,967)	-
29,404	41,050	2,291,310	1,292,466
(39,638)	-	(39,638)	-
<u>4,617,490</u>	<u>(11,173,407)</u>	<u>61,130,891</u>	<u>6,916,793</u>
-	5,940,190	5,940,190	-
-	1,826,960	1,826,960	-
-	3,489,080	3,489,080	250,000
(520,972)	(115,770)	(5,894,648)	(2,053,023)
<u>(520,972)</u>	<u>11,140,460</u>	<u>5,361,582</u>	<u>(1,803,023)</u>
1,209,446	-	239,729,916	-
-	-	7,932,593	-
(183,950)	-	(160,183,950)	-
(2,179,097)	(1,629,440)	(90,259,941)	(2,633,228)
(2,935,030)	(310,061)	(27,601,789)	(181,261)
(895,688)	(99,990)	(21,344,941)	(13,363)
-	-	-	(2,976)
-	-	11,066	374,749
<u>151,615</u>	<u>1,624,717</u>	<u>25,106,631</u>	<u>-</u>
<u>(4,832,704)</u>	<u>(414,774)</u>	<u>(26,610,415)</u>	<u>(2,456,079)</u>
-	-	1,902	-
-	-	1,902	-
(736,186)	(447,721)	39,883,960	2,657,691
<u>11,457,828</u>	<u>1,044,514</u>	<u>222,045,533</u>	<u>44,621,549</u>
<u>\$ 10,721,642</u>	<u>\$ 596,793</u>	<u>\$ 261,929,493</u>	<u>\$ 47,279,240</u>

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 21,691,329	\$ 13,579,715	\$ (1,657,428)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,753,615	12,794,177	8,593,178
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,795,590	4,454	(2,028,540)
Increase in inventory	(471,697)	(19,356)	-
Increase (decrease) in prepaid items	-	(414,767)	22,304
Increase (decrease) in accounts payable/accrued expenses	(1,911)	(544,246)	3,442,063
Increase (decrease) in deposits	224,896	-	149
(Decrease) in deferred revenue	-	-	(123,782)
Increase (decrease) in compensated absences	43,689	8,837	(5,461)
Total adjustments	12,344,182	11,829,099	9,899,911
Net cash provided by (used in) operating activities	\$ 34,035,511	\$ 25,408,814	\$ 8,242,483

Supplemental Schedule of Non-Cash Investing and Financing Activities

Assets contributed by benefit districts	\$ 1,196,506	\$ 2,223,048	\$ -
Contribution of capital assets	-	-	-
Capital contributed for capital purposes	607,628	-	-
Increase in net investment in direct financing leases	-	-	60,000
Decrease in revenue bonds payable	-	-	(60,000)
Increase in interest receivable on direct financing leases	-	-	(60,000)
Decrease in accrued interest payable on revenue bonds	-	-	60,000
Interest income on investment in direct financing leases	-	-	807,193
Interest expense on revenue bonds payable	-	-	(807,193)

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
\$ 2,060,476	\$ (13,449,223)	\$ 22,224,869	\$ 3,265,747
2,383,405	3,367,329	37,891,704	2,726,550
-	(344,286)	(572,782)	153,969
-	-	(491,053)	(182,793)
-	-	(392,463)	(100,622)
176,164	(723,466)	2,348,604	1,058,461
-	(214)	224,831	-
-	-	(123,782)	-
(2,555)	(23,547)	20,963	(4,519)
2,557,014	2,275,816	38,906,022	3,651,046
\$ 4,617,490	\$ (11,173,407)	\$ 61,130,891	\$ 6,916,793

\$ -	\$ -	\$ 3,419,554	\$ -
4,809,622	-	4,809,622	77,382
-	-	607,628	-
-	-	60,000	-
-	-	(60,000)	-
-	-	(60,000)	-
-	-	60,000	-
-	-	807,193	-
-	-	(807,193)	-

CITY OF WICHITA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2013

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and temporary investments	\$ 806,493	\$ 2,673,427
Receivables:		
Investment sales pending	20,684,984	-
Interest and dividends	2,788,710	-
Accounts	1,030,540	990,342
Total receivables	24,504,234	990,342
Investments, at fair value:		
Government short-term investment fund	28,810,870	-
Government securities: long-term	41,769,993	2,369,564
Corporate debt instruments: long-term	86,308,355	-
Mortgage and asset-backed securities	73,863,160	-
Corporate stocks: domestic common	438,046,582	-
Corporate stocks: international common	204,117,335	-
Real estate	62,009,396	-
Timber	24,854,838	-
Value of interest in pooled funds: target date funds	2,756,523	-
Value of interest in pooled funds: international fixed income	6,970,523	-
Value of interest in pooled funds: high yield fixed income	8,953,804	-
Value of interest in pooled funds: U.S. TIPS	24,676,427	-
Value of interest in pooled funds: domestic equities	131,201,951	-
Value of interest in pooled funds: international equities	44,928,301	-
Securities lending short-term collateral investment pool	81,956,461	-
Total investments	1,261,224,519	2,369,564
Capital assets:		
Pension software	1,295,837	-
Accumulated depreciation	(1,005,226)	-
Capital assets net of depreciation	290,611	-
Total assets	1,286,825,857	6,033,333
LIABILITIES		
Accounts payable and accrued expenses	1,235,509	1,039,144
Compensated absences	-	-
Investment purchases pending	35,069,489	-
Security lending obligations	81,956,461	-
Deposits	-	4,994,189
Total liabilities	118,261,459	6,033,333
NET POSITION		
Held in trust for:		
Employees' pension benefits	1,168,564,398	-
Total net position	\$ 1,168,564,398	\$ -

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, 2013

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 23,996,680
Employee	8,028,412
Total contributions	32,025,092
Investment income:	
From investment activities	
Net appreciation in fair value of investments	171,885,510
Interest and dividends	28,434,475
Commission recapture	32,688
Total investment earnings	200,352,673
Less investment expense	5,294,099
Net income from investing activities	195,058,574
From securities lending activities	
Securities lending income	251,167
Securities lending activities expenses:	
Borrower rebates	(106,127)
Management fees	98,784
Total securities lending activities expenses	(7,343)
Net income from securities lending activities	258,510
Total net investment income	195,317,084
Transfers from other funds	2,465,600
Total additions	229,807,776
DEDUCTIONS	
Pension benefits	66,531,806
Pension administration	879,766
Depreciation	182,543
Employee contributions refunded	1,982,959
Transfers to other funds	2,465,600
Total deductions	72,042,674
Change in net position	157,765,102
Net position - beginning	1,010,799,296
Net position - ending	\$ 1,168,564,398

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



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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 buildings or facilities 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. Additionally, the City of Wichita is liable on a contingent basis and will make rental payments, if necessary, to supplement rental payments in connection with the City/County "wrap-around" obligation for the State Office Building. (Refer to Note 19.E. - Public Building Commission Lease, for further disclosure.) The WPBC is presented as a proprietary fund type.

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-15 and the Statement of Activities on page A-16) 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. Funds certified to the State of Kansas and reported as subfunds of the General Fund are the Permanent Reserve Fund and the Economic Development Fund. Schedules for the certified funds and subfunds 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 the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis and to account for the City's self insurance activities.

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, community improvement districts, special neighborhood revitalization funds, and payments in lieu of taxes related to industrial revenue bonds.

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 and those of the Wichita Public Building Commission). 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 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.

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

K. Franchise Taxes

Franchise taxes are collected from utilities for use right of ways. Annually, the Water Utility and Sewer Utility pay to the General Fund of the City 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 is reporting the deferred charges on refunding in the business-type and government-wide statements 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.

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. Arising from the use of the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet and in government-wide statement of net position. The City is reporting 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.

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 asset; 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.

Government Accounting Standard 54, implemented in 2011, changed the reporting classifications of governmental fund balances. 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 can only be used for the specific purpose imposed with a majority vote by quorum of the governing body of the City of Wichita. Any changes or removal of specific purposes requires a majority vote by a quorum of the governing body.

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 19.D 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 No. 67, Financial Reporting for Pension Plans, was issued in 2012. GASB Statement 67 revises existing guidance for the financial reports of most pension plans. The Statement enhances reporting requiring additional note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans. Statement 67 also requires presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in ten-year RSI schedules. The provisions of Statement 67 are effective for financial statements for the City’s fiscal year ending December 31, 2014.

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 amount expected to be the equivalent of the unfunded actuarial accrued liabilities 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 69, Government Combinations and Disposals of Government Operations, provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. GASB 69 may apply to transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged, including shared service arrangements, reorganizations, redistricting, or arrangements in which an operation is transferred to a new government created to provide those services. This statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of GASB Statement 69 are effective for government combinations and disposals occurring in reporting periods beginning after December 15, 2013 and should be applied on a prospective basis.

GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, provides accounting and financial reporting guidance to governments that offer or receive nonexchange financial guarantees, which are commitments to ensure payments on an obligation of a legally separate entity or individual. The provisions of GASB Statement 70 are effective for reporting periods beginning after June 15, 2013.

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 statement for the City's fiscal year ending December 31, 2015.

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	\$ 1,386,952	\$ 32,553,774
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	458,900	(15,959)
Cancellation of prior year encumbrances	30,494	-
Expenditures due to current year encumbrances	(981,239)	(981,239)
Less subfund balances included for GAAP		
Permanent Reserve Subfund	-	(1,821,848)
Economic Development Subfund	1,107,904	(4,394,754)
General Fund - budgetary basis	<u>\$ 2,003,011</u>	<u>\$ 25,339,974</u>

4. Fund Balance Deficits

At December 31, 2013, 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, 2013.

Primary Government	Fund Balance Deficits
Street Improvement fund	\$ 79,223,672
Nonmajor governmental funds	
WAMPO *	28,339
Water Main Extension	1,616,594
Park Bond Construction	3,030,397
Public Improvement Construction	33,468,344
Sewer Construction	11,547,788
ARRA Projects	2,496,727
Total Reporting Entity	\$ 131,411,861

*Wichita Area Metropolitan Area Planning Organization

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, 2013, the City had deposits in five banks totaling \$29,601,492 with assets pledged by the banks as collateral with a fair value of \$47,288,594.

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;
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, 2013, the City's pooled funds were invested as follows:

Investment type	Book Value	Modified Duration (years)	Percent of Total Pooled Funds
U.S. Treasury coupon securities	\$ 6,004,471	0.742	2.0%
U.S. agency coupon securities	51,991,490	1.354	17.6%
U.S. agency callable securities	3,993,651	1.620	1.4%
U.S. agency discount securities	176,586,649	0.449	59.6%
Municipal Investment Pool-Overnight*	32,264,281	-	10.9%
Collateralized deposits	25,185,087	-	8.5%
Total value	<u>\$ 296,025,629</u>		<u>100.0%</u>
Portfolio modified duration		<u>0.679</u>	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013, 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 AAAs/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, 2013, 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
U.S. Treasury	\$ 6,004,471	2.0%
Federal Farm Credit Bank	17,999,481	6.1%
Federal Home Loan Bank	66,156,662	22.4%
Federal Home Loan Mortgage Corp.	110,426,058	37.3%
Federal National Mortgage Assoc.	37,989,589	12.8%
Municipal Investment Pool	32,264,281	10.9%
Collateralized deposits	25,185,087	8.5%
Total value	\$296,025,629	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, 2013, 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	\$ 18,644,689	0.041	100.0%
Total value	\$ 18,644,689		100.0%
Total modified duration		0.041	

Additionally, general obligation temporary note proceeds for future capital projects of the Water Utility were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Note Proceeds Investments
Municipal Investment Pool-Overnight*	\$ 40,105,655	-	100.0%

Total value	\$ 40,105,655	100.0%
Total modified duration	-	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013, \$17,211,177 was invested with the Municipal Investment Pool – Overnight. The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013 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, 2013, 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% by be invested in equity mutual funds.

C. Investments of the Wichita Public Building Commission

Deposits and investments of \$235,911 for the Wichita Public Building Commission are invested by trustees and are held under trust indentures. A formal investment policy is not maintained. On December 31, 2013, \$235,911 was invested in Treasury money market funds.

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, and timber.

The investments of the Wichita Retirement Systems (WRS) on December 31, 2013 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 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, 2013, the WRS' cash deposits in the amount of \$806,493 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.

Type of Investment	Fair Value
Government short-term investment fund	\$ 28,810,870
Government securities, long-term	41,769,993
Corporate debt instruments, long-term	86,308,355
Mortgage and asset-backed securities	73,863,160
Corporate stocks, domestic common	438,046,582
Corporate stocks, international common	204,117,335
Real estate	62,009,396
Timber	24,854,838
Value of interest in pooled funds, target date funds	2,756,523
Value of interest in pooled funds, international fixed income	6,970,523
Value of interest in pooled funds, high yield fixed income	8,953,804
Value of interest in pooled funds, U.S. TIPS	24,676,427
Value of interest in pooled funds, domestic equities	131,201,951
Value of interest in pooled funds, international equities	44,928,301
Securities lending short-term collateral investment pool	81,956,461
Total investments	<u>\$ 1,261,224,519</u>

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, 2013, the duration of the Index was 5.39 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.31 years and 6.46 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, 2013, the duration of the Index was 6.83 years, which equated to a minimum and maximum range for each TIPS portfolio of 5.46 years and 8.20 years, respectively.

The modified duration of investments on December 31, 2013 is as follows:

Investment Type	Fair Value	Percent of all Fixed Income Assets	Weighted Average Modified Duration (years)
Government securities, long-term	\$ 41,769,993	15.4%	5.1
Corporate debt instruments, long-term	86,308,355	31.8	3.6
Mortgage and asset-backed securities	73,863,160	27.2	2.9
Actively managed investments	201,941,508	74.4	3.6
Government short-term investment fund	28,810,870	10.6	.1
Pooled U.S. TIPS fund	24,676,427	9.1	7.4
Pooled high yield fixed income securities	8,953,804	3.3	2.7
Pooled international fixed income securities	6,970,523	2.6	6.0
Total investment in debt securities	\$271,353,132	100.0%	

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 2013, 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.

The table at the right shows the debt investments held by the WRS on December 31, 2013 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.

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, 2013. 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, 2013 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 Plan Net Position and the total changes in fair value for the year are included as investment income in the Statement of Changes in Plan 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 Plan 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.

Quality Rating	Total Debt Securities
AAA	\$ 54,104,139
AA+	73,463,539
AA	5,590,258
AA-	3,044,520
A+	8,784,269
A	23,793,999
A-	27,097,829
BBB+	12,778,254
BBB	9,922,196
BBB-	3,985,290
BB+	3,408,511
BB	455,702
BB-	9,427,393
B+	14,040
B	607,056
B-	512,382
CCC+	23,850
CCC	2,070,150
CCC-	223,503
CC	933,140
D	2,300,546
Not rated	1,696
Total credit risk debt securities	242,542,262
Government short-term investment fund*	28,810,870
Total investment in debt securities	\$ 271,353,132

* The average quality of the holdings of the Government Short-Term Investment Fund on December 31, 2013 was A-1+P1.

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Market Value	Counterparty (Counterparty Rating)
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Investment revenue:				
Credit default swap written	\$ 7,813	\$ 270,000	\$ 4,241	
Fixed income futures short	482,511	(4,400,000)	-	
Fixed income options written	6,031	-	-	
Futures options bought	10,116	13,000	31,453	
Futures options written	70,623	(24,000)	(10,719)	
FX forwards	29,842	567,673	35,408	Barclays Bank PLC Wholesale (A)
FX forwards	413,509	3,914,431	136,361	State Street Bank London (A+)
Pay fixed interest rate swaps	2,871	-	-	
Total return bond swap	30,659	-	-	
Rights	71,051	-	-	
Investment loss:				
Credit default swap bought	(50,571)	1,060,000	(90,364)	Goldman Sachs & Co (A-)
Fixed income futures long	(419,367)	3,300,000	-	
Fixed income options bought	(5,200)	-	-	
Foreign currency options bought	(20,630)	30,300	9,858	
FX forwards	(104,296)	8,451,399	(35,800)	Citibank N.A. Total (A)
	<u>\$ 524,962</u>	<u>\$13,182,803</u>	<u>\$ 80,438</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, 2013 is presented in the accompanying table.

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	\$ 5,882	\$ -	\$ 10,016,190
Canadian dollar	16,666	-	1,332,807
Danish krone	-	-	1,322,257
Euro	97,320	-	73,376,339
Hong Kong dollar	6	-	3,243,676
Japanese yen	-	-	40,470,598
New Zealand dollar	-	-	45,825
Norwegian krone	9,781	-	380,580
Pound sterling	85,468	-	47,206,099
Singapore dollar	79,195	-	4,438,026
Swedish krona	-	-	1,597,518
Swiss franc	43,580	-	18,531,738
International mutual funds (various currencies)	-	6,970,523	44,928,301
Total subject to foreign currency risk	<u>\$ 337,898</u>	<u>\$ 6,970,523</u>	<u>\$ 246,889,954</u>

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2013, the Systems held forward currency contracts with an unrealized gain of \$136,763. 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 market value of the loaned securities, international equity securities for initial collateral of 105% of the market 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 market 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 market 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 Plan 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 41 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, \$81,956,461 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2013.

6. Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2013 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>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 260,521	\$ 34,276	\$ (1,174)	\$ -	\$ 293,623
Construction in progress	91,735	37,331	(56,122)	-	72,944
Total capital assets, not being depreciated	<u>352,256</u>	<u>71,607</u>	<u>(57,296)</u>	-	<u>366,567</u>
Capital assets, being depreciated:					
Buildings	286,903	2,234	(612)	-	288,525
Improvements other than buildings	85,405	4,778	-	-	90,183
Machinery, equipment and other assets	106,178	12,613	(6,269)	-	112,522
Infrastructure	<u>771,907</u>	<u>49,660</u>	<u>-</u>	<u>-</u>	<u>821,567</u>
Total capital assets being depreciated	<u>1,250,393</u>	<u>69,285</u>	<u>(6,881)</u>	<u>-</u>	<u>1,312,797</u>
Less accumulated depreciation for:					
Buildings	(123,114)	(3,382)	602	-	(125,894)
Improvements other than buildings	(30,281)	(3,155)	-	-	(33,436)
Machinery, equipment and other assets	(76,034)	(7,412)	6,042	-	(77,404)
Infrastructure	<u>(216,477)</u>	<u>(18,731)</u>	<u>-</u>	<u>-</u>	<u>(235,208)</u>
Total accumulated depreciation	<u>(445,906)</u>	<u>(32,680)</u>	<u>6,644</u>	<u>-</u>	<u>(471,942)</u>
Total capital assets, being depreciated, net	<u>804,487</u>	<u>36,605</u>	<u>(237)</u>	<u>-</u>	<u>840,855</u>
Governmental activities capital assets, net	<u>\$ 1,156,743</u>	<u>\$ 108,212</u>	<u>\$ (57,533)</u>	<u>\$ -</u>	<u>\$ 1,207,422</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 40,943	\$ 1,555	\$ -	\$ -	\$ 42,498
Construction in progress	403,556	89,247	(62,442)	-	430,361
Total capital assets, not being depreciated	<u>444,499</u>	<u>90,802</u>	<u>(62,442)</u>	<u>-</u>	<u>472,859</u>
Capital assets, being depreciated:					
Airfields	150,077	874	-	-	150,951
Buildings	246,373	6,966	(11)	-	253,328
Improvements other than buildings	1,038,440	60,395	(495)	-	1,098,340
Machinery, equipment and other assets	<u>146,591</u>	<u>8,313</u>	<u>(2,957)</u>	<u>-</u>	<u>151,947</u>
Total capital assets being depreciated	<u>1,581,481</u>	<u>76,548</u>	<u>(3,463)</u>	<u>-</u>	<u>1,654,566</u>
Less accumulated depreciation for:					
Airfields	(107,281)	(4,663)	-	-	(111,944)
Buildings	(107,902)	(4,987)	-	-	(112,889)
Improvements other than buildings	(255,506)	(17,527)	28	-	(273,005)
Machinery, equipment and other assets	<u>(99,109)</u>	<u>(10,714)</u>	<u>2,764</u>	<u>-</u>	<u>(107,059)</u>
Total accumulated depreciation	<u>(569,798)</u>	<u>(37,891)</u>	<u>2,792</u>	<u>-</u>	<u>(604,897)</u>
Total capital assets, being depreciated, net	<u>1,011,683</u>	<u>38,657</u>	<u>(671)</u>	<u>-</u>	<u>1,049,669</u>
Business-type activities capital assets, net	<u>\$ 1,456,182</u>	<u>\$ 129,459</u>	<u>\$ (63,113)</u>	<u>\$ -</u>	<u>\$ 1,522,528</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities					
Capital assets, being depreciated:					
Machinery, equipment and other assets	\$ 1,296	\$ -	\$ -	\$ -	\$ 1,296
Less accumulated depreciation for:					
Machinery, equipment and other assets	(822)	(183)	-	-	(1,005)
Total capital assets, being depreciated, net	<u>474</u>	<u>(183)</u>	<u>-</u>	<u>-</u>	<u>291</u>
Fiduciary activities capital assets, net	<u>\$ 474</u>	<u>\$ (183)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291</u>

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

	Current Year Depreciation
Governmental activities:	
General government	\$ 2,512
Public safety	2,310
Highways and streets, including depreciation of general infrastructure assets	20,045
Sanitation	127
Health and welfare	767
Culture and recreation	4,192
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	<u>2,727</u>
Total depreciation expense-governmental activities	<u>\$ 32,680</u>
Business-type activities:	
Water Utility	\$ 10,754
Sewer Utility	12,794
Airport Authority	8,593
Stormwater Utility	2,383
Nonmajor enterprise funds	<u>3,367</u>
Total depreciation expense-business-type activities	<u>\$ 37,891</u>
Fiduciary activities	
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 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 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 market or 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 market value exceeded 5% or more of net assets available for benefits. There are no long-term contracts for contributions.

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.

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 2013 was 12.6% 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 2013, the City's annual pension cost of \$7,990,502 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, 2011 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used in this valuation included (a) a rate of return on the investment of present and future assets of 7.75% 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 (3.5% attributable to inflation and 0.5% 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.

The market 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 market and expected value.

With the smoothing method, portions of investment gains are deferred and currently represent about 4% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$22 million 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 93% to 97% and the actuarially determined contribution rate would decrease from 12.2% to 10.1%.

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, 2013, the amortization period was 20 years.

The funded status for the WERS as of December 31, 2013, 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)
\$ 542,157	\$ 582,386	\$ 40,229	93.1%	\$ 70,953	56.7%

The schedule of funding progress, presented as required supplementary information (following the notes to the financial statements), reflects multiyear 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
12/31/11	\$ 6,596,124	100%	\$ -
12/31/12	6,471,423	100%	-
12/31/13	7,990,502	100%	-

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.

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 7% to 8% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2013 was 22.8% 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 2013, the City's annual pension cost of \$14,889,714 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2011 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used included (a) a rate of return on the investment of present and future assets of 7.75% 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 (3.5% attributable to inflation and 0.5% 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.

The market 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 market and expected value.

With the smoothing method, portions of investment gains are deferred and currently represent about 5% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$27 million 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 92% to 97% and the actuarially determined contribution rate would decrease from 21.3% to 18.5%.

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 payrolls on an open basis. At December 31, 2013, the amortization period was 20 years.

The funded status of WPFERS as of December 31, 2013, 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)
\$ 571,262	\$ 617,748	\$ 46,486	92.5%	\$ 65,306	71.2%

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

Three Year Trend Information SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/11	\$ 13,806,880	100%	\$ -
12/31/12	14,113,014	100%	-
12/31/13	14,889,714	100%	-

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, 2013, membership totaled 601. 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, 2013, employee and employer contributions to Plan 3 totaled \$1,116,240 and \$1,116,464, 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.

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, 2013, the City recorded a liability of \$3,287,329 for estimated claims pending. Net position on December 31, 2013 was \$10,495,067.

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, 2013, the City recorded a liability of \$10,180,581 for estimated probable claims pending. Net position at December 31, 2013 was \$3,608,750.

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, 2013, net position totaled \$698,731.

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 \$2,000,000 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 \$10 million with a \$2 million self insured retention.

At December 31, 2013, the City recorded a liability of \$4,871,484 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, 2013, net position totaled \$6,198,850.

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2012	\$ 3,110,121	\$ 9,168,509	\$ 1,524,721	\$10,693,230	\$ 2,988,963
2013	2,963,958	10,693,230	(512,649)	10,180,581	2,883,308
General Liability					
2012	1,625,933	3,203,250	2,188,058	5,391,308	1,770,186
2013	2,504,303	5,391,308	(519,824)	4,871,484	1,619,448
Health Insurance					
2012	32,396,476	2,974,147	210,669	3,184,816	3,184,816
2013	32,515,764	3,184,816	102,513	3,287,329	3,287,329

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.

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 2013, retired plan members receiving benefits contributed \$1,840,072 to the plan compared to City's contribution of \$2,035,238.

OPEB Component	Amount
Annual required contribution-amortized liability	\$ 4,041,507
Interest on net OPEB obligation	425,842

<u>Annual OPEB Cost and Net OPEB Obligation.</u>	Adjustment to annual required contribution	(615,662)
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 companion 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.	Annual OPEB cost (expense)	3,851,687
	Contributions made	(2,035,238)
	Increase in net OPEB obligation	1,816,449
	Net OPEB obligation January 1, 2013	10,646,048
	Net OPEB obligation December 31, 2013	<u>\$ 12,462,497</u>

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.

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, 2013.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 4,285,819	41.5%	\$ 9,014,462
2012	4,261,091	61.7%	10,646,048
2013	3,851,687	52.8%	12,462,497

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 2013, \$335,870 of the liability associated with termination benefits was amortized, leaving an unamortized liability in the governmental funds of \$449,017.

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, 2013 (dollars in thousands)		
Payable From	Interest Rates	Amount
Government activities:		
Ad valorem property taxes	2.00% - 5.00%	\$ 75,935
Transient guest tax	5.00%	167
Tax increment financing	1.00% - 6.25%	20,798
Local sales tax	2.00% - 5.00%	122,195
Subtotal governmental activities		<u>219,095</u>
Business-type activities:		
Stormwater Utility	2.00% - 5.00%	26,865
Golf Course System	3.00% - 3.25%	1,355
Airport Authority	2.50% - 5.50%	16,065
Subtotal business-type activities		<u>44,285</u>
Total general obligation bonds		<u>\$ 263,380</u>

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
2014	\$ 25,175	\$ 7,336	\$ 3,915	\$ 1,574
2015	27,962	6,526	4,033	1,450
2016	28,691	5,604	3,429	1,311
2017	29,313	4,643	2,717	1,187
2018	26,217	3,657	2,798	1,092
2019 - 2023	73,101	7,264	12,369	4,191
2024 - 2028	8,636	539	7,744	2,569
2029 - 2033	-	-	2,795	1,483
2034 - 2038	-	-	2,405	805
2039 - 2043	-	-	2,080	142
Totals	<u>\$ 219,095</u>	<u>\$ 35,569</u>	<u>\$ 44,285</u>	<u>\$ 15,804</u>

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
2014	\$ 22,285	\$ 8,538
2015	22,645	7,739
2016	21,515	6,850
2017	20,935	6,028
2018	20,690	5,160
2019 - 2023	77,875	14,303
2024 - 2028	25,990	3,482
2029 - 2033	4,690	235
Totals	<u>\$ 216,625</u>	<u>\$ 52,335</u>

B. Revenue Bonds

Revenue bonds are also issued by the City of Wichita and the Wichita Public Building Commission, 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, 2013
(dollars in thousands)**

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount</u>
<u>Primary Government-Enterprise Funds</u>			
Water Utilities:			
2000A Water	4.69%	2021	\$ 1,354
2000B Water	4.69%	2021	2,330
2005A Water & Sewer Refunding	3.71% - 3.86%	2016	14,595
2005B Water & Sewer Refunding	5.00%	2016	9,360
2005C Water & Sewer Refunding	4.375% - 5.125%	2030	35,720
2006 Water & Sewer	4.00% - 5.00%	2031	40,635
2008A Water & Sewer	3.50% - 5.00%	2032	25,015
2009A Water & Sewer	3.50% - 5.00%	2039	109,880
2009B Water & Sewer	4.27% - 5.36%	2019	8,490
2010A Water & Sewer	1.75% - 4.00%	2030	28,195
2010B Water & Sewer	3.00% - 5.35%	2030	15,315
2011A Water & Sewer	4.00% - 5.00%	2028	93,515
2012A Water & Sewer	2.00% - 4.00%	2032	16,505
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
Total primary government			412,219
<u>Component Unit – Wichita Public Building Commission</u>			
State Office Building, Refunding Series N 2003	4.00%	2014	1,595
Total Component Unit			1,595
Total Revenue Bonds			\$ 413,814

*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, 2013 of 0.06%.

**Pledged Revenue for Revenue Bond Debt Service Requirements
(dollars in thousands)**

<u>Amount of Pledge</u>	<u>Type of Pledged Revenue</u>	<u>Term of Commitment</u>	<u>Percent of Revenue Pledged</u>	<u>2013 Principal & Interest</u>	<u>2013 Pledged Revenues Recognized</u>
Water & Sewer Utility Revenue Bonds:					
\$ 587,451	Utility revenues	Through 2039	100%	\$ 43,444	\$ 43,444
Airport Authority Special Facility Revenue Bonds:					
\$ 16,457	Direct financing leases	Through 2031	100%	\$ 60	\$ 60
Wichita Public Building Commission Revenue Bonds:					
\$ 1,657	Direct financing leases	Through 2014	100%	\$ 10,115	\$ 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		Component Unit-WPBC*	
	Principal	Interest	Principal	Interest
2014	\$ 22,489	\$ 19,134	\$ 1,595	\$ 62
2015	23,558	18,207	-	-
2016	24,767	17,195	-	-
2017	22,503	16,113	-	-
2018	23,624	15,063	-	-
2019 - 2023	111,798	59,370	-	-
2024 - 2028	104,535	32,541	-	-
2029 - 2033	61,485	11,569	-	-
2034 - 2038	15,295	2,389	-	-
2039 - 2043	2,165	108	-	-
Totals	\$ 412,219	\$ 191,689	\$ 1,595	\$ 62

*Wichita Public Building Commission

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, 2013, debt service requirements to maturity consist of principal payments totaling \$435,070 and interest payments totaling \$42,190. 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 19.56 years total \$10,452,727 or \$534,393 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 5.48 years is \$494,017 or \$90,149 annually.

Additionally, the City operates three limited landfills. The City's construction and demolition landfill has cumulative closure costs of \$1,639,399 on December 31, 2013, based on the use of 79.2% of the estimated capacity. The industrial monofill landfill for asbestos waste has cumulative closure costs of \$232,637, based on the use of 24.9% 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, 2013 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. Footnote 18.-Landfill Closure and Post-closure Care provides further disclosure. In 2013, a prior period adjustment was recorded in 2013 on the government-wide financial statements to reflect a change in the liability, in accordance with the new guidance issued by the Kansas Department of Health and Environment. Additional information is provided in Note 20.

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 \$372,336 were in the governmental amounts below. Compensated absences for the governmental funds are generally liquidated by the General Fund.

Post-employment benefits other than pensions are recorded at the entity-wide level and are generally liquidated from the Self Insurance Fund.

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 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 788, 790, 794	\$ 22,915,000	September 1, 2014
General Obligation Refunding Series 2012B	Series 959	2,730,000	September 1, 2014
General Obligation Refunding Series 2012C	Series 960	4,485,000	September 1, 2014
General Obligation Refunding Series 2012E	Series 2007	24,865,000	October 1, 2014

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 \$9,057,758 has been recorded in the government-wide financial statements, in addition to a receivable of \$3,687,446 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.

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 \$1,215,865 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 \$4,765 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 through 2013 into 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 \$957,054 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 \$1,457,975 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 \$388,802 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 recorded in the government-wide financial statements in the amount of \$982,012. 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 \$52.1 million, resulting in a net liability of \$5.5 million 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 \$5,483 has been recorded in the government-wide financial statements with low potential for changes in the liability.

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, 2013, 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.

Long-term liability activity for the year ended December 31, 2013, 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>
Governmental Activities					
Bonds Payable:					
General obligation bonds	\$ 7,801	\$ 9,450	\$ (11,316)	\$ 75,935	\$ 9,930
With government commitment					
Special assessment	254,955	3,375	(41,705)	216,625	22,285
Tax increment financing	23,466	-	(2,668)	20,798	1,733
Transient guest tax	1,064	-	(897)	167	167
Local sales tax	152,390	-	(30,195)	122,195	13,345
Unamortized premium	25,590	646	(4,011)	22,225	-
Total bonds payable	535,266	13,471	(90,792)	457,945	47,460
Bond anticipation notes	10,465	3,465	(10,465)	3,465	3,465
Section 108 loan	350	-	(350)	-	-
Accreted interest	714	-	(714)	-	-
Capital lease	153	463	(181)	435	161
Compensated absences	9,274	9,053	(9,014)	9,313	9,216
Claims payable	19,294	37,054	(37,984)	18,364	7,815
Other post-employment benefits	10,644	3,852	(2,034)	12,462	-
Termination benefits	785	-	(336)	449	186
Environmental remediation	20,074	613	(1,117)	19,570	3,689
Landfill closure-post-closure care	22,541	809	(10,531)	12,819	624
Total long-term liabilities – Governmental activities	<u>\$ 629,560</u>	<u>\$ 68,780</u>	<u>\$ (163,518)</u>	<u>\$ 534,822</u>	<u>\$ 72,616</u>
Business-type activities					
Bonds payable:					
General obligation bonds	\$ 48,360	\$ -	\$ -	\$ 44,285	\$ 3,915
Unamortized premium	645	-	(96)	549	-
Bond anticipation notes	-	7,933	-	7,933	7,933
Revenue bonds	436,116	-	(23,897)	412,219	22,489
Unamortized premium	22,560	-	(1,707)	20,853	-
Total bonds payable	507,681	7,933	(29,775)	485,839	34,337
Environmental remediation	5	5	(5)	5	5
Compensated absences	1,743	1,728	(1,707)	1,764	1,748
Total long-term liabilities – Business-type activities	<u>\$ 509,429</u>	<u>\$ 9,666</u>	<u>\$ (31,487)</u>	<u>\$ 487,608</u>	<u>\$ 36,090</u>
Wichita Public Building Commission					
Bonds payable:					
Revenue bonds	\$ 11,220	\$ -	\$ (9,625)	\$ 1,595	\$ 1,595
Unamortized premium	162	-	(162)	-	-
Total long-term liabilities-WPBC	<u>\$ 1,382</u>	<u>\$ -</u>	<u>\$ (9,787)</u>	<u>\$ 1,595</u>	<u>\$ 1,595</u>

10. Prior Year Defeasance of Debt

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, 2013, bonds totaling \$755,000 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 2013, the City issued \$ 326,275,000, retired \$221,245,000 and reclassified \$11,397,893 of temporary notes for various capital improvements as bond anticipation notes. Temporary notes outstanding at December 31, 2013 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	\$ 61,061,050	\$ 78,612,491	\$ 61,061,050	\$ 78,612,491
Business-type Activities				
Water Utility Fund	160,000,000	160,000,000	160,000,000	160,000,000
Airport Authority Fund	-	86,453,063	-	86,453,063
Stormwater Utility	183,950	1,209,446	183,950	1,209,446
Total Business-type Activities	160,183,950	247,662,509	160,183,950	247,662,509
Total temporary notes	<u>\$ 221,245,000</u>	<u>\$ 326,275,000</u>	<u>\$ 221,245,000</u>	<u>\$ 326,275,000</u>

On December 31, 2013, the Water Utility held proceeds of \$3,956,372 from the issuance of general obligation temporary notes for future capital construction and the Airport Authority held proceeds of \$29,697,463. 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.

	Interest Rate	Amount Outstanding	Maturity Date
Primary Government			
Governmental-Capital Project Funds:			
Street and Bridge Improvements - Series 247	0.55%	\$ 3,289	02/11/14
Street and Bridge Improvements - Series 249 BAN	0.50%	3,465,300	10/15/14
Street and Bridge Improvements - Series 249	0.50%	4,900	10/15/14
Street and Bridge Improvements - Series 254	0.25%	18,147,719	02/11/14
Street and Bridge Improvements - Series 256	0.25%	2,000	02/11/14
Street and Bridge Improvements - Series 260	0.19%	12,488,340	10/15/14
Street and Bridge Improvements - Series 260	0.25%	4,700	10/15/14
Water Main Construction - Series 254	0.25%	586,526	02/11/14
Water Main Construction - Series 260	0.19%	248,700	02/11/14
Park Bond Construction - Series 254	0.25%	1,259,710	02/11/14
Park Bond Construction - Series 260	0.19%	251,300	10/15/14
Public Improvement Construction - Series 247	0.55%	3,778,054	02/11/14
Public Improvement Construction - Series 249	0.50%	1,528,600	10/15/14
Public Improvement Construction - Series 254	0.25%	24,090,384	02/11/14
Public Improvement Construction - Series 260	0.19%	1,679,200	02/11/14
Sewer Construction - Series 254	0.25%	9,888,369	02/11/14
Sewer Construction - Series 260	0.19%	1,185,400	10/15/14
Primary Government (continued)			
	Interest Rate	Amount Outstanding	Maturity Date

Enterprise Funds:			
Water Utility - Series 258	0.50%	\$ 160,000,000	10/15/14
Airport Authority - Series 247	0.25%	653,657	02/11/14
Airport Authority - Series 254	0.25%	8,185,546	02/11/14
Airport Authority - Series 256	0.25%	15,063,000	02/11/14
Airport Authority - Series 249	0.50%	4,681,200	10/15/14
Airport Authority - Series 260	0.19%	5,741,767	10/15/14
Airport Authority - Series 260 BAN	0.19%	7,932,593	10/15/14
Airport Authority - Series 262	0.25%	44,195,300	10/15/14
Stormwater Utility - Series 254	0.25%	1,071,746	02/11/14
Stormwater Utility - Series 260	0.19%	137,700	10/15/14
Total Reporting Entity		<u>\$ 326,275,000</u>	

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 \$2,391,859 in 2013.

The Airport Authority has authorized the construction of buildings on Authority-owned land by 40 tenants. Tenants lease the land from the Airport Authority for periods ranging from one month to 44 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.

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. The bonds are payable from lease payments that are made directly to a trustee for the purpose of retiring the principal and interest of the related bonds as they mature.

In 2010, the building financed by the WPBC, leased and occupied by the Kansas Sports Hall of Fame, was sold and the lease agreement terminated. The proceeds of the sale were deposited in an escrow account to make all future debt service payments until the scheduled defeasance of the debt, which occurred in 2013. Additional information about the principal and interest payments is provided in Note 9 to the financial statements.

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2014	\$ 7,647,581
2015	4,063,256
2016	3,959,741
2017	3,353,914
2018	3,136,318
2019 - 2023	11,849,685
2024 - 2028	7,604,062
2029 - 2033	4,490,447
2034 - 2038	3,411,078
2039- 2043	3,173,526
2044 - thereafter	5,380,644
Total minimum future rentals	<u>\$ 58,070,252</u>

Additionally, lease payments for Wichita State University were secured by a pledge of the surplus on an ad valorem tax levy in amounts sufficient to guarantee the rentals under a lease agreement. In 2013, outstanding principal of \$6,735,000 was refunded and the lease agreement terminated.

Pursuant to lease agreements for the financing of the Finney State Office Building, the City of Wichita and Sedgwick County are contingently liable and will make rental payments, as necessary, to supplement the rental payments to be paid by the State of Kansas so that the total shall be sufficient to pay the debt service on the revenue bonds.

The financing of these facilities by the Airport Authority and the WPBC represent direct financing leases. Accordingly, the net investments of such leases are recorded on the respective enterprise fund and component unit balance sheets as restricted assets. The following tables provide the components of the net investment in direct financing leases as of December 31, 2013 and the future minimum lease rentals to be received under the

leases.

Investments in Direct Financing Leases			
As of December 31, 2013			
	Airport Authority	Wichita Public Building Commission	Total
Total minimum lease payments to be received	\$ 16,457,341	\$ 1,657,075	\$ 18,114,416
Less: unearned income	5,147,341	62,075	5,209,416
Net investment in direct financing leases	\$ 11,310,000	\$ 1,595,000	\$ 12,905,000

Future Minimum Lease Rentals Under Direct Financing Leases			
As of December 31, 2013			
Year ending December 31	Airport Authority	Wichita Public Building Commission	Total
2014	\$ 483,990	\$ 1,657,075	\$ 2,141,065
2015	483,990	-	483,990
2016	483,990	-	483,990
2017	483,990	-	483,990
2018	483,990	-	483,990
2019 - 2023	3,447,221	-	3,447,221
2024 - 2028	7,918,200	-	7,918,200
2029 - 2031	2,671,970	-	2,671,970
Total minimum future rentals	\$ 16,457,341	\$ 1,657,075	\$ 18,114,416

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, 2013 the future minimum lease payments totaled \$397,933, 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, 2013, 104 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$1,971,994,172.

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, 2013, 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.

To assist in the financing of buildings, facilities and equipment for other governmental units, the Wichita Public Building Commission has issued revenue bonds, secured by the property financed and are payable from

payments received on underlying lease agreements. Two series of bonds were retired in 2013 and as of December 31, 2013, the aggregate principal remaining was \$1,595,000. Note 12 provides further disclosure.

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, 2013, transfer revenue and transfer expenditures each totaled \$85,773,992.

Non-routine transfers to the General Fund consisted primarily of \$300,000 from the Landfill Post-closure Fund and \$700,000 from the pension reserves held in the Self Insurance Fund to offset higher pension contribution rates.

Of routine nature are the Debt Service Fund transfers of \$8.9 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 \$18.4 million and \$9.6 million to the Local Sales Tax CIP fund to cash fund freeway and major arterial projects.

Summary of Interfund Transfers For Year Ended December 31, 2013		
Fund	Transfers Out	Transfers In
Major Funds:		
General Fund	\$ 6,686,607	\$ 11,677,891
Debt Service Fund	11,108,561	23,170,180
Street Improvement Fund	66,012	25,870,728
Airport Fund	957,793	-
Water Utility Fund	2,427,898	-
Sewer Utility Fund	1,872,215	-
Stormwater Utility Fund	520,972	-
Nonmajor governmental funds	59,965,141	21,316,113
Nonmajor enterprise funds	115,770	3,489,080
Internal service funds	2,053,023	250,000
Total transfers	<u>\$ 85,773,992</u>	<u>\$ 85,773,992</u>

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, 2013 are presented in the following tables.

Interfund receivables and payables at the end of December 2013 totaled \$66,784,903, including a 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. Most significant are the payables in the Street Improvement Fund from loans until projects are completed and permanent financing is secured, as well as until the time that grant funds have been received.

Interfund Receivables As of December 31, 2013	
Fund	Receivables
Major funds:	
General Fund	\$ 19,611,960
Debt Service Fund	4,924,179
Nonmajor governmental funds:	
Landfill Post-Closure Fund	15,467,079
Environmental TIF District	15,000,000
Local Sales Tax CIP Fund	11,245,904
Enterprise funds:	
Transit Fund	141,281
Internal service funds:	
Self Insurance Fund	394,500
Total interfund receivables	<u>\$ 66,784,903</u>

Interfund Payables As of December 31, 2013	
Fund	Payables
Major funds:	
Street Improvement Fund	\$ 47,141,281
Nonmajor governmental funds:	
Homelessness Assistance Fund	26,250
City – County	230,340
WAMPO*	210,489
Water Main Extension Fund	759,692
Park Bond Construction Fund	1,362,708
Public Improvement Construction Fund	6,180,147
Sewer Construction Fund	446,630
ARRA Projects	2,496,727
Nonmajor enterprise funds:	
Golf Course System Fund	4,924,179
Transit Fund	3,006,460
Total interfund payables	<u>\$ 66,784,903</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, 2013					
	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Street Improvement Fund		
Nonspendable:					
Inventories & prepaids	\$ 47,423	\$ -	\$ -	\$ 109,527	\$ 156,950
Receivables, long-term	800,000	-	-	-	800,000
Permanent fund	-	-	-	235,437	235,437
Restricted for:					
General government	-	-	-	3,836,549	3,836,549
Public safety	-	-	-	1,695,965	1,695,965
Highways and streets	-	-	-	24,952,817	24,952,817
Health and welfare	-	-	-	20,625,447	20,625,447
Culture and recreation	-	-	-	3,242,787	3,242,787
Debt service	-	88,292,977	-	-	88,292,977
Committed to:					
General government	-	-	-	88,024	88,024
Public safety	-	-	-	963,628	963,628
Sanitation	-	-	-	14,538,687	14,538,687
Assigned to:					
Economic development	4,394,754	-	-	-	4,394,754
General government	206,704	-	-	-	206,704
Public safety	118,809	-	-	-	118,809
Highways and streets	628,684	-	-	-	628,684
Sanitation	-	-	-	8,901,203	8,901,203
Health and welfare	1,886	-	-	-	1,886
Culture and recreation	41,113	-	-	-	41,113
Unassigned:	<u>26,314,401</u>	<u>-</u>	<u>(79,223,672)</u>	<u>(52,188,189)</u>	<u>(105,097,460)</u>
Total	<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>

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 an \$.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, 2013 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 \$10,452,727 for post-closure care for the remaining 19.56 years has been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2013.

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 \$494,017 for post-closure care for the remaining 5.48 years has been reported as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2013.

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, 2013.

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, 2013, a long-term liability of \$1,639,399 is recorded representing the cumulative liability based on 79.2% usage of the estimated capacity. The City will recognize the remaining closure costs of \$430,549 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2018, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. As of December 31, 2013, a long-term liability of \$232,637 is recorded, based on 24.9% usage of the estimated capacity. The City will recognize the remaining closure costs of \$700,900 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2043, 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, 2013, 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 composting facility is expected to close in 2044, or as capacity is reached.

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, 2013.

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 \$30.1 million in the governmental funds and \$98.0 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	\$ 2,083,571
Street Improvement Fund	24,964,178
Water Utility Funds	11,510,632
Sewer Utility Funds	3,506,402
Airport Authority Funds	81,756,827
Stormwater Utility Funds	639,871
Nonmajor governmental funds	8,787,782
Nonmajor enterprise funds	4,378,973
Internal service funds	2,053,747
Total Reporting Entity	<u>\$ 139,681,983</u>

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.

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. Agencies of the State, including the Department of Social and Rehabilitation Services, lease office space in the State Office Building. The City/County lease is intended to be a "wrap-around" obligation wherein the City and County are contingently liable and will 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 2013, 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.

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 \$20.8 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. Prior Period Adjustments

Implementation of Government Accounting Standard 65, *Items Previously Reported as Assets and Liabilities*,

resulted in prior period adjustments. A prior period adjustment in the amount of \$4,614,240 was recorded in the Debt Service Fund to eliminate deferred revenues related to interfund transactions. Because the deferred revenue for interfund transactions was previously eliminated at the entity-wide level, this prior period adjustment is not reflected on entity-wide Statement of Activities for the governmental activities.

In the Water, Sewer and Stormwater Utility Funds, prior period adjustments were recorded to eliminate the unamortized cost of issuance of long-term debt. The cost of issuance liquidated in the Water Utility Fund totaled \$1,838,486, in the Sewer Utility Fund the cost of issuance liquidated totaled \$1,081,507, and in the Stormwater Utility Fund the total cost of issuance liquidated was \$39,889. The prior period adjustments are also reported on the entity-wide Statement of Activities for the business-type activities.

A prior period adjustment has been recorded on the entity-wide Statement of Activities for the governmental activities, reducing the net position by \$21,250,000 to reflect a change in the beginning balance of the special assessments receivable. The adjustment was made due to amounts being improperly recognized as revenue in a prior year related to the issuance of crossover refunding bonds for special assessment improvements. Additional information about the special assessment debt is reported in Note 9 to the Financial Statements.

Additionally, a prior period adjustment has been recorded on the Statement of Activities for the governmental activities to increase net position by \$9,722,517. The adjustment has been made to reflect a change in calculation of the landfill post-closure liability, resulting from new guidelines issued by the Kansas Department of Health and Environment in 2013.

21. Subsequent Events

On February 1, 2014, the City issued \$3,550,000 of 10-year general obligation serial bonds (Series 809) with a total interest cost of 2.11%, \$4,720,000 of 15-year general obligation serial bonds (Series 809A) with a total interest cost of 3.57%, and \$8,010,000 of 30-year general obligation airport bonds (Series 2014A) with a total interest cost of 3.86%.

Accordingly, temporary notes payable as of December 31, 2013 totaling \$3,465,300 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 February 1, 2014 (Series 809A). Additionally, temporary notes payable as of December 31, 2013 totaling \$7,932,593 were refinanced through the issuance of general obligation airport bonds on February 1, 2014 (Series 2014A). The temporary notes were reclassified as bond anticipation notes and were recorded as long-term liabilities in the proprietary funds.

On February 1, 2014, the City also issued \$7,540,000 Series 251 general obligation temporary notes with an interest rate of 0.40%, \$85,785,000 Series 264 general obligation temporary notes with an interest rate of 0.50%, and \$40,410,000 Series 266 general obligation temporary notes, subject to alternative minimum tax under Federal law, with an interest rate of 0.50%.

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)
Wichita Employees' Retirement System						
12/31/11	\$ 513,298	\$ 555,174	\$ 41,876	92.5	\$ 75,444	55.5 %
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
Wichita Police and Fire Retirement System						
12/31/11	\$ 510,946	\$ 562,488	\$ 51,542	90.8	\$ 62,759	82.1 %
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

OTHER POST EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

Health Insurance Post Employment Benefits

(Dollar amounts in thousands)

Fiscal Year Ending ¹	Actuarial Valuation Date	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)
12/31/11	12/31/2011	\$ -	\$ 39,121	\$ 39,121	-	\$ 137,304	28.5 %
12/31/12	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

¹ 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%



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APPENDIX C

FINANCIAL INFORMATION



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CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

An independent audit is conducted annually by an outside firm of certified public accountants appointed by the City Council. Their opinion is contained every year in the Comprehensive Annual Financial Report on file with the City Clerk. Some of the financial information presented in this Official Statement has been taken from the Comprehensive Annual Financial Report for the year ended December 31, 2013. However, this represents an incomplete financial statement presentation. For complete financial presentation, the City of Wichita Comprehensive Annual Financial Report is on file with the City Clerk or may be obtained online at <http://wichita.gov/CityOffices/Finance/controllers/DocumentsForms.htm>.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita for its comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. The Certificate of Achievement for Excellence has been awarded to the City of Wichita for each year it has been submitted to GFOA, starting in 1955. The City anticipates receipt of the award for the fiscal year ending December 31, 2013.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, and contents of such report must conform to industry standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Wichita for its annual budget for the fiscal year beginning January 1, 2014. The Distinguished Budget Presentation Award has been awarded to the City of Wichita each year since 1989. The City anticipates receipt of the award for the fiscal year beginning January 1, 2015.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. In 1994, the City of Wichita budget was cited as "An Outstanding Operations Guide," a distinction that had been awarded to only three other cities in the United States and Canada.



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, 2012

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Wichita

Kansas

For the Fiscal Year Beginning

January 1, 2014

Executive Director

The Government Finance Officers Associations of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Wichita, Kansas** for its annual budget for the fiscal year beginning **January 1, 2014**.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

**THE CITY OF WICHITA DEPARTMENT OF FINANCE HAS EARNED THE
DISTINGUISHED BUDGET AWARD CONSISTENTLY FOR 26 YEARS.**



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CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

Assessed Valuation

All of Sedgwick County has been reappraised by an outside firm of professional appraisers as a result of a bill passed by the 1986 session of the Kansas Legislature requiring county assessors to reevaluate all real property at market value to be used for tax purposes beginning January 1, 1989.

The principal taxpayers (Sedgwick County and the City of Wichita) and their assessed valuation as of December 31, 2013 are as follows:

City of Wichita¹

	Percent of Total Assessed Valuation <u>\$3,520,765,043²</u>	<u>Assessed Valuation</u>
1. Kansas Gas & Electric, A Westar Energy Co.	1.11	\$39,005,844
2. Wesley Medical Center	0.76	26,754,097
3. Simon Property Group	0.68	23,787,290
4. Kansas Gas Service- A Division of Oneok	0.59	20,691,061
5. Southwestern Bell Telephone	0.47	16,404,269
6. Wal-Mart RE Business TR	0.38	13,550,811
7. City of Wichita	0.25	8,732,844
8. New Market I, LLC	0.18	6,445,050
9. Bradley Fair One, LLC	0.17	6,059,325
10. Black Hills Corporation	0.16	5,710,364

Sedgwick County¹

	Percent of Total Assessed Valuation <u>\$4,301,084,880</u>	<u>Assessed Valuation</u>
1. Kansas Gas & Electric, A Westar Energy Co.	1.76	\$75,677,455
2. Spirit Aerosystems, Inc.	1.24	53,153,823
3. The Boeing Company	1.22	52,539,791
4. Mid-Western Aircraft Systems, Inc.	1.14	48,822,186
5. Hawker Beechcraft Corporation	0.95	40,835,047
6. Cessna Aircraft Company	0.87	37,306,350
7. Kansas Gas Service-A Division of Oneok	0.61	26,413,880
8. Wesley Medical Center, LLC	0.62	26,754,097
9. Simon Property Group	0.55	23,787,290
10. Southwestern Bell Telephone Company	0.49	21,042,774

¹ Source: Sedgwick County Clerk's Office, 2013.

² Includes motor vehicle property assessed valuation for 2013.

CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

Impact of Reappraisal/Classification

In accordance with the State Constitution, real property is reappraised a minimum of once every four years. As a result of a modification to the State Constitution approved by electors in the November 3, 1992 general election, real and personal property for taxable years commencing January 1, 1993 and thereafter is divided into classes and assessed at the following percentages of fair market value:

<u>Class of Property</u>	<u>Assessed Value/ Appraised Value</u>
Residential	11.5%
Vacant lots	12%
Real property of non-profit organizations	12%
Manufacturers machinery/equipment	25%
Commercial/industrial real property; buildings and other improvements, located on land devoted to agricultural use	25%
Land used for agricultural purposes	30%
All other property	30%
Public utilities	33%

Among other things, the November, 1992 reclassification referendum reduced residential and commercial assessment rates while increasing the assessment rate for utilities. Contrary to expectations, the 1992 reclassification referendum was not revenue neutral for local governments. Instead, it resulted in an estimated reduction in the City's assessed valuation in 1993 of \$102 million, which was partially offset by an estimated \$78 million increase due to new improvements and normal growth in personal and real property values. The net result was an estimated \$24 million reduction in the City's assessed valuation.

The City Council approved a 1994 budget which raised property taxes 1.9 mills -- the result primarily of the net reduction in assessed value caused by the 1992 reclassification referendum. The adopted 1995 budget resulted in a slight reduction in property taxes for City taxpayers, a reduction of .182 mills. The adopted budgets have had no effective change in property tax rate since the 1995 adopted budget.

Tax Record

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 10 of the ensuing year. If the first half is not paid before December 21 and the second half before May 11, unpaid taxes accrue interest until paid. All real estate bearing unpaid taxes are subject to tax foreclosure if not paid within two years.

One-half of the tangible personal property tax, excluding vehicle tax, is due and payable by December 20. If not paid by that time, the tax is due in full plus interest and warrants will be issued for collection by the Sheriff.

1. The percent of the 2011 tax levy collected as of December 31, 2012 for 2012 operations – 94.72% current. The percent of the 2012 tax levy collected as of December 31, 2013 for 2013 operations – 95.61% current.

CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

Tax Record (continued)

2. Tax limitations - The State of Kansas discontinued the tax lid for local units of government in 1999 (for the fiscal year 2000 budgets). The tax lid never extended to property taxes levied for debt service. Other exemptions included employee benefits and tort expenses. The previous lid was based on taxes levied in 1988 and was adjusted for growth factors such as new territory added and new improvements, but not for market increases in property values. Since the base year of 1988, the City of Wichita had incrementally built a cushion of 9% under the lid. The lid was replaced with only a requirement to disclose in the public notice and in the annual budget ordinance the portion of taxes being levied which exceeds "allowable" growth adjustments. Those adjustments are new territory added, increases in the value of personal property, new improvements, and changes in property use. As with the old tax lid law, market-driven increases in property values are not allowable adjustments and would require an offsetting decrease in the tax rate or disclosure in the budget ordinance. There is no other requirement beyond simple disclosure. Also, as with the old tax lid law, the new disclosure requirements do not extend to property taxes levied for debt service and certain other exempted areas.
3. Priority of tax collections – [1] specials; [2] taxes; [3] interest. Tax collections are remitted in accordance with pro rata levies.

Vehicle tax is due in full and paid at the time of vehicle registration according to an alphabetical schedule.

County Sales Tax

In July 1985, the Sedgwick County voters approved a one percent (1%) County sales tax. Wichita's current estimated 2014 annual share of that tax is \$56 million. The governing body of the City of Wichita, Kansas has pledged one half of any revenue received from the City of Wichita's portion of a one percent sales tax to relieve the tax levies of the City of Wichita upon the taxable tangible property within the City of Wichita and pledged the remaining one-half of the one percent of any revenues received to Wichita road, highway and bridge projects, including right-of-way acquisitions, as well as debt service.

Debt Record

The City of Wichita has never defaulted in payment of bond principal or interest. Operating deficits are prohibited under the Kansas Cash Basis Law. Sixteen point three percent (16.3%) of the general obligation debt outstanding as of January 1, 2013, was retired during 2013. The City anticipates retiring 20.9% of the general obligation debt outstanding during 2014.

Capital Improvements

Each year, the City of Wichita includes as a part of its operating budget a ten-year Capital Improvement Program in order to reflect the total activities to be carried out with City funds and to relate present activities with future needs. This Capital Improvement Program functions to establish a priority system among the many-needed projects, matching the projects against available resources. In October 2014, the City of Wichita anticipates issuing Water and Sewer Utility Revenue Bonds in the approximate amount of \$14 million for the reimbursement of various utility improvements.

CITY OF WICHITA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS General and Debt Service Funds

For years ended December 31, 2004 through December 31, 2013
(dollars expressed in thousands)

Year Ended December 31 ¹	Current Year Collections			Collections in Subsequent	Total Tax Collections	
	Taxes Levied	Amount	Percentage Levy		Amount	Percentage of Levy
2004	\$ 78,450	\$ 74,180	94.56 %	\$ 2,875	\$ 77,055	98.22 %
2005	81,030	76,454	94.35	3,096	79,550	98.17
2006	85,103	80,692	94.82	2,770	83,462	98.07
2007	90,546	86,525	95.56	3,102	89,627	98.99
2008	95,692	91,161	95.27	3,970	95,131	99.41
2009	100,840	95,255	94.46	3,346	98,601	97.78
2010	101,298	95,319	94.10	2,558	97,877	96.62
2011	100,319	95,890	95.59	1,512	97,402	97.09
2012	101,997	96,611	94.72	-	96,611	94.72
2013	101,036	96,596	95.61	-	96,596	95.61

PROPERTY TAX LEVIES AND COLLECTIONS Tax Increment Financing Districts

For years ended December 31, 2004 through December 31, 2013
(dollars expressed in thousands)

Year Ended December 31 ¹	Current Year Collections			Collections in Subsequent	Total Tax Collections	
	Taxes Levied ²	Amount	Percentage Levy		Amount	Percentage of Levy ²
2004	\$ 4,993	\$ 4,524	90.61 %	\$ 242	\$ 4,766	95.45 %
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	200	6,327	89.11
2010	6,196	6,372	102.84	96	6,468	104.39
2011	5,991	6,174	103.05	10	6,184	103.23
2012	6,021	5,820	96.66	-	5,820	96.66
2013	6,317	5,726	90.64	-	5,726	90.64

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS

For years ended December 31, 2004 through December 31, 2013
(dollars expressed in thousands)

Year Ended December 31 ¹	Assessments Certified to County ³	Current Year Collections			in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment	Amount		Percentage of Assessment	
2004	\$ 24,659	\$ 23,335	94.63 %	\$ 1,122	\$ 24,457	99.18 %	
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	1,515	28,787	99.97	
2008	30,871	29,097	94.25	1,417	30,514	98.84	
2009	30,687	29,756	96.97	675	30,431	99.17	
2010	33,314	30,934	92.86	1,672	32,606	97.87	
2011	34,882	32,010	91.77	-	32,010	91.77	
2012	33,088	29,296	88.54	-	29,296	88.54	
2013	31,857	29,090	91.31	-	29,090	91.31	

¹The year shown is the year in which the collections were received. The levy or assessment is certified to the county the previous year.

²The 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.

³Special assessments of proprietary funds, advance payments and nuisance assessments are not included.

CITY OF WICHITA, KANSAS

GENERAL FUND BALANCE SHEET

December 31, 2013

(with comparative figures for years ended December 31, 2010, 2011 and 2012)

	2010	2011	2012	2013
ASSETS				
Cash	\$ 31,610,577	\$ 38,920,520	\$ 42,334,671	\$ 26,108,040
Tangible property taxes receivable	74,146,277	75,210,618	71,493,820	70,447,851
Accounts receivable	1,672,477	3,064,103	2,779,348	3,155,314
Due from other funds	-	675,000	785,000	19,611,960
Inventories	-	90,243	56,241	47,423
Prepaid items	78,753	17,023	-	-
Total assets	\$ 107,508,084	\$ 117,977,507	\$ 117,449,080	\$ 119,370,588
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and other liabilities	\$ 7,987,700	\$ 10,195,851	\$ 13,154,363	\$ 13,683,267
Deposits	830,141	888,313	734,141	1,572,876
Due to other funds	748	-	-	-
Deferred revenue	74,182,527	76,159,379	72,393,754	71,560,671
Total liabilities	83,001,116	87,243,543	86,282,258	86,816,814
Fund balance:				
Reserved for encumbrances	1,914,291	-	-	-
Reserved for prepaid items	78,753	-	-	-
Unreserved, designated	12,513,924	-	-	-
Unreserved, undesignated	10,000,000	-	-	-
Nonspendable	-	882,266	841,241	847,423
Assigned	-	5,760,879	6,034,671	5,391,950
Unassigned	-	24,090,819	24,290,910	26,314,401
Total fund balance	24,506,968	30,733,964	31,166,822	32,553,774
Total liabilities and fund balance	\$ 107,508,084	\$ 117,977,507	\$ 117,449,080	\$ 119,370,588

CITY OF WICHITA, KANSAS

GENERAL FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS

Years ended December 31, 2010, 2011, 2012 and 2013

	Actuals			
	2010	2011	2012	2013
Revenues and other sources:				
Taxes	\$ 81,161,943	\$ 84,876,521	\$ 86,154,616	\$ 85,162,836
Special assessments ¹	-	-	-	-
Franchise fees	36,923,114	36,778,909	37,406,752	39,282,857
Licenses and permits	2,392,646	2,527,086	2,546,327	2,511,065
Fines and penalties	10,613,502	10,329,705	10,469,494	9,385,629
Revenue from uses of money and property	4,241,733	2,135,212	2,243,685	2,267,190
Intergovernmental	16,466,715	16,104,619	16,192,511	15,922,483
Transfers from other funds	10,340,407	11,609,311	10,181,762	10,637,891
Charges for sales and services	7,837,493	8,886,900	8,040,194	7,894,592
Local sales tax	23,998,125	24,987,675	26,174,792	27,071,126
Other	7,432,313	10,922,517	7,296,069	7,733,702
Total revenues and other sources	<u>201,407,991</u>	<u>209,158,455</u>	<u>206,706,202</u>	<u>207,869,371</u>
Expenditures and other uses:				
Personal services	148,789,749	150,483,839	149,813,334	152,460,648
Contractual services	36,811,312	39,588,880	37,346,609	37,993,624
Materials and supplies	7,389,807	8,186,386	8,122,053	8,446,971
Capital outlay	81,331	53,702	29,348	106,616
Transfers to other funds	7,352,547	9,539,736	10,510,811	6,572,427
Other	852,506	773,655	672,018	286,074
Total expenditures and other uses	<u>201,277,252</u>	<u>208,626,198</u>	<u>206,494,173</u>	<u>205,866,360</u>
Revenues and other sources over expenditures and other uses	130,739	532,257	212,029	2,003,011
Unencumbered fund balance, January 1	<u>22,461,938</u>	<u>22,592,677</u>	<u>23,124,934</u>	<u>23,336,963</u>
Unencumbered fund balance, December 31	<u>\$ 22,592,677</u>	<u>\$ 23,124,934</u>	<u>\$ 23,336,963</u>	<u>\$ 25,339,974</u>
Mill Levy	24.742	24.839	24.443	24.003

¹ Special Assessments from Weed Cutting, Lot Improvements, and Snow Removal.

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS Years ended December 31, 2010, 2011, 2012 and 2013

	Actuals			
	2010	2011	2012	2013
Revenues and other sources:				
Property taxes	\$ 26,226,957	\$ 22,945,631	\$ 23,123,450	\$ 24,645,921
Special assessments	33,723,359	33,556,661	32,746,096	33,055,594
Motor vehicle tax	3,466,693	3,009,011	3,070,457	3,307,653
Local sales tax	-	-	20,587	77,325
Interest earnings	-	11,957	41,892	10,785
Premiums on bonds sold	2,338,184	423,995	2,104,958	646,440
Transfers from other funds	22,168,377	21,864,721	21,983,833	23,170,180
Other	2,078,314	457,876	560,044	275,954
Total revenues and other sources	90,001,884	82,269,852	83,651,317	85,189,852
Expenditures and other uses:				
Interest on general obligation bonds	10,075,093	8,523,006	7,951,088	8,016,062
Interest on special assessment bonds	10,794,456	9,917,673	9,050,088	8,578,057
Interest on HUD Section 108 loan	79,786	61,909	42,813	22,155
Retirement of general obligation bonds	23,824,994	26,324,981	27,584,944	27,871,665
Retirement of special assessment bonds	23,245,000	24,295,000	23,850,000	23,450,000
Retirement of HUD Section 108 loan	295,000	310,000	330,000	350,000
Transfers to other funds -				
Retirement of temporary notes	14,318,135	18,973,128	20,403,885	8,948,448
Other	4,000	87,771	1,750	118,247
Total expenditures and other uses	82,636,464	88,493,468	89,214,568	77,354,634
Revenues and other sources over (under) expenditures and other uses	7,365,420	(6,223,616)	(5,563,251)	7,835,218
Unencumbered fund balances - as previously reported	22,221,043	29,586,463	23,362,847	17,799,596
Prior period adjustment	-	-	-	4,614,240
Unencumbered fund balances - beginning as restated	22,221,043	29,586,463	23,362,847	22,413,836
Unencumbered fund balances - ending	\$ 29,586,463	\$ 23,362,847	\$ 17,799,596	\$ 30,249,054
Mill Levy	7.530	7.520	8.028	8.506

CITY OF WICHITA, KANSAS

STATEMENT OF OUTSTANDING DEBT
AS OF OCTOBER 1, 2014

Bonded debt - payable from property taxes		\$72,929,640	
Series 811		6,184,191 *	
Series 813		<u>7,628,300 *</u>	\$86,742,131
Bonded debt - payable from other than property taxes		185,575,000	
Series 813		461,700 *	
Series 814		<u>11,230,000 *</u>	197,266,700
General obligation bonds payable from:			
Airport revenues	23,535,000		
Golf Course System	1,355,000		
Golf - Series 811	302,581 *		
Freeway GO/LST	148,770,000		
Storm Water Utility	25,110,360		
Tax increment financing (TIF)	11,975,000		
TIF - Series 962	7,145,000 *		
Transient guest tax - Series 811	2,566,400 *		
Water Utility - Series 811	<u>147,391,828 *</u>	<u>368,151,169</u>	
Total general obligation debt		652,160,000	
Bonded debt - revenue bonds - payable from revenue			
Water-Sewer Utility Revenue Bonds - 2000A	1,210,588		
Water-Sewer Utility Revenue Bonds - 2000B	2,084,146		
Water-Sewer Utility Refunding Revenue Bonds - 2005B	6,390,000		
Water-Sewer Utility Revenue Bonds - 2006	38,870,000		
Water-Sewer Utility Revenue Bonds - 2008A	24,155,000		
Water-Sewer Utility Revenue Bonds - 2009A	107,090,000		
Water-Sewer Utility Revenue Bonds - 2009B	7,240,000		
Water-Sewer Utility Revenue Bonds - 2010A	26,950,000		
Water-Sewer Utility Revenue Bonds - 2010B	14,690,000		
Water-Sewer Utility Refunding Revenue Bonds - 2011A	89,910,000		
Water-Sewer Utility Revenue Bonds - 2012A	15,780,000		
Water-Sewer Utility Refunding Revenue Bonds - 2014A	41,405,000		
Airport Facility Revenue Bonds	11,310,000	<u>387,084,734</u>	
Gross City bonded debt		1,039,244,734	
Less:			
Water-Sewer Utility Revenue Bonds - 2000A	1,210,588		
Water-Sewer Utility Revenue Bonds - 2000B	2,084,146		
Water-Sewer Utility Refunding Revenue Bonds - 2005B	6,390,000		
Water-Sewer Utility Revenue Bonds - 2006	38,870,000		
Water-Sewer Utility Revenue Bonds - 2008A	24,155,000		
Water-Sewer Utility Revenue Bonds - 2009A	107,090,000		
Water-Sewer Utility Revenue Bonds - 2009B	7,240,000		
Water-Sewer Utility Revenue Bonds - 2010A	26,950,000		
Water-Sewer Utility Revenue Bonds - 2010B	14,690,000		
Water-Sewer Utility Refunding Revenue Bonds - 2011A	89,910,000		
Water-Sewer Utility Revenue Bonds - 2012A	15,780,000		
Water-Sewer Utility Refunding Revenue Bonds - 2014A	41,405,000		
Airport Facility Revenue Bonds	<u>11,310,000</u>	<u>387,084,734</u>	
General obligation temporary notes			
Internal Improvements - Series 268, Dated 10/15/14		80,550,000 *	
Internal Improvements - Series 270, Dated 10/15/14		94,435,000 *	
Taxable Improvements - Series 253, Dated 10/15/14		<u>10,285,000 *</u>	
Total Outstanding Debt		<u>\$837,430,000</u>	

* Subject to change.

CITY OF WICHITA, KANSAS

STATEMENT OF LEGAL DEBT MARGIN AS OF OCTOBER 1, 2014

2013 taxable tangible valuation	\$3,124,330,492	
2013 motor vehicle property assessed value	396,434,551	
Equalized tangible valuation for computation of bonded indebtedness limitation		<u>\$3,520,765,043</u>
 Debt limit ¹		 <u>\$ 1,056,229,513</u>
 Bonded indebtedness	 652,160,000	
Temporary notes ²	<u>185,270,000</u> *	
Total net debt		837,430,000
 Less: Exemptions allowed by law ³		
Airport GO ⁴	154,163,306 *	
TIF	19,120,000 *	
SA Refundings and Sewer Improvements ⁴	156,224,843	
Sales Tax Refundings	60,830,000	
Storm Water Utility	27,230,701	
Water Utility Bonds, Series 811	<u>147,391,828</u> *	
 Total deductions allowed by law		 <u>564,960,678</u>
 Legal debt applicable to debt limit		 <u>272,469,322</u>
Legal debt margin		<u>\$783,760,191</u>

¹ Kansas Statute 10-308 (30.0%)

² Bond Anticipation Temporary Notes:

Internal Improvements - Series 268	Dated 10/15/14	Due 10/15/15	\$80,550,000 *
Internal Improvements - Series 270	Dated 10/15/14	Due 10/15/15	\$94,435,000 *
Taxable Improvements - Series 253	Dated 10/15/14	Due 10/15/15	\$10,285,000 *

³ Kansas Statutes Annotated 10-307 and 10-308

⁴ Bonds and Notes issued for any improvement to the Airport and Sewer system, including those payable from Special Assessments.

⁵ Exempted from Debt Limitation as of July 1, 1975.

* Subject to change.

CITY OF WICHITA, KANSAS

STATEMENT OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2011, 2012, 2013 AND OCTOBER 1, 2014

	December 31, 2011		December 31, 2012	
	Percentage of Debt Applicable to City*	City of Wichita Share of Debt	Percentage of Debt Applicable to City*	City of Wichita Share of Debt
Direct Debt:				
General obligation bonded debt payable from ad valorem taxes		\$69,517,468		\$77,801,054
Temporary note debt		<u>236,525,000</u>		<u>221,245,000</u>
Total direct debt		306,042,468		299,046,054
Less - assets in Debt Service Fund available for payment of principal		<u>23,647,787</u>		<u>18,325,399</u>
Total net direct debt		<u>282,394,681</u>		<u>280,720,655</u>
Overlapping Debt:				
Sedgwick County	73.30	116,493,699	72.80	108,881,019
USD 259	61.50 ***	280,189,285	67.40 ***	295,788,093
Wichita Public Building Commission Revenue Bonds payable from Wichita State Univ. tax levy	73.30	<u>8,205,000</u>	72.80	<u>6,990,000</u>
Total overlapping debt		<u>404,887,984</u>		<u>411,659,112</u>
Total direct and overlapping debt		<u>\$687,282,665</u>		<u>\$692,379,767</u>

* Percentage of overlapping debt based on assessed valuation.

** Estimate

*** USD 259: \$37,790,000 outstanding principal held in escrow until the call date of 9/1/2012 as part of 2004 and 2005 Crossover Refunding

December 31, 2013		October 1, 2014	
Percentage of Debt Applicable to City*	City of Wichita Share of Debt	Percentage of Debt Applicable to City*	City of Wichita Share of Debt
	\$75,934,638		\$86,742,131
	<u>326,275,000</u>		<u>185,270,000</u>
	402,209,638		272,012,131
	<u>26,142,120</u>	**	<u>31,500,000</u>
	<u>376,067,518</u>		<u>240,512,131</u>
72.60	109,419,500	72.60	106,943,430
67.40 ***	295,788,093	60.60 ***	275,826,960
-	<u>-</u>	-	<u>-</u>
	<u>405,207,593</u>		<u>382,770,390</u>
	<u>\$781,275,111</u>		<u>\$623,282,521</u>

CITY OF WICHITA, KANSAS

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2013**

Year	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	\$ 9,929,716	\$ 2,299,550	\$ 12,229,266	\$ 167,425	\$ 8,371	\$ 175,796
2015	9,232,088	2,011,625	11,243,713	-	-	-
2016	9,571,289	1,749,278	11,320,567	-	-	-
2017	9,868,222	1,452,971	11,321,193	-	-	-
2018	10,162,424	1,122,467	11,284,891	-	-	-
2019	10,469,357	789,016	11,258,373	-	-	-
2020	6,857,250	489,052	7,346,302	-	-	-
2021	3,619,863	308,518	3,928,381	-	-	-
2022	3,714,887	200,390	3,915,277	-	-	-
2023	1,574,009	95,910	1,669,919	-	-	-
2024	534,033	46,435	580,468	-	-	-
2025	401,500	16,060	417,560	-	-	-
	<u>\$ 75,934,638</u>	<u>\$ 10,581,272</u>	<u>\$ 86,515,910</u>	<u>\$ 167,425</u>	<u>\$ 8,371</u>	<u>\$ 175,796</u>

Year	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	\$ 1,732,576	\$ 783,005	\$ 2,515,581	\$ 13,345,000	\$ 4,244,904	\$ 17,589,904
2015	2,405,000	705,739	3,110,739	16,325,000	3,808,429	20,133,429
2016	2,465,000	620,389	3,085,389	16,655,000	3,234,697	19,889,697
2017	2,535,000	532,039	3,067,039	16,910,000	2,658,454	19,568,454
2018	2,595,000	434,834	3,029,834	13,460,000	2,099,979	15,559,979
2019	2,280,000	335,634	2,615,634	10,630,000	1,564,138	12,194,138
2020	2,340,000	250,784	2,590,784	8,070,000	1,228,840	9,298,840
2021	2,110,000	165,311	2,275,311	8,425,000	915,490	9,340,490
2022	2,160,000	87,123	2,247,123	8,730,000	586,475	9,316,475
2023	175,000	4,725	179,725	1,945,000	242,588	2,187,588
2024	-	-	-	2,030,000	196,938	2,226,938
2025	-	-	-	2,085,000	147,675	2,232,675
2026	-	-	-	2,150,000	95,288	2,245,288
2027	-	-	-	1,435,000	35,875	1,470,875
	<u>\$ 20,797,576</u>	<u>\$ 3,919,583</u>	<u>\$ 24,717,159</u>	<u>\$ 122,195,000</u>	<u>\$ 21,059,770</u>	<u>\$ 143,254,770</u>

Year	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	\$ 25,174,717	\$ 7,335,830	\$ 32,510,547	\$ 22,285,000	\$ 8,538,339	\$ 30,823,339
2015	27,962,088	6,525,793	34,487,881	22,645,000	7,738,831	30,383,831
2016	28,691,289	5,604,364	34,295,653	21,515,000	6,850,476	28,365,476
2017	29,313,222	4,643,464	33,956,686	20,935,000	6,027,776	26,962,776
2018	26,217,424	3,657,280	29,874,704	20,690,000	5,159,658	25,849,658
2019	23,379,357	2,688,788	26,068,145	19,210,000	4,319,329	23,529,329
2020	17,267,250	1,968,676	19,235,926	18,280,000	3,504,569	21,784,569
2021	14,154,863	1,389,319	15,544,182	16,230,000	2,784,099	19,014,099
2022	14,604,887	873,988	15,478,875	14,185,000	2,133,371	16,318,371
2023	3,694,009	343,223	4,037,232	9,970,000	1,560,985	11,530,985
2024	2,564,033	243,373	2,807,406	7,520,000	1,170,434	8,690,434
2025	2,486,500	163,735	2,650,235	6,155,000	877,925	7,032,925
2026	2,150,000	95,288	2,245,288	4,665,000	655,639	5,320,639
2027	1,435,000	35,875	1,470,875	4,315,000	472,441	4,787,441
2028	-	-	-	3,335,000	305,406	3,640,406
2029	-	-	-	2,835,000	170,214	3,005,214
2030	-	-	-	1,515,000	50,543	1,565,543
2031	-	-	-	185,000	10,163	195,163
2032	-	-	-	105,000	3,600	108,600
2033	-	-	-	50,000	750	50,750
	<u>\$ 219,094,639</u>	<u>\$ 35,568,996</u>	<u>\$ 254,663,635</u>	<u>\$ 216,625,000</u>	<u>\$ 52,334,548</u>	<u>\$ 268,959,548</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, 2013

PROPRIETARY FUNDS

Year	Airport Authority		Golf Course System		Stormwater Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 540,000	\$ 759,721	\$ 660,000	\$ 39,023	\$ 2,715,284	\$ 775,524
2015	560,000	740,909	695,000	20,601	2,777,912	688,129
2016	585,000	720,746	-	-	2,843,711	590,422
2017	520,000	700,496	-	-	2,196,778	486,917
2018	540,000	680,771	-	-	2,257,576	411,301
2019	565,000	659,315	-	-	2,315,643	332,365
2020	585,000	635,159	-	-	2,172,750	266,491
2021	605,000	608,678	-	-	1,630,137	216,876
2022	545,000	581,765	-	-	1,670,113	185,435
2023	565,000	554,909	-	-	1,715,991	149,958
2024	585,000	526,946	-	-	1,755,967	111,703
2025	610,000	497,646	-	-	1,143,498	74,527
2026	635,000	467,389	-	-	825,000	38,550
2027	660,000	435,959	-	-	845,000	13,575
2028	685,000	402,639	-	-	-	-
2029	715,000	367,469	-	-	-	-
2030	745,000	330,060	-	-	-	-
2031	775,000	290,400	-	-	-	-
2032	275,000	259,065	-	-	-	-
2033	285,000	236,499	-	-	-	-
2034	300,000	212,733	-	-	-	-
2035	310,000	187,755	-	-	-	-
2036	1,110,000	161,898	-	-	-	-
2037	335,000	135,096	-	-	-	-
2038	350,000	107,088	-	-	-	-
2039	360,000	77,920	-	-	-	-
2040	375,000	47,590	-	-	-	-
2041	1,345,000	16,045	-	-	-	-
	<u>\$ 16,065,000</u>	<u>\$ 11,402,666</u>	<u>\$ 1,355,000</u>	<u>\$ 59,624</u>	<u>\$ 26,865,360</u>	<u>\$ 4,341,773</u>

Totals

Year	Principal	Interest	Debt Service Charges
2014	\$ 3,915,284	\$ 1,574,268	\$ 5,489,552
2015	4,032,912	1,449,639	5,482,551
2016	3,428,711	1,311,168	4,739,879
2017	2,716,778	1,187,413	3,904,191
2018	2,797,576	1,092,072	3,889,648
2019	2,880,643	991,680	3,872,323
2020	2,757,750	901,650	3,659,400
2021	2,235,137	825,554	3,060,691
2022	2,215,113	767,200	2,982,313
2023	2,280,991	704,867	2,985,858
2024	2,340,967	638,649	2,979,616
2025	1,753,498	572,173	2,325,671
2026	1,460,000	505,939	1,965,939
2027	1,505,000	449,534	1,954,534
2028	685,000	402,639	1,087,639
2029	715,000	367,469	1,082,469
2030	745,000	330,060	1,075,060
2031	775,000	290,400	1,065,400
2032	275,000	259,065	534,065
2033	285,000	236,499	521,499
2034	300,000	212,733	512,733
2035	310,000	187,755	497,755
2036	1,110,000	161,898	1,271,898
2037	335,000	135,096	470,096
2038	350,000	107,088	457,088
2039	360,000	77,920	437,920
2040	375,000	47,590	422,590
2041	1,345,000	16,045	1,361,045
	<u>\$ 44,285,360</u>	<u>\$ 15,804,063</u>	<u>\$ 60,089,423</u>

CITY OF WICHITA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2004 through December 31, 2013

(dollars expressed in thousands of dollars)

Year ¹	Real Property		Personal Property		State Assessed Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$ 2,147,334	\$ 14,958,321	\$ 275,516	\$ 1,142,836	\$ 123,092	\$ 373,006
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

Year	Totals Assessed Property					
	Assessed Value	Estimated Actual Value	Assessed Value as a Percent of Actual Value	Total Direct Tax Rate ²	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
2004	\$ 2,545,942	\$ 16,474,163	15.45%	5.07	\$ 360,861	\$ 2,906,803
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

¹The 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.

²Direct tax rates are per \$1,000 of actual value.

Source: Sedgwick County Clerk and Sedgwick County Appraiser



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C I T Y ■ O F
W I C H I T A



Five-Year Fund Overview - General Fund

GENERAL FUND	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 REVISED
Budgeted Operating Revenues					
Property Taxes	70,694	71,555	74,988	76,130	73,551
Motor Vehicle Taxes	9,546	9,607	9,889	10,025	10,153
Local Sales Taxes	24,722	23,998	24,988	26,175	27,183
Motor Fuel Taxes	13,654	14,704	14,420	14,419	14,137
Liquor Taxes	1,707	1,762	1,684	1,774	1,819
Franchise Fees	33,720	36,923	36,779	37,407	39,195
Licenses and Permits	1,829	2,237	2,527	2,546	2,664
Charges for Services	8,597	7,837	8,887	8,040	8,944
Rent Income	2,145	2,005	2,135	2,244	2,446
Transfers In	10,237	10,340	11,609	10,182	10,700
Interest Earnings	2,825	2,393	912	301	210
Fines and Penalties	10,392	10,614	10,330	10,469	11,438
Administrative Charges	4,336	3,707	3,806	4,009	3,445
Reimbursements	4,193	3,725	6,205	2,986	4,090
Total Operating Revenues	198,598	201,407	209,158	206,706	209,974
Budgeted Operating Expenditures					
Wages	112,042	109,386	108,356	106,942	106,088
Health Insurance	13,107	15,820	17,373	18,346	19,560
Other Benefits	20,672	23,584	24,755	24,525	27,702
Contractual Expenditures	38,209	36,811	39,589	37,347	39,429
Commodities	5,862	7,390	8,186	8,122	9,386
Capital Outlay	99	81	54	29	232
Transfers	8,604	8,205	10,313	11,182	7,579
Shrinkage	0	0	0	0	0
Total Operating Expenditures	198,595	201,277	208,626	206,493	209,974
Operating Margin	3	130	532	213	0
Unencumbered Fund Balance:					
January 1	22,459	22,460	22,465	22,997	23,210
December 31	22,460	22,590	22,997	23,210	23,210
Percent of Expenditures	11.3%	11.2%	11.0%	11.3%	11.1%
Assessed Valuation					
Assessed Valuation	3,145,832	3,151,665	3,150,148	3,151,989	3,111,573
Increase In Assessed Valuation	5.1%	0.2%	0.0%	0.1%	-1.3%
General Fund Mill Levy	23.034	23.619	24.742	24.839	24.443
Debt Service Fund Mill Levy	9.022	8.523	7.530	7.520	8.028
Total Mill Levy	32.056	32.142	32.272	32.359	32.471

Note: Amounts shown in thousands of dollars.



Five-Year Fund Overview - General Fund

GENERAL FUND	2014 ADOPTED	2015 APPROVED	2016 PROJECTED	2017 PROJECTED	2018 PROJECTED
Budgeted Operating Revenues					
Property Taxes	72,506	73,585	75,676	77,890	80,222
Motor Vehicle Taxes	10,256	10,615	10,987	11,371	11,769
Local Sales Taxes	28,075	28,927	29,795	30,689	31,609
Motor Fuel Taxes	14,137	14,137	14,137	14,137	14,137
Liquor Taxes	1,867	1,959	2,047	2,139	2,235
Franchise Fees	40,176	41,487	42,899	44,364	45,793
Licenses and Permits	2,766	2,765	2,820	2,877	2,934
Charges for Services	9,222	9,301	9,452	9,606	9,763
Rent Income	2,430	2,432	2,480	2,530	2,581
Transfers In	13,100	12,845	12,403	12,308	12,550
Interest Earnings	180	180	500	1,000	1,500
Fines and Penalties	12,131	12,266	12,389	12,513	12,638
Administrative Charges	3,319	3,385	3,452	3,519	3,586
Reimbursements	4,288	4,273	4,323	4,375	4,428
Total Operating Revenues	214,454	218,159	223,361	229,318	235,746
Budgeted Operating Expenditures					
Wages	109,040	110,807	113,022	115,939	119,151
Health Insurance	21,227	22,851	24,679	26,653	28,786
Other Benefits	27,801	27,829	28,386	28,953	29,532
Contractual Expenditures	39,457	39,800	40,198	40,600	41,006
Commodities	9,181	9,137	9,137	9,137	9,137
Capital Outlay	140	140	250	250	250
Transfers	7,608	7,595	7,689	7,785	7,884
Shrinkage	0	0	0	0	0
Total Operating Expenditures	214,454	218,159	223,361	229,318	235,746
Operating Margin	0	0	0	0	0
Unencumbered Fund Balance:					
January 1	23,210	23,210	23,210	23,210	23,210
December 31	23,210	23,210	23,210	23,210	23,210
Percent of Expenditures	10.9%	10.7%	10.4%	10.1%	9.8%
Assessed Valuation	3,126,466	3,174,342	3,267,156	33,65,393	3,468,897
Increase In Assessed Valuation	0.5%	1.5%	2.9%	3.0%	3.1%
General Fund Mill Levy	23.971	23.971	23.971	23.971	23.971
Debt Service Fund Mill Levy	8.500	8.500	8.500	8.500	8.500
Total Mill Levy	32.471	32.471	32.471	32.471	32.471

Note: Amounts shown in thousands of dollars.



Financial Plan - General Fund

General Fund

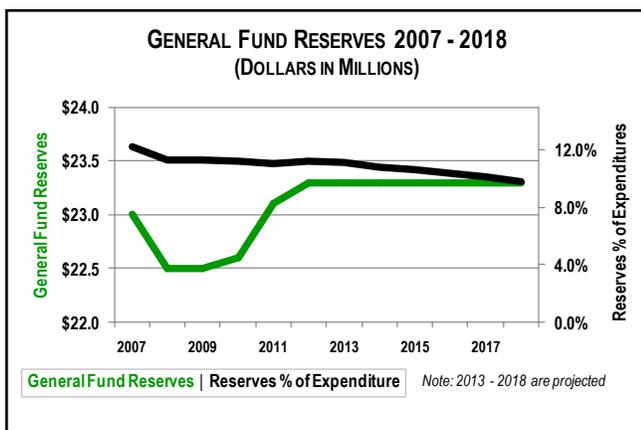
The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The General Fund is one of two “taxing” funds (the other is the Debt Service Fund); property tax revenue accounts for approximately 35% of revenues. The General Fund is authorized by KSA 79-1973.

The long term General Fund forecast is based on a variety of assumptions and variables. The forecast is an attempt to model the potential impact of current policies into the future. No attempt is made to estimate additional expenditure savings from longer term planned actions to continue streamlining the organizational structure. Likewise, any additional service demands that would result in additional expenditures are not included in the model.

Based on the Adopted Budget, the General Fund is balanced and structurally sustainable. However, longer term, this is based on a number of assumptions and variables.

General Fund Balances

Reserve policies for the General Fund target a balance equal to 10% of expenditures as the minimum. Since 1992, the balance has remained within this policy. The balance in the Adopted 2014 Budget would be 10.9%, which is within City Council policy. The financial plan would maintain a fund balance above 10% through 2017, dipping only slightly below the policy limit in 2018, with an ending balance projected at 9.8% of expenditures.



General Fund Expenditures

The most important variable in forecasting the City's financial position in the future is wage growth. Total wage growth is comprised of a number of variables, including increases in salaries, changes in pension and health insurance costs, and the changes in staffing levels. These increases can be offset by turnover, which usually reduces wage growth as long-tenured

2013-2018 GENERAL FUND FORECAST SUMMARY REVENUES, EXPENDITURES AND ENDING BALANCE (Dollars in Millions)				
YEAR	REVENUE	EXPENDITURES	ENDING BALANCE	PERCENT OF EXP.
2018	235.8	235.8	23.2	9.8%
2017	229.3	229.3	23.2	10.1%
2016	223.4	223.4	23.2	10.4%
2015	218.2	218.2	23.2	10.7%
2014	214.5	214.5	23.2	10.9%
2013	210.0	210.0	23.2	11.1%
2012	206.7	206.5	23.2	11.2%
2011	209.2	208.7	23.1	11.1%
2010	201.4	201.3	22.6	11.2%
2009	198.6	198.6	22.5	11.3%
2008	197.7	198.3	22.5	11.3%
2007	188.2	188.2	23.0	12.2%
2006	178.2	178.0	23.0	13.0%
2005	169.7	168.8	22.9	13.6%
2004	162.4	161.1	22.0	13.7%
2003	150.2	150.5	20.8	13.8%
2002	149.8	152.0	21.1	13.9%
2001	151.1	148.0	23.2	15.7%
2000	145.9	145.9	18.9	13.0%
1999	138.3	139.0	18.9	13.6%
1998	136.1	136.1	19.7	14.5%
1997	127.4	128.7	19.7	15.3%
1996	122.4	123.0	21.0	17.1%
1995	120.5	121.7	21.5	17.7%
1994	119.8	111.9	22.5	20.1%
1993	115.3	108.8	14.6	13.4%
1992	103.1	104.2	8.1	7.8%

employees are replaced with employees at beginning wage levels. Prior to 2009, wage growth had been between 5% and 7% annually. This growth has flattened since 2009 based on several factors. Cost of living raises for nearly all employee wages were suspended for 2009—2011. Labor contracts since 2011 have included modest cost of living raises as well as merit increases. In addition, several functions were outsourced, reducing total costs and moving City costs from wages to contractuals. A number of General Fund positions have been eliminated since 2009, to align capacity with service demands and to restructure management hierarchies. The early retirement programs and judicious and



Financial Plan - General Fund

strategic filling of vacant positions is expected to continue to mute wage growth from 2013 to 2015. Longer term, wage growth in 2016-2018 is expected to be between 2.5% and 3.5%. This estimate is based on continuing benefit cost increases (health insurance primarily) as well as modest wage adjustments for City staff.

Contractual expenses are included with a 1% increase annually. Commodity costs are expected to remain flat. Transfers for Transit and Affordable Airfares are estimated to remain flat through 2017 (at \$3.475 million and \$.89 million, respectively), while other transfers are included with a 2% increase.

Annual Components of Expenditure Changes

Overall, General Fund expenditures are forecasted to increase by 1.7% in 2013, compared to the 2012 actual expenditures. Base wage increases and projected health insurance increases account for nearly all of the projected increases during the planning period. Pension contributions increase expenditures by \$2.7 million in 2013. This was reflective of increased contribution rates based on pension fund actuarial projections.

Base wages actually decreased in 2012 (compared to 2011), due primarily to the effect of an early retirement program in December 2011, and to holding positions open and slowing hiring. In addition, \$1 million in wages were transferred to the Water Utility in 2012; previously these wages had been expended in the General Fund and offset by a reimbursement from the Water Utility. Base wages are projected to decrease again in 2013.

The 2011 and 2012 budgets included a shift of one mill from the Debt Service Fund to the General Fund. This shift was used largely to fund an increase of \$2.5 million in economic development expenditures. This increased expenditure level will be eliminated in 2013, resulting in a \$2.5 million decrease in base expenditures. Likewise, Transit support from the General Fund increased by \$0.5 million in 2012 (to a total of \$4.5 million) before falling to \$3.5 million in 2013.

Snow removal costs are significantly higher in 2013 than in 2012. This is primarily due to two major snow storms in February 2013, compared to a very mild winter in 2012. Longer term, snow removal costs are budgeted at a more moderate and constant level. A variety of other adjustments and inflationary assumptions in the longer term forecast account for projected increase of between \$0.3 and \$1.1 million annually.

GENERAL FUND EXPENDITURE ADOPTED GROWTH COMPONENTS 2012 –2018							
<i>(Dollars in Millions)</i>							
Item	2012	2013	2014	2015	2016	2017	2018
Base Wages	(0.4)	2.3	2.9	1.8	2.2	2.9	3.2
Health Insurance	1.0	1.2	1.6	1.6	1.8	2.0	2.1
Shift of Water positions	(1.0)						
Pension contributions		2.7					
Economic Development		(2.5)					
Snow Removal		.8	(0.3)				
Other	(2.2)		0.3	0.3	1.2	1.0	1.1
Transit Transfer	0.5	(1.0)					
Net Change	(2.1)	3.5	4.5	3.7	5.2	5.9	6.4
Total Expenditures	206.5	210.0	214.5	218.2	223.4	229.3	235.7
Percentage Increase	(1.0%)	1.7%	2.1%	1.7%	2.4%	2.7%	2.8%



Financial Plan - General Fund

General Fund Revenues

Property tax revenues are the single largest component in the General Fund revenue portfolio. Revenues increased in 2011 due to the shift of one mill from the Debt Service Fund. This will be offset by a similar reduction spread in 2013 and 2014. Longer term assessed valuation growth is anticipated to eventually resume, propelling modest property tax revenue increases beginning in 2014. Sales tax is expected to rebound strongly in 2012, then grow moderately. Franchise fees are also expected to increase significantly in 2012, based on record utility revenues in 2011. The estimate for 2013 is based on more normal revenues. Growth is expected to return to historic norms in 2014.

Annual Components of Revenue Changes

Overall, General Fund revenues are projected to increase by 1.7% in 2013, compared to the 2012 actual expenditures. The largest growth component during the planning period is attributable to the property tax. With valuation growth estimated to slowly recover, annual increases of \$0.5 million in 2014, \$1.1 million in 2015, \$2.0 million in 2016, \$2.2 million in 2017 and \$2.3 million in 2018 are forecasted. In 2013 and 2014, decreases of \$1.8 million annually in both 2013 and 2014 are reflective of this mill being shifted back to the Debt Service Fund.

Sales tax revenues are expected to increase by approximately \$1 million annually, based on moderate growth during the financial planning period. Franchise fee revenue is expected to consistently increase. This is primarily provided by Water Utilities rate increases and increased utility consumption. Increased electrical rates are also expected to contribute to franchise fee growth.

To partially offset higher pension expenditures, transfers of \$0.7 million were made from the Pension Reserve in 2012. This transfer is budgeted to increase to \$1.3 million in 2014, then decrease to \$1 million in 2015, \$0.3 million in 2016. These transfers are expected to be phased out in 2017. Interest earnings are expected to very moderately increase in the long term, from current virtually non-existent levels. They are not expected to increase to pre-2009 levels any time during the planning period.

Court fines and penalties are expected to increase in both 2013 and 2014. This is due to the implementation of court cost and diversion fee increases, as well as increased traffic enforcement activities in part due to the implementation of new e-Citations technology. A variety of other changes are forecasted to increase revenues by \$2.1 million in 2013.

GENERAL FUND REVENUE ADOPTED GROWTH COMPONENTS 2012 –2018							
<i>(Dollars in Millions)</i>							
ITEM	2012	2013	2014	2015	2016	2017	2018
Property Tax revenue	1.1	(0.7)	0.5	1.1	2.0	2.2	2.3
Millage shift from DSF		(1.8)	(1.8)				
Sales Tax	1.2	1.0	0.9	0.9	0.9	0.9	0.9
Franchise Fees	0.6	1.8	1.0	1.3	1.4	1.5	1.5
Pension Reserve Transfer	(1.3)		0.6	(0.3)	(0.7)	(0.3)	
Interest Income	(0.6)				0.3	0.5	0.5
Reimbursements	(2.9)						
Fines and Penalties		0.9	0.7				
Other	(0.6)	2.1	2.1	0.7	1.3	1.1	1.2
Net Change	(2.5)	3.3	4.5	3.7	5.2	5.9	6.4
TOTAL EXPENDITURES	206.7	210	214.5	218.2	223.4	229.3	235.7
PERCENTAGE INCREASE	(1.0%)	1.7%	2.1%	1.7%	2.4%	2.6%	2.8%



Financial Plan - General Fund

General Fund Revenues

The current estimates from each of the major General Fund revenue sources are outlined below. The discussion centers on the projections for the budget planning period (2013-2015), but also includes estimates for the financial planning period (2016-2018).

Revenue Estimating Process

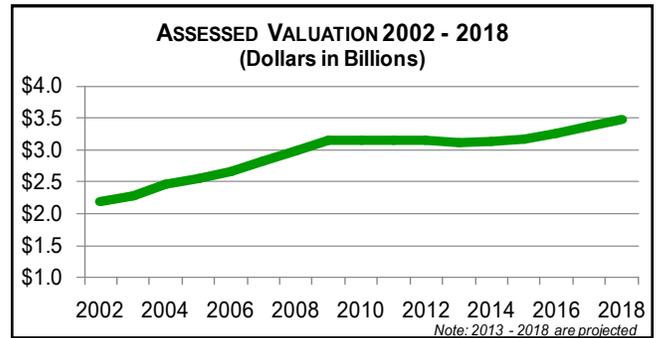
A variety of both qualitative and quantitative methods are used to estimate revenues for the General Fund. The Wichita State University's Center for Economic Development and Business Research provides data that is used for several revenue streams, primarily sales tax. In addition, a consensus approach is used in revenue streams that are specific to a department. In those cases, Finance staff will typically consult with departmental staff to develop a reasonable estimate of future revenues.

For many other revenue items, qualitative professional judgment is often combined with quantitative methods such as trend analysis and time-series forecasting. For many revenues, time-series analysis will provide a reasonable range, with judgment applied to develop the most appropriate estimate. For many of the major revenue sources noted below, time-series data is provided, as well as additional details impacting the estimate.

Property Taxes

Property tax revenues are based on the assessed valuation of taxable property within the city limits. The appraised valuation is determined by the County Appraiser. The assessment percentage, as prescribed by the State Constitution, is applied to derive the assessed valuation. The assessed value is then multiplied by the tax rate (expressed in terms of "mills" per \$1) to derive property tax revenue. Property taxes account for over one third of the revenues to the General Fund.

Receipts are directly impacted by changes in assessed valuation. The base assessed valuation of property within the City of Wichita is adopted to increase .5% in 2014, based on estimates from the County Appraisers Office. Modest 1.5% growth is forecasted in 2015, gradually increasing to 3.1% annual growth by 2018. The forecast assumed a very modest recovery in valuation growth, compared to a cumulative decline of 1% during the period of 2010



TOTAL VALUATION			VALUATION GROWTH COMPONENTS							
YEAR	TOTAL VALUATION		PERSONAL PROPERTY		ANNEXATION		IMPROVEMENTS		REAPPRAISAL	
	AMOUNT	GROWTH	AMOUNT	GROWTH	AMOUNT	GROWTH	AMOUNT	GROWTH	AMOUNT	GROWTH
2018	3,469	3.1%	(11)	-0.3%	0	0.0%	67	2.0%	47	1.4%
2017	3,365	3.0%	(13)	-0.4%	0	0.0%	65	2.0%	46	1.4%
2016	3,267	2.9%	(15)	-0.5%	0	0.0%	63	2.0%	44	1.4%
2015	3,174	1.5%	(18)	-0.6%	0	0.0%	31	1.0%	34	1.1%
2014	3,126	0.5%	(13)	-0.4%	0	0.0%	35	1.1%	(7)	-0.2%
2013	3,111	-1.3%	0	0.0%	0	0.0%	32	1.0%	(62)	-2.0%
2012	3,151	0.0%	(15)	-0.5%	0	0.0%	33	1.0%	(15)	-0.5%
2011	3,150	0.0%	(31)	-1.0%	0	0.0%	39	1.2%	(8)	-0.3%
2010	3,151	0.2%	(34)	-1.1%	1	0.0%	72	2.3%	(32)	-1.0%
2009	3,145	5.1%	(31)	-1.0%	13	0.4%	85	2.8%	87	2.9%
2008	2,992	5.6%	(31)	-1.1%	0	0.0%	85	3.0%	105	3.7%
2007	2,833	6.2%	(1)	0.0%	8	0.3%	87	3.3%	71	2.7%
2006	2,668	3.9%	10	0.4%	2	0.1%	56	2.2%	55	2.1%

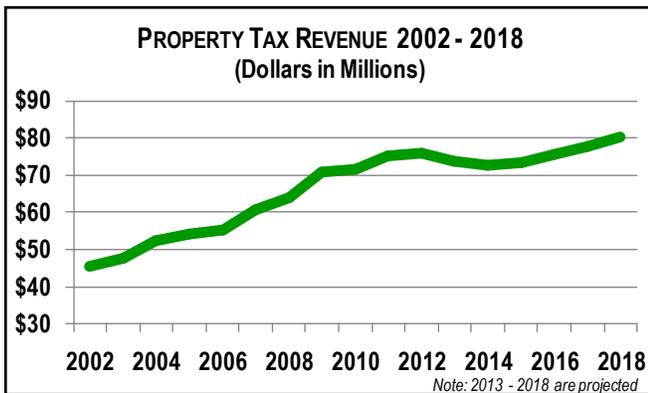


Financial Plan - General Fund

through 2013. However, the forecast is below historical growth rates of 6% experienced from in the decade before the recent economic downturn.

Actual property tax revenues are based on valuation multiplied by the mill levy. Although the total City of Wichita mill levy has essentially been unchanged for 19 years, the levy for the General Fund has fluctuated recently. Beginning in 2009, the City began shifting a portion of the levy from the Debt Service Fund to the General Fund. This increased General Fund property tax revenues.

Beginning in 2013, this trend is budgeted to reverse, as .5 mills will be shifted back to the Debt Service Fund in both 2013 and 2014. The mill levy shift, coupled with the low projected property valuation growth, will produce declining General Fund property tax revenues in 2013 and 2014. This trend should reverse in 2015, when the General Fund mill levy stabilizes.



Based on historic trends, a delinquency of 6% is budgeted. The 2014 General Fund mill levy rate is estimated to be 23.971; when combined with the projected Debt Service Fund rate of 8.5, the total mill levy will be an estimated 32.471, equal to the rate in the 2013 Revised Budget.

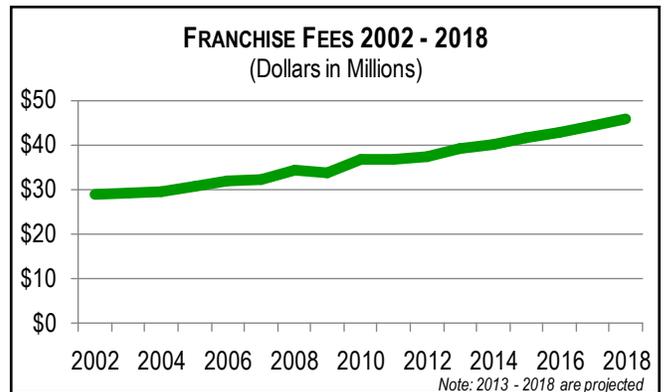
CITY OF WICHITA MILL LEVY AND PROPERTY TAX REVENUE				
	2011	2012	2013	2014
GF Levy	24.742	24.839	24.359	23.839
DSF Levy	7.530	7.520	8.000	8.500
Total City Levy	32.272	32.359	32.359	32.359
GF Property Taxes	74.988	75.502	74.056	73.926
DSF Property Taxes	22.946	23.191	24.605	26.589
Total Property Taxes	\$97.934	\$98.693	\$98.661	\$100.515

Note: Property taxes are shown in millions and for the City two primary taxing funds; amounts collected for TIF and the SSMID funds are not included.

Since the actual mill levy is calculated by the County Clerk in November based on the final calculation of the assessed valuation for the City, subsequent to the adoption of the budget by the governing body, the actual mill levy may fluctuate somewhat from the projected amount. Aside from these minor fluctuations, the mill levy rate for the City of Wichita has not changed materially for over 20 years.

Franchise Fees

Franchise fee revenue is based on agreements between the City and utility providers. Generally, the agreements provide long term access to City easements in exchange for a portion of gross revenues and other considerations. Overall, franchise fees are expected to grow by 4.8% in 2013, 2.5% in 2014 and 3.3% in 2015.



Forecasting franchise fees is complicated by several significant factors affecting utility gross revenues: weather conditions, economic activity, rate setting approvals, and the price of natural gas. In recent years, natural gas prices have been at historic lows, which has depressed natural gas franchise fees. Warmer weather has recently boosted Water Utilities and Electric revenues. Market conditions impacted AT&T franchise fees. Finally rate setting adjustments have boosted Water Utilities, Electric and Gas franchise fees.

For projections purposes, generally moderate weather and pricing conditions are assumed. Based on increased usage in 2012 and approved rate increases, electric franchise fees are projected to increase by 6% in 2013. More moderate 3% growth is budgeted for natural gas franchise fees.

Water and Sewer franchise fees are based on estimated utility rate increases through the planning period, based on pro formas presented to the City Council in the spring of 2012. Water Utilities revenue will increase in 2013, based on the dry, hot conditions in 2012 (Water franchise fees are based on prior year's revenues). Although additional rate increases are assumed to increase revenues, 2014 projections also assume more moderate weather



Financial Plan - General Fund

conditions. Overall, Water and Sewer franchise fee revenues are projected to increase 4.4% in 2013, then decrease 1.9% in 2014, before increasing at a projected 6% annual rate.

AT&T (formerly SBC) franchise fees are based on a fixed rate per line. With the proliferation of non-land line communications the number of lines has constantly decreased in recent years, resulting in declining telephone franchise fees. This is offset partially by growth in video franchise fees from AT&T. Overall, AT&T franchise fees are expected to be flat. However, revenues collected for AT&T video services are projected to increase by 6% annually.

In the past, growth of Cable TV franchise fees has been relatively constant, aside from the impact of timing differences. Generally, increases in provider rates have resulted in higher City franchise fees, while decreases in subscribers due to competition and price sensitivity have reduced City revenues. Overall, growth of 3% per year is anticipated.

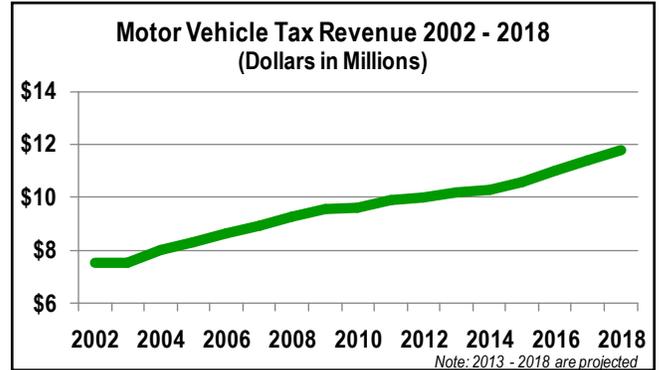
Motor Vehicle Taxes

This tax is based on KSA 79-5101 et seq., which provides for 20 classes in which all vehicles are valued. The taxable value of the vehicles is defined as 20% of the class value. Revenues are driven primarily from valuation, which in turn is based on the level and type of vehicle sales.

Motor vehicle tax receipts have historically grown at 3% annually. However, revenues tend to be economically sensitive, declining in 2001, 2010 and 2011. This forecast assumes growth of 3% in 2013—2015, and 3.5% in 2016 and beyond. The average age of vehicles in the US is at a record levels, and this level of pent-up demand is expected to continue increasing vehicles sales.

PERCENT OF TAXING EFFORT				
	2012	2013	2014	2015
Debt Service Fund	23.2%	24.7%	26.2%	26.2%
General Fund	76.8%	75.3%	73.8%	73.8%
TOTAL	100%	100%	100%	100%
ALLOCATION OF MVT (MILLIONS) TO EACH TAXING FUND				
MVT revenues	13.095	13.488	13.893	14.379
MVT growth	1.5%	3.0%	3.0%	3.0%
DSF allocation	3.043	3.335	3.637	3.764
DSF MVT growth	1.1%	9.6%	9.1%	3.5%
GF allocation	10.052	10.153	10.256	10.615
GF MVT growth	1.7%	1.0%	1.0%	3.5%

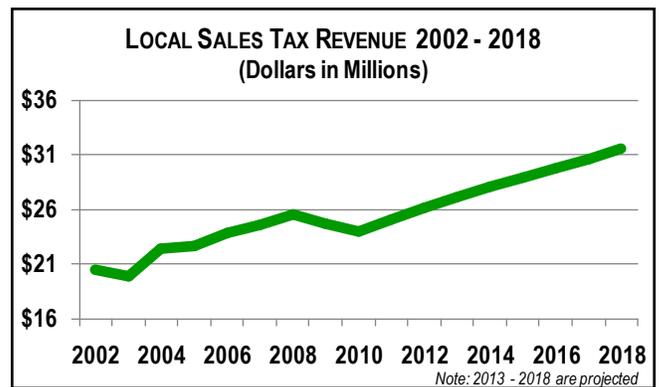
Increases in vehicle sales should result in higher valuation, and an increase in revenue from this source. These forecasts assume no material change in the ratio of the City's taxing effort to the taxing effort of all jurisdictions within the corporate limits of Wichita.



State statute allocates motor vehicle tax revenues based on the ratio of the taxes levied effort in each taxing fund. As noted earlier, with the shift of a portion of the mill levy from the General Fund to the Debt Service Fund, Motor Vehicle revenues to the General Fund will grow less than overall Motor Vehicle revenues. The impact of the adjustments in taxes levied and that relationship to the projected motor vehicle tax revenues is shown in the graphic.

Local Sales Taxes

Sales tax revenues are generated by the City's share of the county-wide one cent sales tax. The City does not levy a City-wide sales tax. This sales tax is the result of a referendum approved by Sedgwick County voters in 1985. One cent is collected county-wide, of which the City receives approximately 58.4%.



In 2012, \$89 million was distributed to Sedgwick County, of which the City received \$52 million. Of the sales tax received by the City, one half is credited to the General Fund and one half to the Sales Tax Construction Pledge Fund consistent with pledges made in 1985. Sales tax receipts to the General Fund were up 3.9% in 2012 and 4.8% in 2011. This was reflective of the bounce back that typically has occurred after economic downturns. In 2009 and



Financial Plan - General Fund

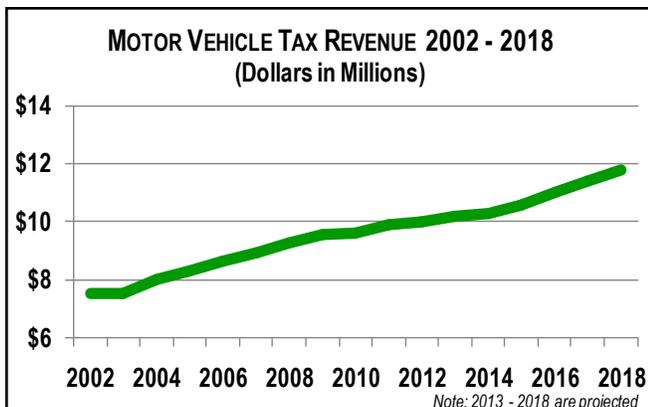
2010, sales tax revenue declined 3.4% and 2.4%, respectively. An increase of 3.9% is projected in 2013, with growth of 3.3% in 2014. Longer term, a growth rate of 3% annually is assumed.

Projected sales tax collections could be impacted by any legislative changes made to the statutory exemptions from sales taxes. In addition, unanticipated changes in economic activity could negatively impact sales tax collections. A prolonged period of high fuel prices could impact consumer spending on sales taxable items, thus reducing sales tax revenue. Finally, the distribution ratio is based on the taxing efforts of the 19 cities within Sedgwick County, as well as the county itself. Any significant changes in taxing efforts in these jurisdictions could impact the City's sales tax receipts.

State-shared Revenues

The City receives state-shared revenue from three sources currently: state motor fuel taxes, state liquor taxes and KLINK and LINK payments.

State motor fuel tax collections are based on wholesale gallons sold, not the value or price of the gallons sold. Since 2000, the number of gallons of fuel consumed in Kansas has been relatively static at approximately 1.7 billion. The tax rates have also been unchanged since 2003 (rates increased from 20 cents per gallon of gasoline in 2000, to 21 cents in 2001 to 23 cents in 2002 and the current 24 cents in 2003). The state distribution formula for the motor fuel tax was adjusted from 2001 to 2003, largely offsetting any benefit to City revenues from the increased tax rate. Since 2003, the distribution formula has remained unchanged.

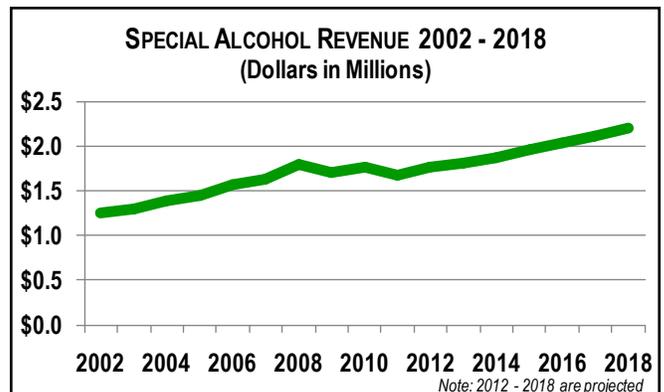


Of total state motor fuel tax receipts, 33.63% are allocated for cities and counties. Of that amount, 57% is provided to counties, and 43% to cities. The amount for cities is allocated based on the ratio of city population to total population of all cities in the state. The county distributions are made with \$5,000 going to each county, in addition to a proportional distribution based on motor vehicle registration fees, daily vehicle miles traveled and total road

miles. Of the amount received by Sedgwick County, 50% is distributed to the 19 cities in Sedgwick County based on population.

Motor fuel tax revenues peaked at \$15.7 million in 2007, due to the continued decline in consumption. The decrease in 2009 was largely due to action by the State Legislature that effectively reduced motor fuel tax receipts for the City of Wichita by approximately \$1 million. A slight decrease in revenues is projected in 2013, with no growth forecasted during the planning period. Continued high gas prices or renewed economic turmoil could further erode future City motor fuel tax revenues.

State liquor tax receipts are based on KSA 79-41a04. Per statute, 70% of the liquor excise taxes collected in Wichita are redistributed to the City. One third of the re-distributed amount is credited to the City's General Fund, with equal thirds credited to the Special Alcohol Fund and the Special Park and Recreation Fund. Liquor tax receipts have historically grown around 5% each year, and have tended to be counter-cyclical. However, they also tend to be relatively volatile.



Since 2009, revenues have been more volatile than usual, and have not trended up. This atypical behavior ended in 2012, with growth of 5% over 2011 levels. Growth in 2013 is projected at 2.5%, with revenue in 2014 growing at 2.7%. Longer term, growth of nearly 5% annually is expected.

Per KSA 68-416, the City receives \$3,000 per lane mile of streets and highways designated by the State as connecting links for maintenance activities. KLINK payments are projected to be stable at \$150,000 annually. Occasionally, additional funds are received from the State as reimbursements for previously agreed upon maintenance activities.

Fines and Penalties

Revenues are generated from two sources: the collection of Court assessed fines and penalties and the collection of Library fines and fees. Court revenues can vary considerably, depending on



Financial Plan - General Fund

enforcement activity, judicial disposition of cases, participation of defendants in diversion programs, and the collection rate of court ordered assessments. Revenues of \$11.6 million are projected in 2013, based on continued efforts to collect all judicially ordered assessments, and due to the implementation of technology improvements to enhance processing and accuracy of the citation process. revenues are expected to increase to \$11.8 million in 2013. Long term growth of 1% annually is forecasted.

Library fines and fees have been relatively stable in the past. In 2006, the Library Board approved increasingly aggressive collections policies – including lowering the threshold amount – from \$40 to \$25 – that triggers when delinquent accounts are referred to the collection agency. These changes increased Library fine and fee revenue beginning in 2009.

Licenses and Permits

City Ordinances require licenses and permits for a variety of activities. Generally, these revenues fall into four categories: dog licenses; alarm system licenses and fees; curb cut permits; and all other permits and licenses. Over the years, most of the fluctuations have occurred in alarm fees and curb cut permits. Revenue of \$2.7 million is expected for 2013.

Current Sales and Services

Revenue from this source is derived from a number of services provided for a fee to citizens. Fluctuations in this revenue source are primarily from participation in recreation programs, changes in program fees, changes in the calculations of engineering overhead, and the number of pavement cuts required each year.

Engineering overhead is based on prior year expenditures for engineering services related to CIP activities; hence, fluctuations in this source are directly related to fluctuations in expenditures. Likewise, curb cut revenue is directly related to expenditures incurred by the Public Works & Utilities Engineering service to perform the curb cuts. This revenue tends to fluctuate based on service demands. However, on a net basis any revenue fluctuation is generally offset by fluctuation on the expenditures side. Revenues are projected to reach \$8.9 million in 2013, with modest annual increases projected in 2014 and 2015.

Administrative Charges

Revenues from this source are based mostly on the cost allocation plan performed annually by an outside consultant. This plan, required under OMB Circular 87, allocates overhead costs of administrative services to other funds, in order to facilitate full cost accounting. The charges are reviewed annually and updated or changed as necessary, based on the cost allocation plan. Revenues are projected to drop from \$4 million in 2012 to \$3.4

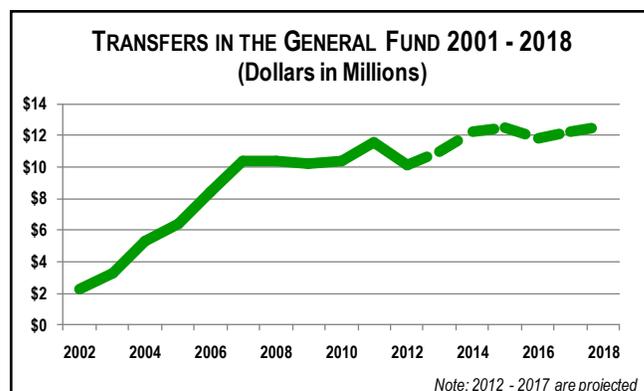
million in 2013; however, this is reflective of re-categorizing over \$400,000 in water utility billing reimbursements for Finance Express Office staff.

Transfers In

Transfers to the General Fund are typically made to reimburse the General Fund for support provided to other services, or to facilitate full cost accounting. Transfers In revenue has increased dramatically in the last seven years based on the implementation of the Public Safety Fee, the implementation of transfers from the Landfill Post Closure Fund, the maximization of transfers from the Tourism and Convention Fund to offset convention center losses, and the inclusion of one-time non-recurring transfers.

Transfers generally fall into five categories: Public Safety Fee charges; transfers from the Special Park and Recreation Fund to offset General Fund recreation costs; transfers from the Convention and Tourism Fund to offset losses of the City's convention center; transfers from the Landfill Post Closure Fund, based on the diminishment of the post closure liability; and other miscellaneous transfers.

Public Safety Fee transfers are made from each utility operation and are calculated to reimburse the General Fund for the equivalent cost of providing public safety service to each utility. The fees are recalculated annually based on the cost of providing public safety services in the General Fund and the valuation of the utilities each year. For 2013, fees are projected to remain stable, with growth of 4.7% projected in 2013, primarily due to Water Utilities improvements.



A transfer from the Convention and Tourism Fund is budgeted at approximately \$1.6 million from 2013 through 2015. This transfer offsets projected Convention Center losses. An additional \$500,000 is also budgeted to be transferred from this source to offset maintenance costs for cultural facilities. The Special Park and Recreation transfer is calculated to transfer annually all receipts from the Special Park and Recreation Fund. Transfers



Financial Plan - General Fund

are budgeted at \$1.9 million in 2014. These revenues offset the cost of recreational programming. A transfer from the Pension Reserve Fund, to partially offset higher pension costs, is included at \$.1 million in 2013—2015. These transfers are not projected to continue past 2015. Transfers are projected to increase from the Landfill Post Closure Fund. This fund has excess reserves, and annually, after reviewing the projected long term liability, excess reserves will be transferred to the General Fund.

Interest Earnings

This revenue stream is largely dependent upon market rates for investments, which are permitted under the City's Investment Policy, as well as the size of the pool of investment funds. Revenues began declining in 2008 when the Federal Reserve began aggressively cutting interest rates. Interest rates are currently near zero, resulting in a significant decrease in City revenues. A total of \$180,000 is budgeted in 2014. Based on Federal Reserve indications that rates will remain near zero into the foreseeable future, budgeted interest earnings are projected to remain at minimal levels.

Rental Income

The City leases a variety of real estate, including office space, garage space and athletic fields. The majority of the rental income is derived from three sources: annual rental payments for space at the Central Maintenance Facility; rental payments from vendors at Century II and Expo Hall; and rentals offered by the Park and Recreation Department, typically shelters, recreation center rooms and athletic fields. These revenues are expected to be relatively stable at \$2.4 million.

Reimbursements

Reimbursement receipts are, as the name implies, intended to reimburse the General Fund for activity provided for non-General Fund financed or external services. A significant reimbursement is received from the Wichita Public Schools (USD 259) for their share of the cost of Police School Resource Officer positions based on a Memorandum of Agreement. This revenue is expected to total \$415,343 in 2013, a reimbursement of 50% of the costs of seven SRO positions.

Another source is an approximate \$134,000 annual transfer from the City of Eastborough for fire response services. Additionally, \$1.3 million is included in reimbursements for positions. Other reimbursement amounts are for a variety of purposes and most are relatively small.

CITY OF WICHITA, KANSAS

RECENT GENERAL OBLIGATION BOND SALES

SERIES NO.	AMOUNT	DATE OF BONDS	MATURITY	COUPON RATE (PERCENT)	NET INTEREST RATE (PERCENT)
778A	565,000	08/01/04	1 to 20 yrs.	4, 4.5, 4.1, 4.2, 4.25, 4.375, 4.4, 4.5, 4.7, 4.75	4.4388
2004D-Refunding	41,730,000	12/01/04	1 to 10 yrs.	4, 5	3.6036
782A	1,610,000	08/01/05	1 to 20 yrs.	4, 4.25	4.1471
786A	920,000	08/01/06	1 to 20 yrs.	5.75, 5.5, 5.0, 4.5, 4.3, 4.35, 4.4, 4.45, 4.55, 4.6, 4.65, 4.7, 4.75, 4.8, 4.85	4.6861
788	14,865,000	02/01/07	1 to 15 yrs.	4, 4.125, 4.250	4.0798
788A	4,985,000	02/01/07	1 to 20 yrs.	4, 4.1, 4.2, 4.25, 4.625	4.2567
790	12,740,000	08/01/07	1 to 15 yrs.	4.25, 4.5, 4.357, 4.5	4.3835
790A	2,575,000	08/01/07	1 to 20 yrs.	4, 4.375, 4.5, 4.6, 4.625, 4.65, 4.7, 4.75	4.5589
959	4,390,000	08/01/07	1 to 15 yrs.	6.25, 5.70, 5.75, 5.875	5.8612
960	7,385,000	08/01/07	1 to 15 yrs.	4.25, 4.5, 4.375, 4.5	4.3869
2007-Sales Tax	40,500,000	10/01/07	1 to 15 yrs.	4, 4.2, 4.25, 4.3, 4.375, 5.0	4.0422
792	11,765,000	02/01/08	1 to 15 yrs.	3.5, 4	3.7480
792A	3,390,000	02/01/08	1 to 20 yrs.	3.5, 3.75, 4, 4.1, 4.2, 4.25, 4.3, 4.35, 4.4	4.1075
794	10,050,000	08/01/08	1 to 15 yrs.	3.5, 4.0, 4.125, 4.2	3.8867
794A	3,970,000	08/01/08	1 to 20 yrs.	3.25, 3.5, 3.75, 4.0, 4.125, 4.250, 4.375	4.1670
2009A	23,385,000	04/01/09	1 to 8 yrs.	3.0, 3.25, 3.5	2.7551
2009B	19,470,000	04/01/09	1 to 8 yrs.	3.0, 3.25	2.5042
796	9,580,000	02/01/09	1 to 15 yrs.	2.25, 2.50, 2.75, 3.0, 3.25, 3.5, 4.0	3.4976
796A	9,390,000	02/01/09	1 to 20 yrs.	3.0, 3.5, 3.75, 4.0, 4.2, 4.3, 4.375, 4.5	4.0466
787	33,045,000	02/01/09	1 to 15 yrs.	2.25, 3.25, 2.5, 4.0	2.7941
798	8,460,000	08/01/09	1 to 15 yrs.	2.25, 2.50, 3.0, 3.25, 3.75	3.2636
798A	7,650,000	08/01/09	1 to 20 yrs.	2.25, 2.5, 2.75, 3.0, 3.25, 3.5, 4.0, 4.125, 4.2, 4.25	3.7989
797	11,240,000	08/01/09	1 to 15 yrs.	2.0, 4.0, 3.25, 3.375, 3.625, 3.75	2.7674
800	10,865,000	03/01/10	1 to 15 yrs.	2.0, 2.25, 2.625, 3.0, 3.125, 3.375, 3.5, 4.0	3.2266
800A	13,125,000	03/01/10	1 to 20 yrs.	2.25, 2.5, 2.75, 3.0, 3.25, 3.5, 4.0, 4.125, 4.2, 4.25	3.5655
800B	1,630,000	03/01/10	1 to 20 yrs.	2.0, 2.25, 2.625, 2.875, 3.125, 3.25, 3.375, 3.5, 4.0	4.9945
799	22,505,000	03/01/10	1 to 10 yrs.	1.25, 2.25, 2.5, 3.25, 3.5, 3.75, 4.0, 4.25, 4.5, 4.75, 4.9, 2.0, 5.1, 5.2, 5.3, 5.4, 5.5, 5.65, 5.75	2.7219
801	20,500,000	08/01/10	1 to 15 yrs.	2.0, 2.25, 2.5, 3.0, 3.25, 4.0	2.6086
802	6,085,000	08/01/10	1 to 15 yrs.	2.0, 2.5, 3.0, 3.125, 3.3, 3.4, 3.5	2.7891
802A	5,870,000	08/01/10	1 to 20 yrs.	2.20, 3.0, 3.125, 3.375, 3.5, 4.0	3.2914
802B	1,260,000	08/01/10	1 to 20 yrs.	3.25, 3.5, 3.75, 4.0, 4.25, 4.5, 4.6, 4.75, 4.9, 5.0, 5.15, 5.3, 5.4, 5.5, 5.6, 5.7	4.5431
2010A-Refund.	21,420,000	09/15/10	1 to 8 yrs.	2.0, 2.25, 2.375, 3.0	1.7046
2010B-Refund.	27,385,000	09/15/10	1 to 8 yrs.	3.0, 4.0	1.3780
2011A	5,715,000	02/01/11	1 to 30 yrs.	2.5, 3.0, 3.5, 4.0, 4.125, 4.25, 4.4, 4.5, 4.6, 5.0	4.5640
2011B	11,365,000	02/01/11	1 to 30 yrs.	1.2, 4.0, 4.25, 4.5, 4.75, 5.25, 5.0, 5.1, 5.2, 5.3, 5.35, 5.4, 5.45, 5.5	5.1945
804	1,965,000	02/01/11	1 to 15 yrs.	2.5, 2.7, 3.0, 3.2, 3.4, 3.7, 4.0, 4.1, 4.15, 4.25	3.5522
806	\$ 3,480,000	08/01/11	1 to 20 yrs.	2.0, 2.25, 2.50, 2.75, 3.0, 3.25, 3.50, 3.75, 4.0	3.1136
2011C	22,585,000	09/15/11	1 to 8 yrs.	2.0, 3.0, 4.0, 5.0	1.1323
2011D	11,365,000	02/01/11	1 to 9 yrs.	3.0, 4.0, 5.0	1.6509
2011A-Sales Tax	8,755,000	10/01/11	1 to 15 yrs.	2.0, 2.25, 2.50, 3.0, 3.25	2.5608
2011B-S-Tax Ref	16,240,000	10/01/11	1 to 5 yrs.	3.0, 4.0, 5.0	1.1893

SERIES NO.	AMOUNT	DATE OF BONDS	MATURITY	COUPON RATE (PERCENT)	NET INTEREST RATE (PERCENT)
803	19,265,000	02/01/12	1 to 15 yrs.	2.0, 2.25, 2.50, 3.0	2.0228
808	5,615,000	02/01/12	1 to 20 yrs.	2.0, 2.50, 3.0, 3.25	2.2766
805	11,365,000	08/01/12	1 to 15 yrs.	2.0, 3.0, 4.0	1.8297
961	1,610,000	08/01/12	1 to 11 yrs.	1.5, 1.7, 1.95, 2.25, 2.55, 2.7	2.0719
810	2,275,000	08/01/12	1 to 20 yrs.	2.0, 3.0, 3.125	2.5986
2012A-Refund.	21,250,000	11/01/12	1 to 9 yrs.	3.0, 4.0, 5.0	1.3859
2012B-Refund.	2,850,000	11/01/12	1 to 8 yrs.	1.0, 1.05, 1.25, 1.50, 1.75, 2.05, 2.25	1.6813
2012C-Refund.	4,360,000	11/01/12	1 to 8 yrs.	2.0, 3.0	1.3928
2012D-Sales Tax	17,700,000	11/01/12	1 to 15 yrs.	2.0, 2.125, 2.25, 2.5, 3.0	1.9765
2012E-S-Tax Ref.	22,865,000	11/01/12	1 to 8 yrs.	4.0, 5.0	1.3357
807	9,450,000	02/01/13	1 to 10 yrs.	2.0	1.3755
812	3,375,000	02/01/13	1 to 20 yrs.	2.0, 3.0, 4.0	2.3176
809	3,550,000	02/01/14	1 to 10 yrs.	2.0, 3.0	2.1633
809A	4,720,000	02/01/14	1 to 15 yrs.	1.0, 2.0, 3.0, 2.6, 2.8, 3.2, 3.5, 3.7, 3.75, 4.0, 4.125, 4.375	3.6092
2014A	8,010,000	02/01/14	1 to 30 yrs.	3.0, 4.0, 3.1, 3.25, 3.375, 3.5, 3.625, 3.7, 3.8, 4.125, 4.2, 4.25, 4.3	3.9041

APPENDIX D

FORM OF BOND COUNSEL'S OPINIONS



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**C I T Y ■ O F
W I C H I T A**

APPENDIX D-1

FORM OF BOND COUNSEL OPINION – SERIES 811

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 811 Purchaser]
[City, State]

Re: General Obligation Bonds, Series 811, of the City of Wichita, Kansas, Dated October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

APPENDIX D-2

FORM OF BOND COUNSEL OPINION – SERIES 813

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 813 Purchaser]
[City, State]

Re: Taxable General Obligation Bonds, Series 813, of the City of Wichita, Kansas, Dated
October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest, in part from special assessments levied upon the property benefited by the construction of certain improvements 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 Issuer. The balance of the principal and interest on the Bonds is payable 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

APPENDIX D-3

FORM OF BOND COUNSEL OPINION – SERIES 814

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 814 Purchaser]
[City, State]

Re: General Obligation Bonds, Series 814, of the City of Wichita, Kansas, Dated October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest, in part from special assessments levied upon the property benefited by the construction of certain improvements 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 Issuer. The balance of the principal and interest on the Bonds is payable 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further,

we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

APPENDIX D-4

FORM OF BOND COUNSEL OPINION – SERIES 962

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 962 Purchaser]
[City, State]

Re: General Obligation Tax Increment Financing Bonds, Series 962, of the City of Wichita, Kansas, Dated October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from incremental property tax revenues derived in certain tax increment financing districts within the Issuer 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further,

we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.



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APPENDIX E
LIST OF CAPITAL IMPROVEMENTS



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CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 811
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE
ARTERIAL IMPROVEMENTS			
1	205401	706935 47th St. S. Meridian-Seneca	\$ 62,804.00
2	208443	706977 37th Street North, Tyler to Maize	24,802.00
3	208453	706988 119th W, Pawnee-Kellogg	221,716.00
4	208458	706993 Olivier, Harry-Kellogg	370,926.00
5	208460	706995 West St. Maple-Central	520,637.00
6	209475	707010 Greenwich, Harry-Kellogg	309,222.00
7	209476	707011 119th Kellogg-Maple	372,926.00
8	210486	707021 135th W 13th-21st	1,799,927.00
9	210493	707028 Tyler Road 21st to 29th Street North	78,406.00
10	211505	707050 Pavement Condition Survey, Assessment Inventory	184,913.00
			SUBTOTAL ARTERIALS
			<u><u>3,946,279.00</u></u>
PARK IMPROVEMENTS			
1	397238	785161 Botanica Expansion	\$ 1,386,497.00
2	440154	785995 Golf CIP Improvements	302,581.00
			SUBTOTAL PARK IMPROVEMENTS
			<u><u>1,689,078.00</u></u>
PUBLIC IMPROVEMENTS			
1	435468	792558 WaterWalk Hotel Development	\$ 2,566,400.00
			SUBTOTAL PUBLIC IMPROVEMENTS
			<u><u>2,566,400.00</u></u>
TRANSIT IMPROVEMENTS			
1	618001	629586 Bus Wash	\$ 37,216.00
2	716004	716109 Buses	814,199.00
			SUBTOTAL TRANSIT IMPROVEMENTS
			<u><u>851,415.00</u></u>
WATER IMPROVEMENTS			
1	757549	633800 W-549 Equus Beds ASR, Phase II	\$ 147,391,828.00
			SUBTOTAL WATER IMPROVEMENTS
			<u><u>147,391,828.00</u></u>
			TOTAL BONDS, SERIES 811
			<u><u>\$ 156,445,000.00</u></u>

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 813
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE	
PUBLIC IMPROVEMENTS				
1	435425	792494	Douglas and Hillside Redevelopment	\$ 3,685,000.00
2	435472	792574	Douglas Place Development	3,943,300.00
			SUBTOTAL PUBLIC IMPROVEMENTS	<u>7,628,300.00</u>
PAVING IMPROVEMENTS				
1	490287	766269	Berkeley Square Parkway	\$ 178,540.00
2	490292	766274	Berkeley Square L & L	136,000.00
3	490293	766275	Greenwich Office Park L & L	76,200.00
			SUBTOTAL PAVING IMPROVEMENTS	<u>390,740.00</u>
FAÇADE IMPROVEMENTS				
1	491044	766044	Façade 915 W Douglas	\$ 70,960.00
			SUBTOTAL FAÇADE IMPROVEMENTS	<u>70,960.00</u>
			TOTAL BONDS, SERIES 813	<u><u>\$ 8,090,000.00</u></u>

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 814
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE
PAVING IMPROVEMENTS			
1	490184	766166 Victor Street	\$ 844,180.00
2	490195	766177 21st/Founders Circle	28,045.00
3	490196	766178 21st Turn Lanes Hawthorne	39,310.00
4	490197	766179 21st Thur Reed's Comm	46,692.00
5	490201	766183 21st Right Turn Lane @ Krug S	41,630.00
6	490205	766187 Yosemite St Phase 2	127,900.00
7	490250	766232 21st St Right Turn Lane	164,500.00
8	490273	766255 Alley Cleveland/Indiana 1st/2nd	86,300.00
9	490277	766259 N-S Alley, Kellogg-Lewis	50,467.00
10	490282	766264 Graystone	436,078.00
11	490285	766267 Weston	240,200.00
12	490286	766268 127th St. Court East	151,160.00
13	490288	766270 Wheatland	515,930.00
14	490289	766271 Camden Chase	207,760.00
15	490291	766273 Boxthorn	103,930.00
16	490294	766276 Kug S Add. Burning Tree Ct	202,800.00
17	490295	766277 Towne East Mall Dr Rckwd 3rd	65,100.00
18	490296	766278 Lighting 1400 bl N. Willow LN	14,094.00
19	490298	766281 Woodridge 27th St. N. Woods N 3	391,500.00
20	490299	766282 127th E Woods Add Ph2	201,737.00
21	490302	766280 Wooddale St Krug S Addn	142,600.00
22	490303	733285 21st St N drive approach	21,100.00
23	490304	766286 Shoreline: Emerald Bay Est 2nd	100,500.00
24	490309	766291 Shoreline: Emerald Bay 23-30	94,100.00
SUBTOTAL PAVING IMPROVEMENTS			4,317,613.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 814
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE
SANITARY SEWER IMPROVEMENTS			
1	480014	744322 Lateral 173, WIS	\$ 108,100.00
2	480015	744323 Lateral 174, WIS	22,600.00
3	480016	744324 Lateral 22, Main 7, NWI	48,360.00
4	480018	744326 Lateral 10, Main 14, FMC	25,400.00
5	480021	744329 Lateral 9, NWI	106,572.00
6	480022	744330 Lateral 538, Pearson Farms 3rd	17,200.00
7	480023	744331 Lateral 4 4mile creek SS	141,800.00
8	480024	744332 Lateral 155 3401 N Fairview	13,000.00
9	480027	744335 Lateral 8 Main14 Krug South	122,892.00
10	480028	744336 Lat 13 Main 16 Glenview Add	62,438.00
11	480029	744337 Lat 429 Woods North 3rd	99,596.00
12	480030	744338 Lat 169 War Indust	17,300.00
13	480031	744339 Lat 171 SS #22	29,000.00
14	480032	744340 Lat 59 main 24 SWI	101,800.00
15	480034	744342 Lat 11 Main Krug South Addn	14,800.00
16	480035	744343 Lat12 M14 FMC Lakeside Acres1st	42,400.00
17	480036	744344 Lat3 M23 Emerald Bay 2nd	299,800.00
SUBTOTAL SANTINARY SEWER IMPROVEMENTS			1,273,058.00
STORM SEWER IMPROVEMENTS			
1	485354	751463 SWD 332	\$ 972,697.00
2	485380	751489 SWD 361	659,600.00
3	485388	751497 SWD 369	523,090.00
4	453390	751499 SWD 231 Repair & Upgrade	105,847.00
5	485391	751500 SWD 662	412,000.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 814
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE
6	485392	751501 SWD 378	\$ 104,481.00
7	485395	751504 SWD 661	215,700.00
8	485396	751505 SWD 629	68,300.00
9	485397	751506 SWD 384 Sierra Hills 2nd Add	475,200.00
10	485399	751508 SWS 667 Krug S Add Ph 3	148,992.00
11	485400	751509 SWS 663 Glenview Add	42,000.00
12	485401	751510 SWD 379 Kiser W 2nd Add	148,600.00
13	485402	751511 SWS #321 Krug S Ph 2	158,300.00
14	485403	751512 SWS #381 Remington Place Addn	546,600.00
15	485404	751513 SWD #382 Emerald Bay Estates 2nd	160,700.00
SUBTOTAL STORM SEWER IMPROVEMENTS			<u>4,742,107.00</u>
WATER IMPROVEMENTS			
1	470134	735461 Greenwich Business Ctr	\$ 67,600.00
2	470136	735463 Hampton Square 2nd	49,790.00
3	470138	735465 Reeds Cove Med Campus	49,700.00
4	470141	735468 Fox Ridge	74,820.00
5	470142	735469 Greenwcih Business Center	34,300.00
6	470143	735470 East Lynne	77,900.00
7	470144	735471 WDS S Maple/E Julia	28,400.00
8	470145	735472 WDS Krug S Add Phase II	53,400.00
9	470146	735473 WDS Krug Pearson Farms 3rd Add	17,400.00
10	470147	735474 WDS Sierra Hills 2nd Addition	67,600.00
11	470149	735474 WDS Krug South Add Ph 3	49,000.00
12	470150	735477 WDS Glenview Add Ph 3	27,375.00
13	470151	435478 WDS Woods North 3rd	67,504.00
14	470152	735479 WDS Stoney Pointe Add	51,800.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 814
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE
15	470153	735480 WDS Greenwich Bus Cnt Addn Ph2	\$ 84,800.00
16	470154	735481 WDS Remington Place Addn	60,700.00
17	470155	735482 WDS 90453 Emerald Bay Esta 2nd	39,200.00
SUBTOTAL WATER IMPROVEMENTS			901,289.00
SUBTOTAL BONDS, SERIES 814			11,234,067.00
ROUNDING AMOUNT			(4,067.00)
TOTAL BONDS, SERIES 814			\$ 11,230,000.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION BONDS, SERIES 962
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	CHARGEABLE TO CITY AT LARGE
PUBLIC IMPROVEMENTS			
1	435352	792458	Water Walk - Eastbank Development
			\$ 7,145,000.00
		SUBTOTAL PUBLIC IMPROVEMENTS	<u>7,145,000.00</u>
		TOTAL BONDS, SERIES 962	<u>\$ 7,145,000.00</u>



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APPENDIX F
SUMMARY OF FINANCING DOCUMENTS



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APPENDIX F

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions contained in each Bond Resolution authorizing the issuance of each series of the Bonds and the Disclosure Undertaking. Unless otherwise noted, the summary applies to each Bond Resolution. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing documents.

THE BOND RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution, particularly Article 12, Section 5 thereof, and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.* In addition, Act means, with respect to (a) Series 811 – K.S.A. 12-685 *et seq.*, K.S.A. 13-1024c, as amended by Charter Ordinance No. 156; (b) Series 813 – K.S.A. 12-6a01 *et seq.*, K.S.A. 12-1770 *et seq.*, and K.S.A. 13-1024c, as amended by Charter Ordinance No. 156; (c) Series 814 – K.S.A. 12-6a01 *et seq.*; and (d) Series 962 – K.S.A. 12-1770 *et seq.* and K.S.A. 13-1024c, as amended by Charter Ordinance No. 156, all as amended and supplemented (collectively the “Act”), and the Bond Resolution.

“Authorized Denomination” means \$5,000 or any integral multiples thereof.

“Beneficial Owner” of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“Bond Registrar” means the State Treasurer, and its successors and assigns.

“Bond Resolution” means collectively, the ordinance passed by the governing body of the Issuer and the resolution adopted by the governing body of the Issuer authorizing the issuance of each series of the Bonds, as amended from time to time.

“Bonds” means, collectively, the Series 811 Bonds, the Series 813 Bonds, the Series 814 Bonds and the Series 962 Bonds.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

“City” means the City of Wichita, Kansas.

“Clerk” means the duly appointed and acting Clerk of the Issuer or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

“Consulting Engineer” means an independent engineer or engineering firm, or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Dated Date” means October 15, 2014.

“Debt Service Account” means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates;
or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Director of Finance” means the duly appointed and acting Director of Finance of the Issuer or, in the Director of Finance's absence (or in the event of a vacancy in such office) any Deputy, Assistant or Acting Director of Finance or Finance Manager of the Issuer.

“Disclosure Undertaking” means the Issuer’s master undertaking to provide ongoing disclosure relating to certain obligations contained in the SEC Rule in connection with the general obligation notes of the Issuer issued after December 2, 2010, as implemented by Ordinance Number 49-078 of the Issuer.

“DTC” means The Depository Trust Company, New York, New York.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate for the Tax-Exempt Bonds, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Fiscal Year” means the twelve month period ending on December 31.

“Funds and Accounts” means funds and accounts created by or referred to in the Bond Resolution.

“Improvement Fund” means the fund by that name created in the Bond Resolution.

“Improvements” means the improvements referred to in the preamble to the Bond Resolution and any Substitute Improvements.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which shall be June 1 and December 1 of each year, commencing June 1, 2015.

“Issue Date” means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

“Issuer” means the City and any successors or assigns.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Mayor” means the duly elected and acting Mayor of the Issuer, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Official Statement” means the Issuer’s Official Statement relating to the Bonds.

“Outstanding” means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the State Treasurer, and any successors and assigns.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer’s temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody’s or Standard & Poor’s; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchaser” means the financial institution or investment banking firm that is original purchaser of the Bonds.

“Rating Agency” means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

“Redemption Fund” means the fund by that name created in the Bond Resolution for the Refunded Notes.

“Redemption Price” means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Notes” means collectively, that portion of the Series 249 Notes, Series 251 Notes, Series 258 Notes, Series 260 Notes and the Series 264 Notes paid from the proceeds of the Bonds and other available funds of the Issuer.

“Refunded Notes Paying Agent” means the paying agent for each series of the Refunded Notes as designated in the Refunded Notes Resolution, and any successor or successors at the time acting as paying agent for the Refunded Notes.

“Refunded Notes Redemption Date” means October 15, 2014.

“Refunded Notes Resolution” means each resolution which authorized the Refunded Notes.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“Securities Depository” means, initially, DTC, and its successors and assigns.

“Series 811 Bonds” means the General Obligation Bonds, Series 811, authorized and issued by the Issuer pursuant to the Bond Resolution.

[**“Series 811 Term Bonds”** means the Series 811 Bonds scheduled to mature in the year 20[____].]

“Series 813 Bonds” means the Taxable General Obligation Bonds, Series 813, authorized and issued by the Issuer pursuant to the Bond Resolution.

[**“Series 813 Term Bonds”** means the Series 813 Bonds scheduled to mature in the year 20[____].]

“Series 814 Bonds” means the General Obligation Bonds, Series 814, authorized and issued by the Issuer pursuant to the Bond Resolution.

[**“Series 814 Term Bonds”** means the Series 813 Bonds scheduled to mature in the year 20[____].]

“Series 962 Bonds” means the General Obligation Tax Increment Financing Bonds, Series 962, authorized and issued by the Issuer pursuant to the Bond Resolution.

[**“Series 962 Term Bonds”** means the Series 962 Bonds scheduled to mature in the year 20[____].]

“Series 249 Notes” means the Issuer's Taxable General Obligation Temporary Notes, Series 251, dated October 15, 2013.

“Series 251 Notes” means the Issuer's Taxable General Obligation Temporary Notes, Series 251, dated February 11, 2014.

“Series 258 Notes” means the Issuer's General Obligation Renewal and Improvement Temporary Notes, Series 258, dated August 15, 2013.

“Series 260 Notes” means the Issuer's General Obligation Temporary Notes, Series 260, dated October 15, 2013.

“Series 264 Notes” means the Issuer's General Obligation Temporary Notes, Series 264, dated February 11, 2014.

“Special Record Date” means the date fixed by the Paying Agent for the payment of Defaulted Interest.

“Standard & Poor's” means Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer of the State or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Substitute Improvements” means the substitute or additional improvements of the Issuer described in the Bond Resolution.

“Tax-Exempt Bonds” means, collectively, the Series 811 Bonds, the Series 814 Bonds and the Series 962 Bonds.

[“Term Bonds” means collectively, the Series 811 Term Bonds, the Series 813 Term Bonds, Series 814 Term Bonds and the Series 962 Term Bonds.]

“Treasurer” means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Redemption Fund.
- (b) Improvement Fund.
- (c) Debt Service Account (within the Bond and Interest Fund).

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) Any accrued interest and any excess proceeds received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) An amount necessary to refund the Refunded Notes shall be deposited in the Redemption Fund.
- (c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying Costs of Issuance; and (c) paying any amount necessary to satisfy the Rebate Amount (as defined in the Federal Tax Certificate).

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Director of Finance (or designee) stating that such payment is being made for a purpose within the scope of the Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the

Director of Finance (or designee) stating that such payment is being made for a purpose within the scope of the Bond Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

Substitution of Improvements; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Bonds provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Bonds to include the Substitute Improvements; and (d) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Bonds under State or federal law.

The Issuer may reallocate expenditure of Bond proceeds among all Improvements financed by the Bonds; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Bonds under State or federal law.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Notes Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Notes on the Refunded Notes Redemption Date. The Refunded Notes issued to temporarily finance the costs of the Improvements pending the issuance of the Bonds have been called for redemption and payment. Any moneys remaining in the Refunded Notes Redemption Fund not needed to retire the Refunded Notes shall be transferred to the Debt Service Account.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

Investments. Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;
- (b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will take such actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Tax-Exempt Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in the Bond Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Tax-Exempt Bonds or any other provision of the Bond Resolution until such time as is set forth in the Federal Tax Certificate.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes and/or assessments referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes and/or assessments are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent.

The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

Governing Law. The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

THE DISCLOSURE UNDERTAKING

The Issuer has passed Ordinance Number 49-078 relating to the Issuer's master undertaking to provide ongoing disclosure relating to certain obligations contained in the SEC Rule in connection with the general obligation bonds of the Issuer issued after December 2, 2010 (the "Disclosure Undertaking"). In the Bond Resolution, the Issuer covenants to apply the provisions of the Disclosure Undertaking to the Bonds. Such covenants are for the benefit of and enforceable by the Participating Underwriter and the Beneficial Owners. The Issuer is the only "obligated person" with responsibility for continuing disclosure with respect to the Bonds.

DEFINITIONS

In addition to the definitions set forth in this "**APPENDIX F – THE BOND RESOLUTION – Definitions**" unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the City's Comprehensive Annual Financial Report ("CAFR"), presenting financial and statistical information for the previous Fiscal Year (prepared in accordance with the guidelines of the Government Finance Officers Association of the United States and Canada ("GFOA"), as the same may be from time to time amended), and operating data with respect to the City, provided at least annually, of the type included in official statements relating to the Bonds.

"Audited Financial Statements" means the City's general purpose financial statements for the previous fiscal year, prepared in accordance with GAAP for governmental units as prescribed by the GASB (except as otherwise stated or disclosed in the notes thereto or as otherwise required by applicable law, as the same may be from time to time amended), which shall have been audited by such auditor(s) as shall be then required or permitted by applicable law.

"City" means the city of Wichita, Kansas.

"EMMA" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB, or any other market access method approved under the Rule.

"GAAP" means generally accepted accounting principles.

"GASB" means the Governmental Accounting Standards Board or its successors or assigns.

"MSRB" means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the Rule.

"Outstanding" when used with reference to any of the Bonds shall mean, as of a particular date, all Bonds theretofore authenticated and delivered under one or more ordinances or resolution(s) of the City, except: (a) Bonds theretofore canceled by the fiscal agent or paying agent (as defined in the ordinance(s) or resolution(s) authorizing the issuance of such Bonds) or delivered to such fiscal agent or paying agent for cancellation; (b) Bonds for which payment or redemption monies or government securities (as defined in the ordinance(s) or resolution(s) authorizing the issuance of such Bonds), or both, in the necessary amounts have been deposited with the fiscal agent or paying agent or other such depository as provided in the ordinance(s) or resolution(s) authorizing the issuance of such Bonds, in trust for the owners

thereof (whether upon or prior to maturity or the Redemption Date(s) of such Bonds); or (c) Bonds in exchange for or in lieu of which refunding bonds have been authenticated and delivered pursuant to the terms of (and within the meaning of) the appropriate ordinance(s) or resolution(s).

“Prescribed Form” means such electronic format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of the applicable information.

“Redemption Date(s)” shall mean, when used with respect to any Bond(s), the date(s) established as such in the ordinance(s) or resolution(s) authorizing the issuance of such Bond(s).

“Report Date” means December 31st of each year, beginning December 31, 2011.

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

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (g) Modifications to rights of security holders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the securities, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

“Reporting Event Notice” means notice in Prescribed Form in accordance with EMMA of a Reporting Event.

UNDERTAKING

The City, as an “obligated person” within the meaning of the Rule, undertakes to provide the following information, at the times and to the recipients as provided in this Section:

- (a) Annual Financial Information;
- (b) Audited Financial Statements; and
- (c) Reporting Event Notices.

REPORTING

Filings. So long as the Rule continues to require an undertaking to make ongoing disclosure as established herein, or performance of prior such undertakings, then, with respect to all of the Bonds issued subject to such requirements which remain Outstanding:

(a) The City shall provide the Annual Financial Information in Prescribed Form in accordance with EMMA to the MSRB, on or before the Report Date. The City may adjust the Report Date if the City changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the MSRB; provided that the new Report Date shall not exceed one year from the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the City provides to the MSRB the Annual Financial Information by specific reference to documents available to the public on the MSRB's Internet Web site, or filed with the SEC.

(b) If not provided as part of the Annual Financial Information, the City shall provide the Audited Financial Statements when and if available to the MSRB in Prescribed Form in accordance with EMMA.

(c) If a Reporting Event occurs, the City shall file a Reporting Event Notice in a timely manner not in excess of ten business days after the occurrence of the event in Prescribed Form in accordance with EMMA with the MSRB. Each "Reporting Event Notice" shall be so captioned, and shall prominently state the date, title and CUSIP numbers of the Bonds to which the Reporting Event(s) covered by the Reporting Event Notice pertain(s).

(d) The City shall provide in Prescribed Form in accordance with EMMA in a timely manner to the MSRB notice of any failure by the City to provide Annual Financial Information on or before the Report Date to the MSRB as required by the terms of this Section.

The information listed in the above-section entitled "Undertaking" shall be provided by the City to the MSRB, at www.emma.msrb.org, in the Prescribed Form or to such other location and by such other method of transmitting information that is approved by the SEC.

Nullification, Repeal and Amendment. These disclosure provisions or any portion hereof, shall be subject to nullification and repeal in the event that the City first delivers to the MSRB, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require the provision as a condition for particular underwriter conduct, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. These provisions may be amended without the consent of the holders or beneficial owners of any Bond(s), following the delivery by the City to the MSRB, of the proposed amendment and the opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the adequacy of these provisions or the adequacy of the City's subsequent conduct for purposes of compliance with the Rule, provided, however, that no such amendment will be made unless the following conditions are satisfied:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of any primary offering to which the undertaking applies, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment does not materially impair the interests of holders, as determined either by parties unaffiliated with the City (such as the trustee or bond counsel) or by approving vote of holders of the Bonds pursuant to the terms of the governing instrument(s) at the time of the amendment;

(d) If the amendment changes the type of operating data or financial information provided pursuant to the City's undertaking, the Annual Financial Information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided; and,

(e) If the amendment alters portions of the City's undertaking specifying the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new

accounting principles and those prepared on the basis of the former accounting principles, which comparison should include a qualitative (and to the extent reasonably feasible, quantitative) discussion of the differences in the accounting principles and the impact of the change in principles on the presentation of the financial information. A notice of the change in accounting principles will be sent to the MSRB.

Non-default. Any failure by the City to perform in accordance with the reporting requirements set forth above shall not constitute an "Event of Default" or "Default" within the meaning of any ordinance(s) or resolution(s) authorizing the issuance of any of the Bonds, and the rights and remedies provided to holders or beneficial owners of the Bonds under such ordinance(s) or resolution(s) upon the occurrence of such a "Default" or such an "Event of Default" shall not apply to any such failure.

Invalidity. If any of the foregoing provisions or terms of with the reporting requirements set forth above, or any application thereof, is held invalid, the invalidity shall not affect other applications of the provisions or terms of this Section which reasonably can be given effect without the invalid provision or term or the application thereof, and to this end, the provisions of this Section are declared to be severable.

Limited liability. None of the provisions of with the reporting requirements set forth above are in any way intended to impose upon, or result in an assumption by, the City or any of its officers, agents or employees, of any special duty or any civil law duty of care as to which any breach or alleged breach thereof could give rise to any claim for damages in tort, and the City hereby expressly disclaims any such duty or responsibility for damages, including (but not limited to) any direct, indirect, special or consequential damages. The provisions of this Section shall not, in any way, create liability or a basis for liability on the part of the City or any officer or employee thereof for any damages that result from failure of the City to timely perform any portion, provision, term or condition of the written undertaking on its part established herein, or for any damages that result from reliance upon any provision of this Section or any administrative decision lawfully made thereunder. However, nothing in this subsection shall operate or be construed to limit the rights of any holder or beneficial owner of any Bond to seek enforcement of the undertakings herein expressed through proceedings for a decree of specific performance in equity.

Miscellaneous. The Disclosure Undertaking shall inure solely to the benefit of the holders of the Bonds as required by Section (b)(5)(i) of the Rule, and shall create no rights in any other person or entity.

The City shall maintain records of all disclosure made pursuant to this Section, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

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

Nothing in this Section shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this subsection or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Reporting Event in addition to that which is required by this Section. If the City chooses to include any information from any document or notice of occurrence of a Reporting Event in addition to that which is specifically required by this Section, the City shall not have any obligation under this Section to update such information or include it in any future disclosure or notice of the occurrence of a Reporting Event.

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PRELIMINARY OFFICIAL STATEMENT

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS: See “Ratings” herein

*In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”): (1) the interest on the Series 268 Notes [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; (2) the interest on the Series 270 Notes (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes but is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; (3) the interest on the Notes (as hereinafter defined) is exempt from income taxation by the State of Kansas; and (4) the Notes have **not** been designated as “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). The interest on the Series 253 Notes is included in gross income for federal income tax purposes. See “TAX MATTERS – Opinion of Bond Counsel” in this Official Statement.*

CITY OF WICHITA, KANSAS

\$80,550,000*
General Obligation Temporary Notes
Series 268

\$94,435,000*
General Obligation Temporary
Notes (Subject to AMT)
Series 270

\$10,285,000*
Taxable General Obligation
Temporary Notes
Series 253

*subject to change

Dated: October 15, 2014

Due: October 15, 2015

Each of the above-referenced notes (collectively, the “Notes”) will be issued by the City of Wichita, Kansas (the “Issuer”), as fully registered notes, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Notes purchased. So long as Cede & Co. is the registered owner of the Notes, as nominee of DTC, references herein to the Note owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Notes. Principal and interest will be payable at maturity or earlier redemption upon presentation and surrender of the Notes by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and registrar (the “Paying Agent” and “Note Registrar”). So long as DTC or its nominee, Cede & Co., is the Owner of the Notes, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

MATURITY SCHEDULES

<u>Series Designation</u>	<u>Stated Maturity</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base: 967244</u>
268	10/15/2015	\$80,550,000	___%	___%	
270	10/15/2015	94,435,000	___%	___%	
253	10/15/2015	10,285,000	___%	___%	

*subject to change

⁽¹⁾ CUSIP numbers have been assigned to this issue by Standard & Poor’s CUSIP Service Bureau, a division of McGraw Hill Financial Inc., and are included solely for the convenience of the Owners of the Notes. Neither the Issuer nor the Original Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

The Notes will be subject to redemption prior to maturity, at the option of the Issuer, on April 15, 2015 or thereafter as described herein. See “THE NOTES-Redemption Provisions” herein.

The Notes are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. Certain other legal matters will be passed on for the Issuer by Sharon L. Dickgrafe, Esq., Interim Director of Law and City Attorney. It is expected that the Notes will be available for delivery through the facilities of DTC in New York, New York on or about October 15, 2014.

SEPARATE BIDS FOR EACH SERIES OF NOTES WILL BE RECEIVED ON TUESDAY, SEPTEMBER 16, 2014, UNTIL 10:00 A.M., CENTRAL DAYLIGHT TIME, VIA PARITY®

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. “APPENDIX F – SUMMARY OF FINANCING DOCUMENTS” CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Preliminary Official Statement is September [__], 2014.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE NOTES OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER.

IN CERTAIN INSTANCES, AS NOTED HEREIN, INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED FROM HISTORICAL RECORDS AND SOURCES OTHER THAN THE ISSUER. ALTHOUGH THE ISSUER BELIEVES SUCH OUTSIDE SOURCES OF INFORMATION ARE RELIABLE, THE ISSUER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF INFORMATION CONTAINED HEREIN WHICH WAS OBTAINED FROM SOURCES OTHER THAN THE ISSUER.

THE FINANCIAL AND OTHER INFORMATION PRESENTED HEREIN IS INTENDED TO SHOW RECENT HISTORIC INFORMATION, AND IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS IN THE FINANCIAL POSITION OR OTHER AFFAIRS OF THE ISSUER. NO REPRESENTATION IS MADE THAT PAST PERFORMANCE, AS MIGHT BE SHOWN BY SUCH FINANCIAL AND OTHER INFORMATION, WILL NECESSARILY CONTINUE OR BE EXPECTED IN THE FUTURE. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE AFTER SUCH DELIVERY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE OF THIS OFFICIAL STATEMENT.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE NOTES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE NOTES IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE NOTES AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

**CITY OF WICHITA, KANSAS
PRELIMINARY OFFICIAL STATEMENT**



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Mayor

Carl Brewer

Vice Mayor

Jeff Blubaugh (District IV)

City Council

Lavonta Williams (District I)
Pete Meitzner (District II)
James Clendenin (District III)
Jeff Longwell (District V)
Janet Miller (District VI)

City Manager

Robert Layton

Director of Finance

Shawn Henning

Interim Director of Law and City Attorney

Sharon L. Dickgrafe

BOND COUNSEL

Gilmore & Bell, P.C.
Wichita, Kansas

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C I T Y ■ O F
W I C H I T A

**PRELIMINARY OFFICIAL STATEMENT
OF THE
CITY OF WICHITA, KANSAS
RELATING TO**

\$80,550,000*
General Obligation Temporary Notes
Series 268

\$94,435,000*
General Obligation Temporary
Notes (Subject to AMT)
Series 270

\$10,285,000*
Taxable General Obligation
Temporary Notes
Series 253

*subject to change

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Wichita, Kansas (the “Issuer” or the “City”), and the following obligations of the Issuer, each of which will be dated October 15, 2014 (the “Dated Date”):

<i>Principal Amount*</i>	<i>Description</i>	<i>Series</i>	<i>Reference</i>
\$80,550,000	General Obligation Temporary Notes	268	“Series 268 Notes”
94,435,000	General Obligation Temporary Notes (Subject to AMT)	270	“Series 270 Notes”
10,285,000	Taxable General Obligation Temporary Notes	253	“Series 253 Notes”

*subject to change

(collectively, the “Notes”).

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the “State”). Additional information regarding the Issuer is contained in *APPENDIX A* to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. Except for the information expressly attributed to other sources deemed to be reliable, all information has been compiled or provided by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned “LEGAL MATTERS,” and accordingly Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Each series of the Notes will be authorized pursuant to a resolution of the Governing Body, which are referred to respectively as the “Series 268 Note Resolution,” the “Series 270 Note Resolution,” the “Series 253 Note Resolution” and collectively as the “Note Resolution.” Other capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in “*APPENDIX F – SUMMARY OF FINANCING DOCUMENTS.*”

Purpose

Series 268 Notes. The Series 268 Notes are being issued for the purpose of providing temporary financing for acquiring, constructing and installing multiple capital improvements of the Issuer, as more fully described in

APPENDIX E hereto and to refund and renew previously issued temporary notes of the Issuer, all as more fully described in the sections of this Official Statement entitled “THE IMPROVEMENTS” and “SOURCES AND USES OF FUNDS.” The Issuer may use the proceeds of the Series 268 Notes to pay the cost of additional or substituted improvements upon compliance with the terms of the Series 268 Note Resolution.

Series 270 Notes. The Series 270 Notes are being issued for the purpose of providing temporary financing for a portion of the costs acquiring, constructing and installing a new municipal airport terminal and related airport improvements of the Issuer (the “Airport Improvements”) and to refund and renew previously issued temporary notes of the Issuer, all as more fully described in **APPENDIX E** hereto and in the sections of this Official Statement entitled “THE IMPROVEMENTS” and “SOURCES AND USES OF FUNDS.” The Issuer may use the proceeds of the Series 270 Notes to pay the cost of additional or substituted improvements upon compliance with the terms of the Series 270 Note Resolution.

Series 253 Notes. The Series 253 Notes are being issued for the purpose of providing temporary financing for a portion of the costs of certain façade improvement projects and Airport Improvements, as more fully described in **APPENDIX E** hereto and to refund and renew previously issued temporary notes of the Issuer, all as more fully described in the sections of this Official Statement entitled “THE IMPROVEMENTS” and “SOURCES AND USES OF FUNDS.” The Issuer may use the proceeds of the Series 253 Notes to pay the cost of additional or substituted improvements upon compliance with the terms of the Series 253 Note Resolution.

Security

The Notes shall be general obligations of the Issuer payable as to both principal and interest, in part from special assessments, or from the proceeds of general obligation bonds of the Issuer, 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 Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Notes as the same become due. Security for the Notes is discussed more fully in the section of this Official Statement entitled “THE NOTES – Security for the Notes.”

Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. The Issuer has adopted ordinances establishing master undertakings to provide ongoing disclosure concerning the Issuer in connection with its general obligation bonds and notes for the benefit of the owners of bonds and notes, including the Notes described herein (the “Disclosure Undertaking”) wherein the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. In the Note Resolution the Issuer has covenanted with the Original Purchaser and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Notes. For the past five years the Issuer has filed its Comprehensive Annual Financial Report (the “CAFR”) within the time period prescribed by the Disclosure Undertaking. The CAFRs contain the audited financial statements of, and statistical information regarding, the Issuer. The statistical information included in the CAFRs contains most, but not all, of the information described as Operating Data in Prior Undertakings. The Issuer’s filings for such years are set forth in the table below.

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Filing Time</u> <u>Period (Days)</u>	<u>CAFR</u> <u>Filing Date</u>
2009	180	06/28/2010
2010	180	06/14/2011
2011	180	06/27/2012
2012	180	06/27/2013
2013	180	06/26/2014

While the Issuer had the filing deficiencies referred to above, it issued General Obligation Temporary Notes in 2009 through 2012, payable from the same source of revenue as the Notes. The official statements for such General Obligation Temporary Notes were filed with the MSRB, but were not incorporated by reference in the

filings made by the Issuer with respect to one or more series of then outstanding notes. During the past five years, the Issuer has made filings of event notices on EMMA with respect to bond and note calls, defeasances and rating changes, however, during said time period, the Issuer may not have made timely filings of event notices on EMMA relating to all bond and note calls, defeasances or rating changes. The Issuer believes this information was disseminated or available through other sources. In particular, event notices were not timely filed on EMMA in connection with certain rating changes on various series of bonds resulting from changes in the ratings of the applicable bond insurers. Specific information about such rating changes was filed on EMMA on July 3, 2014. For more information regarding the Disclosure Undertaking, see “**APPENDIX F – SUMMARY OF FINANCING DOCUMENTS – THE DISCLOSURE UNDERTAKING.**”

Certification

The Issuer has authorized the distribution of this Official Statement for use in connection with the initial sale of the Notes. This Official Statement does not constitute a contract between the Issuer or the Original Purchasers and any one or more of the purchasers, Owners or Beneficial Owners of the Notes. As of the date of the delivery of the Notes, the Original Purchaser of each series of the Notes will be furnished with a certificate signed by an officer of the Issuer stating that, to the best of such officer’s knowledge, in the Official Statement, the Issuer has not made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

Additional Information

Additional information regarding the Notes may be obtained from the Department of Finance, 12th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679, or by contacting:

Ms. Cheryl Busada
Debt Coordinator
Phone: (316) 268-4143
Fax: (316) 858-7520
Email: cbusada@wichita.gov.

Additional copies of this Official Statement may be obtained at www.onlinemunis.com.

THE NOTES

Authority for the Notes

The Notes are being issued pursuant to and in full compliance with the Constitution, particularly Article 12, Section 5 thereof, and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.* In addition, Act means, with respect to: (a) Series 268 – K.S.A. 12-685 *et seq.*, K.S.A. 12-6a01 *et seq.*, K.S.A. 12-1736 *et seq.*, K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 and K.S.A. 13-1348a, as amended by Charter Ordinance No. 78; (b) Series 270 – K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 and K.S.A. 13-1348a, as amended by Charter Ordinance No. 78; and (c) Series 253 – K.S.A. 12-6a01 *et seq.*, K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 and K.S.A. 13-1348a, as amended by Charter Ordinance No. 78; all as amended and supplemented (collectively the “Act”), and resolutions adopted by the governing body of the Issuer on September 16, 2014 (collectively, the “Note Resolution”).

Security for the Notes

General. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Notes as the same become due.

Series 268 Notes. The Series 268 Notes shall be general obligations of the Issuer payable as to both principal and interest, in part, from special assessments to be levied on improvements to be financed

or refinanced with the proceeds of the Series 268 Notes, or from the proceeds of general obligation bonds of the Issuer, 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 Issuer.

Series 270 Notes. The Series 270 Notes shall be general obligations of the Issuer payable as to both principal and interest from proceeds of general obligation bonds of the Issuer, 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 Issuer.

Series 253 Notes. The Series 253 Notes shall be general obligations of the Issuer payable as to both principal and interest, in part, from special assessments to be levied on improvements to be financed or refinanced with the proceeds of the Series 253 Notes, or from the proceeds of general obligation bonds of the Issuer, 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 Issuer.

Description of the Notes

The Notes shall consist of fully registered book-entry-only Notes in an Authorized Denomination and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Note Registrar

The Issuer will at all times maintain a paying agent and note registrar meeting the qualifications set forth in the Note Resolution. The Issuer reserves the right to appoint a successor paying agent or note registrar. No resignation or removal of the paying agent or note registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or note registrar. Every paying agent or note registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the "Note Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Notes and note registrar with respect to the registration, transfer and exchange of Notes.

Method and Place of Payment of the Notes

The principal of, or Redemption Price, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Note and the interest thereon shall be paid at Maturity to the Person in whose name such Note is registered on the Note Register at the Maturity thereof, upon presentation and surrender of such Note at the principal office of the Paying Agent.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Note shall cease to be payable to the Owner of such Note on the relevant Record Date and shall be payable to the Owner in whose name such Note is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Note entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO. REMAINS THE REGISTERED OWNER OF THE NOTES, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See “THE NOTES – Book-Entry Notes: Securities Depository.”

Payments Due on Saturdays, Sundays and Holidays

In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

Book-Entry Notes: Securities Depository

The Notes shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Notes, except in the event the Note Registrar issues Replacement Notes. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Notes to the Participants until and unless the Note Registrar authenticates and delivers Replacement Notes to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes; or

(b) If the Note Registrar receives written notice from Participants having interest in not less than 50% of the Notes Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Note Registrar shall register in the name of and authenticate and deliver Replacement Notes to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Note Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

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

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange

Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Note Registrar receives written evidence satisfactory to the Note Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Note Registrar upon its receipt of a Note or Notes for cancellation shall cause the delivery of the Notes to the successor Securities Depository in appropriate denominations and form as provided in the Note Resolution.

Registration, Transfer and Exchange of Notes

As long as any of the Notes remain Outstanding, each Note when issued shall be registered in the name of the Owner thereof on the Note Register. Notes may be transferred and exchanged only on the Note Register as hereinafter provided. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange. Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Notes is exercised, the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of the Note Resolution. The Issuer shall pay the fees and expenses of the Note Registrar for the registration, transfer and exchange of Notes. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, are the responsibility of the Owners of the Notes. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Note Registrar shall not be required (a) to register the transfer or exchange of any Note that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Note during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed Notes

If (a) any mutilated Note is surrendered to the Note Registrar or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Issuer and the Note Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Note Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Issuer, in its discretion, may pay such Note instead of issuing a new Note. Upon the issuance of any new Note, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentation of Notes

If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Note Resolution or on, or with respect to, said Note. If any Note is not presented for payment

within four (4) years following the date when such Note becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the Issuer, the Notes will be subject to redemption and payment prior to maturity on April 15, 2015 and thereafter, as a whole or in part (selection of the amount of Notes to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

Selection of Notes to be Redeemed. Notes shall be redeemed only in an Authorized Denomination. When less than all of the Notes are to be redeemed and paid prior to their Stated Maturity, such Notes shall be redeemed in such manner as the Issuer shall determine. Notes of less than a full Stated Maturity shall be selected by the Note Registrar in a minimum Authorized Denomination in such equitable manner as the Note Registrar may determine. In the case of a partial redemption of Notes by lot when Notes of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Note of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Note is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Note to the Note Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Note or Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any such Note fails to present such Note to the Paying Agent for payment and exchange as aforesaid, such Note shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Notes to be redeemed, if the Issuer shall call any Notes for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Notes to the Note Registrar and the Original Purchaser. In addition, the Issuer shall cause the Note Registrar to give written notice of redemption to the Owners of said Notes. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Notes are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Notes or portions of Notes that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Notes or portions of Notes to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Notes or portion of Notes shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Notes, the Note Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Note (having been mailed notice from the Note Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Note so affected, shall not affect the validity of the redemption of such Note.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Note.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Notes and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

4. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts

such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OF OR INTEREST ON THE NOTES; THE TRANSMITTAL TO BENEFICIAL OWNERS OR DTC PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS OF THE NOTES UNDER THE BOND OR NOTE RESOLUTIONS; THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE NOTES.

THE NOTE IMPROVEMENTS

General. Pursuant to the authority of various Kansas statutes and Charter Ordinances of the Issuer, the Issuer’s Governing Body has adopted various ordinances and resolutions that authorize the improvements to be financed by the Notes (collectively, the “Note Improvements”) and has provided that the costs of the Note Improvements are to be financed, in whole or in part, by the issuance of general obligation bonds of the Issuer. Financing costs and, in some cases, administrative costs are included in the final cost of the Note Improvements. See “INTRODUCTION – Purpose” herein for additional information on the Note Improvements. The Issuer is authorized by the laws of the State to issue temporary notes for interim financing during the construction of capital improvements which may be permanently financed by the issuance of general obligation bonds, and is further authorized to issue renewal temporary notes in order to refund previously issued temporary notes when the Issuer is hindered or delayed from the issuance of general obligation bonds.

Note Improvement Listing. Reference is made to *APPENDIX E* to this Official Statement for a complete listing of the Note Improvements.

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Notes:

Sources of Funds:	<i>268 Notes</i>	<i>270 Notes</i>	<i>253 Notes</i>
Principal Amount [Bid Premium]	\$80,550,000*	\$94,435,000*	\$10,285,000*
Total	\$	\$	\$
Uses of Funds:			
Deposit to Improvement Fund Improvements Costs of Issuance	[_____]	[_____]	[_____]
Deposit to Redemption Fund	[_____]	[_____]	[_____]
Total	\$[_____]	\$[_____]	\$[_____]
*subject to change			

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE NOTES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE NOTES WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE ORIGINAL PURCHASERS OF EACH SERIES OF THE NOTES.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Notes. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Notes

The enforceability of the rights and remedies of the owners of Notes, and the obligations incurred by the Issuer in issuing the Notes, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Taxation of Interest on the Notes

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 268 and Series 270 Notes is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 268 and Series 270 Notes includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Series 268 and Series 270 Note Resolutions and in other documents and certificates to be delivered in connection with the issuance of the Series 268 and Series 270 Notes to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Series 268 and Series 270 Notes. Because the existence and continuation of the excludability of the interest on the Series 268 and Series 270 Notes depends upon events occurring after the date of issuance of the Series 268 and Series 270 Notes, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 268 and Series 270 Notes in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Series 268 and Series 270 Notes to become includable in gross income as of the date of issuance.

Alternative Minimum Tax – Series 270 Notes.

Interest on the Series 270 Notes is an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, and is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Premium on Notes

[The initial offering prices of certain of the Notes that are subject to optional redemption are in excess of the respective principal amounts thereof.]Any person who purchases a Note at a price in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Notes are subject to redemption at par under the various circumstances described under "THE NOTES – Redemption Provisions."

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Series 268 and Series 270 Note Resolutions do not provide for the payment of additional interest or penalty on the Series 268 and Series 270 Notes or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, there is no provision for the payment of any additional interest or penalty on the Series 268 and Series 270 Notes if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

The federal tax exempt feature of the Series 268 and Series 270 Notes is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Interest on the Series 270 Notes is an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations which may affect a particular investor's decision to purchase the Series 270 Notes. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Notes are an appropriate investment.

Market for the Notes

Ratings. The Notes have been assigned the financial ratings set forth in the section hereof entitled "RATINGS." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Notes.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Notes. Prices of Notes traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading of the Notes as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Notes are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

RATINGS

Moody's Investors Service has assigned a rating of "[____]" to the Notes and Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., has assigned a rating of "[____]" to the Notes. Such ratings reflect only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any obligations, including the Notes, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Notes that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Notes.

ABSENCE OF LITIGATION

The Issuer is a defendant in various actions pending or in process for property damages, civil rights, personal injury and other miscellaneous claims. The ultimate liability that might result from final resolution of these

matters is not presently determinable. City staff and the City's Department of Law are of the opinion that the final outcome of these matters will not have an adverse material effect on the Issuer's financial condition.

There is currently no controversy, suit or other proceeding of any kind pending, or to the knowledge of the Governing Body, City staff or the City's Department of Law, threatened which would adversely affect the validity of the Notes or the ability of the Issuer to provide for the payment of the principal of and the interest on the Notes in the manner described herein. Concurrently with the delivery of the Notes, the Issuer will deliver an executed non-litigation certificate in the form required by State law.

LEGAL MATTERS

Approval of Notes

All matters incident to the authorization and issuance of the Notes are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE NOTES," "LEGAL MATTERS," "TAX MATTERS" and "*APPENDIX F – SUMMARY OF FINANCING DOCUMENTS.*" Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Notes. Certain other legal matters will be passed on for the City by Sharon L. Dickgrafe, Esq., Interim Director of Law and City Attorney.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Notes. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Notes as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Notes in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Notes.

SERIES 268 AND SERIES 270 NOTES

Opinion of Bond Counsel.

In the opinion of Bond Counsel, under the law existing as of the issue date of the Series 268 and Series 270 Notes:

Federal Tax Exemption. The interest on the Series 268 and Series 270 Notes [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax – Series 268 Notes. Interest on the Series 268 Notes is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Alternative Minimum Tax – Series 270 Notes. Interest on the Series 270 Notes is an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, and is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Series 268 and Series 270 Notes have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b).

Kansas Tax Exemption. The interest on the Series 268 and Series 270 Notes is exempt from income taxation by the State of Kansas.

Bond Counsel’s opinions are provided as of the date of the original issue of the Series 268 and Series 270 Notes, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 268 and Series 270 Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 268 and Series 270 Notes in gross income for federal income tax purposes retroactive to the date of issuance of the Series 268 and Series 270 Notes.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 268 and Series 270 Notes, except as expressly provided herein. Purchasers of the Series 268 and Series 270 Notes should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Series 268 and Series 270 Notes, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

[**Original Issue Discount.** For Federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a Note over its issue price. The issue price of a Note is the first price at which a substantial amount of the Notes of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Code § 1288, OID on tax-exempt notes accrues on a compound basis. The amount of OID that accrues to an owner of a Series 268 and Series 270 Note during any accrual period generally equals: (a) the issue price of that Note, plus the amount of OID accrued in all prior accrual periods; multiplied by (b) the yield to maturity on that Note (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period); minus (c) any interest payable on that Note during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner’s tax basis in that Note. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.]

[**Original Issue Premium.** If a Series 268 or Series 270 Note is issued at a price that exceeds the stated redemption price at maturity of such Note, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Note. Under Code § 171, the purchaser of that Note must amortize the premium over the term of that Note using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in that Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of that Note prior to its maturity. Even though the owner’s basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.]

SERIES 253 NOTES

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, OWNERS OF THE SERIES 253 NOTES ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX

ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE SERIES 253 NOTES IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY OWNERS OF THE SERIES 253 NOTES FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THOSE OWNERS UNDER THE INTERNAL REVENUE CODE; (B) THE DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT RELATING TO THE SERIES 253 NOTES WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THOSE SERIES 253 NOTES; AND (C) OWNERS OF THE SERIES 253 NOTES SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR PARTICULAR CIRCUMSTANCES.

Opinion of Bond Counsel.

No Federal Tax Exemption. The interest on the Series 253 Notes is *included* in gross income for federal income tax purposes, in accordance with an owner's normal method of accounting.

Kansas Tax Exemption. The interest on the Series 253 Notes is exempt from income taxation by the State of Kansas.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 253 Notes, except as expressly provided herein. Purchasers of the Series 253 Notes should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Series 253 Notes, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

[**Original Issue Discount.** The Series 253 Notes have an initial offering price below the stated redemption price at maturity as set forth on the cover hereof. Accordingly, [some or all of such][the] Notes (the "Taxable OID Notes") may have original issue discount for federal income tax purposes. In the opinion of Bond Counsel, subject to the conditions set forth above, any original issue discount properly allocable to the owner of a Taxable OID Note will be included in gross income for federal income tax purposes with respect to such owner. Following is a general discussion of the federal income tax consequences of the purchase, ownership, and disposition of obligations issued with original issue discount. Purchasers of the Taxable OID Notes should consult their own tax advisors to determine the specific treatment of original issue discount for federal income tax purposes and to determine the state and local tax consequences of owning such obligations.

Under Code § 1273 and applicable Regulations, original issue discount is the excess of the stated redemption price at maturity of an obligation over its issue price, if such excess equals or exceeds a *de minimis* amount equal to $\frac{1}{4}$ of 1% of the obligation's stated redemption price at maturity multiplied by either (a) the number of complete years to stated maturity from its issue date, or (b) in the case of an obligation providing for the mandatory, or in certain cases optional, payment prior to stated maturity of any amount other than qualified stated interest (as defined below), the weighted average maturity of such obligation. The issue price of each obligation in an issue of obligations equals the first price at which a substantial amount of such obligations are sold to the public (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters). The stated redemption price at maturity of an obligation is the sum of all payments provided by the obligation other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

The owner of a Taxable OID Note must include original issue discount in income as ordinary interest for federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such owner's regular method of tax accounting. In general, the amount of original issue discount included in income by the initial owner of a Taxable OID Note is the sum of the daily portions (as defined below) of original issue discount with respect to such Taxable OID Note for each day during the taxable year (or portion of the taxable year) on which such owner held such Taxable OID Note. The "daily portion" of original issue discount on any Taxable OID Note is determined by allocating to each day in any accrual period (as defined below) a ratable portion of the original issue discount allocable to that accrual period. An "accrual period"

may be of any length and the accrual periods may vary in length over the term of the Taxable OID Note, so long as each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the Taxable OID Note's adjusted issue price (as defined below) at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period), and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Taxable OID Note at the beginning of any accrual period is the sum of the issue price of the Taxable OID Note plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Taxable OID Note that were not qualified stated interest payments.

The portion of the original issue discount included in an owner's gross income while the owner holds a Taxable OID Note will increase the owner's adjusted tax basis in the Taxable OID Note. Upon sale, exchange, redemption, or other disposition of a Taxable OID Note, an owner generally will recognize taxable gain or loss equal to the difference between the amount realized by the owner upon such disposition and the owner's adjusted tax basis in the Taxable OID Note. Any such gain or loss generally will be capital gain or loss and may be long-term capital gain or loss if the owner has held the Taxable OID Note for the required holding period (currently one year). Noncorporate taxpayers currently are subject to reduced maximum income tax rates on long-term capital gains and generally are subject to income tax at ordinary income rates on short-term capital gains. An owner's ability to deduct capital losses is subject to certain limitations. Owners should consult their own tax advisors concerning the specific tax consequences of disposing of a Taxable OID Note.]

[**Original Issue Premium.** If a Series 253 Note is issued at a price that exceeds the stated redemption price of the Note at maturity, the excess of the issue price over the stated redemption price at maturity constitutes premium on the Note, and that Note is referred to in this discussion as a "Taxable Premium Note." Under Code § 171, the purchaser of a Taxable Premium Note may elect to amortize the premium over the term of the Taxable Premium Note using constant yield principles, based on the purchaser's yield to maturity. An owner of a Taxable Premium Note amortizes bond premium by offsetting the qualified stated interest allocable to an accrual period with the bond premium allocable to that accrual period. This offset occurs when the owner takes the qualified stated interest into income under the owner's regular method of accounting. If the premium allocable to an accrual period exceeds the qualified stated interest for that period, the excess is treated by the owner as a deduction under Code § 171(a)(1). As premium is amortized, the owner's basis in the Taxable Premium Note will be reduced by the amount of amortizable premium properly allocable to the owner. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

OTHER TAX CONSEQUENCES - ALL NOTES

Sale, Exchange or Retirement of Notes. Upon the sale, exchange or retirement (including redemption) of a Note, an owner of such Note generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Note (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Note. To the extent the Notes are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Note has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Notes, and to the proceeds paid on the sale of Notes, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social

Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Notes. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Notes should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Notes, including the possible application of state, local, foreign and other tax laws.

CUSIP NUMBERS

Any CUSIP numbers for the Notes included in this Official Statement are provided for the convenience of the owners of the Notes and prospective investors. The CUSIP numbers for the Notes have been assigned by an organization unaffiliated with the Issuer. The Issuer is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Notes or as set forth in this Official Statement. No assurance can be given that the CUSIP numbers for the Notes will remain the same after the date of issuance of the Notes.

UNDERWRITING

Series 268 Notes. The Series 268 Notes have been sold at public sale by the Issuer to [an account managed by] [Series 268 Purchaser], [City, State] (the “268 Original Purchaser”) on the basis of lowest net interest cost. The 268 Original Purchaser has agreed to purchase the Series 268 Notes at a price equal to the principal amount of the Series 268 Notes, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

Series 270 Notes. The Series 270 Notes have been sold at public sale by the Issuer to [an account managed by] [Series 270 Purchaser], [City, State] (the “270 Original Purchaser”) on the basis of lowest net interest cost. The 270 Original Purchaser has agreed to purchase the Series 270 Notes at a price equal to the principal amount of the Series 270 Notes, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

Series 253 Notes. The Series 253 Notes have been sold at public sale by the Issuer to [an account managed by] [Series 253 Purchaser], [City, State] (the “253 Original Purchaser”) on the basis of lowest net interest cost. The 253 Original Purchaser has agreed to purchase the Series 253 Notes at a price equal to the principal amount of the Series 253 Notes, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of \$_____].

General. Simultaneously with the delivery of the Notes, each of the Original Purchasers will certify to the Issuer that the appropriate series of Notes will be offered to the public initially at the price determined to produce the yield to maturity or applicable redemption date set forth on the cover page of this Official Statement. The Original Purchasers may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices other than the price stated on the cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Original Purchaser may over allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

MISCELLANEOUS

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement, they will be furnished on request. So far as any statements are made in this Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. The information and expressions of opinion in this Official Statement are subject to change,

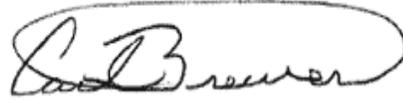
and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The agreement of the Issuer with the owners of the Notes is full set forth in the Note Resolution, and neither any advertisement for the Notes or this Official Statement is to be construed as constituting an agreement with any owner of the Notes. A summary of each of the Note Resolutions is set forth in *APPENDIX F – SUMMARY OF FINANCING DOCUMENTS*; a complete copy is on file in the office of the City Clerk.

APPROVAL OF PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement, and the lawful distribution thereof, was duly approved by the City's Governing Body on August 26, 2014. Authorization to lawfully redistribute this Preliminary Official Statement is hereby given, but this entire Preliminary Official Statement, and not portions hereof, must be redistributed.

CITY OF WICHITA, KANSAS



By: _____
Carl Brewer, Mayor



By: _____
Shawn Henning, Director of Finance

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APPENDIX A

CITY OF WICHITA, KANSAS



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C I T Y ■ O F
W I C H I T A

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 Council and Mayor conduct all legislative functions for the City of Wichita and establish general policies, which are executed by the City Manager.

Employees

Total authorized positions for 2014³ for the City of Wichita are as follows:

	<u>Locally Funded</u>		<u>Nonlocally Funded</u>	Total Full-Time Equivalents
	Full-Time	Full-Time Equivalents	Full-Time Equivalents	
Total Employees	3,013	3,090	108	3,198

Kansas' law prohibits strikes by public employees and provides procedures for the resolution of disputes. In the event an agreement cannot be reached between the City and a public employees union, an impasse is declared. Upon declaration of an impasse in the negotiations, the State's Public Employee Relations Board appoints an independent arbitrator. The arbitrator's recommendations are not binding upon the parties to the negotiations, and all contracts must be approved by the City Council.

Industry

Wichita is a manufacturing city with a diverse economic base. The approximately 675 Wichita metropolitan area manufacturers⁴ produce a wide variety of products from computers to aircraft. Nearly 83 percent of all manufacturing establishments are small firms employing fewer than 50 workers.⁵ Local aircraft companies are important to the economic mix in Wichita and combine to produce a significant number of the world's general aviation and commercial aircraft. Service-related firms, particularly regional health care firms, are also an important sector for Wichita's long-term growth. These strengths, combined with a skilled labor force and the City's central location, establish Wichita's prominence as a regional market.

Largest Industries by Employment: Wichita Metro Area⁶

Industry	Annual Average 2011	Annual Average 2012	Percent of 2012 Total
Total employment, all industries	276,166	278,286	100.0%
Aerospace product and parts manufacturing	30,174	30,546	11.0%
Local government	29,168	29,233	10.5%
Food services and drinking places	21,586	21,865	7.9%
Administrative and support services	16,924	16,919	6.1%
Ambulatory health care services	13,476	13,862	5.0%
Hospitals	10,243	10,052	3.6%
Professional and technical services	9,249	9,229	3.3%
Specialty trade contractors	8,329	8,641	3.1%
Nursing and residential care facilities	7,515	7,677	2.8%
General merchandise stores	6,757	6,656	2.4%

³Source: City of Wichita 2014-2015 Adopted Budget, p. 331.

⁴Source: U.S. Department of Commerce, Bureau of the Census, "2011 MSA Business Patterns, NAICS."

⁵Source: U.S. Department of Commerce, Bureau of the Census, "2011 MSA Business Patterns, NAICS."

⁶Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, total employment includes private industry and government. Annual average employment for general merchandise stores in the Wichita metro area in 2011 was estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Largest Employers Wichita Metro Area⁷

Company

1. Spirit AeroSystems, Inc.
2. McConnell Air Force Base
3. Via Christi Health
4. USD 259 Wichita
5. Cessna Aircraft Co.
6. State of Kansas
7. Bombardier Learjet
8. Beechcraft Corp.
9. City of Wichita
10. Koch Industries, Inc.

Aircraft Manufacturing

Wichita has a rich history in aviation and has one of the highest concentrations of aircraft manufacturing in the world. The local aircraft companies have a diversified mix between military, commercial and general aviation products and services, which are supported by divisions specializing in research and development, new production, modernization (refurbishing), training, subcontract work and computer services.

Agriculture

The *South Central Kansas Farm, Crop, and Livestock District*, which includes Wichita, lies in the heart of the winter wheat belt. In 2012, Kansas ranked first in the nation in wheat exports, with a value of \$1.3 billion. That same year, the state ranked third in beef and veal exports, as well as exports of hides and skins, for a total value of \$960.8 million.⁸ By virtue of being Kansas' largest city and transportation hub, Wichita plays an important role in the agricultural and agri-related business sector.

Petroleum

Wichita is located near the center of the mid-continent petroleum field. Even though the petroleum industry is a small portion of the total economy, Wichita is the headquarters for several companies engaged in oil and natural gas production and industrial oil and grease manufacturing. Koch Industries, one of the largest privately held companies in the United States, performs a variety of petroleum-related manufacturing and transportation activities throughout the world from its Wichita headquarters.

Medical Care

First class medical care is the standard in Wichita's medical community. Because of a heavy emphasis on research and training, Wichita has emerged as a nationally recognized, state-of-the-art health care center. The Wichita MSA⁹ (Metropolitan Statistical Area) boasts 19 acute care and freestanding specialty hospitals, providing the community with approximately 2,800 licensed beds. There are approximately 125 nursing homes and assisted living facilities, more than 1,250 physicians and approximately 275 dentists in the five-county area. The health care and social assistance industry employs 38,900 people in the MSA.¹⁰ In addition, there are several research institutions in the area. Numerous health care and specialty clinics provide comprehensive patient care and same-day surgery. There are at least six emergency centers in the Wichita area that provide medical care with no appointments and offer extended hours. Several medical referral services and a complete 911 emergency medical service are available throughout Sedgwick County.

Cultural and Recreational Facilities

Wichita has developed into a civic center that offers many cultural and recreational opportunities. The Wichita Center for the Arts, Whittier Fine Arts Gallery, Edwin A. Ulrich Museum of Art and the Wichita Art Museum all house fine art

⁷Source: Wichita Business Journal's Book of Lists, December 27, 2013.

⁸Source: U.S. Agricultural Exports, Commodity Detail by State, U.S. Department of Agriculture, Economic Research Service.

⁹The 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.

¹⁰Source: Kansas Department Of Labor, Current Employment Statistics data, March 2014. Employment number is for the four-county MSA.

collections. Quality theater groups such as the Wichita Community Theater, Music Theater of Wichita, Wichita Children's Theater and Dance Center, and Music Theater for Young People visit the Wichita stages throughout the year. Diverse museums such as the Wichita/Sedgwick County Historical Museum, the Mid-America All-Indian Center, the Old Cowtown Museum, the Kansas Aviation Museum, the Museum of World Treasures, the Kansas Sports Hall of Fame, and the Kansas African American Museum reveal their perspectives of the past.

Exploration Place, the Sedgwick County science and discovery center, celebrated its 10th anniversary in 2010. Its permanent and traveling exhibits, summer camps and Wichita Regional Science and Engineering Fairs encourage a deeper interest in science for all ages. The Wichita Art Museum celebrated an anniversary in 2010, as well. As the largest art museum in the state of Kansas, 2010 was its 75th year of preserving, collecting and promoting art.

Built in 1969, Century II is the performing arts and convention headquarters downtown. On March 26, 2013, the Wichita City Council authorized \$1.91 million in capital improvements to convention space at Century II. Another venue, the downtown INTRUST Bank arena, opened its doors to the public on January 2, 2010. On March 16, 2012, the arena hosted its 1 millionth guest. In Pollstar Magazine's 2013 Third Quarter Top 200 Arena Rankings, INTRUST Bank Arena ranked 33rd busiest based on tickets sold for shows that played in the first three quarters of 2013.¹¹

Recreational opportunities abound in and around Wichita. Inside the city are 127 municipal parks and public open spaces covering more than 4,900 acres. The Lake Afton Observatory features astronomy displays and space-related phenomena. Botanica, the Wichita Gardens, is the city's living museum of plants and flowers. The Sedgwick County Zoo is nationally acclaimed in natural habitat design and has become one of the top zoos in the world. The city's compact size allows minimal travel time (average 30 minutes) to outlying areas with open prairie and lakes.

The American Association of Independent Professional Baseball voted the Wichita Wingnuts baseball team the 2010 Organization of the Year. Professional hockey, indoor football and indoor soccer are additional sports attractions in the Wichita area. The twin-sheet ice skating arena, Wichita Ice Center, is available for public skating, as well as figure skating, hockey lessons and league play. Wichita has five City-owned golf courses, two other golf courses for public play and four membership-only courses.

Water sports and fishing are available on two federal reservoirs and one county lake that are within 30 minutes of Wichita. Additionally, eighteen recreational areas are within a 200-mile radius of the City. Because Wichita lies within the central waterfowl flyway, huge flocks of waterfowl are a common sight in our area during the spring and fall. Deer, pheasant, quail, wild turkey and ducks are just a few examples of wild game that may be hunted in the area.

Public Air Transportation

Wichita Mid-Continent Airport, the largest commercial air carrier and general aviation complex in Kansas, provides accommodations for all aircraft. Mid-Continent Airport's campus of 3,300 acres is home to more than 65 tenants including air cargo; general aviation businesses; airport concessions (restaurants, hotel, ground transportation); rental car companies; fixed-base operators; corporate hangars; government, including control tower, weather services, Federal Aviation Administration, and the Transportation Security Administration; and two aircraft manufacturers.

Col. James Jabara Airport, a general aviation airport, consists of 855 acres and includes a 6,100-foot runway, an instrument landing system, associated taxiways and aprons, four corporate hangars, as well as a first-class fixed base operation complete with T-hangar storage.

Jabara is also home for the National Center for Aviation Training (NCAT), which is located just north of the airport's campus. NCAT is a first-rate training facility focusing on general aviation manufacturing and aircraft and power plant mechanics. NCAT was made possible by the following funding sources: Sedgwick County, the State of Kansas, the U.S. Economic Development Association, the U.S. Small Business Administration, and the U.S. Department of Housing & Urban Development. The Wichita Area Technical College (WATC) serves as the managing partner for the Center, collaborating with Wichita State University's National Institute for Aviation Research (NIAR), to provide industry-driven training courses.

The local share of financing major improvements has been derived from the sale of general obligation bonds and passenger facility charges. These bonds have either been retired or are currently being repaid from airport revenues. Federal grants, general obligation bonds, and passenger facility charges, along with airport revenues, will finance the majority of planned improvements.

¹¹INTRUST Bank Arena Ranks 33rd Busiest Arena in the United States, News & Updates, INTRUST Bank Arena, www.intrustbankarena.com/news.asp?id=10, Oct. 11, 2013.

Passenger service in Wichita is available through the following airlines – Allegiant Air, American Airlines, Delta Air Lines, Seaport Airlines, Southwest Airlines and United Airlines. In June 2013, Southwest Airlines began service. In June 2014, Seaport Airlines began service between Great Bend and Wichita. Four major carriers, DHL, Federal Express, UPS Supply Chain Solutions, and UPS, provide cargo service.

General aviation is served by specialized retailers who provide aircraft related accessories, service, rental, storage and flight training. Since its inception, the Wichita Airport System, consisting of both Mid-Continent Airport and Colonel James Jabara Airport, has been operated and developed without local tax support.

In May 2010, Wilbur Smith Associates, Inc., with assistance from Burns & McDonnell, completed the *Kansas Aviation Economic Impact Study* for the Kansas Department of Transportation’s Division of Aviation. That study revealed that Wichita Mid-Continent Airport and Col. James Jabara Airport contributed approximately \$5.6 billion to the Kansas economy in 2009 from total combined output (direct, indirect and induced) related to on-airport activities, government tenants, visitor spending and payroll spending. The number of jobs resulting from the two airports’ activities totaled 23,051, with total payroll of more than \$1.2 billion.

The Wichita City Council decided in June 2011 to move forward with a new terminal at Wichita’s Mid-Continent Airport. Groundbreaking began in October 2012, with the expected opening in the spring of 2015. In 2011, the proposed terminal won the “Gold Award in the Unbuilt Category” from the International Interior Design Association, an organization that strives to enhance quality of life by encouraging excellence in design. Construction of a parking garage began in early 2013 and is expected to be completed prior to the opening of the new terminal.

Military Installations

McConnell Air Force Base borders southeast Wichita. The host unit is the 22nd Air Refueling Wing flying KC-135 Stratotankers, supporting worldwide air-to-air refueling and airlift. McConnell is a total force base, housing tenant units, which include the Air Force reserve’s 931st Air Refueling Group and the Air National Guard’s 184th Intelligence Wing. McConnell has 3,133 active-duty personnel, and total force strength of 6,731 active, guard, reserve and civilian personnel. The total impact of McConnell Air Force Base on the local economy in fiscal year 2013 was \$551.6 million, within a 50-mile radius of the base.¹² In May 2013, McConnell Air Force Base was selected as the preferred alternative main operating base for the KC-46A tanker. On April 23, 2014, Air Force officials announced that McConnell AFB had been selected as the first active duty led KC-46A Pegasus main operating base, clearing the way to receive 36 KC-46A aircraft.¹³

Education Institutions

The City of Wichita is served by eight unified school districts (USDs). USD 259 Wichita Public Schools, the largest district in the area, operates approximately 85 schools, including elementary, middle and high schools, as well as alternative, magnet and special schools. In fall 2013, Wichita USD 259 had its highest enrollment since 1975, with a total of 51,169 students.

The \$370 million bond issue approved in 2008 has been used to complete or begin construction on 56 projects, including six new schools. Seventy-one percent of the projects have been completed.

In addition to the public schools, there are dozens of private and parochial schools serving preschool through high school students, as well as those needing special education. Post-secondary educational opportunities abound, including numerous private and public technical education institutions.

Twelve colleges and universities in the local area serve Wichita, including Wichita State University, University of Kansas School of Medicine, Friends University and Newman University.

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¹²McConnell AFB, 22nd Air Refueling Wing, *2013 Economic Impact Analysis*.

¹³McConnell AFB, <http://www.mcconnell.af.mil/news/story.asp?id=123408336>, Apr. 23, 2014.

ENROLLMENT FIGURES

School Year	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
USD 259¹⁴						
High School	12,408	12,339	12,330	12,493	13,657	12,771
Middle School	10,267	10,217	10,181	9,951	9,944	9,588
Elementary	26,243	25,915	25,476	25,355	23,690	24,926
Other ¹⁵	2,251	2,168	2,116	2,234	2,367	1,861
Total	51,169	50,639	50,103	50,033	49,658	49,146
PAROCHIAL¹⁶						
Total	8,116	8,228	8,223	8,355	7,775	5,335
UNIVERSITIES¹⁷						
Wichita State						
University	14,550	14,898	15,100	14,806	14,823	14,612
Friends University	2,178	2,500	2,905	2,986	2,853	2,801
Newman University	3,736	3,108	3,021	2,746	2,557	2,435

Growth

Increases in land area and in the number and size of manufacturing firms have contributed to the City's growth. This growth is reflected in annexations that have increased the City's total land area from 22 square miles in 1940, to 163 square miles in 2013. World War II, with its enormous demand for aircraft production, brought about a 50 percent increase in the City's population. Continued diversification of industry since then, mixed with abundant resources and a skilled labor force, have contributed to economic growth in the area.

Demographic Trends

The metropolitan statistical area (MSA) includes Butler, Harvey, Kingman, Sedgwick and Sumner counties.¹⁸ Its 2013 population totaled 637,394.¹⁹ Sedgwick County represents the largest portion of the area's population with an estimated 505,415 residents in 2013.²⁰

The city's population density has decreased by nearly 50 percent in the past few decades. Today there are approximately 2,366 persons per square mile in Wichita, compared to 4,625 per square mile in 1960 when growth within the city limits peaked. The trend of perimeter growth and the associated increase in demand for local government services is expected to continue for Wichita. In recent years, the majority of population and housing growth has occurred along the far west/northwest and far east/northeast peripheries of the city, and into the unincorporated portions of the county.

The racial and ethnic composition of Wichita's population is comparable to that of the nation. However, Wichita's population is somewhat younger than the U.S. population, as a whole. The median age in the City of Wichita is 35.1 years, older than Sedgwick County's median age of 34.5 years, but younger than the nation's 37.4 years. Among Wichita's population 25 years and over, 88.4 percent are high school graduates and 28 percent have a bachelor's degree or higher.²¹

¹⁴Fall enrollment numbers from USD 259. Elementary includes grades K through 5, middle school includes grades 6 through 8 and high school includes grades 9 through 12.

¹⁵Other refers to special school enrollment.

¹⁶Parochial fall enrollment figures furnished by the Catholic School Office (7,182 for all of Sedgwick County, excluding Pre-K, and 934 for Wichita Collegiate School, including two years old through high school).

¹⁷Fall enrollment numbers.

¹⁸This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013. At that time, Kingman County was added to the Wichita MSA.

¹⁹Source: U.S. Census Bureau, 2013 Metropolitan Statistical Area Population Estimates.

²⁰Source: U.S. Census Bureau, 2013 County Population Estimates.

²¹Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

In 2012, the estimated median household income in Wichita was \$43,776 and the estimated per capita income was \$24,461.²² The number of families living in poverty totaled 12,434 (about 13.1 percent of families in Wichita).²³

Population Growth Trends

Year	City of Wichita	Percentage Change	Sedgwick County	Percentage Change
1950	168,300		222,300	
1960	254,700	51.3%	343,200	54.4%
1970	276,600	8.6%	350,700	2.2%
1980	279,300	1.0%	367,100	4.7%
1990	304,000	8.8%	403,700	10.0%
2000	344,300	13.3%	452,900	12.2%
2010	382,368	11.1%	498,365	10.0%

Source: U.S. Bureau of the Census, *Population of the 100 Largest Cities and Other Urban Places in the United States: 1790 to 1990*, Working Population Paper No. 27, 2000 and 2010 population counts from the respective decennial census.

Age Distribution

	City of Wichita	Percent of Total	Sedgwick County	Percent of Total	Wichita MSA*	Percent of Total
Under 5 years	30,858	8.0%	39,274	7.8%	46,864	7.5%
Age 5 to 9	27,607	7.2%	38,587	7.7%	45,998	7.3%
Age 10 to 14	25,309	6.6%	35,886	7.1%	46,349	7.4%
Age 15 to 19	26,494	6.9%	35,025	7.0%	44,732	7.1%
Age 20 to 24	28,044	7.3%	35,397	7.0%	42,909	6.8%
Age 25 to 29	29,690	7.7%	36,784	7.3%	43,349	6.9%
Age 30 to 34	24,678	6.4%	34,264	6.8%	40,836	6.5%
Age 35 to 39	23,906	6.2%	30,737	6.1%	38,951	6.2%
Age 40 to 44	23,521	6.1%	30,233	6.0%	37,695	6.0%
Age 45 to 49	24,292	6.3%	31,745	6.3%	40,207	6.4%
Age 50 to 54	27,377	7.1%	35,776	7.1%	45,233	7.2%
Age 55 to 59	24,768	6.4%	32,206	6.4%	42,075	6.7%
Age 60 to 64	21,566	5.6%	27,158	5.4%	33,880	5.4%
Age 65 to 69	16,966	4.4%	21,163	4.2%	26,386	4.2%
Age 70 to 74	9,640	2.5%	12,597	2.5%	16,334	2.6%
Age 75 to 79	7,326	1.9%	10,582	2.1%	14,450	2.3%
Age 80 to 84	6,555	1.7%	8,566	1.7%	10,680	1.7%
Age 85 and older	6,863	1.8%	8,432	1.7%	11,399	1.8%
Total population all ages	385,586	100.0%	503,889	100.0%	628,242	100.0%
Median Age (years)	35.1		34.5		35.3	

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates. Columns may not sum to totals due to rounding.

*The Wichita MSA includes Butler, Harvey, Sedgwick and Sumner counties. In February 2013, Kingman County was added to the Wichita MSA; however, Kingman County population by age has not been added to the Wichita MSA in this table because it is not available in 2012 American Community Survey 1-Year Estimates.

²²Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

²³Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

Economic Outlook²⁴

Introduction²⁵

Employment in Wichita and the rest of the United States has remained relatively stable in the wake of the 2008 recession. Both Wichita and the United States experienced modest employment growth in 2013. National employment grew by 1.7 percent in 2013, and Wichita employment grew 1.2 percent over the same time period.

The economy should continue a modest but steady recovery in 2014. A fast recovery to pre-recession levels of employment, with above average growth, should not be expected. Even the slow recovery has several potential risks that could further reduce growth. Downturns from our major trading partners abroad, tightening monetary policy, new regulation and further fiscal austerity could all darken our outlook for 2014.

Total nonfarm employment is expected to increase by 3,565 jobs in 2014, for a growth rate of 1.2 percent. Production sectors are projected to contract by 433 jobs, or 0.6 percent, with durable goods manufacturing contracting at 2.6 percent. Trade, transportation, and utilities will grow by 593 jobs, or 1.2 percent. The service sectors will provide most of the job growth for Wichita, adding 3,006 jobs, or 2.3 percent. The professional and business services sector will add 1,517 jobs, and the education and health services sector will add 912 jobs. The government sector will grow at 1.0 percent.

Economic Indicators

Wichita Income and Retail Sales

Per capita personal income in the Wichita MSA increased 3.6 percent from 2011 to 2012. This was reflected in the 3 percent increase of real taxable retail sales in 2012. Real taxable retail sales increased 2.4 percent in 2013 and are forecast to increase 0.9 percent in 2014.

Consumer Confidence and Expectations

The national Index of Consumer Confidence experienced an upward trend from 2010 through 2013, with the annual average increasing 9.3 Index points in 2010, 3.7 Index points in 2011, 8.9 Index points in 2012, and 6.1 Index points in 2013. The national Index of Consumer Expectations increased 14.3 Index points in 2010, followed by a moderate decrease of 0.9 Index points in 2011. In 2012, the Index rebounded by 5.8 Index points.

Nationally and locally, the retail trade sector has benefited from these upswings in consumer confidence and expectations. The value of new car output has been on the rise, gaining 58 percent from 2009 through 2013. Increased car sales have had a positive impact on three local car dealerships that have begun or completed new facilities since early 2012.

New national and regional retailers have moved into the Wichita area since early 2012, including The Fresh Market, Marshalls, and Academy Sports & Outdoors. Other retailers, such as Walmart and CVS pharmacies have increased their presence in Wichita, opening additional stores. A new Hobby Lobby store in east Wichita opened in October 2013 and a new Sam's Club also opened in northwest Wichita in July 2014.

Wichita Wages

The recent recession impacted total wages in the Wichita MSA significantly in 2009 with a decrease of 5.7 percent, which was followed by another decline of 1.9 percent in 2010. It was 2011 before total wages began to rebound, with a 3 percent increase that year and another 3.3 percent increase in 2012. Data from the first three quarters of 2013 show that wages over that period increased by 2.6 percent, compared to the first three quarters of 2012.

Labor Market

The Wichita MSA had an average unemployment rate of 7.9 percent in 2011, which dropped 1.0 percentage point to 6.9 percent in 2012. It fell another 0.7 percentage points to 6.2 percent in 2013. The City of Wichita had higher unemployment

²⁴Sources: Wichita State University, W. Frank Barton School of Business, Center for Economic Development and Business Research. See their home page at <http://www.cedbr.org> for the latest economic indicators.

²⁵Throughout this section, unless otherwise noted, the data presented are for the Wichita MSA (Metropolitan Statistical Area), which includes Butler, Harvey, Sedgwick and Sumner counties.

over this time period than the MSA, but followed a similar pattern. In 2011, the city had an average unemployment rate of 8.7 percent. In 2012, it fell 0.8 percentage points to 7.5 percent and fell further to 6.6 percent in 2013.

The total civilian labor force in 2013 for the four-county Wichita MSA was 301,192 people. Of that total, 282,453 were employed. In Wichita, the 2013 civilian labor force numbered 185,428 people, and 173,234 of them were employed.

Housing and Construction

In Wichita, the value of building permits experienced a large decline in 2012. While the value of residential permits grew by 41.8 percent, the value of non-residential permits declined by 41.4 percent. Overall, this meant the value of building permits fell by 22.3 percent in 2012. In 2013, the overall value of building permits had stronger growth, growing 27.6 percent. The value of residential permits grew by 45.6 percent, and the value of nonresidential permits grew by 14.7 percent. The Center for Economic Development and Business Research (CEDBR) forecasts that, for 2014, the value of residential permits will increase by 26.4 percent, and the value of nonresidential permits will increase by 16.2 percent. This implies the overall value of building permits will increase by 21.1 percent.

As a result of the most recent downturn, Wichita area home prices declined 0.9 percent in 2011 and 0.7 percent in 2012. Stanley Longhofer, director of the WSU Center for Real Estate, forecasts that home prices in Wichita will increase 1.5 percent in 2013 and another 2.2 percent in 2014. In his forecast, Longhofer goes on to say that home sales have risen for three consecutive years and are on pace to rise by 12.5 percent in 2013, the largest year-over-year gain on record. He expects this trend to continue into 2014, with sales rising another 2.5 percent.²⁶

Overall, natural resources, mining and construction employment is expected to increase 5.1 percent, or 760 jobs in 2014.

Manufacturing

More workers are employed in the manufacturing sector than any other sector in the Wichita MSA. Approximately 85.9 percent of those workers manufacture durable goods, with aerospace products and parts being the largest component of the durable goods manufactured. Aerospace products and parts jobs represent about 56.5 percent of all manufacturing jobs in the Wichita area.

The manufacturing sector in the United States lost approximately 1.7 million jobs between 2008 and 2011, for a 12.5 percent decline. During that same period, the Wichita MSA lost 15,300 manufacturing jobs, for a 22.7 percent decline. The nation began its rebound in 2011; however, Wichita did not gain jobs back until 2012, when 800 jobs were added, for a 1.5 percent increase over 2011.

Manufacturing news has been mixed in Wichita the past year. Challenges have included layoffs, divestiture of assets, reorganization, and efforts to keep up with demand. The good news includes the first international delivery of the new Cessna TTx; a 47 percent increase in Beechcraft Corp. deliveries for the first three quarters of 2013, year-over-year; the rollout of the first forward fuselage for the new KC-46 refueling tanker by Spirit AeroSystems; and the addition of the Challenger 350 business aircraft by Bombardier.

Overall, manufacturing is expected to decrease 2.3 percent, or nearly 1,200 jobs in 2014. Almost all of the job losses are expected to occur in the durable goods manufacturing sector.

Trade, Transportation and Utilities

Wholesale trade declined by 116 jobs in 2013, followed by an expected increase of 67 jobs, or 0.7 percent, in 2014. Retail trade increased by 600 jobs in 2013 and is forecasted to increase by 403 jobs, or 1.3 percent, in 2014. Transportation and utilities employment gained 198 jobs in 2013 and is expected to continue to grow by adding 123 jobs in 2014, for a growth rate of 1.4 percent.

Information Services

The information industry, at both the local and national levels, has been on a downward trend. In 2008, there were 6,600 filled information positions in the Wichita MSA. By the end of 2013, the industry had lost 2,300 jobs, for a 35 percent decline. A similar pattern occurred at the national level. Employment peaked at 3.6 million jobs in 2000, but declined to 2.7 million by the end of 2011, a 26 percent loss. National employment in information services remained relatively constant in 2012 and 2013.

Information services are expected to stop their decline in 2014 in the Wichita MSA. CEDBR estimates an increase of 86 jobs, about a 2 percent increase, after a loss of 191 jobs in 2013.

²⁶ Longhofer, Stanley, 2014 Kansas Housing Markets Forecast: Wichita Housing Forecast, Center for Real Estate, W. Frank Barton School of Business, Wichita State University.

Financial Services

The financial industry in the Wichita MSA lost 2,500 jobs from 2001 through 2012, for a 19 percent decline. The banking sector has not yet seen an improvement in employment since the recession and financial crisis. Within the banking industry there is cautious optimism, but there will likely be more bank consolidation in the Midwest, driven by continuing compliance issues.

Financial activities employment remained stable in 2013, and CEDBR estimates the sector will continue on that path, losing only a few jobs, for a loss of perhaps 0.2 percent in 2014.

Professional and Business Services

In the Wichita area, there are approximately 2,700 firms in the professional and business services sector, most of which have fewer than 10 employees. The sector reached its previous employment peak of 31,300 employees in 2008, followed by an 8.3 percent dip in 2009. By the end of 2013, the industry had regained all of the jobs lost, for a new peak of 31,500 jobs. An increase of 1,517 jobs is expected for 2014, which is a 4.8 percent increase.

Educational and Health Care Services

Education employment represents 12 percent of the education and health care industry, while health care employment composes the other 88 percent. From 2000 through 2013, Wichita employment grew 22 percent in this industry. Of the health care employment, 26 percent is in the hospital industry. This growth can be attributed, to some degree, to continued population growth in the Wichita MSA, which totaled a 10 percent increase from 2000 through 2013.

Trends in health care include increased regulation, improvements in technology, uncertainty about the Affordable Care Act and an aging population that is increasing the demand for services. The one thing the industry can count on will be change, whether it comes as a result of policy, the economy, or demographics.

Overall, education and health care employment is forecast to increase 2.1 percent, or approximately 900 jobs, in 2014.

Leisure and Hospitality Services

Economic indicators for the travel and tourism industry are sending somewhat mixed messages. Transient guest taxes increased 12.8 percent in the 12 months ending in March 2014 compared to the previous 12 months. The total number of outbound passengers at Wichita's Mid-Continent Airport increased 0.7 percent for the 12 months ending in February 2014 compared to the prior 12 months, and the hotel occupancy rate increased 2.7 percentage points for the 12 months ending in January 2014 compared to the prior 12 months.

Button sales for the 2013 Wichita Riverfest were up 38 percent from the 2012 event. The 104,000 buttons sold was the largest number since the 2008 festival.²⁷

Venues Today, an international trade publication that ranks entertainment and sports venues, ranked Wichita's INTRUST Bank Arena first in the Midwest region based on ticket sales from January 1 through December 31, 2013, for arenas with 10,001 to 15,000 seats.

Leisure and hospitality employment increased 3 percent, or 850 jobs, in 2013. Continuing growth of 1.4 percent is expected in 2014, for an increase of more than 400 jobs.

Other Services

Employment in other services reached a peak of 12,000 workers in 2004. By the end of 2012, the industry had lost 1,300 jobs, for a 10.8 percent decline. Employment increased by nine jobs in 2013, a 0.1 percent increase. For 2014, other services employment is projected to grow by 0.9 percent, adding 91 jobs.

Government

Aside from agricultural employment, government sector employment is the most difficult economic variable to predict, since employment decisions often rely on variables other than economic relationships.

Government employment reached a peak of 41,800 workers in 2010, followed by a 2.9 percent decrease, or 1,300 jobs, over the next three years. CEDBR forecasts an increase of 399 jobs in 2014, for an addition of 1 percent.

²⁷Community Embraces Reinvigorated Riverfest, Wichita Festivals Inc., www.wichitariverfest.com/riverfest_info.php?page=news-media_news, July 25, 2013.

Wichita MSA Forecast Summary

Wichita MSA Employment by Industry Summary*					2013-2014
	2012 (a)	2013 (a)	2014 (f)	2013-2014 Level Change	Percent Change
Total Nonfarm	285,511	288,814	292,380	3,565	1.2%
Production Sectors	67,390	67,557	67,125	-433	-0.6%
Natural Resources, Mining & Cons.	14,592	15,016	15,776	760	5.1%
Manufacturing	52,798	52,542	51,349	-1,193	-2.3%
Durable Goods	45,332	45,159	43,998	-1,161	-2.6%
Non-Durable Goods	7,466	7,383	7,351	-32	-0.4%
Trade, Transportation & Utilities	49,945	50,618	51,211	593	1.2%
Wholesale Trade	9,440	9,324	9,391	67	0.7%
Retail Trade	31,610	32,200	32,603	403	1.3%
Transportation & Utilities	8,895	9,093	9,216	123	1.4%
Service Sectors	127,463	130,073	133,078	3,006	2.3%
Information	4,467	4,276	4,362	86	2.0%
Financial Activities	10,543	10,534	10,517	-17	-0.2%
Professional & Business Services	29,837	31,534	33,050	1,517	4.8%
Education & Health Services	43,522	43,777	44,689	912	2.1%
Leisure & Hospitality	28,429	29,277	29,694	417	1.4%
Other Services	10,666	10,675	10,766	91	0.9%
Government	40,713	40,567	40,966	399	1.0%
*Annual values are derived from average quarterly observations and projections.					
(a) actual (f) forecasted					

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CITY OF WICHITA, KANSAS

RETIREMENT SYSTEMS

Wichita Employees' Retirement System

The Wichita Employees' Retirement System (WERS), covering all full-time civilian employees of the City, was established January 1, 1948, with Plan 1. All employees hired or rehired on or after July 18, 1981 and before January 1, 1994, were automatically members of Plan 2 and employees hired or rehired after January 1, 1994 are automatically members of Plan 3. Plan 1 members contribute 6.4%, and Plan 2 and Plan 3 members contribute 4.7%. The City's contribution rate for Plans 1 and 2 is 13.2% for 2014 and 4.7% for Plan 3. The 2013 City contribution rate was 12.6% for Plans 1 and 2 and 4.7% for Plan 3.

Under the provisions of Plan 1, the normal retirement age is 60 with vesting of seven years. The retirement benefit is based on age and length of service, computed at 2.5% per year of service, multiplied by final average salary, from the highest three consecutive years within the last ten years of service. Early retirement is permitted between the ages of 55 and 60, but benefits are reduced for those with less than 30 years of service. Members with 30 years of service may retire regardless of age at the maximum 75% of final average salary. There is an annual 3%, non-compounded, post-retirement adjustment to the base pension, beginning 12 months after retirement.

The normal retirement age under Plan 2 is 62, with vesting of seven years. The retirement benefit is computed at 2.25% per year of service, multiplied by final average salary, from the highest three consecutive years within the last ten years of service. Early retirement is permitted between the ages of 55 and 62, but benefits are reduced for each month under age 62. The maximum retirement benefit under Plan 2 is 75% of final average salary. There is an annual 2% non-compounded, post-retirement adjustment to the base pension, beginning 12 months after retirement.

Plan 3, a defined contribution plan, became effective January 1, 1994. All employees hired on or after January 1, 1994, automatically become members of Plan 3. Each member participating in the plan contributes 4.7% of their salary and that contribution is matched by the City's contribution of 4.7%. The vesting schedule for Plan 3 is staggered at 25% after three years, 50% after five years and 100% after seven years. Additionally, at the end of seven years, members have a one-time, irrevocable option to remain in Plan 3; otherwise, they will convert to Plan 2 at a cost of 100% of their total Plan 3 account balance. Beginning in October 2000, Plan 3 defined contribution funds had separate management and custody from the defined benefit funds. In January 2004, Plan 3 defined contribution funds were liquidated and the proceeds were reinvested with the defined benefit funds for management and custody as a combined single fund.

Members of Plans 1 and 2, eligible to retire after January 1, 2000, may elect to participate in the Deferred Retirement Option Plan (DROP) for a period of one to 60 months. The member's retirement benefit is calculated as of the DROP election date. During the DROP period, the member and the City continue to make required contributions to the WERS plan. During this period, additional pension benefits are not accrued and the member's retirement benefit, plus five percent annual interest, accumulates in their notational DROP account. At termination of service, the member receives a lump sum distribution of the DROP account and begins to receive their pension benefit calculated as of the DROP election date, plus applicable post-retirement adjustments.

As of December 31, 2013, there were 1,573 active members (15 under Plan 1, 957 under Plan 2 and 601 under Plan 3). Of these active members, 43 employees are participants in the DROP. There were 1,327 retirees, including survivors, receiving benefits and 147 deferred retirees. The total annual pension payroll as of December 31, 2013 was \$35,373,800.

The Wichita Employees' Retirement Board of Trustees and the Police and Fire Retirement Board of Trustees combined their assets into a joint fund for investment purposes on October 1, 1999. A Joint Investment Committee comprised of members of both Boards and a City Manager appointee was established to manage these assets. The Boards of Trustees have adopted a Strategic Plan and Investment Policies Statement that establishes the specific asset allocation, manager structure, rebalancing, restrictions, and other policies the Joint Investment Committee utilize in its management of the joint fund. The Joint Investment Committee employs professional money managers to invest the assets of the joint fund in a diversified mix of domestic and international equities, domestic fixed income securities, real estate, timber, commodities, and cash equivalents.

Net assets of the Wichita Employees' Retirement System, including Plan 3 assets, available at December 31, 2013 were \$564,203,801, as compared to \$494,716,075 on December 31, 2012. Significant investment losses were experienced in 2008, which were offset by investment gains in 2009 through 2013. As a result, the net assets of the WERS have increased in value by approximately 0.8% since December 31, 2007.

It should be noted that (i) the information included in this section relies on information produced by the pension plans and their independent accountants and actuaries, (ii) actuarial assessments are "forward looking" information that reflect the judgment of

the fiduciaries of the pension plans, and (iii) actuarial assessments are based on a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the pension plans.

Although an asset smoothing method is used to smooth the fluctuations of investment returns and any actuarial surplus/unfunded liability is amortized over a rolling 20-year period, given the 20.2% investment return in 2013, the City's WERS contribution rates, expressed as a percent of active member pensionable payroll, decreased from 13.2% for 2014 to 12.2% for 2015. Additional information on the general funding practices of the pension system and the actuarial methods used can be found in the Notes to the Financial Statements beginning on page B-54.

Actual investment returns over the next few years will determine the future impact on the System's funding status, the magnitude of any unfunded actuarial liability, and any increases in contribution rates. The City established a Pension Reserve Fund in 1999 to provide additional funds to help meet the City's required contributions to actuarially fund the Retirement Systems on a current basis. As of December 31, 2012, the Pension Reserve Fund totaled \$4.7 million and totaled \$4.0 million at December 31, 2013. A table of historical balances of the Pension Reserve Fund is shown on page A-18. Depending on the results of the 2014 actuarial valuation, additional funds of the Pension Reserve Fund may be used in 2015 to offset the City's required contributions.

Callan Associates, Inc., Denver, Colorado, is the fund's investment consultant, evaluating the fund on a quarterly basis. The Board retains Cavanaugh Macdonald Consulting, LLC, Bellevue, Nebraska, as its consulting actuary, and the latest actuarial report is for the period of January 1 through December 31, 2013.

Police and Fire Retirement System

The Wichita Police and Fire Retirement System (PFRS) covers all commissioned police and fire personnel of the City of Wichita and was established January 1, 1965, when a policy was adopted of funding the cost of pensions over the employees' working career. Members contribute 6%, 7%, or 8% of payroll, depending upon the plan to which they belong. The City's contribution rate for all plans is 22.4% for 2014. The 2013 City contribution rate was 22.8%.

The "20 and Out" plan was adopted June 11, 1975, for Plans A and B. This permits commissioned police and fire personnel to retire after 20 years of service, regardless of age, at 50% of final average salary, plus 2.5% per year of service above 20 years to a maximum of 75% of final average salary for 30 years of service. Final average salary is derived from the highest three consecutive years within the last ten years of service. Members under 55 years old with at least 10 years, but less than 20 years of service, will have their pension payments deferred until age 55, and receive no survivor benefits. Vesting requirement is 10 years.

The Police and Fire Retirement Plans were revised January 1, 1979, with all commissioned officers hired or rehired after that date automatically becoming members under Plan C-79, and are eligible for retirement after 20 years of service; payment of pension is deferred until age 50, except no age limits apply with completion of 30 years of service. The formula for calculating pensions is the same as Plans A and B. Members under 55 years old with at least 10 years, but less than 20 years of service, will have their pension payments deferred until age 55, and receive no survivor benefits. Vesting requirement is 10 years.

Members of the Police and Fire Retirement Plan eligible for retirement, and prior to retirement, may elect the Backward Deferred Retirement Option Plan (DROP) for a period of one to 60 months. The participant's retirement benefit is computed as of the Backward DROP election date. The DROP account is calculated by multiplying the monthly benefit by the number of months in the DROP period plus five percent annual interest. At termination of service, the member receives a lump sum distribution of the DROP account and begins to receive their pension benefit calculated as of the Backward DROP election date, plus applicable post-retirement adjustments.

As of December 31, 2013, there were 1,085 active members in the Plan (9 in Plan A, and 1,076 in Plan C-79). Of these active members, 636 were police officers and 449 were fire officers. There were a total of 952 retirees, including survivors, receiving pensions and 28 deferred retirees. The total annual pension payroll as of December 31, 2013 was \$31,158,006.

The Wichita Employees' Retirement Board of Trustees and the Police and Fire Retirement Board of Trustees combined their assets into a joint fund for investment purposes on October 1, 1999. A Joint Investment Committee comprised of members of both Boards and a City Manager appointee was established to manage these assets. The Boards of Trustees have adopted a Strategic Plan and Investment Policies Statement that establishes the specific asset allocation, manager structure, rebalancing, restrictions, and other policies the Joint Investment Committee utilize in its management of the joint fund. The Joint

Investment Committee employs professional money managers to invest the assets of the joint fund in a diversified mix of domestic and international equities, domestic fixed income securities, real estate, timber, commodities and cash equivalents.

Net assets of the Police and Fire Retirement System were \$598,458,276 at December 31, 2013, as compared to \$511,492,439 on December 31, 2012. Significant investment losses were experienced in 2008, which were offset by investment gains in 2009 through 2013. The net assets of the PFRS have increased in value by approximately 18.8% since December 31, 2007.

It should be noted that (i) the information included in this section relies on information produced by the pension plans and their independent accountants and actuaries, (ii) actuarial assessments are “forward looking” information that reflect the judgment of the fiduciaries of the pension plans, and (iii) actuarial assessments are based on a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the pension plans.

Although an asset smoothing method is used to smooth the fluctuations of investment returns and any actuarial surplus/unfunded liability is amortized over a rolling 20-year period, given the 20.2% investment return in 2013, the City’s PFRS contribution rates, expressed as a percent of active member pensionable payroll, decreased from 22.4% for 2014 to 21.3% in 2015. Additional information on the general funding practices of the pension system and the actuarial methods used can be found in the Notes to the Financial Statements beginning on page B-54.

Actual investment returns over the next few years will determine the future impact on the System’s funding status, the magnitude of any unfunded actuarial liability, and any increases in contribution rates. The City established a Pension Reserve Fund in 1999 to provide additional funds to help meet the City’s required contributions to actuarially fund the Retirement Systems on a current basis. As of December 31, 2012, the Pension Reserve Fund totaled \$4.7 million and totaled \$4.0 million at December 31, 2013. A table of historical balances of the Pension Reserve Fund is shown on page A-18. Depending on the results of the 2014 actuarial valuation, additional funds of the Pension Reserve Fund may be used in 2015 to offset the City’s required contributions.

Callan Associates, Inc., Denver, Colorado, is the fund's investment consultant, evaluating the fund on a quarterly basis. The Board retains Cavanaugh Macdonald Consulting, LLC, Bellevue, Nebraska, as its consulting actuary, and the latest actuarial report is for the period of January 1 through December 31, 2013.

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**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Wichita Employees' Retirement System:

Fiscal Year Ending	Employer Contributions	Employee Contributions	Net Investment Income (Loss) ¹	Rate of Return on Investments %	Net Assets Available	Unfunded Actuarial Liability ²	Funded Ratio % ³
12/31/04 ⁴	\$2,084,558	\$2,279,422	\$38,840,471	10.0%	\$440,141,428	\$(49,834,811)	112.1%
12/31/05	2,170,650	2,358,466	36,074,046	9.0	459,562,082	(45,977,631)	110.6
12/31/06	2,264,339	2,445,103	67,028,887	15.3	510,438,289	(46,693,853)	110.2
12/31/07	2,357,052	2,543,563	54,108,853	11.1	545,880,881	(50,524,437)	110.5
12/31/08	2,450,162	2,621,076	(150,525,640)	(28.1)	375,864,154	(479,823)	100.1
12/31/09	2,545,331	2,639,080	78,011,118	22.0	432,285,030	19,777,583	96.3
12/31/10	4,529,765	2,664,619	55,169,082	13.6	465,349,979	24,127,868	95.5
12/31/11	6,596,124	2,537,440	2,570,423	0.8	444,594,411	41,875,341	92.5
12/31/12	6,471,423	2,343,641	57,965,946	13.8	479,665,044	51,485,404	91.0
12/31/13	7,990,502	2,304,481	92,166,874	20.2	548,179,585	40,228,487	93.1

Wichita Employees' Retirement System – Plan 3:

Fiscal Year Ending	Employer Contributions	Employee Contributions	Net Investment Income (Loss) ¹	Rate of Return on Investments %	Net Assets Available
12/31/04 ⁴	\$1,182,148	\$1,182,148	\$1,053,879	10.0%	\$10,803,831
12/31/05	1,230,597	1,230,597	909,539	9.0	11,723,595
12/31/06	1,302,090	1,302,090	1,707,244	15.3	13,187,762
12/31/07	1,343,538	1,343,538	1,397,061	11.1	13,894,314
12/31/08	1,384,108	1,384,108	(3,796,007)	(28.1)	9,735,040
12/31/09	1,341,754	1,341,754	2,114,377	22.0	12,162,314
12/31/10 ⁵	2,159,685	1,210,032	1,730,990	13.6	15,341,430
12/31/11	1,099,193	1,099,193	154,911	0.8	14,233,092
12/31/12	1,031,580	1,031,580	1,872,282	13.8	15,051,031
12/31/13	949,420	949,633	2,833,620	20.2	16,024,216

Police and Fire Retirement System:

Fiscal Year Ending	Employer Contributions	Employee Contributions	Net Investment Income (Loss) ¹	Rate of Return on Investments %	Net Assets Available	Unfunded Actuarial Liability ²	Funded Ratio % ³
12/31/04	\$6,925,467	\$3,482,237	\$33,716,897	10.0%	\$383,074,060	\$901,952	99.8%
12/31/05	7,308,916	3,652,348	31,745,327	9.0	406,745,584	1,203,822	99.7
12/31/06	9,849,536	3,789,743	59,897,041	15.3	460,758,908	(5,318,695)	101.2
12/31/07	10,029,253	4,056,022	49,134,414	11.1	503,915,248	(12,705,361)	102.7
12/31/08	10,549,401	4,277,247	(140,686,744)	(28.1)	356,056,234	24,215,955	95.1
12/31/09	11,034,552	4,443,524	75,500,370	22.0	422,379,231	39,378,692	92.4
12/31/10	13,119,984	4,467,983	54,963,698	13.6	467,487,721	38,982,652	92.7
12/31/11	13,806,880	4,403,425	2,404,099	0.8	460,840,745	51,541,670	90.8
12/31/12	14,113,014	4,543,523	60,619,414	13.8	511,492,439	55,692,757	90.5
12/31/13	14,889,714	4,607,691	99,494,232	20.2	598,458,276	46,486,354	92.5

¹Investments and related appreciation and/or depreciation are reported at fair value.

²The unfunded actuarial liability is calculated under the entry age normal actuarial cost method. This method produces the highest amount of actuarial accrued liabilities of any of the commonly used actuarial cost methods.

³The funded ratio is the actuarial value of assets expressed as a percentage of the actuarial liability. The funded ratios for all years assume a rate of return on investments of present and future assets of 7.75% per year, compounded annually. The ratios shown assume a rate of return significantly above a "risk free" rate of return tied to U.S. Treasury yields, such that an alternative calculation of the funded ratios, based on an alternative assumption of such risk free returns, would show correspondingly lower funded ratios and greater unfunded actuarial liabilities.

⁴Beginning with 12/31/04, defined benefit funds and Plan 3 funds were held in joint custody.

⁵For the year ending 12/31/10, the City made additional contributions for the unfunded actuarial liability associated with Plan 3 members that may be eligible to convert to Plan 2 after 7 years of service.

**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Wichita Employees' Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON ACTUARIAL VALUE

Actuarial Valuation Date	Actuarial Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$462,994	\$413,159	\$(49,835)	112.1%	\$72,154	(69.1)%
12/31/05	479,275	433,297	(45,978)	110.6	72,367	(63.5)
12/31/06	505,756	459,062	(46,694)	110.2	75,881	(61.5)
12/31/07	533,911	483,387	(50,524)	110.5	78,736	(64.2)
12/31/08	512,853	512,374	(480)	100.1	81,580	(0.6)
12/31/09	509,494	529,271	19,778	96.3	82,704	23.9
12/31/10	516,308	540,436	24,128	95.5	79,636	30.3
12/31/11	513,298	555,174	41,876	92.5	75,444	55.5
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

Wichita Employees' Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON MARKET VALUE

Actuarial Valuation Date	Market Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$450,945	\$413,159	\$(37,786)	109.1%	\$72,154	(52.4)%
12/31/05	471,286	433,297	(37,989)	108.8	72,367	(52.5)
12/31/06	523,626	459,062	(64,564)	114.1	75,881	(85.1)
12/31/07	559,775	483,387	(76,388)	115.8	78,736	(97.0)
12/31/08	385,599	512,374	126,774	75.3	81,580	155.4
12/31/09	444,447	529,271	84,824	84.0	82,704	102.6
12/31/10	480,691	540,436	59,744	88.9	79,636	75.0
12/31/11	458,828	555,174	96,346	82.6	75,444	127.7
12/31/12	494,713	571,805	77,092	86.5	70,783	108.9
12/31/13	564,204	582,386	18,182	96.9	70,953	25.6

**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Police and Fire Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON ACTUARIAL VALUE

Actuarial Valuation Date	Actuarial Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$392,485	\$393,387	\$902	99.8%	\$50,414	1.8%
12/31/05	412,823	414,027	1,204	99.7	52,207	2.3
12/31/06	444,498	439,179	(5,319)	101.2	53,530	(9.9)
12/31/07	480,820	468,115	(12,705)	102.7	57,310	(22.2)
12/31/08	472,345	496,561	24,216	95.1	60,282	40.2
12/31/09	480,556	519,934	39,379	92.4	63,055	62.5
12/31/10	497,926	536,908	38,982	92.7	63,077	61.8
12/31/11	510,946	562,488	51,542	90.8	62,759	82.1
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

Police and Fire Retirement System:

SCHEDULE OF FUNDING PROGRESS BASED ON MARKET VALUE

Actuarial Valuation Date	Market Value of Assets (a) (\$000's)	Actuarial Accrued Liability (AAL) Entry Age (b) (\$000's)	Unfunded AAL (UAAL) (b-a) (\$000's)	Funded Ratio (a/b)	Active Member Covered Payroll (c) (\$000's)	UAAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
12/31/04	\$383,074	\$393,387	\$10,313	97.4%	\$50,414	20.5%
12/31/05	406,746	414,027	7,281	98.2	52,207	13.9
12/31/06	460,759	439,179	(21,580)	104.9	53,530	(40.3)
12/31/07	503,915	468,115	(35,800)	107.6	57,310	(62.5)
12/31/08	356,056	496,561	140,505	71.7	60,282	233.1
12/31/09	422,379	519,934	97,555	81.2	63,055	154.7
12/31/10	467,488	536,908	69,421	87.1	63,077	110.1
12/31/11	460,841	562,488	101,647	81.9	62,759	162.0
12/31/12	511,492	589,074	77,582	86.8	64,150	120.9
12/31/13	598,459	617,748	19,289	96.9	65,306	29.5

**RETIREMENT SYSTEMS
TEN-YEAR TREND INFORMATION**

Wichita Employees' Retirement System:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution Employees' Retirement System	Annual Required Contribution Employees' Retirement System – Plan 3	Percentage Contributed	Net Pension Obligation
12/31/04	\$2,084,558	\$1,182,148	100%	\$ 0
12/31/05	2,170,650	1,230,597	100	0
12/31/06	2,264,339	1,302,090	100	0
12/31/07	2,357,052	1,343,538	100	0
12/31/08	2,450,162	1,384,108	100	0
12/31/09	2,545,331	1,341,754	100	0
12/31/10	4,529,765	2,159,685	100	0
12/31/11	6,596,124	1,099,193	100	0
12/31/12	6,471,423	1,031,580	100	0
12/31/13	7,990,502	949,633	100	0

Police and Fire Retirement System:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contributions	Percentage Contributed	Net Pension Obligation
12/31/04	\$6,925,467	100%	\$ 0
12/31/05	7,308,916	100	0
12/31/06	9,849,536	100	0
12/31/07	10,029,253	100	0
12/31/08	10,549,401	100	0
12/31/09	11,034,552	100	0
12/31/10	13,119,984	100	0
12/31/11	13,806,880	100	0
12/31/12	14,113,014	100	0
12/31/13	14,889,174	100	0

As illustrated in the tables above, the City has contributed the Annual Required Contribution (ARC) to the Retirement Systems as calculated by the Systems' actuary.

PENSION RESERVE FUND BALANCE

RETURN ON INVESTMENTS

Fiscal Year Ending	Balance	Fiscal Year Ending	Actuarial Assumed Rate of Return on Investments	Actual Investment Return
12/31/04	\$7,277,634	12/31/04	7.75%	10.0%
12/31/05	7,418,461	12/31/05	7.75	9.0
12/31/06	6,830,924	12/31/06	7.75	15.3
12/31/07	7,114,366	12/31/07	7.75	11.1
12/31/08	8,063,749	12/31/08	7.75	(28.1)
12/31/09	8,741,272	12/31/09	7.75	22.0
12/31/10	7,501,175	12/31/10	7.75	13.6
12/31/11	5,451,175	12/31/11	7.75	0.8
12/31/12	4,726,175	12/31/12	7.75	13.8
12/31/13	4,026,175	12/31/13	7.75	20.2



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C I T Y ■ O F
W I C H I T A

CITY OF WICHITA, KANSAS

HISTORICAL SUMMARY OF ECONOMIC INDICATORS

	2004	2005	2006	2007
Economic Base				
Demographics				
Population				
Wichita ¹	358,462	360,403	363,470	368,286
MSA ²	584,565	588,021	593,382	600,805
Population profile (MSA)				
Total personal income (in millions of \$) ³				
Nominal	\$ 19,081	\$ 20,143	\$ 22,450	\$ 23,209
Real ⁴	10,101	10,314	11,136	11,194
Personal income, per capita (in dollars) ³				
Nominal	\$ 32,177	\$ 33,782	\$ 37,325	\$ 38,121
Real ⁴	17,034	17,297	18,514	18,386
Banking and finance ⁵				
Commercial banks, Sedgwick County				
Deposits (in thousands of \$)	\$ 4,695,000	\$ 4,897,000	\$ 5,563,000	\$ 5,571,000
Number of institutions	33	32	34	34
Number of offices (branches)	127	127	132	136
Tax Base				
Assessed valuation (in thousands of dollars)				
Assessed value (total equalized)	\$ 2,545,942	\$ 2,668,035	\$ 2,833,713	\$ 2,992,305
Real property	2,147,334	2,265,832	2,434,211	2,633,615
Tangible personal property	275,516	276,669	284,827	248,988
Property assessed by State	123,092	125,534	114,675	109,702
Tangible valuation of motor vehicle:	360,861	369,682	379,910	392,292
Local source of revenue (in dollars) ¹⁰				
Taxes	\$ 99,288,559	\$ 102,805,256	\$ 107,306,811	\$ 113,728,346
Special assessment taxes:	26,371,062	27,099,006	29,101,554	30,081,924
Franchise fees	29,555,657	30,701,805	31,850,592	32,157,085
Local sales taxes	44,738,968	45,180,964	47,704,546	49,255,686
Intergovernmental	96,078,213	87,952,788	98,988,324	96,660,158
Licenses and permits	6,069,181	6,493,663	7,047,515	7,478,210
Fines and penalties	7,933,219	8,666,239	8,801,227	9,948,331
Rentals	4,061,404	3,847,629	3,956,188	5,568,210
Interest earnings	5,395,775	7,698,830	9,944,236	10,375,267
Charges for services and sales	10,414,054	10,309,977	10,398,167	9,946,102
Other	18,053,333	18,036,451	12,178,701	16,241,410
Total	<u>\$347,959,425</u>	<u>\$348,792,608</u>	<u>\$367,277,861</u>	<u>\$381,440,729</u>

¹ Source: U.S. Department of Commerce, Bureau of the Census.

² Source: U.S. Department of Commerce, Bureau of the Census, MSA population for 2001-2009 is based on the four-county MSA delineation; 2010-2012 population is based on the five-county delineation, which includes Kingman County, which was added in February 2013.

³ Source: U.S. Department of Commerce, Bureau of Economic Analysis.

⁴ Real dollars are calculated using the Consumer Price Index for All Urban Consumers. U.S. city average (1982-84 = 100).

⁵ FDIC (for the most up-to-date information see the FDIC's home page at <http://www.fdic.gov>).

⁶ Office of Central Inspection, City of Wichita.

⁷ Derived from Kansas Department of Revenue Tax Collection reports by the Center for Economic Development and Business Research, Wichita State University.

⁸ Kansas Department of Labor, Labor Market Information Services.

⁹ The service industries include information, finance, professional and business services, educational and health services, leisure and hospitality and other services. Industry sector data may not equal total employment for all industries due to rounding.

¹⁰ Includes all governmental funds.

¹¹ Includes all long-term general obligation debt.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
	373,694	380,115	382,368	383,703	385,577	N/A
	609,250	619,330	630,919	633,344	636,105	N/A
\$	24,933	\$ 23,450	\$ 23,419	\$ 25,358	\$ 26,177	N/A
	11,580	10,931	10,740	11,273	11,401	N/A
\$	40,401	\$ 37,388	\$ 37,057	\$ 40,039	\$ 41,152	N/A
	18,765	17,427	16,994	17,800	17,924	N/A
\$	6,280,000	\$ 6,788,000	\$ 7,758,000	\$ 7,784,000	\$ 9,445,000	\$ 9,752,000
	36	35	35	35	36	39
	140	143	142	144	145	150
\$	3,145,832	\$ 3,151,655	\$ 3,150,148	\$ 3,151,989	\$ 3,111,573	\$ 3,124,331
	2,827,209	2,875,134	2,904,055	2,916,488	2,889,209	2,910,786
	212,829	177,540	147,887	136,190	125,492	118,751
	105,794	98,981	98,206	99,311	96,872	94,794
	401,805	396,701	387,036	381,608	385,358	396,435
\$	120,921,994	\$ 125,833,535	\$ 124,135,356	\$ 124,028,374	\$ 125,089,390	\$ 126,105,605
	32,572,786	33,887,081	34,251,394	33,647,870	33,327,280	33,668,720
	34,272,504	33,720,386	36,923,114	36,778,909	37,406,752	39,282,857
	51,255,304	49,444,212	48,239,962	54,919,387	54,095,496	58,519,220
	94,087,216	74,089,262	72,227,757	64,002,864	61,056,534	59,822,985
	6,511,130	5,892,074	6,647,443	6,735,050	7,427,342	7,468,455
	9,443,776	10,429,819	10,640,805	10,345,485	10,475,820	9,391,142
	5,571,106	4,445,629	4,578,091	4,266,032	4,737,173	4,400,154
	8,159,766	3,594,268	2,160,107	1,022,318	551,058	850,546
	10,747,517	10,541,570	10,672,877	12,018,549	10,647,415	11,052,211
	19,565,851	35,208,572	23,219,430	21,282,560	12,985,783	13,354,297
	<u>\$393,108,950</u>	<u>\$387,086,408</u>	<u>\$373,696,336</u>	<u>\$369,047,398</u>	<u>\$357,800,043</u>	<u>\$363,916,192</u>

CITY OF WICHITA, KANSAS

HISTORICAL SUMMARY OF ECONOMIC INDICATORS (CONTINUED)

	2004	2005	2006	2007
Construction (MSA)⁶				
New dwelling units single family homes	1,604	1,625	1,545	1,486
Value of construction permits (in dollars)	\$ 546,941,473	\$ 485,564,803	\$ 427,440,317	\$ 528,406,795
New residential	192,825,017	190,407,489	188,903,588	195,473,035
Non-residential	151,531,343	151,275,832	91,991,661	133,891,258
Additions, remodels and repairs	202,585,113	143,881,483	146,545,069	199,042,505
Mill levy per \$1,000				
Assessed valuation	113.630	113.387	113.456	116.064
Retail Sales (MSA)⁷				
Annually (in millions of \$)				
Nominal	\$ 7,284.7	\$ 7,496.3	\$ 7,963.4	\$ 8,239.8
Real ⁴	3,856.7	3,838.5	3,950.3	3,974.0
Per capita				
Nominal ¹²	\$ 12,462	\$ 12,748	\$ 13,420	\$ 13,715
Employment Base(MSA)⁸				
Total civilian labor force	305,190	307,191	307,464	310,496
Unemployment rate	6.2	5.5	4.6	4.1
Employment - all industries (establishment data) ⁹	283,100	287,000	294,000	302,800
Manufacturing	58,400	60,700	63,000	65,500
Services	120,800	121,700	124,800	128,800
All others	103,900	104,600	106,200	108,500
Bonded Debt (in dollars)				
Gross bonded debt ¹¹	\$ 458,231,536	\$ 433,103,758	\$ 418,305,139	\$ 448,456,736
Debt service monies available	65,957,965	57,287,100	40,944,582	16,106,881
Debt payable from proprietary/component unit revenues	15,845,844	12,770,542	16,400,562	14,484,159
Debt payable from special assessments	206,720,000	210,370,000	217,705,000	218,545,000
Debt payable from local sales tax	122,180,000	113,500,000	104,505,000	138,205,000
Debt payable from transient guest tax	10,110,180	8,890,213	6,716,614	5,554,229
Net bonded debt	37,417,547	30,285,903	32,033,381	55,561,467
Ratio of bonded debt to market value (%)				
Net bonded debt	0.23	0.17	0.17	0.30
Special assessment debt	1.25	1.21	1.18	1.18
Bonded debt per capita (Wichita)(\$)				
Net bonded debt	\$ 105.87	\$ 85.31	\$ 89.55	\$ 155.02
Special assessment debt	584.25	592.82	607.42	609.76

¹ Source: U.S. Department of Commerce, Bureau of the Census.

² Source: U.S. Department of Commerce, Bureau of the Census.

³ Source: U.S. Department of Commerce, Bureau of the Census.

⁴ Real dollars are calculated using the Consumer Price Index for All Urban Consumers. U.S. city average (1982-84 = 100).

⁵ FDIC (for the most up-to-date information see the FDIC's home page at <http://www.fdic.gov>).

⁶ Office of Central Inspection, City of Wichita.

⁷ Derived from Kansas Department of Revenue Tax Collection reports by the Center for Economic Development and Business Research, Wichita State University.

⁸ Kansas Department of Labor, Labor Market Information Services.

⁹

The service industries include information, finance, professional and business services, educational and health services, leisure and hospitality and other services. Industry sector data may not equal total employment for all industries due to rounding.

¹⁰ General, Special Revenue (excluding Federal and State Assistance Funds) and Debt Service Funds.

¹¹ Includes all long-term general obligation debt.

¹² 2001-2009 and 2011-2012 are based on the U.S. Census Bureau's population estimates; 2010 is based on the Decennial Census population; all data are for the four-county Wichita MSA.

	2008	2009	2010	2011	2012	2013
	1,013	642	522	409	418	538
\$	514,553,353	\$ 440,256,156	\$ 462,259,482	\$ 451,016,853	\$ 356,622,263	\$ 478,581,745
	174,509,993	81,497,241	69,009,542	70,951,826	98,155,489	143,865,046
	188,118,374	212,166,613	168,317,469	175,589,218	82,628,001	134,812,174
	151,924,985	146,592,303	224,932,472	204,475,809	175,838,773	199,904,526
	117.050	117.242	120.360	120.059	120.305	120.602
\$	8,557.2	\$ 8,089.2	\$ 8,069.7	\$ 8,415.3	\$ 8,831.6	\$ 9,189.10
	3,974.5	3,770.5	3,700.9	3,741.2	3,846.6	3,944.5
\$	14,046	\$ 13,061	\$ 12,952	\$ 13,455	\$ 14,058	\$ NA
	313,387	319,942	311,091	305,488	301,454	301,192
	4.3	8.5	8.7	7.9	6.9	6.2
	307,900	292,400	283,100	282,900	285,600	288,800
	67,300	57,900	52,500	52,000	52,800	52,500
	130,900	128,100	125,200	126,500	128,000	130,100
	109,700	106,400	105,400	104,400	104,800	106,200
\$	432,681,285	\$ 466,110,861	\$ 518,189,355	\$ 525,794,000	\$ 558,037,000	\$ 480,004,999
	6,231,047	22,221,043	29,586,463	23,648,000	18,325,000	26,142,122
	12,491,836	20,100,610	26,723,006	40,681,000	48,360,000	44,285,000
	227,550,000	241,420,000	255,270,000	269,630,000	254,955,000	216,625,000
	129,165,000	119,540,000	130,730,000	123,455,000	152,390,000	122,195,000
	4,638,543	3,737,066	2,847,155	1,956,000	1,064,000	167,425
	52,604,859	59,092,142	73,032,731	66,424,000	82,943,000	70,591,000
	0.25	0.28	0.35	0.32	0.40	0.34
	1.10	1.15	1.22	1.28	1.23	1.04
\$	143.23	\$ 159.99	\$ 191.00	\$ 172.78	\$ 215.75	\$ 183.08
	619.54	653.65	667.60	701.35	663.18	561.82



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C I T Y ■ O F
W I C H I T A

APPENDIX B

AUDITED FINANCIAL INFORMATION



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**C I T Y ■ O F
W I C H I T A**

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, 2013, 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 and the *Kansas Municipal Audit and Accounting Guide*. 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, 2013, 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.

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

June 16, 2014
Wichita, Kansas

This discussion and analysis of the City of Wichita's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2013. 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 \$53.9 million from current operations and \$39.4 million after prior period adjustments. The most significant increases in net position occurred in the Water Utilities and the Airport Authority Funds.
- Approximately 77% of the City's total assets are held in capital assets.
- The cost of governmental activities was \$319.8 million in 2013 compared to \$333.4 million in 2012.
- Sales tax revenue increased \$4.4 million in 2013.
- In 2013, the City reduced its bonded debt by \$111.6 million.
- In governmental activities, capital grants and contributions decreased \$22.8 million, or 67.2%, from 2012 levels, of which \$22.5 million was for highways and streets.
- In business-type activities, capital grants and contributions increased \$17.7 million in 2013 with the majority of the increase recorded in the airport function.
- The cost of the business-type activities was comparable to 2012; however, the cost of governmental activities decreased \$13.6 million.
- The General Fund, on a budgetary basis, reported \$2 million of revenue and other sources in excess of expenditures and other uses.
- On December 31, 2013, the General Fund reported a budgetary fund balance of 11.1% of the 2014 appropriated budget, which includes a \$14 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).

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, culture and recreation, health and welfare, and sanitation. Business-type activities include public water, sewer, airport, stormwater, golf, and transportation services.

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 on 22 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-23, 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, golf, stormwater, 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 Funds, 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 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. In 2013, the City implemented *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, which resulted in some items being classified as deferred outflows of funds that were previously reported as assets, and some items being classified as deferred inflows of funds that were previously reported as liabilities. The table below restates the 2012 information for comparison purposes.

Net Position – Primary Government As of December 31 (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012*	2013	2012*	2013	2012*
Current and other assets	\$ 515.0	\$ 637.6	\$ 291.1	\$ 253.4	\$ 806.1	\$ 891.0
Capital assets	1,207.4	1,156.7	1,522.5	1,456.2	2,729.9	2,612.9
Total assets	1,722.4	1,794.3	1,813.6	1,709.6	3,536.0	3,503.9
Total deferred outflows of resources	2.1	2.7	6.5	7.2	8.6	9.9
Non-current liabilities	534.8	629.5	487.6	509.4	1,022.4	1,138.9
Other liabilities	107.9	77.1	266.5	184.7	374.4	261.8
Total liabilities	642.7	706.6	754.1	694.1	1,396.8	1,400.7
Total deferred inflows of resources	96.5	101.2	-	-	96.5	101.2
Net position:						
Net investment in capital assets	730.4	659.1	854.2	820.1	1,584.6	1,479.2
Restricted assets	266.2	328.2	171.4	164.2	437.6	492.4
Unrestricted assets	(11.3)	1.9	40.4	38.4	29.1	40.3
Total net position	\$ 985.3	\$ 989.2	\$ 1,066.0	\$ 1,022.7	\$ 2,051.3	\$ 2,011.9

*2012 restated for implementation of GASB 65.

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 \$39.4 million during 2013. Approximately 77% 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 to purposes. The unrestricted portion of the net position may be used to meet other obligations of the government. Furthermore, the unrestricted and restricted portion of net position for governmental activities declined from the prior year due to the

defeasance of refunding bonds and capital spending, which has not yet been financed through the issuance of debt.

The following table summarizes the revenues and expenses that contributed to the increase in the net position of the primary government. In 2013, total revenues decreased by \$10.6 million. During the same period, expenses of the primary government decreased \$13.4 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	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 34.4	\$ 36.4	\$ 151.9	\$ 164.1	\$ 186.3	\$ 200.5
Operating grants and contributions	47.0	47.4	7.1	6.7	54.1	54.1
Capital grants and contributions	11.1	33.9	33.1	15.4	44.2	49.3
General revenues						
Property taxes	106.3	105.9	-	-	106.3	105.9
Sales taxes	58.5	54.1	-	-	58.5	54.1
Franchise taxes	39.3	37.4	-	-	39.3	37.4
Motor vehicle taxes	13.4	13.1	-	-	13.4	13.1
Transient guest taxes	6.4	6.1	-	-	6.4	6.1
Investment earnings	0.8	0.5	0.5	3.8	1.3	4.3
Miscellaneous	7.8	5.7	4.5	2.1	12.3	7.8
Total revenues	<u>325.0</u>	<u>340.5</u>	<u>197.1</u>	<u>192.1</u>	<u>522.1</u>	<u>532.6</u>
Expenses						
General government	44.5	52.5	-	-	44.5	52.5
Public safety	129.6	129.7	-	-	129.6	129.7
Highways and streets	60.8	62.5	-	-	60.8	62.5
Sanitation	4.7	3.5	-	-	4.7	3.5
Health and welfare	29.9	35.4	-	-	29.9	35.4
Culture and recreation	34.6	36.1	-	-	34.6	36.1
Interest on long-term debt	15.7	13.7	-	-	15.7	13.7
Water	-	-	50.1	48.6	50.1	48.6
Sewer	-	-	43.7	38.6	43.7	38.6
Airport	-	-	26.8	32.6	26.8	32.6
Stormwater	-	-	7.9	8.5	7.9	8.5
Transit	-	-	15.1	15.2	15.1	15.2
Golf	-	-	4.8	4.6	4.8	4.6
Total expenses	<u>319.8</u>	<u>333.4</u>	<u>148.4</u>	<u>148.1</u>	<u>468.2</u>	<u>481.5</u>
Excess before transfers and prior period adjustments	5.2	7.1	48.7	44.0	53.9	51.1
Transfers	2.4	2.6	(2.4)	(2.6)	-	-
Prior period adjustments	(11.5)	-	(3.0)	-	(14.5)	-
Increase in net position	<u>\$ (3.9)</u>	<u>\$ 9.7</u>	<u>\$ 43.3</u>	<u>\$ 41.4</u>	<u>\$ 39.4</u>	<u>\$ 51.1</u>

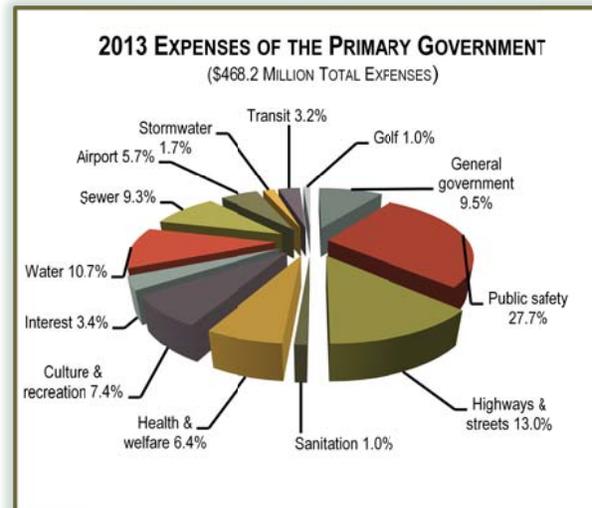
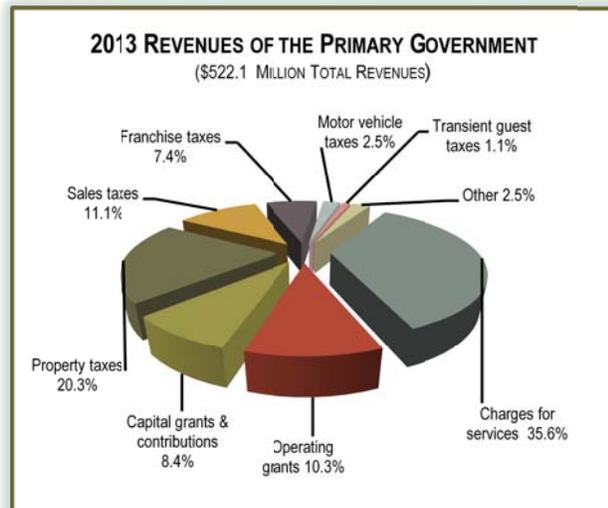
Governmental activities: The net position from governmental activities decreased \$3.9 million in 2013. The results of current year operations increased net position by \$7.6 million, offset by prior period adjustments that reduced the net position from governmental activities. The prior period adjustments resulted from the

implementation of Government Accounting Standard No. 65 and other corrections. Additional information about the prior period adjustments is provided in Note 20 to the financial statements.

During the current fiscal year, governmental revenues, excluding transfers, decreased \$15.5 million. Nonetheless, revenues exceeded expenses by \$5.2 million. Increases in sales and franchise taxes were offset by a reduction in capital grants and contributions. Continuing the trend of declining capital grants and contributions, the 2013 decline of \$22.8 million followed a \$26.4 million decline last year. The 2013 decline in capital grants and contributions primarily resulted from fewer federal and state funds and fewer construction projects funded with special assessments.

In light of reduced resources, management took actions to reduce expenses. The \$13.6 million decrease in expenses largely consists of an \$8 million reduction in general government and a \$5.5 million reduction in health and welfare expenses. The reduction in general government reflects fewer capital related maintenance and equipment expenses, while the reduction in health and welfare largely reflects a lower level of environmental remediation costs in 2013.

Despite the challenge of delivering essential services with fewer resources, capital investment continued. Net investment in governmental capital assets increased \$71.3 million through a combination of acquisitions and reductions in long-term debt. 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 \$68.1 million lower at the close of 2013 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 \$43.3 million increase in 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.

The Water Utility implemented a rate increase in 2013, but due to an unusually wet summer and a community focus on conservation, water sales were substantially lower, resulting in lower overall revenue. Nonetheless, program revenues in the Water Utility exceeded expenses by \$19.9 million. The Airport Authority Fund recorded increased federal revenue for the continued construction of a new terminal building, which is scheduled to be completed in 2015. Program revenues from Airport activities exceeded expenses by \$13.3 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 \$9.7 million.

The business-type activities reduced long-term debt in 2013 by \$28 million, with no new long-term debt issued. However, temporary notes totaling \$78.5 million and \$7.9 million in bond anticipation notes were issued in 2013 for the airport terminal and parking garage project. Outstanding temporary notes and bond anticipation notes at the close of the year totaled \$247.7 million for the business-type activities.

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. The liabilities of the WPBC are revenue bonds issued to finance the public assets, secured with proceeds from direct financing leases which are recorded as assets of the WPBC. Changes in assets and liabilities reflect the declining balances on direct financing leases that correspond to the retirement of debt. In addition to the scheduled debt service, two bond issues totaling \$6.7 million were also refunded in 2013.

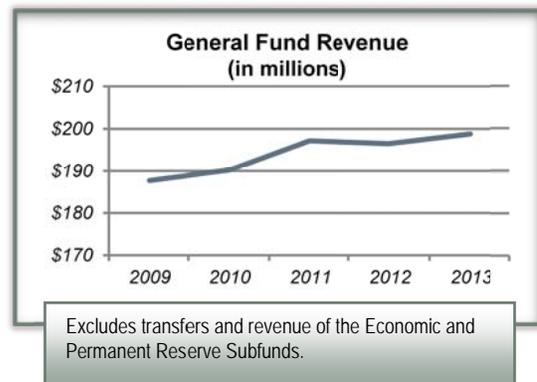
ANALYSIS OF THE GOVERNMENT’S FUNDS

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 \$68.6 million compared to \$154 million at the close of 2012. Three elements are the primary cause of change in net position. In 2013, \$35.5 million in crossover refunded bonds were defeased, reducing cash with the fiscal agent. This has a significant effect on net position as the corresponding reduction in debt is not reflected on governmental fund statements. Additionally, the City’s capital expenses exceeded the amount of short-term borrowing with temporary notes, drawing on cash reserves for the remainder of the capital expenses. And last, in addition to using temporary notes to finance capital investment, the City also uses available cash and issues long-term debt on a reimbursement basis. The fiscal year closed with the City preparing to issue long-term debt to reimburse cash resources.

The General Fund is the major operating and taxing fund of the City of Wichita. At the close of 2013, the unassigned fund balance of the General Fund and its combined subfunds was \$26.3 million compared to \$24.3 million last year. Revenue of the General Fund and its subfunds, excluding transfers, was \$0.9 million above last year, with expenditures \$1.8 million higher than last year. The excess expenditures above revenue resulted from planned expenditures in the Economic Development Subfund.

An important note is that 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 2009 through 2013*
(dollars in millions)

	2009	2010	2011	2012	2013	2013 Percent of Total
General government	\$ 28.0	\$ 28.8	\$ 30.9	\$ 30.5	\$ 32.0	15.8%
Public safety	108.5	112.3	114.5	117.3	119.6	59.1%
Highways and streets	20.9	19.1	22.4	18.1	16.7	8.3%
Sanitation	2.7	3.0	2.9	2.6	2.6	1.3%
Health and welfare	4.0	4.0	3.4	3.6	3.8	1.9%
Culture and recreation	29.1	28.7	28.0	28.3	27.5	13.6%
Total expenses	\$ 193.2	\$ 195.9	\$ 202.1	\$ 200.4	\$ 202.2	100.0%

*Information for 2009 through 2010 restated to reflect GASB 54 fund consolidations implemented in 2011.

The fund balance of the Debt Service Fund and its subfunds decreased \$26.1 million in 2013, due primarily to the retirement of \$35.5 million of refunded debt. Revenue in the Debt Service Fund increased \$2 million, reflecting the planned shift in property tax from the General Fund, with a slight increase in special assessments. Due to the timing of financing activities in 2013, cash was used to fund improvements totaling \$8.9 million, as compared to \$22.8 million in 2012. A prior period adjustment related to the implementation of GASB 65 increased the fund balance by an additional \$4.6 million.

In the Street Improvement Fund and other governmental funds, which includes the non-major capital improvement funds, the timing of debt issuance also resulted in decreased fund balances. The fund balance of the Street Improvement Fund declined \$40.5 million from 2012, with capital expenditures of \$87.6 million, which were slightly above 2012 levels. The proceeds from debt, however, were \$30.7 million lower than in 2012 resulting in a decrease in the fund balance. In other governmental funds, the \$20.2 million decrease in fund balances was also related to the timing of debt issuance. In 2013, proceeds from issuance of long-term debt were \$10.3 million less than in the prior year. Revenue, expenditures and fund balances of the non-major special revenue funds remained relatively stable in 2013.

Proprietary Funds. The combined net position of the proprietary funds increased \$45.1 million from 2013 operations, substantially from increases in the Water Utility, Airport Authority, and Sewer Utility Funds.

The Water Utility, which accounts for the operation and maintenance of the water supply system, implemented a rate increase at the beginning of 2013 to ensure adequate resources for operations, capital maintenance and capital investment. The unusually wet summer and a community focus on conservation resulted in a lower volume of water sales and a corresponding lower level of revenue. Despite the decreased revenue, the Water Utility controlled expenses and increased net position by \$18.2 million before prior period adjustments.

The Airport Authority Fund captures the financial activity for Mid-Continent Airport, serving commercial airlines, and Jabara Airport, serving smaller aircraft. The net position of the Airport Authority Fund increased \$14.6 million during 2013 compared to \$3.4 million in 2012. Increased revenue from customer facility charges, combined with capital contributions from federal grants were the major reasons for the growth in net position. Also contributing, were the reduced level of operating expenses in 2013.

The Sewer Utility, which accounts for the waste water treatment system, also implemented a 2013 rate increase, which resulted in \$3.8 million of additional revenue, offset with increased operating expenses. The operating income of \$13.6 million, combined with lower non-operating expenses and increased capital contributions yielded an \$8.4 million increase in the net position of the Sewer Utility.

Net Position of Proprietary Funds (dollars in thousands)		
	2013	2012
Water Utility	\$ 434,900	\$ 418,538
Sewer Utility	278,171	270,806
Airport	191,617	177,040
Stormwater Utility	144,087	138,461
Transit	15,069	16,144
Golf Course System	340	1,006
Total	<u>\$ 1,064,184</u>	<u>\$ 1,021,995</u>

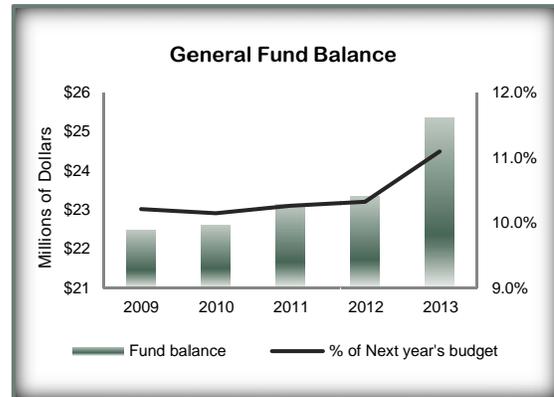
The Stormwater Utility is funded from fees paid by customers with the last rate increase in 2007. The Utility operates eleven pump stations, which move excess surface water from heavy rains. The Utility also maintains the Wichita-Valley Center Floodway, a levee system that redirects excess river water around the City. The net position of the Stormwater Utility Fund increased \$5.7 million with 88% of the increase from capital contributions. Revenue and expenditures of the Utility were stable in 2013 and yielded an operating income of \$2.1 million, compared to \$1.5 million in 2012.

In the non-major business-type funds, the Golf Fund recorded a decrease of 10.7% in revenue and an increase in expenses of 5.4%, lowering the Fund's net position overall. The lower revenue was the result of fewer rounds played in 2013, a year with significantly more days of rain and snow. To provide financial assistance to the fund, an interfund loan with a long-term repayment plan is in place.

Also in the non-major business-type funds, the Transit Fund generated less revenue from fares in 2013 due to lower ridership, with operating costs increasing slightly. A 6.7% decline in net position resulted from operations. Operating revenues and transfers provided approximately 38% of the revenue for 2013, with the balance of funding from Federal and State grants.

General Fund Budgetary Highlights. Total revenue at year end fell short of projections in the original and final budgets, but was slightly above revenue in 2012. Expenditures were also below the projections of the adopted and final budgets, but 1.7% above expenditures in 2012. After transfers, the General Fund unencumbered fund balance increased \$2 million in 2013.

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 increases in franchise and sales taxes.



Expenditures remained relatively flat in all areas except public safety and general government functions. Within general government, public works administration and building services comprised 70% of the \$1.7 million increase. Police and fire services represent the bulk of public safety services and consume 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 2013 with a fund balance of \$25.3 million, which is 11.1% of the 2014 Adopted Budget and includes an appropriated reserve of \$14 million for emergency needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2013, the City of Wichita reported \$2.7 billion in capital assets net of depreciation, compared to \$2.6 billion at the end of 2012. 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
	2013	2012	2013	2012	2013	2012	
Land	\$ 294	\$ 261	\$ 43	\$ 41	\$ 337	\$ 302	11.6%
Airfield	-	-	39	43	39	43	(9.3%)
Buildings & improvements	219	219	966	921	1,185	1,140	3.9%
Equipment	35	30	45	47	80	77	3.9%
Infrastructure	586	555	-	-	586	555	5.6%
Construction in progress	73	92	430	404	503	496	1.4%
Total	\$ 1,207	\$ 1,157	\$ 1,523	\$ 1,456	\$ 2,730	\$ 2,613	4.5%

The most significant capital asset investments of 2013 in the business-type activities are listed below:

- Automated water meter project totaling \$8.1 million.
- Repairs and rehabilitation of water mains totaling \$5.9 million.
- Phase II of the aquifer storage and recharge project with additions totaling \$2 million.
- Sanitary sewer reconstruction and rehabilitation totaling \$4.7 million.

- Airport terminal construction totaling \$42.5 million.
- Airport parking facility construction totaling \$6.6 million.
- Stormwater Utility Meridian Drainage Outfall construction totaling \$1.6 million.

Major asset additions in 2013 in governmental activities included the following projects:

- Major arterial streets, including freeway expansion and interchange improvements totaling \$73.2 million.
- Bridge improvements totaling \$7.5 million.
- Neighborhood paving projects totaling \$3.5 million.
- Continued improvements at Botanica, the Wichita Gardens totaling \$1 million.
- Various improvements of park facilities and playgrounds totaling \$1.1 million.
- Replacement of fire apparatus totaling \$7.9 million.
- Replacement of heavy fleet equipment totaling \$2.1 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 \$893.8 million in outstanding bonds. The City also held \$326.3 million in general obligation temporary notes. The most significant temporary notes outstanding were held as follows: \$160 million in the Water Utility Fund, \$86.5 million in the Airport Authority Fund, and \$78.6 million in governmental capital project funds. Bonded debt of the City of Wichita decreased by \$111.6 million in 2013.

General Obligation and Revenue Bonds						
As of December 31						
(in millions of dollars)						
Revenue source	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Ad valorem property taxes	\$ 75.9	\$ 77.8	\$ -	\$ -	\$ 75.9	\$ 77.8
Special assessments	216.6	254.9	-	-	216.6	254.9
Tax increment	20.8	23.5	-	-	20.8	23.5
Transient guest tax	0.2	1.1	-	-	0.2	1.1
Local sales tax	122.2	152.4	-	-	122.2	152.4
G.O. and revenue	-	-	456.5	484.5	456.5	484.5
Wichita Public Building Commission	-	-	1.6	11.2	1.6	11.2
Total	\$ 435.7	\$ 509.7	\$ 458.1	\$ 495.7	\$ 893.8	\$ 1,005.4

Kansas State Statutes limit the amount of general obligation bonds a City can issue to 30% of the equalized tangible valuation. The 2013 limitation for the City was \$1 billion, with a legal debt margin of \$918.7 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 BUDGET¹

Measured by unemployment, the local economy continues to perform better than the national economy. Wichita’s unemployment rate averaged 7% in 2013 compared to the national rate of 7.4%. The Wichita metropolitan statistical area fared even better averaging 6.3% in 2013.

The demand for new housing increased with new residential single-family permits rising more than 25% in 2013. Despite the rise in new home construction, the new permits are about a third of the level in the pre-recession year. The industrial and retail sectors reported improvement in 2013, with vacancy rates slightly above 2012 levels. Additionally, hotel occupancy rates rose by 1.8% in 2013, with several large new hotels scheduled to open in 2014. Construction of new apartments led the construction industry in 2013, but overall, the construction and mining sectors continued to shrink.

Important to the community is the continued revitalization of downtown, along with improving the walkability of the area. Many downtown projects have been completed in recent years and more are underway. Additional good news in 2013 was that Wichita’s Historic Union Station was under new ownership, with plans to renovate the 57,000 square foot building to include retail, restaurants, hospitality and office space, yet keeping the historic significance of the building in consideration. Each new project adds strength to the economic base of the City’s core area.

	Average Annual Unemployment Rate ²		
	Wichita	Wichita MSA	Nation
2008	4.8%	4.3%	5.8%
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%

Retail trade activity in the Wichita area generated increased general sales tax for the third consecutive year, indicating improved consumer confidence and an improved local economy. Under construction now is the GoodSports complex, a 65,000 square-foot multi-sports facility. The GoodSports facility is targeting national and regional tournaments, which will bring players and guests to the city. New retailers and restaurants continue to be attracted to the Wichita market, keeping the offerings fresh for residents and visitors alike.

The Wichita City Council decided in June 2011 to move forward with the construction of a new terminal at Wichita’s Mid-Continent 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 is currently under construction and is scheduled to open in early 2015.

Southwest Airlines committed to serving the Wichita market with five daily flights beginning in June 2013. Two flights daily are to Dallas Love Field, two to Chicago Midway and one to Las Vegas. Serving west-bound passengers is United Airlines, providing daily nonstop flights to Los Angeles beginning in May 2013. 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.

¹Economic information was drawn from information compiled by Wichita State University, Center for Economic Development and Business Research.

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

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION

December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wichita Public Building Commission
ASSETS				
Cash and cash equivalents	\$ 193,245,375	\$ 50,467,248	\$ 243,712,623	\$ -
Investments	4,219,458	-	4,219,458	-
Receivables (net of allowances for uncollectibles)	303,087,096	16,154,748	319,241,844	-
Internal balances	5,916,738	(5,916,738)	-	-
Prepaid items	189,451	959,414	1,148,865	-
Inventories	1,041,734	2,915,768	3,957,502	-
Due from other agencies	2,064,142	3,718,345	5,782,487	-
Notes receivable	4,936,730	-	4,936,730	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	211,462,245	211,462,245	-
Investments	-	-	-	235,911
Receivables	-	-	-	15,519
Net investment in direct financing leases	-	11,310,000	11,310,000	1,595,000
Permanently restricted:				
Cash and cash equivalents	181,570	-	181,570	-
Investments	53,867	-	53,867	-
Capital assets :				
Land and construction in progress	366,566,842	472,859,329	839,426,171	-
Other capital assets, net of depreciation	840,855,667	1,049,668,970	1,890,524,637	-
Total capital assets	<u>1,207,422,509</u>	<u>1,522,528,299</u>	<u>2,729,950,808</u>	<u>-</u>
Total assets	<u>1,722,358,670</u>	<u>1,813,599,329</u>	<u>3,535,957,999</u>	<u>1,846,430</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding costs	2,053,696	6,587,119	8,640,815	-
Total deferred outflows of resources	<u>2,053,696</u>	<u>6,587,119</u>	<u>8,640,815</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	26,689,348	13,201,967	39,891,315	-
Accrued interest payable	3,950,099	5,675,567	9,625,666	15,519
Temporary notes payable	75,147,191	239,729,916	314,877,107	-
Deposits	2,116,627	4,308,238	6,424,865	-
Deferred revenue	-	3,610,506	3,610,506	-
Due to other agencies	14,493	-	14,493	235,911
Noncurrent liabilities, including claims payable:				
Due within one year	72,616,930	36,086,012	108,702,942	1,595,000
Due in more than one year	462,205,651	451,517,535	913,723,186	-
Total liabilities	<u>642,740,339</u>	<u>754,129,741</u>	<u>1,396,870,080</u>	<u>1,846,430</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	96,404,119	-	96,404,119	-
Total deferred inflows of resources	<u>96,404,119</u>	<u>-</u>	<u>96,404,119</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	730,438,788	854,194,947	1,584,633,735	-
Restricted for:				
Capital projects	23,033,560	53,652,462	76,686,022	-
Debt service	226,947,251	-	226,947,251	-
Revenue bond covenants	-	117,762,729	117,762,729	-
Cemetery:				
Expendable	526,347	-	526,347	-
Nonexpendable	235,437	-	235,437	-
Other purposes	15,371,644	-	15,371,644	-
Unrestricted	(11,285,119)	40,446,569	29,161,450	-
Total net position	<u>\$ 985,267,908</u>	<u>\$ 1,066,056,707</u>	<u>\$ 2,051,324,615</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, 2013

	Program Revenues		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
General government	\$ 44,509,733	\$ 12,431,912	\$ 2,306,737
Public safety	129,626,865	6,635,837	3,279,654
Highways and streets	60,735,095	4,313,548	14,060,435
Sanitation	4,699,419	1,264,799	-
Health and welfare	29,919,373	5,138,357	23,187,193
Culture and recreation	34,624,247	4,633,699	4,115,942
Interest on long-term debt	15,656,198	-	-
Total governmental activities	319,770,930	34,418,152	46,949,961
Business-type activities:			
Water	50,066,025	64,789,466	-
Sewer	43,743,229	49,753,720	-
Airport	26,780,791	21,964,371	-
Stormwater	7,932,853	9,170,163	-
Transit	15,139,100	2,050,064	7,139,144
Golf Course System	4,764,861	4,182,180	-
Total business-type activities	148,426,859	151,909,964	7,139,144
Total primary government	\$ 468,197,789	\$ 186,328,116	\$ 54,089,105
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
 Prior period adjustments

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
\$ 843,838	\$ (28,927,246)	\$ -	\$ (28,927,246)	\$ -
280,220	(119,431,154)	-	(119,431,154)	-
10,008,731	(32,352,381)	-	(32,352,381)	-
-	(3,434,620)	-	(3,434,620)	-
-	(1,593,823)	-	(1,593,823)	-
-	(25,874,606)	-	(25,874,606)	-
-	(15,656,198)	-	(15,656,198)	-
<u>11,132,789</u>	<u>(227,270,028)</u>	<u>-</u>	<u>(227,270,028)</u>	<u>-</u>
5,152,945	-	19,876,386	19,876,386	-
3,676,047	-	9,686,538	9,686,538	-
18,084,277	-	13,267,857	13,267,857	-
4,961,237	-	6,198,547	6,198,547	-
1,227,926	-	(4,721,966)	(4,721,966)	-
-	-	(582,681)	(582,681)	-
<u>33,102,432</u>	<u>-</u>	<u>43,724,681</u>	<u>43,724,681</u>	<u>-</u>
<u>\$ 44,235,221</u>	<u>(227,270,028)</u>	<u>43,724,681</u>	<u>(183,545,347)</u>	<u>-</u>
<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	106,347,180	-	106,347,180	-
	58,519,220	-	58,519,220	-
	39,282,857	-	39,282,857	-
	13,398,168	-	13,398,168	-
	6,360,256	-	6,360,256	-
	827,489	486,563	1,314,052	-
	7,754,920	4,463,830	12,218,750	-
	2,405,568	(2,405,568)	-	-
	<u>234,895,658</u>	<u>2,544,825</u>	<u>237,440,483</u>	<u>-</u>
	7,625,630	46,269,506	53,895,136	-
	989,169,761	1,022,747,083	2,011,916,844	-
	(11,527,483)	(2,959,882)	(14,487,365)	-
	<u>\$ 985,267,908</u>	<u>\$ 1,066,056,707</u>	<u>\$ 2,051,324,615</u>	<u>\$ -</u>

CITY OF WICHITA, KANSAS

BALANCE SHEET GOVERNMENTAL FUNDS

December 31, 2013

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,108,040	\$ 26,142,120	\$ 45,160	\$ 36,332,461	\$ 88,627,781
Cash with fiscal agent	-	57,519,924	-	-	57,519,924
Investments	-	-	-	4,273,325	4,273,325
Receivables, net:					
Property taxes	70,447,851	24,980,465	-	-	95,428,316
Due from other agencies	-	-	-	2,064,142	2,064,142
Special assessments	-	195,375,000	-	-	195,375,000
Accounts	3,155,314	-	3,547,957	6,375,650	13,078,921
Due from other funds	19,611,960	4,924,179	-	41,712,983	66,249,122
Notes receivable	-	4,636,730	-	300,000	4,936,730
Inventories	47,423	-	-	48,976	96,399
Prepaid items	-	-	-	60,551	60,551
Total assets	<u>\$ 119,370,588</u>	<u>\$ 313,578,418</u>	<u>\$ 3,593,117</u>	<u>\$ 91,168,088</u>	<u>\$ 527,710,211</u>
LIABILITIES					
Accounts payable and other liabilities	\$ 13,683,267	\$ -	\$ 4,926,292	\$ 3,014,434	\$ 21,623,993
Accrued interest payable	-	-	35,392	77,175	112,567
Temporary notes payable	-	-	30,650,948	44,496,243	75,147,191
Deposits	1,572,876	293,246	62,876	187,629	2,116,627
Due to other agencies	-	-	-	14,493	14,493
Due to other funds	-	-	47,141,281	11,712,983	58,854,264
Total liabilities	<u>15,256,143</u>	<u>293,246</u>	<u>82,816,789</u>	<u>59,502,957</u>	<u>157,869,135</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	70,447,851	24,980,465	-	-	95,428,316
Unavailable revenue-special assessments	-	195,375,000	-	-	195,375,000
Unavailable revenue-forgivable loans	1,112,820	-	-	-	1,112,820
Unavailable revenue-other	-	4,636,730	-	4,663,249	9,299,979
Total deferred inflows of resources	<u>70,447,851</u>	<u>220,355,465</u>	<u>-</u>	<u>-</u>	<u>290,803,316</u>
FUND BALANCES (DEFICITS)					
Nonspendable	847,423	-	-	344,964	1,192,387
Restricted	-	88,292,977	-	54,353,565	142,646,542
Committed	-	-	-	15,590,339	15,590,339
Assigned	5,391,950	-	-	8,901,203	14,293,153
Unassigned	26,314,401	-	(79,223,672)	(52,188,189)	(105,097,460)
Total fund balances (deficits)	<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>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 118,257,768</u>	<u>\$ 308,941,688</u>	<u>\$ 3,593,117</u>	<u>\$ 86,504,839</u>	<u>\$ 517,297,412</u>

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, 2013

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

Total fund balance - governmental funds		\$ 68,624,961
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 1,638,746,429	
Accumulated depreciation	<u>(438,998,342)</u>	1,199,748,087
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	219,094,639	
Special assessment bonds payable	216,625,000	
Premium on bonds payable	22,225,211	
Accrued interest payable on the bonds	3,837,532	
Bond anticipation notes	3,465,300	
Compensated absences	8,940,623	
Other post employment benefits	12,462,497	
Environmental remediation liability	19,569,714	
Liability for landfill closure and post-closure costs	12,818,780	
Legal liability	2,284,557	
Liability for termination benefits	<u>449,017</u>	(521,772,870)
Deferred refunding resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements.		
		2,053,696
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.		
		8,324,176
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.		
		195,375,000
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>32,914,858</u>
Total net position - governmental activities		<u><u>\$ 985,267,908</u></u>

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, 2013

	General Fund	Debt Service Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 85,162,836	\$ 30,100,160	\$ -	\$ 10,842,609	\$ 126,105,605
Special assessments	-	33,055,594	11,965	601,161	33,668,720
Franchise taxes	39,282,857	-	-	-	39,282,857
Local sales tax	27,071,126	77,325	3,107,270	28,263,499	58,519,220
Intergovernmental	15,922,483	-	11,773,883	32,126,619	59,822,985
Licenses and permits	2,511,065	-	-	4,957,390	7,468,455
Fines and penalties	9,385,629	-	-	5,513	9,391,142
Rentals	2,787,441	99,323	-	1,513,390	4,400,154
Interest earnings	562,029	229,159	-	59,358	850,546
Charges for services and sales	8,233,095	-	-	2,819,116	11,052,211
Other	7,655,467	481,554	681,393	4,535,883	13,354,297
Total revenues	<u>198,574,028</u>	<u>64,043,115</u>	<u>15,574,511</u>	<u>85,724,538</u>	<u>363,916,192</u>
EXPENDITURES					
Current:					
General government	32,017,682	-	-	4,396,533	36,414,215
Public safety	119,604,914	-	-	9,968,737	129,573,651
Highways and streets	16,675,979	-	-	-	16,675,979
Sanitation	2,586,180	-	-	1,187,567	3,773,747
Health and welfare	3,803,344	-	-	28,050,598	31,853,942
Culture and recreation	27,490,261	-	-	2,888,467	30,378,728
Debt service:					
Principal retirement	-	51,671,665	8,251,509	2,213,673	62,136,847
Interest and fiscal charges	-	20,285,022	48,992	104,083	20,438,097
Capital outlay	-	-	87,648,499	20,731,592	108,380,091
Total expenditures	<u>202,178,360</u>	<u>71,956,687</u>	<u>95,949,000</u>	<u>69,541,250</u>	<u>439,625,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,604,332)</u>	<u>(7,913,572)</u>	<u>(80,374,489)</u>	<u>16,183,288</u>	<u>(75,709,105)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term capital debt	-	-	14,066,723	2,223,577	16,290,300
Premiums on bonds sold	-	646,440	-	-	646,440
Payments on refunded bonds	-	(35,460,000)	-	-	(35,460,000)
Transfers from other funds	11,677,891	23,170,180	25,870,728	21,316,113	82,034,912
Transfers to other funds	(6,686,607)	(11,108,561)	(66,012)	(59,965,141)	(77,826,321)
Total other financing sources (uses)	<u>4,991,284</u>	<u>(22,751,941)</u>	<u>39,871,439</u>	<u>(36,425,451)</u>	<u>(14,314,669)</u>
Net change in fund balances	1,386,952	(30,665,513)	(40,503,050)	(20,242,163)	(90,023,774)
Fund balances (deficits) - beginning as previously reported	31,166,822	114,344,250	(38,720,622)	47,244,045	154,034,495
Prior period adjustment	-	4,614,240	-	-	4,614,240
Fund balances (deficits)- beginning as restated	<u>31,166,822</u>	<u>118,958,490</u>	<u>(38,720,622)</u>	<u>47,244,045</u>	<u>158,648,735</u>
Fund balances (deficits) - ending	<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>

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, 2013

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

Net change in position in total governmental funds		\$ (90,023,774)
<p>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.</p>		
Depreciation expense	\$ (29,954,258)	
Net capital asset acquisition	81,584,250	51,629,992
<p>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.</p>		
		(1,198,294)
<p>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.</p>		
		(77,382)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
		(16,290,300)
<p>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.</p>		
		(646,440)
<p>The amortization of bond premiums decrease the long term liabilities in the statement of net position but does not provide current financial resources to governmental funds.</p>		
		4,011,425
<p>The amortization of refunding costs reduces deferred outflows in the statement of net position but does not provide current financial resources to governmental funds.</p>		
		(683,327)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
General obligation bonds	45,076,665	
Special assessment bonds	41,705,000	
Bond anticipation notes	10,465,182	
Section 108 Housing & Urban Development loan	350,000	97,596,847
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.</p>		
		740,186
<p>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 is shown as an expense on the statement of activities.</p>		
		(43,819)
<p>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.</p>		
		1,585,614
<p>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.</p>		
		(38,330,000)
<p>In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.</p>		
		713,615
<p>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.</p>		
		(1,818,249)
<p>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.</p>		
		(279,470)
<p>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.</p>		
		(101,242)
<p>In the statement of activities, an expense is recorded for environmental remediation obligations when the expected outlay is reasonably estimatable. In the governmental funds, an expense is recorded when paid.</p>		
		504,378
<p>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.</p>		
		335,870
Change in net position of governmental activities		\$ 7,625,630

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 83,750,616	\$ 83,750,616	\$ 85,162,836	\$ 1,412,220
Franchise taxes	39,495,365	39,495,365	39,282,857	(212,508)
Local sales tax	27,155,660	27,155,660	27,071,126	(84,534)
Intergovernmental	16,714,440	16,714,440	15,922,483	(791,957)
Licenses and permits	2,858,768	2,858,768	2,511,065	(347,703)
Fines and penalties	11,822,188	11,822,188	9,385,629	(2,436,559)
Rentals	2,516,665	2,516,665	2,267,190	(249,475)
Interest earnings	480,000	480,000	562,029	82,029
Charges for services and sales	10,192,896	10,192,896	7,894,592	(2,298,304)
Other	7,770,423	7,770,423	7,171,673	(598,750)
Total revenues	202,757,021	202,757,021	197,231,480	(5,525,541)
EXPENDITURES				
Current:				
General government	28,163,861	28,163,861	28,614,138	(450,277)
Public safety	119,991,140	119,991,140	119,649,984	341,156
Highways and streets	21,152,073	21,152,073	17,211,054	3,941,019
Sanitation	3,012,237	3,012,237	2,587,711	424,526
Health and welfare	5,508,884	5,508,884	3,778,499	1,730,385
Culture and recreation	29,257,013	29,257,013	27,452,547	1,804,466
Total expenditures	207,085,208	207,085,208	199,293,933	7,791,275
Deficiency of revenues under expenditures	(4,328,187)	(4,328,187)	(2,062,453)	2,265,734
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	11,195,815	11,195,815	10,637,891	(557,924)
Transfers to other funds	(6,867,628)	(6,867,628)	(6,572,427)	295,201
Total other financing sources (uses)	4,328,187	4,328,187	4,065,464	(262,723)
Net change in fund balances	-	-	2,003,011	2,003,011
Fund balance - beginning	23,124,934	23,124,934	23,336,963	212,029
Fund balance - ending	\$ 23,124,934	\$ 23,124,934	\$ 25,339,974	\$ 2,215,040

The accompanying notes to the financial statements are an integral part of this statement.
The 2013 certified expenditure budget is \$226,147,836 including an appropriated reserve of \$12,195,000.

CITY OF WICHITA, KANSAS

STATEMENT OF NET POSITION PROPRIETARY FUNDS

December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
ASSETS			
Current assets:			
Cash and temporary investments	\$ 6,561,503	\$ 4,502,541	\$ 28,084,769
Receivables, net	15,510,747	38,890	382,857
Due from other funds	-	-	-
Due from other agencies	-	-	2,029,692
Inventories	2,488,901	119,666	-
Prepaid items	1,054	958,360	-
Restricted assets:			
Cash and temporary investments	16,716,163	11,763,645	65,576,420
Total current assets	41,278,368	17,383,102	96,073,738
Noncurrent assets:			
Restricted assets:			
Cash and temporary investments	98,741,858	18,664,159	-
Net investment in direct financing leases	-	-	11,310,000
Capital assets:			
Land	10,104,517	4,170,074	17,676,746
Airfield	-	-	150,951,326
Buildings	65,246,940	107,988,816	55,951,082
Improvements other than buildings	498,045,615	385,986,968	50,478,286
Machinery, equipment and other assets	51,402,042	49,317,184	21,742,765
Construction in progress	281,465,650	25,802,983	108,784,494
Less accumulated depreciation	(202,903,497)	(149,890,888)	(194,703,787)
Total capital assets (net of accumulated depreciation)	703,361,267	423,375,137	210,880,912
Due from other funds	-	-	-
Total noncurrent assets	802,103,125	442,039,296	222,190,912
Total assets	843,381,493	459,422,398	318,264,650
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding costs	2,670,867	3,916,252	-
Total deferred outflows of resources	2,670,867	3,916,252	-

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
\$ 10,721,642	\$ 596,793	\$ 50,467,248	\$ 47,279,240
-	222,254	16,154,748	317,679
-	141,281	141,281	-
-	1,688,653	3,718,345	-
-	307,201	2,915,768	945,335
-	-	959,414	128,900
-	-	94,056,228	-
<u>10,721,642</u>	<u>2,956,182</u>	<u>168,413,032</u>	<u>48,671,154</u>
-	-	117,406,017	-
-	-	11,310,000	-
7,938,561	2,608,718	42,498,616	-
-	-	150,951,326	-
8,704,097	15,437,228	253,328,163	74,242
148,886,402	14,942,454	1,098,339,725	74,907
5,415,655	24,069,630	151,947,276	40,468,239
14,305,286	2,300	430,360,713	-
(22,744,193)	(34,655,155)	(604,897,520)	(32,942,966)
<u>162,505,808</u>	<u>22,405,175</u>	<u>1,522,528,299</u>	<u>7,674,422</u>
-	-	-	394,500
<u>162,505,808</u>	<u>22,405,175</u>	<u>1,651,244,316</u>	<u>8,068,922</u>
<u>173,227,450</u>	<u>25,361,357</u>	<u>1,819,657,348</u>	<u>56,740,076</u>
-	-	6,587,119	-
-	-	6,587,119	-

(Continued)

CITY OF WICHITA, KANSAS
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 3,159,150	\$ 976,616	\$ 8,296,028
Accrued interest payable	319,447	-	327,525
Temporary notes payable	160,000,000	-	78,520,470
Deposits	4,282,612	7,305	16,161
Current portion of long-term obligations:			
General obligation bonds payable	-	-	8,472,593
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	564,998	311,466	482,846
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	-	-	80,416
Accrued interest payable	2,938,079	1,989,428	-
Revenue bonds payable	13,165,521	9,323,815	-
Total current liabilities	<u>184,429,807</u>	<u>12,608,630</u>	<u>96,196,039</u>
Noncurrent liabilities:			
Unearned revenue	-	-	3,610,506
Due to other funds	-	-	-
General obligation bonds payable	-	-	15,525,000
General obligation bonds unamortized premium	-	-	-
Revenue bonds payable	216,785,189	161,634,545	11,310,000
Revenue bonds unamortized premium	9,931,846	10,921,377	-
Claims payable	-	-	-
Capital lease payable	-	-	-
Compensated absences	5,471	3,016	5,607
Total noncurrent liabilities	<u>226,722,506</u>	<u>172,558,938</u>	<u>30,451,113</u>
Total liabilities	<u>411,152,313</u>	<u>185,167,568</u>	<u>126,647,152</u>
NET POSITION			
Net investment in capital assets	313,460,341	247,742,607	138,060,312
Restricted for:			
Capital projects	17,620,014	125,352	35,878,957
Revenue bond covenants	91,780,661	25,982,068	-
Unrestricted	12,039,031	4,321,055	17,678,229
Total net position	<u>\$ 434,900,047</u>	<u>\$ 278,171,082</u>	<u>\$ 191,617,498</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
\$ 308,674	\$ 381,083	\$ 13,121,551	\$ 2,780,798
95,439	5,649	748,060	-
1,209,446	-	239,729,916	-
-	2,160	4,308,238	-
2,715,284	660,000	11,847,877	-
-	-	-	7,815,084
-	-	-	161,624
111,028	278,461	1,748,799	366,463
-	-	80,416	-
-	-	4,927,507	-
-	-	22,489,336	-
<u>4,439,871</u>	<u>1,327,353</u>	<u>299,001,700</u>	<u>11,123,969</u>
-	-	3,610,506	-
-	7,930,639	7,930,639	-
24,150,076	695,000	40,370,076	-
549,490	-	549,490	-
-	-	389,729,734	-
-	-	20,853,223	-
-	-	-	10,549,310
-	-	-	273,446
588	330	15,012	5,873
<u>24,700,154</u>	<u>8,625,969</u>	<u>463,058,680</u>	<u>10,828,629</u>
<u>29,140,025</u>	<u>9,953,322</u>	<u>762,060,380</u>	<u>21,952,598</u>
133,881,512	21,050,175	854,194,947	7,239,352
-	28,139	53,652,462	-
-	-	117,762,729	-
10,205,913	(5,670,279)	38,573,949	27,548,126
<u>\$ 144,087,425</u>	<u>\$ 15,408,035</u>	<u>\$ 1,064,184,087</u>	<u>\$ 34,787,478</u>

Total net position \$ 1,064,184,087

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

1,872,620

Net position of business-type activities

\$ 1,066,056,707

CITY OF WICHITA, KANSAS

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

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges for services and sales	\$ 64,618,096	\$ 49,730,731	\$ 2,924,467
Fees	135,901	-	3,442,445
Rentals	35,469	22,989	15,597,459
Employer contributions	-	-	-
Employee contributions	-	-	-
Other	177,085	8,797	2,034,974
Total operating revenues	<u>64,966,551</u>	<u>49,762,517</u>	<u>23,999,345</u>
OPERATING EXPENSES			
Personnel services	9,549,396	9,585,333	8,496,196
Contractual services	12,646,777	7,269,935	3,559,920
Materials and supplies	4,726,101	3,440,703	4,557,408
Cost of materials used	-	-	-
Other	761,172	459,994	174,844
Administrative charges	738,797	279,057	275,227
Franchise taxes and payments in lieu of delinquent specials	4,099,364	2,353,603	-
Depreciation	10,753,615	12,794,177	8,593,178
Employee benefits	-	-	-
Insurance claims	-	-	-
Total operating expenses	<u>43,275,222</u>	<u>36,182,802</u>	<u>25,656,773</u>
Operating income (loss)	<u>21,691,329</u>	<u>13,579,715</u>	<u>(1,657,428)</u>
NONOPERATING REVENUES (EXPENSES)			
Operating grants	-	-	-
Gain on investments	-	-	486,563
Other revenues (expenses)	180,709	11,706	-
Interest expense	(7,255,587)	(7,795,783)	(1,291,854)
Gain (loss) from sale of assets	(19)	-	(86,542)
Actuarial reserve adjustment	-	-	-
Bond premium amortization	859,176	847,116	-
Total nonoperating revenues (expenses)	<u>(6,215,721)</u>	<u>(6,936,961)</u>	<u>(891,833)</u>
Income (loss) before contributions and transfers	15,475,608	6,642,754	(2,549,261)
Capital contributions and operating transfers:			
Capital contributions - cash	3,348,811	1,452,999	18,084,277
Capital contributions - non cash	1,804,134	2,223,048	-
Transfers from other funds	-	-	-
Transfers to other funds	<u>(2,427,898)</u>	<u>(1,872,215)</u>	<u>(957,793)</u>
Change in net position	18,200,655	8,446,586	14,577,223
Net position - beginning as previously reported	418,537,878	270,806,003	177,040,275
Prior period adjustment	<u>(1,838,486)</u>	<u>(1,081,507)</u>	<u>-</u>
Net position - beginning as restated	416,699,392	269,724,496	177,040,275
Net position - ending	<u>\$ 434,900,047</u>	<u>\$ 278,171,082</u>	<u>\$ 191,617,498</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
\$ 9,170,163	\$ 2,526,299	\$ 128,969,756	\$ 16,351,388
-	2,816,398	6,394,744	-
-	889,547	16,545,464	8,570,524
-	-	-	32,723,684
-	-	-	8,579,414
29,404	257,640	2,507,900	1,292,466
<u>9,199,567</u>	<u>6,489,884</u>	<u>154,417,864</u>	<u>67,517,476</u>
2,251,091	9,205,597	39,087,613	7,190,850
2,033,539	3,890,064	29,400,235	6,637,253
338,858	3,069,624	16,132,694	8,723,470
-	-	-	(272,736)
39,638	-	1,435,648	-
92,560	406,493	1,792,134	589,519
-	-	6,452,967	-
2,383,405	3,367,329	37,891,704	2,726,550
-	-	-	33,188,562
-	-	-	5,468,261
<u>7,139,091</u>	<u>19,939,107</u>	<u>132,192,995</u>	<u>64,251,729</u>
2,060,476	(13,449,223)	22,224,869	3,265,747
-	7,139,144	7,139,144	-
-	-	486,563	-
-	(60,366)	132,049	(2,976)
(854,071)	(97,303)	(17,294,598)	(13,363)
(50,680)	(16,943)	(154,184)	252,987
-	-	-	929,960
70,126	-	1,776,418	-
<u>(834,625)</u>	<u>6,964,532</u>	<u>(7,914,608)</u>	<u>1,166,608</u>
1,225,851	(6,484,691)	14,310,261	4,432,355
151,615	1,369,207	24,406,909	-
4,809,622	-	8,836,804	77,382
-	3,489,080	3,489,080	250,000
<u>(520,972)</u>	<u>(115,770)</u>	<u>(5,894,648)</u>	<u>(2,053,023)</u>
5,666,116	(1,742,174)	45,148,406	2,706,714
138,461,198	17,150,209	1,021,995,563	32,080,764
<u>(39,889)</u>	<u>-</u>	<u>(2,959,882)</u>	<u>-</u>
138,421,309	17,150,209	1,019,035,681	32,080,764
<u>\$ 144,087,425</u>	<u>\$ 15,408,035</u>	<u>\$ 1,064,184,087</u>	<u>\$ 34,787,478</u>

Increase in net position per fund statements \$ 45,148,406

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

1,121,100

Change in net position of business-type activities \$ 46,269,506

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 66,809,952	\$ 49,758,174	\$ 19,812,197
Cash payments to suppliers for goods and services	(19,346,455)	(12,428,058)	(5,103,032)
Cash payments to employees for services	(9,505,707)	(9,576,496)	(8,501,656)
Franchise taxes and payments in lieu of delinquent specials	(4,099,364)	(2,353,603)	-
Other operating revenues	177,085	8,797	2,034,974
Other operating expenses	-	-	-
Net cash provided by (used in) operating activities	34,035,511	25,408,814	8,242,483
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Interfund loans	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(2,427,898)	(1,872,215)	(957,793)
Net cash provided by (used in) noncapital financing activities	(2,427,898)	(1,872,215)	(957,793)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Issuance of temporary notes	160,000,000	-	78,520,470
Issuance of bond anticipation notes	-	-	7,932,593
Retirement of temporary notes	(160,000,000)	-	-
Additions to property, plant and equipment	(22,028,704)	(8,000,634)	(56,422,066)
Principal payment on long-term debt and capital lease	(13,546,404)	(10,290,294)	(520,000)
Interest payment on long-term debt and capital lease	(11,274,290)	(8,332,723)	(742,250)
Debt service - other expenses	-	-	-
Proceeds from sale of assets	-	-	11,066
Capital contributions	3,348,811	1,277,121	18,704,367
Net cash provided by (used in) capital and related financing activities	(43,500,587)	(25,346,530)	47,484,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	-	1,902
Net cash provided by investing activities	-	-	1,902
Net increase (decrease) in cash and temporary investments	(11,892,974)	(1,809,931)	54,770,772
Cash and temporary investments - January 1	133,912,498	36,740,276	38,890,417
Cash and temporary investments - December 31	\$ 122,019,524	\$ 34,930,345	\$ 93,661,189

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
\$ 9,170,163	\$ 6,102,321	\$ 151,652,807	\$ 66,378,979
(2,288,793)	(8,087,633)	(47,253,971)	(53,559,283)
(2,253,646)	(9,229,145)	(39,066,650)	(7,195,369)
-	-	(6,452,967)	-
29,404	41,050	2,291,310	1,292,466
(39,638)	-	(39,638)	-
<u>4,617,490</u>	<u>(11,173,407)</u>	<u>61,130,891</u>	<u>6,916,793</u>
-	5,940,190	5,940,190	-
-	1,826,960	1,826,960	-
-	3,489,080	3,489,080	250,000
(520,972)	(115,770)	(5,894,648)	(2,053,023)
<u>(520,972)</u>	<u>11,140,460</u>	<u>5,361,582</u>	<u>(1,803,023)</u>
1,209,446	-	239,729,916	-
-	-	7,932,593	-
(183,950)	-	(160,183,950)	-
(2,179,097)	(1,629,440)	(90,259,941)	(2,633,228)
(2,935,030)	(310,061)	(27,601,789)	(181,261)
(895,688)	(99,990)	(21,344,941)	(13,363)
-	-	-	(2,976)
-	-	11,066	374,749
<u>151,615</u>	<u>1,624,717</u>	<u>25,106,631</u>	<u>-</u>
<u>(4,832,704)</u>	<u>(414,774)</u>	<u>(26,610,415)</u>	<u>(2,456,079)</u>
-	-	1,902	-
-	-	1,902	-
(736,186)	(447,721)	39,883,960	2,657,691
<u>11,457,828</u>	<u>1,044,514</u>	<u>222,045,533</u>	<u>44,621,549</u>
<u>\$ 10,721,642</u>	<u>\$ 596,793</u>	<u>\$ 261,929,493</u>	<u>\$ 47,279,240</u>

(Continued)

CITY OF WICHITA, KANSAS

STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS

For the year ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Airport Authority
	RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 21,691,329	\$ 13,579,715	\$ (1,657,428)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,753,615	12,794,177	8,593,178
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,795,590	4,454	(2,028,540)
Increase in inventory	(471,697)	(19,356)	-
Increase (decrease) in prepaid items	-	(414,767)	22,304
Increase (decrease) in accounts payable/accrued expenses	(1,911)	(544,246)	3,442,063
Increase (decrease) in deposits	224,896	-	149
(Decrease) in deferred revenue	-	-	(123,782)
Increase (decrease) in compensated absences	43,689	8,837	(5,461)
Total adjustments	12,344,182	11,829,099	9,899,911
Net cash provided by (used in) operating activities	\$ 34,035,511	\$ 25,408,814	\$ 8,242,483

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

Assets contributed by benefit districts	\$ 1,196,506	\$ 2,223,048	\$ -
Contribution of capital assets	-	-	-
Capital contributed for capital purposes	607,628	-	-
Increase in net investment in direct financing leases	-	-	60,000
Decrease in revenue bonds payable	-	-	(60,000)
Increase in interest receivable on direct financing leases	-	-	(60,000)
Decrease in accrued interest payable on revenue bonds	-	-	60,000
Interest income on investment in direct financing leases	-	-	807,193
Interest expense on revenue bonds payable	-	-	(807,193)

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
\$ 2,060,476	\$ (13,449,223)	\$ 22,224,869	\$ 3,265,747
2,383,405	3,367,329	37,891,704	2,726,550
-	(344,286)	(572,782)	153,969
-	-	(491,053)	(182,793)
-	-	(392,463)	(100,622)
176,164	(723,466)	2,348,604	1,058,461
-	(214)	224,831	-
-	-	(123,782)	-
(2,555)	(23,547)	20,963	(4,519)
2,557,014	2,275,816	38,906,022	3,651,046
\$ 4,617,490	\$ (11,173,407)	\$ 61,130,891	\$ 6,916,793

\$ -	\$ -	\$ 3,419,554	\$ -
4,809,622	-	4,809,622	77,382
-	-	607,628	-
-	-	60,000	-
-	-	(60,000)	-
-	-	(60,000)	-
-	-	60,000	-
-	-	807,193	-
-	-	(807,193)	-

CITY OF WICHITA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2013

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and temporary investments	\$ 806,493	\$ 2,673,427
Receivables:		
Investment sales pending	20,684,984	-
Interest and dividends	2,788,710	-
Accounts	1,030,540	990,342
Total receivables	24,504,234	990,342
Investments, at fair value:		
Government short-term investment fund	28,810,870	-
Government securities: long-term	41,769,993	2,369,564
Corporate debt instruments: long-term	86,308,355	-
Mortgage and asset-backed securities	73,863,160	-
Corporate stocks: domestic common	438,046,582	-
Corporate stocks: international common	204,117,335	-
Real estate	62,009,396	-
Timber	24,854,838	-
Value of interest in pooled funds: target date funds	2,756,523	-
Value of interest in pooled funds: international fixed income	6,970,523	-
Value of interest in pooled funds: high yield fixed income	8,953,804	-
Value of interest in pooled funds: U.S. TIPS	24,676,427	-
Value of interest in pooled funds: domestic equities	131,201,951	-
Value of interest in pooled funds: international equities	44,928,301	-
Securities lending short-term collateral investment pool	81,956,461	-
Total investments	1,261,224,519	2,369,564
Capital assets:		
Pension software	1,295,837	-
Accumulated depreciation	(1,005,226)	-
Capital assets net of depreciation	290,611	-
Total assets	1,286,825,857	6,033,333
LIABILITIES		
Accounts payable and accrued expenses	1,235,509	1,039,144
Compensated absences	-	-
Investment purchases pending	35,069,489	-
Security lending obligations	81,956,461	-
Deposits	-	4,994,189
Total liabilities	118,261,459	6,033,333
NET POSITION		
Held in trust for:		
Employees' pension benefits	1,168,564,398	-
Total net position	\$ 1,168,564,398	\$ -

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, 2013

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 23,996,680
Employee	8,028,412
Total contributions	32,025,092
Investment income:	
From investment activities	
Net appreciation in fair value of investments	171,885,510
Interest and dividends	28,434,475
Commission recapture	32,688
Total investment earnings	200,352,673
Less investment expense	5,294,099
Net income from investing activities	195,058,574
From securities lending activities	
Securities lending income	251,167
Securities lending activities expenses:	
Borrower rebates	(106,127)
Management fees	98,784
Total securities lending activities expenses	(7,343)
Net income from securities lending activities	258,510
Total net investment income	195,317,084
Transfers from other funds	2,465,600
Total additions	229,807,776
DEDUCTIONS	
Pension benefits	66,531,806
Pension administration	879,766
Depreciation	182,543
Employee contributions refunded	1,982,959
Transfers to other funds	2,465,600
Total deductions	72,042,674
Change in net position	157,765,102
Net position - beginning	1,010,799,296
Net position - ending	\$ 1,168,564,398

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



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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 buildings or facilities 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. Additionally, the City of Wichita is liable on a contingent basis and will make rental payments, if necessary, to supplement rental payments in connection with the City/County "wrap-around" obligation for the State Office Building. (Refer to Note 19.E. - Public Building Commission Lease, for further disclosure.) The WPBC is presented as a proprietary fund type.

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-15 and the Statement of Activities on page A-16) 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. Funds certified to the State of Kansas and reported as subfunds of the General Fund are the Permanent Reserve Fund and the Economic Development Fund. Schedules for the certified funds and subfunds 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 the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis and to account for the City's self insurance activities.

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, community improvement districts, special neighborhood revitalization funds, and payments in lieu of taxes related to industrial revenue bonds.

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 and those of the Wichita Public Building Commission). 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 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.

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

K. Franchise Taxes

Franchise taxes are collected from utilities for use right of ways. Annually, the Water Utility and Sewer Utility pay to the General Fund of the City 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 is reporting the deferred charges on refunding in the business-type and government-wide statements 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.

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. Arising from the use of the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet and in government-wide statement of net position. The City is reporting 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.

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 asset; 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.

Government Accounting Standard 54, implemented in 2011, changed the reporting classifications of governmental fund balances. 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 can only be used for the specific purpose imposed with a majority vote by quorum of the governing body of the City of Wichita. Any changes or removal of specific purposes requires a majority vote by a quorum of the governing body.

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 19.D 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 No. 67, Financial Reporting for Pension Plans, was issued in 2012. GASB Statement 67 revises existing guidance for the financial reports of most pension plans. The Statement enhances reporting requiring additional note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans. Statement 67 also requires presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in ten-year RSI schedules. The provisions of Statement 67 are effective for financial statements for the City’s fiscal year ending December 31, 2014.

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 amount expected to be the equivalent of the unfunded actuarial accrued liabilities 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 69, Government Combinations and Disposals of Government Operations, provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. GASB 69 may apply to transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged, including shared service arrangements, reorganizations, redistricting, or arrangements in which an operation is transferred to a new government created to provide those services. This statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of GASB Statement 69 are effective for government combinations and disposals occurring in reporting periods beginning after December 15, 2013 and should be applied on a prospective basis.

GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, provides accounting and financial reporting guidance to governments that offer or receive nonexchange financial guarantees, which are commitments to ensure payments on an obligation of a legally separate entity or individual. The provisions of GASB Statement 70 are effective for reporting periods beginning after June 15, 2013.

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 statement for the City's fiscal year ending December 31, 2015.

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	\$ 1,386,952	\$ 32,553,774
Increase (decrease) affecting basis:		
Expenditures due to prior year encumbrances	458,900	(15,959)
Cancellation of prior year encumbrances	30,494	-
Expenditures due to current year encumbrances	(981,239)	(981,239)
Less subfund balances included for GAAP		
Permanent Reserve Subfund	-	(1,821,848)
Economic Development Subfund	1,107,904	(4,394,754)
General Fund - budgetary basis	<u>\$ 2,003,011</u>	<u>\$ 25,339,974</u>

4. Fund Balance Deficits

At December 31, 2013, 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, 2013.

Primary Government	Fund Balance Deficits
Street Improvement fund	\$ 79,223,672
Nonmajor governmental funds	
WAMPO *	28,339
Water Main Extension	1,616,594
Park Bond Construction	3,030,397
Public Improvement Construction	33,468,344
Sewer Construction	11,547,788
ARRA Projects	2,496,727
Total Reporting Entity	\$ 131,411,861

*Wichita Area Metropolitan Area Planning Organization

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, 2013, the City had deposits in five banks totaling \$29,601,492 with assets pledged by the banks as collateral with a fair value of \$47,288,594.

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;
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, 2013, the City's pooled funds were invested as follows:

Investment type	Book Value	Modified Duration (years)	Percent of Total Pooled Funds
U.S. Treasury coupon securities	\$ 6,004,471	0.742	2.0%
U.S. agency coupon securities	51,991,490	1.354	17.6%
U.S. agency callable securities	3,993,651	1.620	1.4%
U.S. agency discount securities	176,586,649	0.449	59.6%
Municipal Investment Pool-Overnight*	32,264,281	-	10.9%
Collateralized deposits	25,185,087	-	8.5%
Total value	<u>\$ 296,025,629</u>		<u>100.0%</u>
Portfolio modified duration		<u>0.679</u>	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013, 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 AAAs/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, 2013, 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
U.S. Treasury	\$ 6,004,471	2.0%
Federal Farm Credit Bank	17,999,481	6.1%
Federal Home Loan Bank	66,156,662	22.4%
Federal Home Loan Mortgage Corp.	110,426,058	37.3%
Federal National Mortgage Assoc.	37,989,589	12.8%
Municipal Investment Pool	32,264,281	10.9%
Collateralized deposits	25,185,087	8.5%
Total value	\$296,025,629	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, 2013, 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	\$ 18,644,689	0.041	100.0%
Total value	\$ 18,644,689		100.0%
Total modified duration		0.041	

Additionally, general obligation temporary note proceeds for future capital projects of the Water Utility were invested as follows:

Investment	Book Value	Modified Duration (years)	Percent of Note Proceeds Investments
Municipal Investment Pool-Overnight*	\$ 40,105,655	-	100.0%

Total value	\$ 40,105,655	100.0%
Total modified duration	-	

*The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013, \$17,211,177 was invested with the Municipal Investment Pool – Overnight. The weighted average maturity of the Municipal Investment Pool was 60.1 days at December 31, 2013.

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, 2013 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, 2013, 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% by be invested in equity mutual funds.

C. Investments of the Wichita Public Building Commission

Deposits and investments of \$235,911 for the Wichita Public Building Commission are invested by trustees and are held under trust indentures. A formal investment policy is not maintained. On December 31, 2013, \$235,911 was invested in Treasury money market funds.

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, and timber.

The investments of the Wichita Retirement Systems (WRS) on December 31, 2013 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 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, 2013, the WRS' cash deposits in the amount of \$806,493 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.

Type of Investment	Fair Value
Government short-term investment fund	\$ 28,810,870
Government securities, long-term	41,769,993
Corporate debt instruments, long-term	86,308,355
Mortgage and asset-backed securities	73,863,160
Corporate stocks, domestic common	438,046,582
Corporate stocks, international common	204,117,335
Real estate	62,009,396
Timber	24,854,838
Value of interest in pooled funds, target date funds	2,756,523
Value of interest in pooled funds, international fixed income	6,970,523
Value of interest in pooled funds, high yield fixed income	8,953,804
Value of interest in pooled funds, U.S. TIPS	24,676,427
Value of interest in pooled funds, domestic equities	131,201,951
Value of interest in pooled funds, international equities	44,928,301
Securities lending short-term collateral investment pool	81,956,461
Total investments	<u>\$ 1,261,224,519</u>

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, 2013, the duration of the Index was 5.39 years, which equated to a minimum and maximum range for each fixed income portfolio of 4.31 years and 6.46 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, 2013, the duration of the Index was 6.83 years, which equated to a minimum and maximum range for each TIPS portfolio of 5.46 years and 8.20 years, respectively.

The modified duration of investments on December 31, 2013 is as follows:

Investment Type	Fair Value	Percent of all Fixed Income Assets	Weighted Average Modified Duration (years)
Government securities, long-term	\$ 41,769,993	15.4%	5.1
Corporate debt instruments, long-term	86,308,355	31.8	3.6
Mortgage and asset-backed securities	73,863,160	27.2	2.9
Actively managed investments	201,941,508	74.4	3.6
Government short-term investment fund	28,810,870	10.6	.1
Pooled U.S. TIPS fund	24,676,427	9.1	7.4
Pooled high yield fixed income securities	8,953,804	3.3	2.7
Pooled international fixed income securities	6,970,523	2.6	6.0
Total investment in debt securities	\$271,353,132	100.0%	

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 2013, 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.

The table at the right shows the debt investments held by the WRS on December 31, 2013 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.

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, 2013. 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, 2013 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 Plan Net Position and the total changes in fair value for the year are included as investment income in the Statement of Changes in Plan 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 Plan 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.

Quality Rating	Total Debt Securities
AAA	\$ 54,104,139
AA+	73,463,539
AA	5,590,258
AA-	3,044,520
A+	8,784,269
A	23,793,999
A-	27,097,829
BBB+	12,778,254
BBB	9,922,196
BBB-	3,985,290
BB+	3,408,511
BB	455,702
BB-	9,427,393
B+	14,040
B	607,056
B-	512,382
CCC+	23,850
CCC	2,070,150
CCC-	223,503
CC	933,140
D	2,300,546
Not rated	1,696
Total credit risk debt securities	242,542,262
Government short-term investment fund*	28,810,870
Total investment in debt securities	\$ 271,353,132

* The average quality of the holdings of the Government Short-Term Investment Fund on December 31, 2013 was A-1+P1.

Classification and Type	Change in Fair Value	Notional Value	Exposure/ Fair Market Value	Counterparty (Counterparty Rating)
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Investment revenue:				
Credit default swap written	\$ 7,813	\$ 270,000	\$ 4,241	
Fixed income futures short	482,511	(4,400,000)	-	
Fixed income options written	6,031	-	-	
Futures options bought	10,116	13,000	31,453	
Futures options written	70,623	(24,000)	(10,719)	
FX forwards	29,842	567,673	35,408	Barclays Bank PLC Wholesale (A)
FX forwards	413,509	3,914,431	136,361	State Street Bank London (A+)
Pay fixed interest rate swaps	2,871	-	-	
Total return bond swap	30,659	-	-	
Rights	71,051	-	-	
Investment loss:				
Credit default swap bought	(50,571)	1,060,000	(90,364)	Goldman Sachs & Co (A-)
Fixed income futures long	(419,367)	3,300,000	-	
Fixed income options bought	(5,200)	-	-	
Foreign currency options bought	(20,630)	30,300	9,858	
FX forwards	(104,296)	8,451,399	(35,800)	Citibank N.A. Total (A)
	<u>\$ 524,962</u>	<u>\$13,182,803</u>	<u>\$ 80,438</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, 2013 is presented in the accompanying table.

Currency	Cash and cash equivalents	Debt Securities	Equities
Australian dollar	\$ 5,882	\$ -	\$ 10,016,190
Canadian dollar	16,666	-	1,332,807
Danish krone	-	-	1,322,257
Euro	97,320	-	73,376,339
Hong Kong dollar	6	-	3,243,676
Japanese yen	-	-	40,470,598
New Zealand dollar	-	-	45,825
Norwegian krone	9,781	-	380,580
Pound sterling	85,468	-	47,206,099
Singapore dollar	79,195	-	4,438,026
Swedish krona	-	-	1,597,518
Swiss franc	43,580	-	18,531,738
International mutual funds (various currencies)	-	6,970,523	44,928,301
Total subject to foreign currency risk	<u>\$ 337,898</u>	<u>\$ 6,970,523</u>	<u>\$ 246,889,954</u>

All forward foreign currency contracts are carried at fair value by the WRS. As of December 31, 2013, the Systems held forward currency contracts with an unrealized gain of \$136,763. 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 market value of the loaned securities, international equity securities for initial collateral of 105% of the market 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 market 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 market 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 Plan 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 41 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, \$81,956,461 was held by the counterparty acting as the WRS' agent in securities lending transactions on December 31, 2013.

6. Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2013 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>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 260,521	\$ 34,276	\$ (1,174)	\$ -	\$ 293,623
Construction in progress	91,735	37,331	(56,122)	-	72,944
Total capital assets, not being depreciated	<u>352,256</u>	<u>71,607</u>	<u>(57,296)</u>	-	<u>366,567</u>
Capital assets, being depreciated:					
Buildings	286,903	2,234	(612)	-	288,525
Improvements other than buildings	85,405	4,778	-	-	90,183
Machinery, equipment and other assets	106,178	12,613	(6,269)	-	112,522
Infrastructure	<u>771,907</u>	<u>49,660</u>	<u>-</u>	<u>-</u>	<u>821,567</u>
Total capital assets being depreciated	<u>1,250,393</u>	<u>69,285</u>	<u>(6,881)</u>	<u>-</u>	<u>1,312,797</u>
Less accumulated depreciation for:					
Buildings	(123,114)	(3,382)	602	-	(125,894)
Improvements other than buildings	(30,281)	(3,155)	-	-	(33,436)
Machinery, equipment and other assets	(76,034)	(7,412)	6,042	-	(77,404)
Infrastructure	<u>(216,477)</u>	<u>(18,731)</u>	<u>-</u>	<u>-</u>	<u>(235,208)</u>
Total accumulated depreciation	<u>(445,906)</u>	<u>(32,680)</u>	<u>6,644</u>	<u>-</u>	<u>(471,942)</u>
Total capital assets, being depreciated, net	<u>804,487</u>	<u>36,605</u>	<u>(237)</u>	<u>-</u>	<u>840,855</u>
Governmental activities capital assets, net	<u>\$ 1,156,743</u>	<u>\$ 108,212</u>	<u>\$ (57,533)</u>	<u>\$ -</u>	<u>\$ 1,207,422</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 40,943	\$ 1,555	\$ -	\$ -	\$ 42,498
Construction in progress	403,556	89,247	(62,442)	-	430,361
Total capital assets, not being depreciated	<u>444,499</u>	<u>90,802</u>	<u>(62,442)</u>	<u>-</u>	<u>472,859</u>
Capital assets, being depreciated:					
Airfields	150,077	874	-	-	150,951
Buildings	246,373	6,966	(11)	-	253,328
Improvements other than buildings	1,038,440	60,395	(495)	-	1,098,340
Machinery, equipment and other assets	<u>146,591</u>	<u>8,313</u>	<u>(2,957)</u>	<u>-</u>	<u>151,947</u>
Total capital assets being depreciated	<u>1,581,481</u>	<u>76,548</u>	<u>(3,463)</u>	<u>-</u>	<u>1,654,566</u>
Less accumulated depreciation for:					
Airfields	(107,281)	(4,663)	-	-	(111,944)
Buildings	(107,902)	(4,987)	-	-	(112,889)
Improvements other than buildings	(255,506)	(17,527)	28	-	(273,005)
Machinery, equipment and other assets	<u>(99,109)</u>	<u>(10,714)</u>	<u>2,764</u>	<u>-</u>	<u>(107,059)</u>
Total accumulated depreciation	<u>(569,798)</u>	<u>(37,891)</u>	<u>2,792</u>	<u>-</u>	<u>(604,897)</u>
Total capital assets, being depreciated, net	<u>1,011,683</u>	<u>38,657</u>	<u>(671)</u>	<u>-</u>	<u>1,049,669</u>
Business-type activities capital assets, net	<u>\$ 1,456,182</u>	<u>\$ 129,459</u>	<u>\$ (63,113)</u>	<u>\$ -</u>	<u>\$ 1,522,528</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Fiduciary Activities					
Capital assets, being depreciated:					
Machinery, equipment and other assets	\$ 1,296	\$ -	\$ -	\$ -	\$ 1,296
Less accumulated depreciation for:					
Machinery, equipment and other assets	(822)	(183)	-	-	(1,005)
Total capital assets, being depreciated, net	<u>474</u>	<u>(183)</u>	<u>-</u>	<u>-</u>	<u>291</u>
Fiduciary activities capital assets, net	<u>\$ 474</u>	<u>\$ (183)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291</u>

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

	Current Year Depreciation
Governmental activities:	
General government	\$ 2,512
Public safety	2,310
Highways and streets, including depreciation of general infrastructure assets	20,045
Sanitation	127
Health and welfare	767
Culture and recreation	4,192
Capital assets held by the government's internal services funds are charged to the various functions based on their usage of the assets	<u>2,727</u>
Total depreciation expense-governmental activities	<u>\$ 32,680</u>
Business-type activities:	
Water Utility	\$ 10,754
Sewer Utility	12,794
Airport Authority	8,593
Stormwater Utility	2,383
Nonmajor enterprise funds	<u>3,367</u>
Total depreciation expense-business-type activities	<u>\$ 37,891</u>
Fiduciary activities	
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 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 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 market or 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 market value exceeded 5% or more of net assets available for benefits. There are no long-term contracts for contributions.

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.

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 2013 was 12.6% 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 2013, the City's annual pension cost of \$7,990,502 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, 2011 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used in this valuation included (a) a rate of return on the investment of present and future assets of 7.75% 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 (3.5% attributable to inflation and 0.5% 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.

The market 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 market and expected value.

With the smoothing method, portions of investment gains are deferred and currently represent about 4% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$22 million 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 93% to 97% and the actuarially determined contribution rate would decrease from 12.2% to 10.1%.

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, 2013, the amortization period was 20 years.

The funded status for the WERS as of December 31, 2013, 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)
\$ 542,157	\$ 582,386	\$ 40,229	93.1%	\$ 70,953	56.7%

The schedule of funding progress, presented as required supplementary information (following the notes to the financial statements), reflects multiyear 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
12/31/11	\$ 6,596,124	100%	\$ -
12/31/12	6,471,423	100%	-
12/31/13	7,990,502	100%	-

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.

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 7% to 8% of covered salaries. From its various operating funds, the City is required to contribute at an actuarially determined rate; the rate for 2013 was 22.8% 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 2013, the City's annual pension cost of \$14,889,714 was equal to the required and actual contributions.

The employer's annual required contribution was determined as part of the December 31, 2011 actuarial valuation using the Entry Age Normal actuarial cost method. Significant actuarial assumptions used included (a) a rate of return on the investment of present and future assets of 7.75% 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 (3.5% attributable to inflation and 0.5% 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.

The market 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 market and expected value.

With the smoothing method, portions of investment gains are deferred and currently represent about 5% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the \$27 million 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 92% to 97% and the actuarially determined contribution rate would decrease from 21.3% to 18.5%.

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 payrolls on an open basis. At December 31, 2013, the amortization period was 20 years.

The funded status of WPFERS as of December 31, 2013, 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)
\$ 571,262	\$ 617,748	\$ 46,486	92.5%	\$ 65,306	71.2%

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

Three Year Trend Information SCHEDULE OF EMPLOYER CONTRIBUTIONS			
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/11	\$ 13,806,880	100%	\$ -
12/31/12	14,113,014	100%	-
12/31/13	14,889,714	100%	-

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, 2013, membership totaled 601. 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, 2013, employee and employer contributions to Plan 3 totaled \$1,116,240 and \$1,116,464, 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.

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, 2013, the City recorded a liability of \$3,287,329 for estimated claims pending. Net position on December 31, 2013 was \$10,495,067.

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, 2013, the City recorded a liability of \$10,180,581 for estimated probable claims pending. Net position at December 31, 2013 was \$3,608,750.

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, 2013, net position totaled \$698,731.

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 \$2,000,000 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 \$10 million with a \$2 million self insured retention.

At December 31, 2013, the City recorded a liability of \$4,871,484 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, 2013, net position totaled \$6,198,850.

Fund	Claims Paid	Beginning Balance	Changes in Actuarial Estimate	Ending Balance	Short-term Portion
Worker's Compensation					
2012	\$ 3,110,121	\$ 9,168,509	\$ 1,524,721	\$10,693,230	\$ 2,988,963
2013	2,963,958	10,693,230	(512,649)	10,180,581	2,883,308
General Liability					
2012	1,625,933	3,203,250	2,188,058	5,391,308	1,770,186
2013	2,504,303	5,391,308	(519,824)	4,871,484	1,619,448
Health Insurance					
2012	32,396,476	2,974,147	210,669	3,184,816	3,184,816
2013	32,515,764	3,184,816	102,513	3,287,329	3,287,329

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.

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 2013, retired plan members receiving benefits contributed \$1,840,072 to the plan compared to City's contribution of \$2,035,238.

OPEB Component	Amount
Annual required contribution-amortized liability	\$ 4,041,507
Interest on net OPEB obligation	425,842

<u>Annual OPEB Cost and Net OPEB Obligation.</u>	Adjustment to annual required contribution	(615,662)
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 companion 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.	Annual OPEB cost (expense)	3,851,687
	Contributions made	(2,035,238)
	Increase in net OPEB obligation	1,816,449
	Net OPEB obligation January 1, 2013	10,646,048
	Net OPEB obligation December 31, 2013	<u>\$ 12,462,497</u>

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.

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, 2013.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 4,285,819	41.5%	\$ 9,014,462
2012	4,261,091	61.7%	10,646,048
2013	3,851,687	52.8%	12,462,497

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 2013, \$335,870 of the liability associated with termination benefits was amortized, leaving an unamortized liability in the governmental funds of \$449,017.

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, 2013 (dollars in thousands)		
Payable From	Interest Rates	Amount
Government activities:		
Ad valorem property taxes	2.00% - 5.00%	\$ 75,935
Transient guest tax	5.00%	167
Tax increment financing	1.00% - 6.25%	20,798
Local sales tax	2.00% - 5.00%	122,195
Subtotal governmental activities		<u>219,095</u>
Business-type activities:		
Stormwater Utility	2.00% - 5.00%	26,865
Golf Course System	3.00% - 3.25%	1,355
Airport Authority	2.50% - 5.50%	16,065
Subtotal business-type activities		<u>44,285</u>
Total general obligation bonds		<u>\$ 263,380</u>

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
2014	\$ 25,175	\$ 7,336	\$ 3,915	\$ 1,574
2015	27,962	6,526	4,033	1,450
2016	28,691	5,604	3,429	1,311
2017	29,313	4,643	2,717	1,187
2018	26,217	3,657	2,798	1,092
2019 - 2023	73,101	7,264	12,369	4,191
2024 - 2028	8,636	539	7,744	2,569
2029 - 2033	-	-	2,795	1,483
2034 - 2038	-	-	2,405	805
2039 - 2043	-	-	2,080	142
Totals	<u>\$ 219,095</u>	<u>\$ 35,569</u>	<u>\$ 44,285</u>	<u>\$ 15,804</u>

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
2014	\$ 22,285	\$ 8,538
2015	22,645	7,739
2016	21,515	6,850
2017	20,935	6,028
2018	20,690	5,160
2019 - 2023	77,875	14,303
2024 - 2028	25,990	3,482
2029 - 2033	4,690	235
Totals	<u>\$ 216,625</u>	<u>\$ 52,335</u>

B. Revenue Bonds

Revenue bonds are also issued by the City of Wichita and the Wichita Public Building Commission, 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, 2013
(dollars in thousands)

	Interest Rates	Final Maturity Date	Amount
Primary Government-Enterprise Funds			
Water Utilities:			
2000A Water	4.69%	2021	\$ 1,354
2000B Water	4.69%	2021	2,330
2005A Water & Sewer Refunding	3.71% - 3.86%	2016	14,595
2005B Water & Sewer Refunding	5.00%	2016	9,360
2005C Water & Sewer Refunding	4.375% - 5.125%	2030	35,720
2006 Water & Sewer	4.00% - 5.00%	2031	40,635
2008A Water & Sewer	3.50% - 5.00%	2032	25,015
2009A Water & Sewer	3.50% - 5.00%	2039	109,880
2009B Water & Sewer	4.27% - 5.36%	2019	8,490
2010A Water & Sewer	1.75% - 4.00%	2030	28,195
2010B Water & Sewer	3.00% - 5.35%	2030	15,315
2011A Water & Sewer	4.00% - 5.00%	2028	93,515
2012A Water & Sewer	2.00% - 4.00%	2032	16,505
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
Total primary government			412,219
Component Unit – Wichita Public Building Commission			
State Office Building, Refunding Series N 2003	4.00%	2014	1,595
Total Component Unit			1,595
Total Revenue Bonds			\$ 413,814

*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, 2013 of 0.06%.

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	2013 Principal & Interest	2013 Pledged Revenues Recognized
Water & Sewer Utility Revenue Bonds:					
\$ 587,451	Utility revenues	Through 2039	100%	\$ 43,444	\$ 43,444
Airport Authority Special Facility Revenue Bonds:					
\$ 16,457	Direct financing leases	Through 2031	100%	\$ 60	\$ 60
Wichita Public Building Commission Revenue Bonds:					
\$ 1,657	Direct financing leases	Through 2014	100%	\$ 10,115	\$ 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		Component Unit-WPBC*	
	Principal	Interest	Principal	Interest
2014	\$ 22,489	\$ 19,134	\$ 1,595	\$ 62
2015	23,558	18,207	-	-
2016	24,767	17,195	-	-
2017	22,503	16,113	-	-
2018	23,624	15,063	-	-
2019 - 2023	111,798	59,370	-	-
2024 - 2028	104,535	32,541	-	-
2029 - 2033	61,485	11,569	-	-
2034 - 2038	15,295	2,389	-	-
2039 - 2043	2,165	108	-	-
Totals	\$ 412,219	\$ 191,689	\$ 1,595	\$ 62

*Wichita Public Building Commission

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, 2013, debt service requirements to maturity consist of principal payments totaling \$435,070 and interest payments totaling \$42,190. 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 19.56 years total \$10,452,727 or \$534,393 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 5.48 years is \$494,017 or \$90,149 annually.

Additionally, the City operates three limited landfills. The City's construction and demolition landfill has cumulative closure costs of \$1,639,399 on December 31, 2013, based on the use of 79.2% of the estimated capacity. The industrial monofill landfill for asbestos waste has cumulative closure costs of \$232,637, based on the use of 24.9% 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, 2013 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. Footnote 18.-Landfill Closure and Post-closure Care provides further disclosure. In 2013, a prior period adjustment was recorded in 2013 on the government-wide financial statements to reflect a change in the liability, in accordance with the new guidance issued by the Kansas Department of Health and Environment. Additional information is provided in Note 20.

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 \$372,336 were in the governmental amounts below. Compensated absences for the governmental funds are generally liquidated by the General Fund.

Post-employment benefits other than pensions are recorded at the entity-wide level and are generally liquidated from the Self Insurance Fund.

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 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 788, 790, 794	\$ 22,915,000	September 1, 2014
General Obligation Refunding Series 2012B	Series 959	2,730,000	September 1, 2014
General Obligation Refunding Series 2012C	Series 960	4,485,000	September 1, 2014
General Obligation Refunding Series 2012E	Series 2007	24,865,000	October 1, 2014

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 \$9,057,758 has been recorded in the government-wide financial statements, in addition to a receivable of \$3,687,446 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.

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 \$1,215,865 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 \$4,765 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 through 2013 into 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 \$957,054 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 \$1,457,975 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 \$388,802 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 recorded in the government-wide financial statements in the amount of \$982,012. 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 \$52.1 million, resulting in a net liability of \$5.5 million 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 \$5,483 has been recorded in the government-wide financial statements with low potential for changes in the liability.

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, 2013, 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.

Long-term liability activity for the year ended December 31, 2013, 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>
Governmental Activities					
Bonds Payable:					
General obligation bonds	\$ 7,801	\$ 9,450	\$ (11,316)	\$ 75,935	\$ 9,930
With government commitment					
Special assessment	254,955	3,375	(41,705)	216,625	22,285
Tax increment financing	23,466	-	(2,668)	20,798	1,733
Transient guest tax	1,064	-	(897)	167	167
Local sales tax	152,390	-	(30,195)	122,195	13,345
Unamortized premium	25,590	646	(4,011)	22,225	-
Total bonds payable	535,266	13,471	(90,792)	457,945	47,460
Bond anticipation notes	10,465	3,465	(10,465)	3,465	3,465
Section 108 loan	350	-	(350)	-	-
Accreted interest	714	-	(714)	-	-
Capital lease	153	463	(181)	435	161
Compensated absences	9,274	9,053	(9,014)	9,313	9,216
Claims payable	19,294	37,054	(37,984)	18,364	7,815
Other post-employment benefits	10,644	3,852	(2,034)	12,462	-
Termination benefits	785	-	(336)	449	186
Environmental remediation	20,074	613	(1,117)	19,570	3,689
Landfill closure-post-closure care	22,541	809	(10,531)	12,819	624
Total long-term liabilities – Governmental activities	<u>\$ 629,560</u>	<u>\$ 68,780</u>	<u>\$ (163,518)</u>	<u>\$ 534,822</u>	<u>\$ 72,616</u>
Business-type activities					
Bonds payable:					
General obligation bonds	\$ 48,360	\$ -	\$ -	\$ 44,285	\$ 3,915
Unamortized premium	645	-	(96)	549	-
Bond anticipation notes	-	7,933	-	7,933	7,933
Revenue bonds	436,116	-	(23,897)	412,219	22,489
Unamortized premium	22,560	-	(1,707)	20,853	-
Total bonds payable	507,681	7,933	(29,775)	485,839	34,337
Environmental remediation	5	5	(5)	5	5
Compensated absences	1,743	1,728	(1,707)	1,764	1,748
Total long-term liabilities – Business-type activities	<u>\$ 509,429</u>	<u>\$ 9,666</u>	<u>\$ (31,487)</u>	<u>\$ 487,608</u>	<u>\$ 36,090</u>
Wichita Public Building Commission					
Bonds payable:					
Revenue bonds	\$ 11,220	\$ -	\$ (9,625)	\$ 1,595	\$ 1,595
Unamortized premium	162	-	(162)	-	-
Total long-term liabilities-WPBC	<u>\$ 1,382</u>	<u>\$ -</u>	<u>\$ (9,787)</u>	<u>\$ 1,595</u>	<u>\$ 1,595</u>

10. Prior Year Defeasance of Debt

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, 2013, bonds totaling \$755,000 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 2013, the City issued \$ 326,275,000, retired \$221,245,000 and reclassified \$11,397,893 of temporary notes for various capital improvements as bond anticipation notes. Temporary notes outstanding at December 31, 2013 are payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	\$ 61,061,050	\$ 78,612,491	\$ 61,061,050	\$ 78,612,491
Business-type Activities				
Water Utility Fund	160,000,000	160,000,000	160,000,000	160,000,000
Airport Authority Fund	-	86,453,063	-	86,453,063
Stormwater Utility	183,950	1,209,446	183,950	1,209,446
Total Business-type Activities	160,183,950	247,662,509	160,183,950	247,662,509
Total temporary notes	<u>\$ 221,245,000</u>	<u>\$ 326,275,000</u>	<u>\$ 221,245,000</u>	<u>\$ 326,275,000</u>

On December 31, 2013, the Water Utility held proceeds of \$3,956,372 from the issuance of general obligation temporary notes for future capital construction and the Airport Authority held proceeds of \$29,697,463. 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.

	Interest Rate	Amount Outstanding	Maturity Date
Primary Government			
Governmental-Capital Project Funds:			
Street and Bridge Improvements - Series 247	0.55%	\$ 3,289	02/11/14
Street and Bridge Improvements - Series 249 BAN	0.50%	3,465,300	10/15/14
Street and Bridge Improvements - Series 249	0.50%	4,900	10/15/14
Street and Bridge Improvements - Series 254	0.25%	18,147,719	02/11/14
Street and Bridge Improvements - Series 256	0.25%	2,000	02/11/14
Street and Bridge Improvements - Series 260	0.19%	12,488,340	10/15/14
Street and Bridge Improvements - Series 260	0.25%	4,700	10/15/14
Water Main Construction - Series 254	0.25%	586,526	02/11/14
Water Main Construction - Series 260	0.19%	248,700	02/11/14
Park Bond Construction - Series 254	0.25%	1,259,710	02/11/14
Park Bond Construction - Series 260	0.19%	251,300	10/15/14
Public Improvement Construction - Series 247	0.55%	3,778,054	02/11/14
Public Improvement Construction - Series 249	0.50%	1,528,600	10/15/14
Public Improvement Construction - Series 254	0.25%	24,090,384	02/11/14
Public Improvement Construction - Series 260	0.19%	1,679,200	02/11/14
Sewer Construction - Series 254	0.25%	9,888,369	02/11/14
Sewer Construction - Series 260	0.19%	1,185,400	10/15/14
Primary Government (continued)			
	Interest Rate	Amount Outstanding	Maturity Date

Enterprise Funds:			
Water Utility - Series 258	0.50%	\$ 160,000,000	10/15/14
Airport Authority - Series 247	0.25%	653,657	02/11/14
Airport Authority - Series 254	0.25%	8,185,546	02/11/14
Airport Authority - Series 256	0.25%	15,063,000	02/11/14
Airport Authority - Series 249	0.50%	4,681,200	10/15/14
Airport Authority - Series 260	0.19%	5,741,767	10/15/14
Airport Authority - Series 260 BAN	0.19%	7,932,593	10/15/14
Airport Authority - Series 262	0.25%	44,195,300	10/15/14
Stormwater Utility - Series 254	0.25%	1,071,746	02/11/14
Stormwater Utility - Series 260	0.19%	137,700	10/15/14
Total Reporting Entity		<u>\$ 326,275,000</u>	

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 \$2,391,859 in 2013.

The Airport Authority has authorized the construction of buildings on Authority-owned land by 40 tenants. Tenants lease the land from the Airport Authority for periods ranging from one month to 44 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.

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. The bonds are payable from lease payments that are made directly to a trustee for the purpose of retiring the principal and interest of the related bonds as they mature.

In 2010, the building financed by the WPBC, leased and occupied by the Kansas Sports Hall of Fame, was sold and the lease agreement terminated. The proceeds of the sale were deposited in an escrow account to make all future debt service payments until the scheduled defeasance of the debt, which occurred in 2013. Additional information about the principal and interest payments is provided in Note 9 to the financial statements.

Additionally, lease payments for Wichita State University were secured by a pledge of the surplus on an ad valorem tax levy in amounts sufficient to guarantee the rentals under a lease agreement. In 2013, outstanding principal of \$6,735,000 was refunded and the lease agreement terminated.

Pursuant to lease agreements for the financing of the Finney State Office Building, the City of Wichita and Sedgwick County are contingently liable and will make rental payments, as necessary, to supplement the rental payments to be paid by the State of Kansas so that the total shall be sufficient to pay the debt service on the revenue bonds.

The financing of these facilities by the Airport Authority and the WPBC represent direct financing leases. Accordingly, the net investments of such leases are recorded on the respective enterprise fund and component unit balance sheets as restricted assets. The following tables provide the components of the net investment in direct financing leases as of December 31, 2013 and the future minimum lease rentals to be received under the

Year Ending December 31	Minimum Rentals of Non-cancelable Operating Leases
2014	\$ 7,647,581
2015	4,063,256
2016	3,959,741
2017	3,353,914
2018	3,136,318
2019 - 2023	11,849,685
2024 - 2028	7,604,062
2029 - 2033	4,490,447
2034 - 2038	3,411,078
2039- 2043	3,173,526
2044 - thereafter	5,380,644
Total minimum future rentals	<u>\$ 58,070,252</u>

leases.

Investments in Direct Financing Leases			
As of December 31, 2013			
	Airport Authority	Wichita Public Building Commission	Total
Total minimum lease payments to be received	\$ 16,457,341	\$ 1,657,075	\$ 18,114,416
Less: unearned income	5,147,341	62,075	5,209,416
Net investment in direct financing leases	\$ 11,310,000	\$ 1,595,000	\$ 12,905,000

Future Minimum Lease Rentals Under Direct Financing Leases			
As of December 31, 2013			
Year ending December 31	Airport Authority	Wichita Public Building Commission	Total
2014	\$ 483,990	\$ 1,657,075	\$ 2,141,065
2015	483,990	-	483,990
2016	483,990	-	483,990
2017	483,990	-	483,990
2018	483,990	-	483,990
2019 - 2023	3,447,221	-	3,447,221
2024 - 2028	7,918,200	-	7,918,200
2029 - 2031	2,671,970	-	2,671,970
Total minimum future rentals	\$ 16,457,341	\$ 1,657,075	\$ 18,114,416

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, 2013 the future minimum lease payments totaled \$397,933, 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, 2013, 104 series of industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$1,971,994,172.

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, 2013, 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.

To assist in the financing of buildings, facilities and equipment for other governmental units, the Wichita Public Building Commission has issued revenue bonds, secured by the property financed and are payable from

payments received on underlying lease agreements. Two series of bonds were retired in 2013 and as of December 31, 2013, the aggregate principal remaining was \$1,595,000. Note 12 provides further disclosure.

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, 2013, transfer revenue and transfer expenditures each totaled \$85,773,992.

Non-routine transfers to the General Fund consisted primarily of \$300,000 from the Landfill Post-closure Fund and \$700,000 from the pension reserves held in the Self Insurance Fund to offset higher pension contribution rates.

Of routine nature are the Debt Service Fund transfers of \$8.9 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 \$18.4 million and \$9.6 million to the Local Sales Tax CIP fund to cash fund freeway and major arterial projects.

Summary of Interfund Transfers For Year Ended December 31, 2013		
Fund	Transfers Out	Transfers In
Major Funds:		
General Fund	\$ 6,686,607	\$ 11,677,891
Debt Service Fund	11,108,561	23,170,180
Street Improvement Fund	66,012	25,870,728
Airport Fund	957,793	-
Water Utility Fund	2,427,898	-
Sewer Utility Fund	1,872,215	-
Stormwater Utility Fund	520,972	-
Nonmajor governmental funds	59,965,141	21,316,113
Nonmajor enterprise funds	115,770	3,489,080
Internal service funds	2,053,023	250,000
Total transfers	<u>\$ 85,773,992</u>	<u>\$ 85,773,992</u>

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, 2013 are presented in the following tables.

Interfund receivables and payables at the end of December 2013 totaled \$66,784,903, including a 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. Most significant are the payables in the Street Improvement Fund from loans until projects are completed and permanent financing is secured, as well as until the time that grant funds have been received.

Interfund Receivables As of December 31, 2013	
Fund	Receivables
Major funds:	
General Fund	\$ 19,611,960
Debt Service Fund	4,924,179
Nonmajor governmental funds:	
Landfill Post-Closure Fund	15,467,079
Environmental TIF District	15,000,000
Local Sales Tax CIP Fund	11,245,904
Enterprise funds:	
Transit Fund	141,281
Internal service funds:	
Self Insurance Fund	394,500
Total interfund receivables	<u>\$ 66,784,903</u>

Interfund Payables As of December 31, 2013	
Fund	Payables
Major funds:	
Street Improvement Fund	\$ 47,141,281
Nonmajor governmental funds:	
Homelessness Assistance Fund	26,250
City – County	230,340
WAMPO*	210,489
Water Main Extension Fund	759,692
Park Bond Construction Fund	1,362,708
Public Improvement Construction Fund	6,180,147
Sewer Construction Fund	446,630
ARRA Projects	2,496,727
Nonmajor enterprise funds:	
Golf Course System Fund	4,924,179
Transit Fund	3,006,460
Total interfund payables	<u>\$ 66,784,903</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, 2013					
	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Street Improvement Fund		
Nonspendable:					
Inventories & prepaids	\$ 47,423	\$ -	\$ -	\$ 109,527	\$ 156,950
Receivables, long-term	800,000	-	-	-	800,000
Permanent fund	-	-	-	235,437	235,437
Restricted for:					
General government	-	-	-	3,836,549	3,836,549
Public safety	-	-	-	1,695,965	1,695,965
Highways and streets	-	-	-	24,952,817	24,952,817
Health and welfare	-	-	-	20,625,447	20,625,447
Culture and recreation	-	-	-	3,242,787	3,242,787
Debt service	-	88,292,977	-	-	88,292,977
Committed to:					
General government	-	-	-	88,024	88,024
Public safety	-	-	-	963,628	963,628
Sanitation	-	-	-	14,538,687	14,538,687
Assigned to:					
Economic development	4,394,754	-	-	-	4,394,754
General government	206,704	-	-	-	206,704
Public safety	118,809	-	-	-	118,809
Highways and streets	628,684	-	-	-	628,684
Sanitation	-	-	-	8,901,203	8,901,203
Health and welfare	1,886	-	-	-	1,886
Culture and recreation	41,113	-	-	-	41,113
Unassigned:	<u>26,314,401</u>	<u>-</u>	<u>(79,223,672)</u>	<u>(52,188,189)</u>	<u>(105,097,460)</u>
Total	<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>

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 an \$.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, 2013 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 \$10,452,727 for post-closure care for the remaining 19.56 years has been reported as a long-term liability of governmental activities on the Statement of Net Position as of December 31, 2013.

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 \$494,017 for post-closure care for the remaining 5.48 years has been reported as a long-term liability of the governmental activities on the Statement of Net Position as of December 31, 2013.

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, 2013.

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, 2013, a long-term liability of \$1,639,399 is recorded representing the cumulative liability based on 79.2% usage of the estimated capacity. The City will recognize the remaining closure costs of \$430,549 as the remaining capacity is filled. Based on activity to date, the City expects the landfill to close in approximately 2018, or as capacity is reached.

In May 2002, the City began operation of an industrial monofill landfill for asbestos waste. As of December 31, 2013, a long-term liability of \$232,637 is recorded, based on 24.9% usage of the estimated capacity. The City will recognize the remaining closure costs of \$700,900 as the remaining capacity is filled. Based on activity to date, the industrial monofill landfill is expected to close in approximately 2043, 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, 2013, 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 composting facility is expected to close in 2044, or as capacity is reached.

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, 2013.

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 \$30.1 million in the governmental funds and \$98.0 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	\$ 2,083,571
Street Improvement Fund	24,964,178
Water Utility Funds	11,510,632
Sewer Utility Funds	3,506,402
Airport Authority Funds	81,756,827
Stormwater Utility Funds	639,871
Nonmajor governmental funds	8,787,782
Nonmajor enterprise funds	4,378,973
Internal service funds	2,053,747
Total Reporting Entity	\$ 139,681,983

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.

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. Agencies of the State, including the Department of Social and Rehabilitation Services, lease office space in the State Office Building. The City/County lease is intended to be a "wrap-around" obligation wherein the City and County are contingently liable and will 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 2013, 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.

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 \$20.8 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. Prior Period Adjustments

Implementation of Government Accounting Standard 65, *Items Previously Reported as Assets and Liabilities*,

resulted in prior period adjustments. A prior period adjustment in the amount of \$4,614,240 was recorded in the Debt Service Fund to eliminate deferred revenues related to interfund transactions. Because the deferred revenue for interfund transactions was previously eliminated at the entity-wide level, this prior period adjustment is not reflected on entity-wide Statement of Activities for the governmental activities.

In the Water, Sewer and Stormwater Utility Funds, prior period adjustments were recorded to eliminate the unamortized cost of issuance of long-term debt. The cost of issuance liquidated in the Water Utility Fund totaled \$1,838,486, in the Sewer Utility Fund the cost of issuance liquidated totaled \$1,081,507, and in the Stormwater Utility Fund the total cost of issuance liquidated was \$39,889. The prior period adjustments are also reported on the entity-wide Statement of Activities for the business-type activities.

A prior period adjustment has been recorded on the entity-wide Statement of Activities for the governmental activities, reducing the net position by \$21,250,000 to reflect a change in the beginning balance of the special assessments receivable. The adjustment was made due to amounts being improperly recognized as revenue in a prior year related to the issuance of crossover refunding bonds for special assessment improvements. Additional information about the special assessment debt is reported in Note 9 to the Financial Statements.

Additionally, a prior period adjustment has been recorded on the Statement of Activities for the governmental activities to increase net position by \$9,722,517. The adjustment has been made to reflect a change in calculation of the landfill post-closure liability, resulting from new guidelines issued by the Kansas Department of Health and Environment in 2013.

21. Subsequent Events

On February 1, 2014, the City issued \$3,550,000 of 10-year general obligation serial bonds (Series 809) with a total interest cost of 2.11%, \$4,720,000 of 15-year general obligation serial bonds (Series 809A) with a total interest cost of 3.57%, and \$8,010,000 of 30-year general obligation airport bonds (Series 2014A) with a total interest cost of 3.86%.

Accordingly, temporary notes payable as of December 31, 2013 totaling \$3,465,300 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 February 1, 2014 (Series 809A). Additionally, temporary notes payable as of December 31, 2013 totaling \$7,932,593 were refinanced through the issuance of general obligation airport bonds on February 1, 2014 (Series 2014A). The temporary notes were reclassified as bond anticipation notes and were recorded as long-term liabilities in the proprietary funds.

On February 1, 2014, the City also issued \$7,540,000 Series 251 general obligation temporary notes with an interest rate of 0.40%, \$85,785,000 Series 264 general obligation temporary notes with an interest rate of 0.50%, and \$40,410,000 Series 266 general obligation temporary notes, subject to alternative minimum tax under Federal law, with an interest rate of 0.50%.

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)
Wichita Employees' Retirement System						
12/31/11	\$ 513,298	\$ 555,174	\$ 41,876	92.5	\$ 75,444	55.5 %
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
Wichita Police and Fire Retirement System						
12/31/11	\$ 510,946	\$ 562,488	\$ 51,542	90.8	\$ 62,759	82.1 %
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

OTHER POST EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

Health Insurance Post Employment Benefits

(Dollar amounts in thousands)

Fiscal Year Ending ¹	Actuarial Valuation Date	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)
12/31/11	12/31/2011	\$ -	\$ 39,121	\$ 39,121	-	\$ 137,304	28.5 %
12/31/12	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

¹ 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%



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APPENDIX C

FINANCIAL INFORMATION



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CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

An independent audit is conducted annually by an outside firm of certified public accountants appointed by the City Council. Their opinion is contained every year in the Comprehensive Annual Financial Report on file with the City Clerk. Some of the financial information presented in this Official Statement has been taken from the Comprehensive Annual Financial Report for the year ended December 31, 2013. However, this represents an incomplete financial statement presentation. For complete financial presentation, the City of Wichita Comprehensive Annual Financial Report is on file with the City Clerk or may be obtained online at <http://wichita.gov/CityOffices/Finance/controllers/DocumentsForms.htm>.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita for its comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. The Certificate of Achievement for Excellence has been awarded to the City of Wichita for each year it has been submitted to GFOA, starting in 1955. The City anticipates receipt of the award for the fiscal year ending December 31, 2013.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, and contents of such report must conform to industry standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Wichita for its annual budget for the fiscal year beginning January 1, 2014. The Distinguished Budget Presentation Award has been awarded to the City of Wichita each year since 1989. The City anticipates receipt of the award for the fiscal year beginning January 1, 2015.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. In 1994, the City of Wichita budget was cited as "An Outstanding Operations Guide," a distinction that had been awarded to only three other cities in the United States and Canada.



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, 2012

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Wichita

Kansas

For the Fiscal Year Beginning

January 1, 2014

Executive Director

The Government Finance Officers Associations of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Wichita, Kansas** for its annual budget for the fiscal year beginning **January 1, 2014**.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

**THE CITY OF WICHITA DEPARTMENT OF FINANCE HAS EARNED THE
DISTINGUISHED BUDGET AWARD CONSISTENTLY FOR 26 YEARS.**



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CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

Assessed Valuation

All of Sedgwick County has been reappraised by an outside firm of professional appraisers as a result of a bill passed by the 1986 session of the Kansas Legislature requiring county assessors to reevaluate all real property at market value to be used for tax purposes beginning January 1, 1989.

The principal taxpayers (Sedgwick County and the City of Wichita) and their assessed valuation as of December 31, 2013 are as follows:

City of Wichita¹

	Percent of Total Assessed Valuation <u>\$3,520,765,043²</u>	<u>Assessed Valuation</u>
1. Kansas Gas & Electric, A Westar Energy Co.	1.11	\$39,005,844
2. Wesley Medical Center	0.76	26,754,097
3. Simon Property Group	0.68	23,787,290
4. Kansas Gas Service- A Division of Oneok	0.59	20,691,061
5. Southwestern Bell Telephone	0.47	16,404,269
6. Wal-Mart RE Business TR	0.38	13,550,811
7. City of Wichita	0.25	8,732,844
8. New Market I, LLC	0.18	6,445,050
9. Bradley Fair One, LLC	0.17	6,059,325
10. Black Hills Corporation	0.16	5,710,364

Sedgwick County¹

	Percent of Total Assessed Valuation <u>\$4,301,084,880</u>	<u>Assessed Valuation</u>
1. Kansas Gas & Electric, A Westar Energy Co.	1.76	\$75,677,455
2. Spirit Aerosystems, Inc.	1.24	53,153,823
3. The Boeing Company	1.22	52,539,791
4. Mid-Western Aircraft Systems, Inc.	1.14	48,822,186
5. Hawker Beechcraft Corporation	0.95	40,835,047
6. Cessna Aircraft Company	0.87	37,306,350
7. Kansas Gas Service-A Division of Oneok	0.61	26,413,880
8. Wesley Medical Center, LLC	0.62	26,754,097
9. Simon Property Group	0.55	23,787,290
10. Southwestern Bell Telephone Company	0.49	21,042,774

¹ Source: Sedgwick County Clerk's Office, 2013.

² Includes motor vehicle property assessed valuation for 2013.

CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

Impact of Reappraisal/Classification

In accordance with the State Constitution, real property is reappraised a minimum of once every four years. As a result of a modification to the State Constitution approved by electors in the November 3, 1992 general election, real and personal property for taxable years commencing January 1, 1993 and thereafter is divided into classes and assessed at the following percentages of fair market value:

<u>Class of Property</u>	<u>Assessed Value/ Appraised Value</u>
Residential	11.5%
Vacant lots	12%
Real property of non-profit organizations	12%
Manufacturers machinery/equipment	25%
Commercial/industrial real property; buildings and other improvements, located on land devoted to agricultural use	25%
Land used for agricultural purposes	30%
All other property	30%
Public utilities	33%

Among other things, the November, 1992 reclassification referendum reduced residential and commercial assessment rates while increasing the assessment rate for utilities. Contrary to expectations, the 1992 reclassification referendum was not revenue neutral for local governments. Instead, it resulted in an estimated reduction in the City's assessed valuation in 1993 of \$102 million, which was partially offset by an estimated \$78 million increase due to new improvements and normal growth in personal and real property values. The net result was an estimated \$24 million reduction in the City's assessed valuation.

The City Council approved a 1994 budget which raised property taxes 1.9 mills -- the result primarily of the net reduction in assessed value caused by the 1992 reclassification referendum. The adopted 1995 budget resulted in a slight reduction in property taxes for City taxpayers, a reduction of .182 mills. The adopted budgets have had no effective change in property tax rate since the 1995 adopted budget.

Tax Record

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 10 of the ensuing year. If the first half is not paid before December 21 and the second half before May 11, unpaid taxes accrue interest until paid. All real estate bearing unpaid taxes are subject to tax foreclosure if not paid within two years.

One-half of the tangible personal property tax, excluding vehicle tax, is due and payable by December 20. If not paid by that time, the tax is due in full plus interest and warrants will be issued for collection by the Sheriff.

1. The percent of the 2011 tax levy collected as of December 31, 2012 for 2012 operations – 94.72% current. The percent of the 2012 tax levy collected as of December 31, 2013 for 2013 operations – 95.61% current.

CITY OF WICHITA, KANSAS

FINANCIAL INFORMATION

Tax Record (continued)

2. Tax limitations - The State of Kansas discontinued the tax lid for local units of government in 1999 (for the fiscal year 2000 budgets). The tax lid never extended to property taxes levied for debt service. Other exemptions included employee benefits and tort expenses. The previous lid was based on taxes levied in 1988 and was adjusted for growth factors such as new territory added and new improvements, but not for market increases in property values. Since the base year of 1988, the City of Wichita had incrementally built a cushion of 9% under the lid. The lid was replaced with only a requirement to disclose in the public notice and in the annual budget ordinance the portion of taxes being levied which exceeds "allowable" growth adjustments. Those adjustments are new territory added, increases in the value of personal property, new improvements, and changes in property use. As with the old tax lid law, market-driven increases in property values are not allowable adjustments and would require an offsetting decrease in the tax rate or disclosure in the budget ordinance. There is no other requirement beyond simple disclosure. Also, as with the old tax lid law, the new disclosure requirements do not extend to property taxes levied for debt service and certain other exempted areas.
3. Priority of tax collections – [1] specials; [2] taxes; [3] interest. Tax collections are remitted in accordance with pro rata levies.

Vehicle tax is due in full and paid at the time of vehicle registration according to an alphabetical schedule.

County Sales Tax

In July 1985, the Sedgwick County voters approved a one percent (1%) County sales tax. Wichita's current estimated 2014 annual share of that tax is \$56 million. The governing body of the City of Wichita, Kansas has pledged one half of any revenue received from the City of Wichita's portion of a one percent sales tax to relieve the tax levies of the City of Wichita upon the taxable tangible property within the City of Wichita and pledged the remaining one-half of the one percent of any revenues received to Wichita road, highway and bridge projects, including right-of-way acquisitions, as well as debt service.

Debt Record

The City of Wichita has never defaulted in payment of bond principal or interest. Operating deficits are prohibited under the Kansas Cash Basis Law. Sixteen point three percent (16.3%) of the general obligation debt outstanding as of January 1, 2013, was retired during 2013. The City anticipates retiring 20.9% of the general obligation debt outstanding during 2014.

Capital Improvements

Each year, the City of Wichita includes as a part of its operating budget a ten-year Capital Improvement Program in order to reflect the total activities to be carried out with City funds and to relate present activities with future needs. This Capital Improvement Program functions to establish a priority system among the many-needed projects, matching the projects against available resources. In October 2014, the City of Wichita anticipates issuing Water and Sewer Utility Revenue Bonds in the approximate amount of \$14 million for the reimbursement of various utility improvements.

CITY OF WICHITA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS General and Debt Service Funds

For years ended December 31, 2004 through December 31, 2013
(dollars expressed in thousands)

Year Ended December 31 ¹	Current Year Collections			Collections in Subsequent	Total Tax Collections	
	Taxes Levied	Amount	Percentage Levy		Amount	Percentage of Levy
2004	\$ 78,450	\$ 74,180	94.56 %	\$ 2,875	\$ 77,055	98.22 %
2005	81,030	76,454	94.35	3,096	79,550	98.17
2006	85,103	80,692	94.82	2,770	83,462	98.07
2007	90,546	86,525	95.56	3,102	89,627	98.99
2008	95,692	91,161	95.27	3,970	95,131	99.41
2009	100,840	95,255	94.46	3,346	98,601	97.78
2010	101,298	95,319	94.10	2,558	97,877	96.62
2011	100,319	95,890	95.59	1,512	97,402	97.09
2012	101,997	96,611	94.72	-	96,611	94.72
2013	101,036	96,596	95.61	-	96,596	95.61

PROPERTY TAX LEVIES AND COLLECTIONS Tax Increment Financing Districts

For years ended December 31, 2004 through December 31, 2013
(dollars expressed in thousands)

Year Ended December 31 ¹	Current Year Collections			Collections in Subsequent	Total Tax Collections	
	Taxes Levied ²	Amount	Percentage Levy		Amount	Percentage of Levy ²
2004	\$ 4,993	\$ 4,524	90.61 %	\$ 242	\$ 4,766	95.45 %
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	200	6,327	89.11
2010	6,196	6,372	102.84	96	6,468	104.39
2011	5,991	6,174	103.05	10	6,184	103.23
2012	6,021	5,820	96.66	-	5,820	96.66
2013	6,317	5,726	90.64	-	5,726	90.64

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS

For years ended December 31, 2004 through December 31, 2013
(dollars expressed in thousands)

Year Ended December 31 ¹	Assessments Certified to County ³	Current Year Collections			in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment	Amount		Percentage of Assessment	
2004	\$ 24,659	\$ 23,335	94.63 %	\$ 1,122	\$ 24,457	99.18 %	
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	1,515	28,787	99.97	
2008	30,871	29,097	94.25	1,417	30,514	98.84	
2009	30,687	29,756	96.97	675	30,431	99.17	
2010	33,314	30,934	92.86	1,672	32,606	97.87	
2011	34,882	32,010	91.77	-	32,010	91.77	
2012	33,088	29,296	88.54	-	29,296	88.54	
2013	31,857	29,090	91.31	-	29,090	91.31	

¹The year shown is the year in which the collections were received. The levy or assessment is certified to the county the previous year.

²The 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.

³Special assessments of proprietary funds, advance payments and nuisance assessments are not included.

CITY OF WICHITA, KANSAS

GENERAL FUND BALANCE SHEET

December 31, 2013

(with comparative figures for years ended December 31, 2010, 2011 and 2012)

	2010	2011	2012	2013
ASSETS				
Cash	\$ 31,610,577	\$ 38,920,520	\$ 42,334,671	\$ 26,108,040
Tangible property taxes receivable	74,146,277	75,210,618	71,493,820	70,447,851
Accounts receivable	1,672,477	3,064,103	2,779,348	3,155,314
Due from other funds	-	675,000	785,000	19,611,960
Inventories	-	90,243	56,241	47,423
Prepaid items	78,753	17,023	-	-
Total assets	\$ 107,508,084	\$ 117,977,507	\$ 117,449,080	\$ 119,370,588
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and other liabilities	\$ 7,987,700	\$ 10,195,851	\$ 13,154,363	\$ 13,683,267
Deposits	830,141	888,313	734,141	1,572,876
Due to other funds	748	-	-	-
Deferred revenue	74,182,527	76,159,379	72,393,754	71,560,671
Total liabilities	83,001,116	87,243,543	86,282,258	86,816,814
Fund balance:				
Reserved for encumbrances	1,914,291	-	-	-
Reserved for prepaid items	78,753	-	-	-
Unreserved, designated	12,513,924	-	-	-
Unreserved, undesignated	10,000,000	-	-	-
Nonspendable	-	882,266	841,241	847,423
Assigned	-	5,760,879	6,034,671	5,391,950
Unassigned	-	24,090,819	24,290,910	26,314,401
Total fund balance	24,506,968	30,733,964	31,166,822	32,553,774
Total liabilities and fund balance	\$ 107,508,084	\$ 117,977,507	\$ 117,449,080	\$ 119,370,588

CITY OF WICHITA, KANSAS

GENERAL FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS Years ended December 31, 2010, 2011, 2012 and 2013

	Actuals			
	2010	2011	2012	2013
Revenues and other sources:				
Taxes	\$ 81,161,943	\$ 84,876,521	\$ 86,154,616	\$ 85,162,836
Special assessments ¹	-	-	-	-
Franchise fees	36,923,114	36,778,909	37,406,752	39,282,857
Licenses and permits	2,392,646	2,527,086	2,546,327	2,511,065
Fines and penalties	10,613,502	10,329,705	10,469,494	9,385,629
Revenue from uses of money and property	4,241,733	2,135,212	2,243,685	2,267,190
Intergovernmental	16,466,715	16,104,619	16,192,511	15,922,483
Transfers from other funds	10,340,407	11,609,311	10,181,762	10,637,891
Charges for sales and services	7,837,493	8,886,900	8,040,194	7,894,592
Local sales tax	23,998,125	24,987,675	26,174,792	27,071,126
Other	7,432,313	10,922,517	7,296,069	7,733,702
Total revenues and other sources	<u>201,407,991</u>	<u>209,158,455</u>	<u>206,706,202</u>	<u>207,869,371</u>
Expenditures and other uses:				
Personal services	148,789,749	150,483,839	149,813,334	152,460,648
Contractual services	36,811,312	39,588,880	37,346,609	37,993,624
Materials and supplies	7,389,807	8,186,386	8,122,053	8,446,971
Capital outlay	81,331	53,702	29,348	106,616
Transfers to other funds	7,352,547	9,539,736	10,510,811	6,572,427
Other	852,506	773,655	672,018	286,074
Total expenditures and other uses	<u>201,277,252</u>	<u>208,626,198</u>	<u>206,494,173</u>	<u>205,866,360</u>
Revenues and other sources over expenditures and other uses	130,739	532,257	212,029	2,003,011
Unencumbered fund balance, January 1	<u>22,461,938</u>	<u>22,592,677</u>	<u>23,124,934</u>	<u>23,336,963</u>
Unencumbered fund balance, December 31	<u>\$ 22,592,677</u>	<u>\$ 23,124,934</u>	<u>\$ 23,336,963</u>	<u>\$ 25,339,974</u>
Mill Levy	24.742	24.839	24.443	24.003

¹ Special Assessments from Weed Cutting, Lot Improvements, and Snow Removal.

CITY OF WICHITA, KANSAS

DEBT SERVICE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS Years ended December 31, 2010, 2011, 2012 and 2013

	Actuals			
	2010	2011	2012	2013
Revenues and other sources:				
Property taxes	\$ 26,226,957	\$ 22,945,631	\$ 23,123,450	\$ 24,645,921
Special assessments	33,723,359	33,556,661	32,746,096	33,055,594
Motor vehicle tax	3,466,693	3,009,011	3,070,457	3,307,653
Local sales tax	-	-	20,587	77,325
Interest earnings	-	11,957	41,892	10,785
Premiums on bonds sold	2,338,184	423,995	2,104,958	646,440
Transfers from other funds	22,168,377	21,864,721	21,983,833	23,170,180
Other	2,078,314	457,876	560,044	275,954
Total revenues and other sources	90,001,884	82,269,852	83,651,317	85,189,852
Expenditures and other uses:				
Interest on general obligation bonds	10,075,093	8,523,006	7,951,088	8,016,062
Interest on special assessment bonds	10,794,456	9,917,673	9,050,088	8,578,057
Interest on HUD Section 108 loan	79,786	61,909	42,813	22,155
Retirement of general obligation bonds	23,824,994	26,324,981	27,584,944	27,871,665
Retirement of special assessment bonds	23,245,000	24,295,000	23,850,000	23,450,000
Retirement of HUD Section 108 loan	295,000	310,000	330,000	350,000
Transfers to other funds -				
Retirement of temporary notes	14,318,135	18,973,128	20,403,885	8,948,448
Other	4,000	87,771	1,750	118,247
Total expenditures and other uses	82,636,464	88,493,468	89,214,568	77,354,634
Revenues and other sources over (under) expenditures and other uses	7,365,420	(6,223,616)	(5,563,251)	7,835,218
Unencumbered fund balances - as previously reported	22,221,043	29,586,463	23,362,847	17,799,596
Prior period adjustment	-	-	-	4,614,240
Unencumbered fund balances - beginning as restated	22,221,043	29,586,463	23,362,847	22,413,836
Unencumbered fund balances - ending	\$ 29,586,463	\$ 23,362,847	\$ 17,799,596	\$ 30,249,054
Mill Levy	7.530	7.520	8.028	8.506

CITY OF WICHITA, KANSAS

STATEMENT OF OUTSTANDING DEBT
AS OF OCTOBER 1, 2014

Bonded debt - payable from property taxes		\$72,929,640	
Series 811		6,184,191 *	
Series 813		<u>7,628,300 *</u>	\$86,742,131
Bonded debt - payable from other than property taxes		185,575,000	
Series 813		461,700 *	
Series 814		<u>11,230,000 *</u>	197,266,700
General obligation bonds payable from:			
Airport revenues	23,535,000		
Golf Course System	1,355,000		
Golf - Series 811	302,581 *		
Freeway GO/LST	148,770,000		
Storm Water Utility	25,110,360		
Tax increment financing (TIF)	11,975,000		
TIF - Series 962	7,145,000 *		
Transient guest tax - Series 811	2,566,400 *		
Water Utility - Series 811	<u>147,391,828 *</u>	<u>368,151,169</u>	
Total general obligation debt		652,160,000	
Bonded debt - revenue bonds - payable from revenue			
Water-Sewer Utility Revenue Bonds - 2000A	1,210,588		
Water-Sewer Utility Revenue Bonds - 2000B	2,084,146		
Water-Sewer Utility Refunding Revenue Bonds - 2005B	6,390,000		
Water-Sewer Utility Revenue Bonds - 2006	38,870,000		
Water-Sewer Utility Revenue Bonds - 2008A	24,155,000		
Water-Sewer Utility Revenue Bonds - 2009A	107,090,000		
Water-Sewer Utility Revenue Bonds - 2009B	7,240,000		
Water-Sewer Utility Revenue Bonds - 2010A	26,950,000		
Water-Sewer Utility Revenue Bonds - 2010B	14,690,000		
Water-Sewer Utility Refunding Revenue Bonds - 2011A	89,910,000		
Water-Sewer Utility Revenue Bonds - 2012A	15,780,000		
Water-Sewer Utility Refunding Revenue Bonds - 2014A	41,405,000		
Airport Facility Revenue Bonds	11,310,000	<u>387,084,734</u>	
Gross City bonded debt		1,039,244,734	
Less:			
Water-Sewer Utility Revenue Bonds - 2000A	1,210,588		
Water-Sewer Utility Revenue Bonds - 2000B	2,084,146		
Water-Sewer Utility Refunding Revenue Bonds - 2005B	6,390,000		
Water-Sewer Utility Revenue Bonds - 2006	38,870,000		
Water-Sewer Utility Revenue Bonds - 2008A	24,155,000		
Water-Sewer Utility Revenue Bonds - 2009A	107,090,000		
Water-Sewer Utility Revenue Bonds - 2009B	7,240,000		
Water-Sewer Utility Revenue Bonds - 2010A	26,950,000		
Water-Sewer Utility Revenue Bonds - 2010B	14,690,000		
Water-Sewer Utility Refunding Revenue Bonds - 2011A	89,910,000		
Water-Sewer Utility Revenue Bonds - 2012A	15,780,000		
Water-Sewer Utility Refunding Revenue Bonds - 2014A	41,405,000		
Airport Facility Revenue Bonds	<u>11,310,000</u>	<u>387,084,734</u>	
General obligation temporary notes			
Internal Improvements - Series 268, Dated 10/15/14		80,550,000 *	
Internal Improvements - Series 270, Dated 10/15/14		94,435,000 *	
Taxable Improvements - Series 253, Dated 10/15/14		<u>10,285,000 *</u>	
Total Outstanding Debt		<u>\$837,430,000</u>	

* Subject to change.

CITY OF WICHITA, KANSAS

STATEMENT OF LEGAL DEBT MARGIN AS OF OCTOBER 1, 2014

2013 taxable tangible valuation	\$3,124,330,492	
2013 motor vehicle property assessed value	396,434,551	
Equalized tangible valuation for computation of bonded indebtedness limitation		<u>\$3,520,765,043</u>
Debt limit ¹		<u>\$ 1,056,229,513</u>
Bonded indebtedness	652,160,000	
Temporary notes ²	<u>185,270,000</u> *	
Total net debt		837,430,000
Less: Exemptions allowed by law ³		
Airport GO ⁴	154,163,306 *	
TIF	19,120,000 *	
SA Refundings and Sewer Improvements ⁴	156,224,843	
Sales Tax Refundings	60,830,000	
Storm Water Utility	27,230,701	
Water Utility Bonds, Series 811	<u>147,391,828</u> *	
Total deductions allowed by law		<u>564,960,678</u>
Legal debt applicable to debt limit		<u>272,469,322</u>
Legal debt margin		<u>\$783,760,191</u>

¹ Kansas Statute 10-308 (30.0%)

² Bond Anticipation Temporary Notes:

Internal Improvements - Series 268	Dated 10/15/14	Due 10/15/15	\$80,550,000 *
Internal Improvements - Series 270	Dated 10/15/14	Due 10/15/15	\$94,435,000 *
Taxable Improvements - Series 253	Dated 10/15/14	Due 10/15/15	\$10,285,000 *

³ Kansas Statutes Annotated 10-307 and 10-308

⁴ Bonds and Notes issued for any improvement to the Airport and Sewer system, including those payable from Special Assessments.

⁵ Exempted from Debt Limitation as of July 1, 1975.

* Subject to change.

CITY OF WICHITA, KANSAS

STATEMENT OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2011, 2012, 2013 AND OCTOBER 1, 2014

	December 31, 2011		December 31, 2012	
	Percentage of Debt Applicable to City*	City of Wichita Share of Debt	Percentage of Debt Applicable to City*	City of Wichita Share of Debt
Direct Debt:				
General obligation bonded debt payable from ad valorem taxes		\$69,517,468		\$77,801,054
Temporary note debt		<u>236,525,000</u>		<u>221,245,000</u>
Total direct debt		306,042,468		299,046,054
Less - assets in Debt Service Fund available for payment of principal		<u>23,647,787</u>		<u>18,325,399</u>
Total net direct debt		<u>282,394,681</u>		<u>280,720,655</u>
Overlapping Debt:				
Sedgwick County	73.30	116,493,699	72.80	108,881,019
USD 259	61.50 ***	280,189,285	67.40 ***	295,788,093
Wichita Public Building Commission Revenue Bonds payable from Wichita State Univ. tax levy	73.30	<u>8,205,000</u>	72.80	<u>6,990,000</u>
Total overlapping debt		<u>404,887,984</u>		<u>411,659,112</u>
Total direct and overlapping debt		<u>\$687,282,665</u>		<u>\$692,379,767</u>

* Percentage of overlapping debt based on assessed valuation.

** Estimate

*** USD 259: \$37,790,000 outstanding principal held in escrow until the call date of 9/1/2012 as part of 2004 and 2005 Crossover Refunding

December 31, 2013		October 1, 2014	
<u>Percentage of Debt Applicable to City*</u>	<u>City of Wichita Share of Debt</u>	<u>Percentage of Debt Applicable to City*</u>	<u>City of Wichita Share of Debt</u>
	\$75,934,638		\$86,742,131
	<u>326,275,000</u>		<u>185,270,000</u>
	402,209,638		272,012,131
	<u>26,142,120</u>	**	<u>31,500,000</u>
	<u>376,067,518</u>		<u>240,512,131</u>
72.60	109,419,500	72.60	106,943,430
67.40 ***	295,788,093	60.60 ***	275,826,960
-	<u>-</u>	-	<u>-</u>
	<u>405,207,593</u>		<u>382,770,390</u>
	<u>\$781,275,111</u>		<u>\$623,282,521</u>

CITY OF WICHITA, KANSAS

**SUMMARY OF GENERAL OBLIGATION DEBT SERVICE CHARGES
BASED ON BONDED DEBT AS OF DECEMBER 31, 2013**

Year	PAYABLE FROM PROPERTY TAXES			PAYABLE FROM TRANSIENT GUEST TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	\$ 9,929,716	\$ 2,299,550	\$ 12,229,266	\$ 167,425	\$ 8,371	\$ 175,796
2015	9,232,088	2,011,625	11,243,713	-	-	-
2016	9,571,289	1,749,278	11,320,567	-	-	-
2017	9,868,222	1,452,971	11,321,193	-	-	-
2018	10,162,424	1,122,467	11,284,891	-	-	-
2019	10,469,357	789,016	11,258,373	-	-	-
2020	6,857,250	489,052	7,346,302	-	-	-
2021	3,619,863	308,518	3,928,381	-	-	-
2022	3,714,887	200,390	3,915,277	-	-	-
2023	1,574,009	95,910	1,669,919	-	-	-
2024	534,033	46,435	580,468	-	-	-
2025	401,500	16,060	417,560	-	-	-
	<u>\$ 75,934,638</u>	<u>\$ 10,581,272</u>	<u>\$ 86,515,910</u>	<u>\$ 167,425</u>	<u>\$ 8,371</u>	<u>\$ 175,796</u>

Year	PAYABLE FROM TAX INCREMENT FINANCING			PAYABLE FROM LOCAL SALES TAX		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	\$ 1,732,576	\$ 783,005	\$ 2,515,581	\$ 13,345,000	\$ 4,244,904	\$ 17,589,904
2015	2,405,000	705,739	3,110,739	16,325,000	3,808,429	20,133,429
2016	2,465,000	620,389	3,085,389	16,655,000	3,234,697	19,889,697
2017	2,535,000	532,039	3,067,039	16,910,000	2,658,454	19,568,454
2018	2,595,000	434,834	3,029,834	13,460,000	2,099,979	15,559,979
2019	2,280,000	335,634	2,615,634	10,630,000	1,564,138	12,194,138
2020	2,340,000	250,784	2,590,784	8,070,000	1,228,840	9,298,840
2021	2,110,000	165,311	2,275,311	8,425,000	915,490	9,340,490
2022	2,160,000	87,123	2,247,123	8,730,000	586,475	9,316,475
2023	175,000	4,725	179,725	1,945,000	242,588	2,187,588
2024	-	-	-	2,030,000	196,938	2,226,938
2025	-	-	-	2,085,000	147,675	2,232,675
2026	-	-	-	2,150,000	95,288	2,245,288
2027	-	-	-	1,435,000	35,875	1,470,875
	<u>\$ 20,797,576</u>	<u>\$ 3,919,583</u>	<u>\$ 24,717,159</u>	<u>\$ 122,195,000</u>	<u>\$ 21,059,770</u>	<u>\$ 143,254,770</u>

Year	TOTAL PAYABLE FROM TAXES			PAYABLE FROM SPECIAL ASSESSMENTS		
	Principal	Interest	Debt Service Charges	Principal	Interest	Debt Service Charges
2014	\$ 25,174,717	\$ 7,335,830	\$ 32,510,547	\$ 22,285,000	\$ 8,538,339	\$ 30,823,339
2015	27,962,088	6,525,793	34,487,881	22,645,000	7,738,831	30,383,831
2016	28,691,289	5,604,364	34,295,653	21,515,000	6,850,476	28,365,476
2017	29,313,222	4,643,464	33,956,686	20,935,000	6,027,776	26,962,776
2018	26,217,424	3,657,280	29,874,704	20,690,000	5,159,658	25,849,658
2019	23,379,357	2,688,788	26,068,145	19,210,000	4,319,329	23,529,329
2020	17,267,250	1,968,676	19,235,926	18,280,000	3,504,569	21,784,569
2021	14,154,863	1,389,319	15,544,182	16,230,000	2,784,099	19,014,099
2022	14,604,887	873,988	15,478,875	14,185,000	2,133,371	16,318,371
2023	3,694,009	343,223	4,037,232	9,970,000	1,560,985	11,530,985
2024	2,564,033	243,373	2,807,406	7,520,000	1,170,434	8,690,434
2025	2,486,500	163,735	2,650,235	6,155,000	877,925	7,032,925
2026	2,150,000	95,288	2,245,288	4,665,000	655,639	5,320,639
2027	1,435,000	35,875	1,470,875	4,315,000	472,441	4,787,441
2028	-	-	-	3,335,000	305,406	3,640,406
2029	-	-	-	2,835,000	170,214	3,005,214
2030	-	-	-	1,515,000	50,543	1,565,543
2031	-	-	-	185,000	10,163	195,163
2032	-	-	-	105,000	3,600	108,600
2033	-	-	-	50,000	750	50,750
	<u>\$ 219,094,639</u>	<u>\$ 35,568,996</u>	<u>\$ 254,663,635</u>	<u>\$ 216,625,000</u>	<u>\$ 52,334,548</u>	<u>\$ 268,959,548</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, 2013

PROPRIETARY FUNDS

Year	Airport Authority		Golf Course System		Stormwater Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 540,000	\$ 759,721	\$ 660,000	\$ 39,023	\$ 2,715,284	\$ 775,524
2015	560,000	740,909	695,000	20,601	2,777,912	688,129
2016	585,000	720,746	-	-	2,843,711	590,422
2017	520,000	700,496	-	-	2,196,778	486,917
2018	540,000	680,771	-	-	2,257,576	411,301
2019	565,000	659,315	-	-	2,315,643	332,365
2020	585,000	635,159	-	-	2,172,750	266,491
2021	605,000	608,678	-	-	1,630,137	216,876
2022	545,000	581,765	-	-	1,670,113	185,435
2023	565,000	554,909	-	-	1,715,991	149,958
2024	585,000	526,946	-	-	1,755,967	111,703
2025	610,000	497,646	-	-	1,143,498	74,527
2026	635,000	467,389	-	-	825,000	38,550
2027	660,000	435,959	-	-	845,000	13,575
2028	685,000	402,639	-	-	-	-
2029	715,000	367,469	-	-	-	-
2030	745,000	330,060	-	-	-	-
2031	775,000	290,400	-	-	-	-
2032	275,000	259,065	-	-	-	-
2033	285,000	236,499	-	-	-	-
2034	300,000	212,733	-	-	-	-
2035	310,000	187,755	-	-	-	-
2036	1,110,000	161,898	-	-	-	-
2037	335,000	135,096	-	-	-	-
2038	350,000	107,088	-	-	-	-
2039	360,000	77,920	-	-	-	-
2040	375,000	47,590	-	-	-	-
2041	1,345,000	16,045	-	-	-	-
	<u>\$ 16,065,000</u>	<u>\$ 11,402,666</u>	<u>\$ 1,355,000</u>	<u>\$ 59,624</u>	<u>\$ 26,865,360</u>	<u>\$ 4,341,773</u>

Totals

Year	Principal	Interest	Debt Service Charges
2014	\$ 3,915,284	\$ 1,574,268	\$ 5,489,552
2015	4,032,912	1,449,639	5,482,551
2016	3,428,711	1,311,168	4,739,879
2017	2,716,778	1,187,413	3,904,191
2018	2,797,576	1,092,072	3,889,648
2019	2,880,643	991,680	3,872,323
2020	2,757,750	901,650	3,659,400
2021	2,235,137	825,554	3,060,691
2022	2,215,113	767,200	2,982,313
2023	2,280,991	704,867	2,985,858
2024	2,340,967	638,649	2,979,616
2025	1,753,498	572,173	2,325,671
2026	1,460,000	505,939	1,965,939
2027	1,505,000	449,534	1,954,534
2028	685,000	402,639	1,087,639
2029	715,000	367,469	1,082,469
2030	745,000	330,060	1,075,060
2031	775,000	290,400	1,065,400
2032	275,000	259,065	534,065
2033	285,000	236,499	521,499
2034	300,000	212,733	512,733
2035	310,000	187,755	497,755
2036	1,110,000	161,898	1,271,898
2037	335,000	135,096	470,096
2038	350,000	107,088	457,088
2039	360,000	77,920	437,920
2040	375,000	47,590	422,590
2041	1,345,000	16,045	1,361,045
	<u>\$ 44,285,360</u>	<u>\$ 15,804,063</u>	<u>\$ 60,089,423</u>

CITY OF WICHITA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

For years ended December 31, 2004 through December 31, 2013

(dollars expressed in thousands of dollars)

Year ¹	Real Property		Personal Property		State Assessed Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$ 2,147,334	\$ 14,958,321	\$ 275,516	\$ 1,142,836	\$ 123,092	\$ 373,006
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

Year	Totals Assessed Property		Assessed Value as a Percent of Actual Value	Total Direct Tax Rate ²	Tangible Valuation of Motor Vehicles	Total Valuation for Bonded Debt Limitations
	Assessed Value	Estimated Actual Value				
2004	\$ 2,545,942	\$ 16,474,163	15.45%	5.07	\$ 360,861	\$ 2,906,803
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

¹The 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.

²Direct tax rates are per \$1,000 of actual value.

Source: Sedgwick County Clerk and Sedgwick County Appraiser



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C I T Y ■ O F
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Five-Year Fund Overview - General Fund

GENERAL FUND	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 REVISED
Budgeted Operating Revenues					
Property Taxes	70,694	71,555	74,988	76,130	73,551
Motor Vehicle Taxes	9,546	9,607	9,889	10,025	10,153
Local Sales Taxes	24,722	23,998	24,988	26,175	27,183
Motor Fuel Taxes	13,654	14,704	14,420	14,419	14,137
Liquor Taxes	1,707	1,762	1,684	1,774	1,819
Franchise Fees	33,720	36,923	36,779	37,407	39,195
Licenses and Permits	1,829	2,237	2,527	2,546	2,664
Charges for Services	8,597	7,837	8,887	8,040	8,944
Rent Income	2,145	2,005	2,135	2,244	2,446
Transfers In	10,237	10,340	11,609	10,182	10,700
Interest Earnings	2,825	2,393	912	301	210
Fines and Penalties	10,392	10,614	10,330	10,469	11,438
Administrative Charges	4,336	3,707	3,806	4,009	3,445
Reimbursements	4,193	3,725	6,205	2,986	4,090
Total Operating Revenues	198,598	201,407	209,158	206,706	209,974
Budgeted Operating Expenditures					
Wages	112,042	109,386	108,356	106,942	106,088
Health Insurance	13,107	15,820	17,373	18,346	19,560
Other Benefits	20,672	23,584	24,755	24,525	27,702
Contractual Expenditures	38,209	36,811	39,589	37,347	39,429
Commodities	5,862	7,390	8,186	8,122	9,386
Capital Outlay	99	81	54	29	232
Transfers	8,604	8,205	10,313	11,182	7,579
Shrinkage	0	0	0	0	0
Total Operating Expenditures	198,595	201,277	208,626	206,493	209,974
Operating Margin	3	130	532	213	0
Unencumbered Fund Balance:					
January 1	22,459	22,460	22,465	22,997	23,210
December 31	22,460	22,590	22,997	23,210	23,210
Percent of Expenditures	11.3%	11.2%	11.0%	11.3%	11.1%
Assessed Valuation					
Assessed Valuation	3,145,832	3,151,665	3,150,148	3,151,989	3,111,573
Increase In Assessed Valuation	5.1%	0.2%	0.0%	0.1%	-1.3%
General Fund Mill Levy	23.034	23.619	24.742	24.839	24.443
Debt Service Fund Mill Levy	9.022	8.523	7.530	7.520	8.028
Total Mill Levy	32.056	32.142	32.272	32.359	32.471

Note: Amounts shown in thousands of dollars.



Five-Year Fund Overview - General Fund

GENERAL FUND	2014 ADOPTED	2015 APPROVED	2016 PROJECTED	2017 PROJECTED	2018 PROJECTED
Budgeted Operating Revenues					
Property Taxes	72,506	73,585	75,676	77,890	80,222
Motor Vehicle Taxes	10,256	10,615	10,987	11,371	11,769
Local Sales Taxes	28,075	28,927	29,795	30,689	31,609
Motor Fuel Taxes	14,137	14,137	14,137	14,137	14,137
Liquor Taxes	1,867	1,959	2,047	2,139	2,235
Franchise Fees	40,176	41,487	42,899	44,364	45,793
Licenses and Permits	2,766	2,765	2,820	2,877	2,934
Charges for Services	9,222	9,301	9,452	9,606	9,763
Rent Income	2,430	2,432	2,480	2,530	2,581
Transfers In	13,100	12,845	12,403	12,308	12,550
Interest Earnings	180	180	500	1,000	1,500
Fines and Penalties	12,131	12,266	12,389	12,513	12,638
Administrative Charges	3,319	3,385	3,452	3,519	3,586
Reimbursements	4,288	4,273	4,323	4,375	4,428
Total Operating Revenues	214,454	218,159	223,361	229,318	235,746
Budgeted Operating Expenditures					
Wages	109,040	110,807	113,022	115,939	119,151
Health Insurance	21,227	22,851	24,679	26,653	28,786
Other Benefits	27,801	27,829	28,386	28,953	29,532
Contractual Expenditures	39,457	39,800	40,198	40,600	41,006
Commodities	9,181	9,137	9,137	9,137	9,137
Capital Outlay	140	140	250	250	250
Transfers	7,608	7,595	7,689	7,785	7,884
Shrinkage	0	0	0	0	0
Total Operating Expenditures	214,454	218,159	223,361	229,318	235,746
Operating Margin	0	0	0	0	0
Unencumbered Fund Balance:					
January 1	23,210	23,210	23,210	23,210	23,210
December 31	23,210	23,210	23,210	23,210	23,210
Percent of Expenditures	10.9%	10.7%	10.4%	10.1%	9.8%
Assessed Valuation	3,126,466	3,174,342	3,267,156	33,65,393	3,468,897
Increase In Assessed Valuation	0.5%	1.5%	2.9%	3.0%	3.1%
General Fund Mill Levy	23.971	23.971	23.971	23.971	23.971
Debt Service Fund Mill Levy	8.500	8.500	8.500	8.500	8.500
Total Mill Levy	32.471	32.471	32.471	32.471	32.471

Note: Amounts shown in thousands of dollars.



Financial Plan - General Fund

General Fund

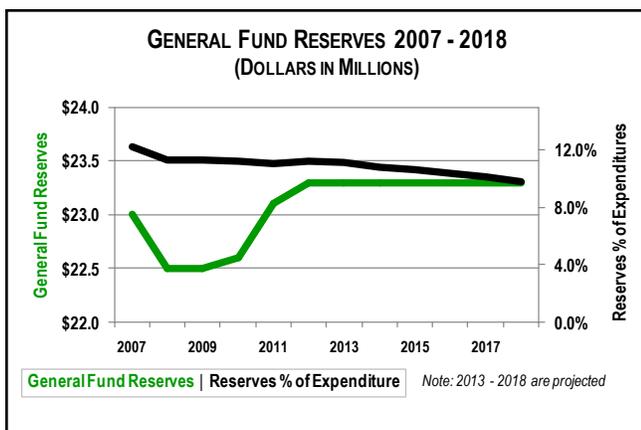
The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The General Fund is one of two “taxing” funds (the other is the Debt Service Fund); property tax revenue accounts for approximately 35% of revenues. The General Fund is authorized by KSA 79-1973.

The long term General Fund forecast is based on a variety of assumptions and variables. The forecast is an attempt to model the potential impact of current policies into the future. No attempt is made to estimate additional expenditure savings from longer term planned actions to continue streamlining the organizational structure. Likewise, any additional service demands that would result in additional expenditures are not included in the model.

Based on the Adopted Budget, the General Fund is balanced and structurally sustainable. However, longer term, this is based on a number of assumptions and variables.

General Fund Balances

Reserve policies for the General Fund target a balance equal to 10% of expenditures as the minimum. Since 1992, the balance has remained within this policy. The balance in the Adopted 2014 Budget would be 10.9%, which is within City Council policy. The financial plan would maintain a fund balance above 10% through 2017, dipping only slightly below the policy limit in 2018, with an ending balance projected at 9.8% of expenditures.



General Fund Expenditures

The most important variable in forecasting the City's financial position in the future is wage growth. Total wage growth is comprised of a number of variables, including increases in salaries, changes in pension and health insurance costs, and the changes in staffing levels. These increases can be offset by turnover, which usually reduces wage growth as long-tenured

2013-2018 GENERAL FUND FORECAST SUMMARY REVENUES, EXPENDITURES AND ENDING BALANCE (Dollars in Millions)				
YEAR	REVENUE	EXPENDITURES	ENDING BALANCE	PERCENT OF EXP.
2018	235.8	235.8	23.2	9.8%
2017	229.3	229.3	23.2	10.1%
2016	223.4	223.4	23.2	10.4%
2015	218.2	218.2	23.2	10.7%
2014	214.5	214.5	23.2	10.9%
2013	210.0	210.0	23.2	11.1%
2012	206.7	206.5	23.2	11.2%
2011	209.2	208.7	23.1	11.1%
2010	201.4	201.3	22.6	11.2%
2009	198.6	198.6	22.5	11.3%
2008	197.7	198.3	22.5	11.3%
2007	188.2	188.2	23.0	12.2%
2006	178.2	178.0	23.0	13.0%
2005	169.7	168.8	22.9	13.6%
2004	162.4	161.1	22.0	13.7%
2003	150.2	150.5	20.8	13.8%
2002	149.8	152.0	21.1	13.9%
2001	151.1	148.0	23.2	15.7%
2000	145.9	145.9	18.9	13.0%
1999	138.3	139.0	18.9	13.6%
1998	136.1	136.1	19.7	14.5%
1997	127.4	128.7	19.7	15.3%
1996	122.4	123.0	21.0	17.1%
1995	120.5	121.7	21.5	17.7%
1994	119.8	111.9	22.5	20.1%
1993	115.3	108.8	14.6	13.4%
1992	103.1	104.2	8.1	7.8%

employees are replaced with employees at beginning wage levels. Prior to 2009, wage growth had been between 5% and 7% annually. This growth has flattened since 2009 based on several factors. Cost of living raises for nearly all employee wages were suspended for 2009—2011. Labor contracts since 2011 have included modest cost of living raises as well as merit increases. In addition, several functions were outsourced, reducing total costs and moving City costs from wages to contractuals. A number of General Fund positions have been eliminated since 2009, to align capacity with service demands and to restructure management hierarchies. The early retirement programs and judicious and



Financial Plan - General Fund

strategic filling of vacant positions is expected to continue to mute wage growth from 2013 to 2015. Longer term, wage growth in 2016-2018 is expected to be between 2.5% and 3.5%. This estimate is based on continuing benefit cost increases (health insurance primarily) as well as modest wage adjustments for City staff.

Contractual expenses are included with a 1% increase annually. Commodity costs are expected to remain flat. Transfers for Transit and Affordable Airfares are estimated to remain flat through 2017 (at \$3.475 million and \$.89 million, respectively), while other transfers are included with a 2% increase.

Annual Components of Expenditure Changes

Overall, General Fund expenditures are forecasted to increase by 1.7% in 2013, compared to the 2012 actual expenditures. Base wage increases and projected health insurance increases account for nearly all of the projected increases during the planning period. Pension contributions increase expenditures by \$2.7 million in 2013. This was reflective of increased contribution rates based on pension fund actuarial projections.

Base wages actually decreased in 2012 (compared to 2011), due primarily to the effect of an early retirement program in December 2011, and to holding positions open and slowing hiring. In addition, \$1 million in wages were transferred to the Water Utility in 2012; previously these wages had been expended in the General Fund and offset by a reimbursement from the Water Utility. Base wages are projected to decrease again in 2013.

The 2011 and 2012 budgets included a shift of one mill from the Debt Service Fund to the General Fund. This shift was used largely to fund an increase of \$2.5 million in economic development expenditures. This increased expenditure level will be eliminated in 2013, resulting in a \$2.5 million decrease in base expenditures. Likewise, Transit support from the General Fund increased by \$0.5 million in 2012 (to a total of \$4.5 million) before falling to \$3.5 million in 2013.

Snow removal costs are significantly higher in 2013 than in 2012. This is primarily due to two major snow storms in February 2013, compared to a very mild winter in 2012. Longer term, snow removal costs are budgeted at a more moderate and constant level. A variety of other adjustments and inflationary assumptions in the longer term forecast account for projected increase of between \$0.3 and \$1.1 million annually.

GENERAL FUND EXPENDITURE ADOPTED GROWTH COMPONENTS 2012 –2018							
<i>(Dollars in Millions)</i>							
Item	2012	2013	2014	2015	2016	2017	2018
Base Wages	(0.4)	2.3	2.9	1.8	2.2	2.9	3.2
Health Insurance	1.0	1.2	1.6	1.6	1.8	2.0	2.1
Shift of Water positions	(1.0)						
Pension contributions		2.7					
Economic Development		(2.5)					
Snow Removal		.8	(0.3)				
Other	(2.2)		0.3	0.3	1.2	1.0	1.1
Transit Transfer	0.5	(1.0)					
Net Change	(2.1)	3.5	4.5	3.7	5.2	5.9	6.4
Total Expenditures	206.5	210.0	214.5	218.2	223.4	229.3	235.7
Percentage Increase	(1.0%)	1.7%	2.1%	1.7%	2.4%	2.7%	2.8%



Financial Plan - General Fund

General Fund Revenues

Property tax revenues are the single largest component in the General Fund revenue portfolio. Revenues increased in 2011 due to the shift of one mill from the Debt Service Fund. This will be offset by a similar reduction spread in 2013 and 2014. Longer term assessed valuation growth is anticipated to eventually resume, propelling modest property tax revenue increases beginning in 2014. Sales tax is expected to rebound strongly in 2012, then grow moderately. Franchise fees are also expected to increase significantly in 2012, based on record utility revenues in 2011. The estimate for 2013 is based on more normal revenues. Growth is expected to return to historic norms in 2014.

Annual Components of Revenue Changes

Overall, General Fund revenues are projected to increase by 1.7% in 2013, compared to the 2012 actual expenditures. The largest growth component during the planning period is attributable to the property tax. With valuation growth estimated to slowly recover, annual increases of \$0.5 million in 2014, \$1.1 million in 2015, \$2.0 million in 2016, \$2.2 million in 2017 and \$2.3 million in 2018 are forecasted. In 2013 and 2014, decreases of \$1.8 million annually in both 2013 and 2014 are reflective of this mill being shifted back to the Debt Service Fund.

Sales tax revenues are expected to increase by approximately \$1 million annually, based on moderate growth during the financial planning period. Franchise fee revenue is expected to consistently increase. This is primarily provided by Water Utilities rate increases and increased utility consumption. Increased electrical rates are also expected to contribute to franchise fee growth.

To partially offset higher pension expenditures, transfers of \$0.7 million were made from the Pension Reserve in 2012. This transfer is budgeted to increase to \$1.3 million in 2014, then decrease to \$1 million in 2015, \$0.3 million in 2016. These transfers are expected to be phased out in 2017. Interest earnings are expected to very moderately increase in the long term, from current virtually non-existent levels. They are not expected to increase to pre-2009 levels any time during the planning period.

Court fines and penalties are expected to increase in both 2013 and 2014. This is due to the implementation of court cost and diversion fee increases, as well as increased traffic enforcement activities in part due to the implementation of new e-Citations technology. A variety of other changes are forecasted to increase revenues by \$2.1 million in 2013.

GENERAL FUND REVENUE ADOPTED GROWTH COMPONENTS 2012 –2018							
<i>(Dollars in Millions)</i>							
ITEM	2012	2013	2014	2015	2016	2017	2018
Property Tax revenue	1.1	(0.7)	0.5	1.1	2.0	2.2	2.3
Millage shift from DSF		(1.8)	(1.8)				
Sales Tax	1.2	1.0	0.9	0.9	0.9	0.9	0.9
Franchise Fees	0.6	1.8	1.0	1.3	1.4	1.5	1.5
Pension Reserve Transfer	(1.3)		0.6	(0.3)	(0.7)	(0.3)	
Interest Income	(0.6)				0.3	0.5	0.5
Reimbursements	(2.9)						
Fines and Penalties		0.9	0.7				
Other	(0.6)	2.1	2.1	0.7	1.3	1.1	1.2
Net Change	(2.5)	3.3	4.5	3.7	5.2	5.9	6.4
TOTAL EXPENDITURES	206.7	210	214.5	218.2	223.4	229.3	235.7
PERCENTAGE INCREASE	(1.0%)	1.7%	2.1%	1.7%	2.4%	2.6%	2.8%



Financial Plan - General Fund

General Fund Revenues

The current estimates from each of the major General Fund revenue sources are outlined below. The discussion centers on the projections for the budget planning period (2013-2015), but also includes estimates for the financial planning period (2016-2018).

Revenue Estimating Process

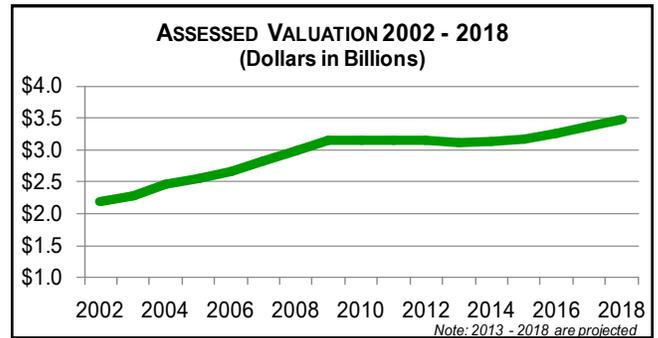
A variety of both qualitative and quantitative methods are used to estimate revenues for the General Fund. The Wichita State University's Center for Economic Development and Business Research provides data that is used for several revenue streams, primarily sales tax. In addition, a consensus approach is used in revenue streams that are specific to a department. In those cases, Finance staff will typically consult with departmental staff to develop a reasonable estimate of future revenues.

For many other revenue items, qualitative professional judgment is often combined with quantitative methods such as trend analysis and time-series forecasting. For many revenues, time-series analysis will provide a reasonable range, with judgment applied to develop the most appropriate estimate. For many of the major revenue sources noted below, time-series data is provided, as well as additional details impacting the estimate.

Property Taxes

Property tax revenues are based on the assessed valuation of taxable property within the city limits. The appraised valuation is determined by the County Appraiser. The assessment percentage, as prescribed by the State Constitution, is applied to derive the assessed valuation. The assessed value is then multiplied by the tax rate (expressed in terms of "mills" per \$1) to derive property tax revenue. Property taxes account for over one third of the revenues to the General Fund.

Receipts are directly impacted by changes in assessed valuation. The base assessed valuation of property within the City of Wichita is adopted to increase .5% in 2014, based on estimates from the County Appraisers Office. Modest 1.5% growth is forecasted in 2015, gradually increasing to 3.1% annual growth by 2018. The forecast assumed a very modest recovery in valuation growth, compared to a cumulative decline of 1% during the period of 2010



TOTAL VALUATION			VALUATION GROWTH COMPONENTS							
YEAR	TOTAL VALUATION		PERSONAL PROPERTY		ANNEXATION		IMPROVEMENTS		REAPPRAISAL	
	AMOUNT	GROWTH	AMOUNT	GROWTH	AMOUNT	GROWTH	AMOUNT	GROWTH	AMOUNT	GROWTH
2018	3,469	3.1%	(11)	-0.3%	0	0.0%	67	2.0%	47	1.4%
2017	3,365	3.0%	(13)	-0.4%	0	0.0%	65	2.0%	46	1.4%
2016	3,267	2.9%	(15)	-0.5%	0	0.0%	63	2.0%	44	1.4%
2015	3,174	1.5%	(18)	-0.6%	0	0.0%	31	1.0%	34	1.1%
2014	3,126	0.5%	(13)	-0.4%	0	0.0%	35	1.1%	(7)	-0.2%
2013	3,111	-1.3%	0	0.0%	0	0.0%	32	1.0%	(62)	-2.0%
2012	3,151	0.0%	(15)	-0.5%	0	0.0%	33	1.0%	(15)	-0.5%
2011	3,150	0.0%	(31)	-1.0%	0	0.0%	39	1.2%	(8)	-0.3%
2010	3,151	0.2%	(34)	-1.1%	1	0.0%	72	2.3%	(32)	-1.0%
2009	3,145	5.1%	(31)	-1.0%	13	0.4%	85	2.8%	87	2.9%
2008	2,992	5.6%	(31)	-1.1%	0	0.0%	85	3.0%	105	3.7%
2007	2,833	6.2%	(1)	0.0%	8	0.3%	87	3.3%	71	2.7%
2006	2,668	3.9%	10	0.4%	2	0.1%	56	2.2%	55	2.1%

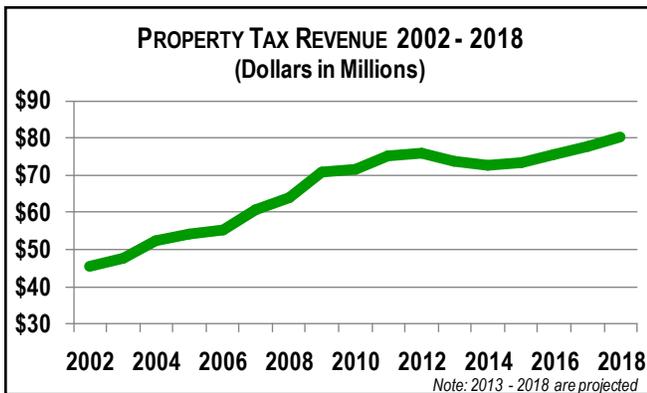


Financial Plan - General Fund

through 2013. However, the forecast is below historical growth rates of 6% experienced from in the decade before the recent economic downturn.

Actual property tax revenues are based on valuation multiplied by the mill levy. Although the total City of Wichita mill levy has essentially been unchanged for 19 years, the levy for the General Fund has fluctuated recently. Beginning in 2009, the City began shifting a portion of the levy from the Debt Service Fund to the General Fund. This increased General Fund property tax revenues.

Beginning in 2013, this trend is budgeted to reverse, as .5 mills will be shifted back to the Debt Service Fund in both 2013 and 2014. The mill levy shift, coupled with the low projected property valuation growth, will produce declining General Fund property tax revenues in 2013 and 2014. This trend should reverse in 2015, when the General Fund mill levy stabilizes.



Based on historic trends, a delinquency of 6% is budgeted. The 2014 General Fund mill levy rate is estimated to be 23.971; when combined with the projected Debt Service Fund rate of 8.5, the total mill levy will be an estimated 32.471, equal to the rate in the 2013 Revised Budget.

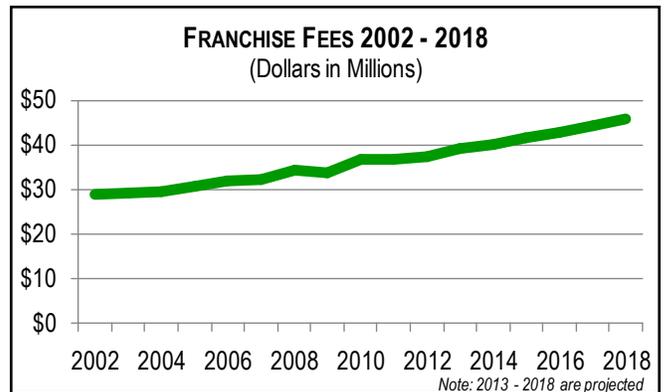
CITY OF WICHITA MILL LEVY AND PROPERTY TAX REVENUE				
	2011	2012	2013	2014
GF Levy	24.742	24.839	24.359	23.839
DSF Levy	7.530	7.520	8.000	8.500
Total City Levy	32.272	32.359	32.359	32.359
GF Property Taxes	74.988	75.502	74.056	73.926
DSF Property Taxes	22.946	23.191	24.605	26.589
Total Property Taxes	\$97.934	\$98.693	\$98.661	\$100.515

Note: Property taxes are shown in millions and for the City two primary taxing funds; amounts collected for TIF and the SSMID funds are not included.

Since the actual mill levy is calculated by the County Clerk in November based on the final calculation of the assessed valuation for the City, subsequent to the adoption of the budget by the governing body, the actual mill levy may fluctuate somewhat from the projected amount. Aside from these minor fluctuations, the mill levy rate for the City of Wichita has not changed materially for over 20 years.

Franchise Fees

Franchise fee revenue is based on agreements between the City and utility providers. Generally, the agreements provide long term access to City easements in exchange for a portion of gross revenues and other considerations. Overall, franchise fees are expected to grow by 4.8% in 2013, 2.5% in 2014 and 3.3% in 2015.



Forecasting franchise fees is complicated by several significant factors affecting utility gross revenues: weather conditions, economic activity, rate setting approvals, and the price of natural gas. In recent years, natural gas prices have been at historic lows, which has depressed natural gas franchise fees. Warmer weather has recently boosted Water Utilities and Electric revenues. Market conditions impacted AT&T franchise fees. Finally rate setting adjustments have boosted Water Utilities, Electric and Gas franchise fees.

For projections purposes, generally moderate weather and pricing conditions are assumed. Based on increased usage in 2012 and approved rate increases, electric franchise fees are projected to increase by 6% in 2013. More moderate 3% growth is budgeted for natural gas franchise fees.

Water and Sewer franchise fees are based on estimated utility rate increases through the planning period, based on pro formas presented to the City Council in the spring of 2012. Water Utilities revenue will increase in 2013, based on the dry, hot conditions in 2012 (Water franchise fees are based on prior year's revenues). Although additional rate increases are assumed to increase revenues, 2014 projections also assume more moderate weather



Financial Plan - General Fund

conditions. Overall, Water and Sewer franchise fee revenues are projected to increase 4.4% in 2013, then decrease 1.9% in 2014, before increasing at a projected 6% annual rate.

AT&T (formerly SBC) franchise fees are based on a fixed rate per line. With the proliferation of non-land line communications the number of lines has constantly decreased in recent years, resulting in declining telephone franchise fees. This is offset partially by growth in video franchise fees from AT&T. Overall, AT&T franchise fees are expected to be flat. However, revenues collected for AT&T video services are projected to increase by 6% annually.

In the past, growth of Cable TV franchise fees has been relatively constant, aside from the impact of timing differences. Generally, increases in provider rates have resulted in higher City franchise fees, while decreases in subscribers due to competition and price sensitivity have reduced City revenues. Overall, growth of 3% per year is anticipated.

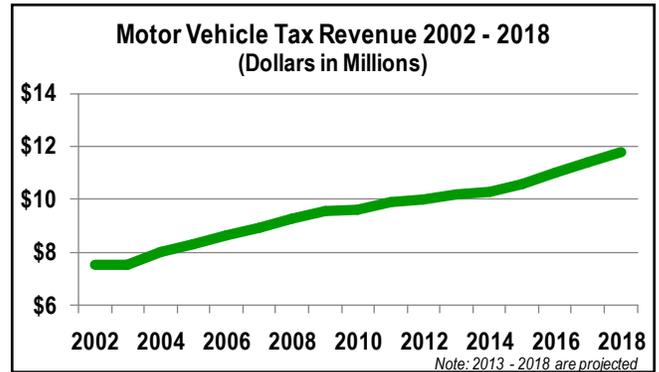
Motor Vehicle Taxes

This tax is based on KSA 79-5101 et seq., which provides for 20 classes in which all vehicles are valued. The taxable value of the vehicles is defined as 20% of the class value. Revenues are driven primarily from valuation, which in turn is based on the level and type of vehicle sales.

Motor vehicle tax receipts have historically grown at 3% annually. However, revenues tend to be economically sensitive, declining in 2001, 2010 and 2011. This forecast assumes growth of 3% in 2013—2015, and 3.5% in 2016 and beyond. The average age of vehicles in the US is at a record levels, and this level of pent-up demand is expected to continue increasing vehicles sales.

PERCENT OF TAXING EFFORT				
	2012	2013	2014	2015
Debt Service Fund	23.2%	24.7%	26.2%	26.2%
General Fund	76.8%	75.3%	73.8%	73.8%
TOTAL	100%	100%	100%	100%
ALLOCATION OF MVT (MILLIONS) TO EACH TAXING FUND				
MVT revenues	13.095	13.488	13.893	14.379
MVT growth	1.5%	3.0%	3.0%	3.0%
DSF allocation	3.043	3.335	3.637	3.764
DSF MVT growth	1.1%	9.6%	9.1%	3.5%
GF allocation	10.052	10.153	10.256	10.615
GF MVT growth	1.7%	1.0%	1.0%	3.5%

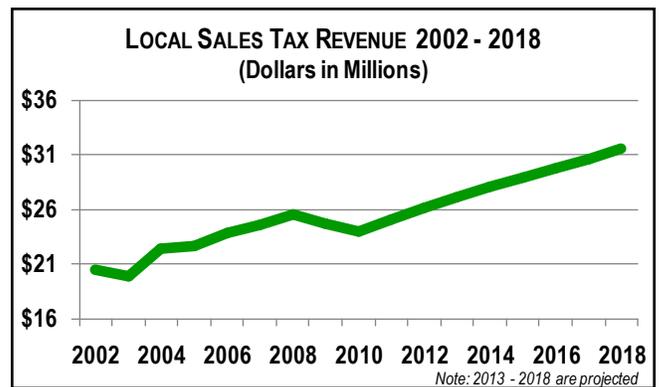
Increases in vehicle sales should result in higher valuation, and an increase in revenue from this source. These forecasts assume no material change in the ratio of the City's taxing effort to the taxing effort of all jurisdictions within the corporate limits of Wichita.



State statute allocates motor vehicle tax revenues based on the ratio of the taxes levied effort in each taxing fund. As noted earlier, with the shift of a portion of the mill levy from the General Fund to the Debt Service Fund, Motor Vehicle revenues to the General Fund will grow less than overall Motor Vehicle revenues. The impact of the adjustments in taxes levied and that relationship to the projected motor vehicle tax revenues is shown in the graphic.

Local Sales Taxes

Sales tax revenues are generated by the City's share of the county-wide one cent sales tax. The City does not levy a City-wide sales tax. This sales tax is the result of a referendum approved by Sedgwick County voters in 1985. One cent is collected county-wide, of which the City receives approximately 58.4%.



In 2012, \$89 million was distributed to Sedgwick County, of which the City received \$52 million. Of the sales tax received by the City, one half is credited to the General Fund and one half to the Sales Tax Construction Pledge Fund consistent with pledges made in 1985. Sales tax receipts to the General Fund were up 3.9% in 2012 and 4.8% in 2011. This was reflective of the bounce back that typically has occurred after economic downturns. In 2009 and



Financial Plan - General Fund

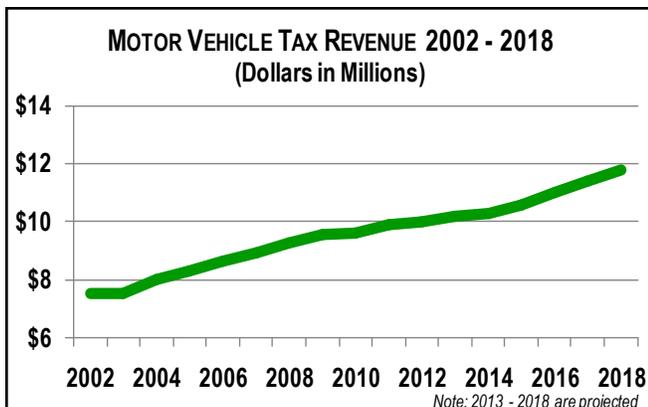
2010, sales tax revenue declined 3.4% and 2.4%, respectively. An increase of 3.9% is projected in 2013, with growth of 3.3% in 2014. Longer term, a growth rate of 3% annually is assumed.

Projected sales tax collections could be impacted by any legislative changes made to the statutory exemptions from sales taxes. In addition, unanticipated changes in economic activity could negatively impact sales tax collections. A prolonged period of high fuel prices could impact consumer spending on sales taxable items, thus reducing sales tax revenue. Finally, the distribution ratio is based on the taxing efforts of the 19 cities within Sedgwick County, as well as the county itself. Any significant changes in taxing efforts in these jurisdictions could impact the City's sales tax receipts.

State-shared Revenues

The City receives state-shared revenue from three sources currently: state motor fuel taxes, state liquor taxes and KLINK and LINK payments.

State motor fuel tax collections are based on wholesale gallons sold, not the value or price of the gallons sold. Since 2000, the number of gallons of fuel consumed in Kansas has been relatively static at approximately 1.7 billion. The tax rates have also been unchanged since 2003 (rates increased from 20 cents per gallon of gasoline in 2000, to 21 cents in 2001 to 23 cents in 2002 and the current 24 cents in 2003). The state distribution formula for the motor fuel tax was adjusted from 2001 to 2003, largely offsetting any benefit to City revenues from the increased tax rate. Since 2003, the distribution formula has remained unchanged.

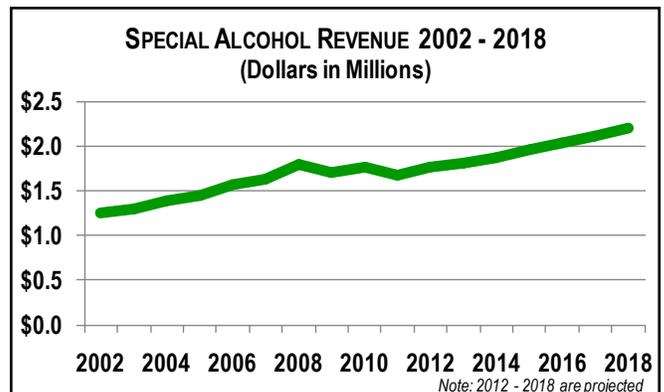


Of total state motor fuel tax receipts, 33.63% are allocated for cities and counties. Of that amount, 57% is provided to counties, and 43% to cities. The amount for cities is allocated based on the ratio of city population to total population of all cities in the state. The county distributions are made with \$5,000 going to each county, in addition to a proportional distribution based on motor vehicle registration fees, daily vehicle miles traveled and total road

miles. Of the amount received by Sedgwick County, 50% is distributed to the 19 cities in Sedgwick County based on population.

Motor fuel tax revenues peaked at \$15.7 million in 2007, due to the continued decline in consumption. The decrease in 2009 was largely due to action by the State Legislature that effectively reduced motor fuel tax receipts for the City of Wichita by approximately \$1 million. A slight decrease in revenues is projected in 2013, with no growth forecasted during the planning period. Continued high gas prices or renewed economic turmoil could further erode future City motor fuel tax revenues.

State liquor tax receipts are based on KSA 79-41a04. Per statute, 70% of the liquor excise taxes collected in Wichita are redistributed to the City. One third of the re-distributed amount is credited to the City's General Fund, with equal thirds credited to the Special Alcohol Fund and the Special Park and Recreation Fund. Liquor tax receipts have historically grown around 5% each year, and have tended to be counter-cyclical. However, they also tend to be relatively volatile.



Since 2009, revenues have been more volatile than usual, and have not trended up. This atypical behavior ended in 2012, with growth of 5% over 2011 levels. Growth in 2013 is projected at 2.5%, with revenue in 2014 growing at 2.7%. Longer term, growth of nearly 5% annually is expected.

Per KSA 68-416, the City receives \$3,000 per lane mile of streets and highways designated by the State as connecting links for maintenance activities. KLINK payments are projected to be stable at \$150,000 annually. Occasionally, additional funds are received from the State as reimbursements for previously agreed upon maintenance activities.

Fines and Penalties

Revenues are generated from two sources: the collection of Court assessed fines and penalties and the collection of Library fines and fees. Court revenues can vary considerably, depending on



Financial Plan - General Fund

enforcement activity, judicial disposition of cases, participation of defendants in diversion programs, and the collection rate of court ordered assessments. Revenues of \$11.6 million are projected in 2013, based on continued efforts to collect all judicially ordered assessments, and due to the implementation of technology improvements to enhance processing and accuracy of the citation process. revenues are expected to increase to \$11.8 million in 2013. Long term growth of 1% annually is forecasted.

Library fines and fees have been relatively stable in the past. In 2006, the Library Board approved increasingly aggressive collections policies – including lowering the threshold amount – from \$40 to \$25 – that triggers when delinquent accounts are referred to the collection agency. These changes increased Library fine and fee revenue beginning in 2009.

Licenses and Permits

City Ordinances require licenses and permits for a variety of activities. Generally, these revenues fall into four categories: dog licenses; alarm system licenses and fees; curb cut permits; and all other permits and licenses. Over the years, most of the fluctuations have occurred in alarm fees and curb cut permits. Revenue of \$2.7 million is expected for 2013.

Current Sales and Services

Revenue from this source is derived from a number of services provided for a fee to citizens. Fluctuations in this revenue source are primarily from participation in recreation programs, changes in program fees, changes in the calculations of engineering overhead, and the number of pavement cuts required each year.

Engineering overhead is based on prior year expenditures for engineering services related to CIP activities; hence, fluctuations in this source are directly related to fluctuations in expenditures. Likewise, curb cut revenue is directly related to expenditures incurred by the Public Works & Utilities Engineering service to perform the curb cuts. This revenue tends to fluctuate based on service demands. However, on a net basis any revenue fluctuation is generally offset by fluctuation on the expenditures side. Revenues are projected to reach \$8.9 million in 2013, with modest annual increases projected in 2014 and 2015.

Administrative Charges

Revenues from this source are based mostly on the cost allocation plan performed annually by an outside consultant. This plan, required under OMB Circular 87, allocates overhead costs of administrative services to other funds, in order to facilitate full cost accounting. The charges are reviewed annually and updated or changed as necessary, based on the cost allocation plan. Revenues are projected to drop from \$4 million in 2012 to \$3.4

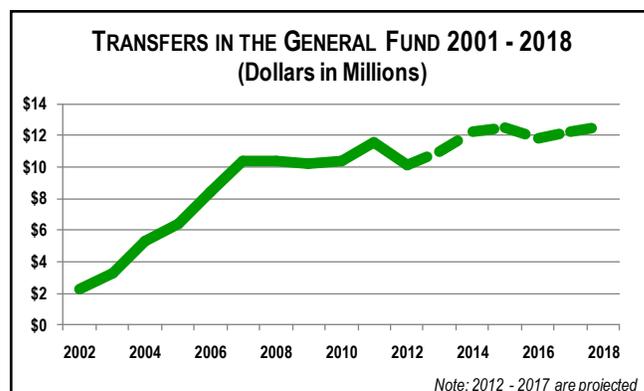
million in 2013; however, this is reflective of re-categorizing over \$400,000 in water utility billing reimbursements for Finance Express Office staff.

Transfers In

Transfers to the General Fund are typically made to reimburse the General Fund for support provided to other services, or to facilitate full cost accounting. Transfers In revenue has increased dramatically in the last seven years based on the implementation of the Public Safety Fee, the implementation of transfers from the Landfill Post Closure Fund, the maximization of transfers from the Tourism and Convention Fund to offset convention center losses, and the inclusion of one-time non-recurring transfers.

Transfers generally fall into five categories: Public Safety Fee charges; transfers from the Special Park and Recreation Fund to offset General Fund recreation costs; transfers from the Convention and Tourism Fund to offset losses of the City's convention center; transfers from the Landfill Post Closure Fund, based on the diminishment of the post closure liability; and other miscellaneous transfers.

Public Safety Fee transfers are made from each utility operation and are calculated to reimburse the General Fund for the equivalent cost of providing public safety service to each utility. The fees are recalculated annually based on the cost of providing public safety services in the General Fund and the valuation of the utilities each year. For 2013, fees are projected to remain stable, with growth of 4.7% projected in 2013, primarily due to Water Utilities improvements.



A transfer from the Convention and Tourism Fund is budgeted at approximately \$1.6 million from 2013 through 2015. This transfer offsets projected Convention Center losses. An additional \$500,000 is also budgeted to be transferred from this source to offset maintenance costs for cultural facilities. The Special Park and Recreation transfer is calculated to transfer annually all receipts from the Special Park and Recreation Fund. Transfers



are budgeted at \$1.9 million in 2014. These revenues offset the cost of recreational programming. A transfer from the Pension Reserve Fund, to partially offset higher pension costs, is included at \$.1 million in 2013—2015. These transfers are not projected to continue past 2015. Transfers are projected to increase from the Landfill Post Closure Fund. This fund has excess reserves, and annually, after reviewing the projected long term liability, excess reserves will be transferred to the General Fund.

Interest Earnings

This revenue stream is largely dependent upon market rates for investments, which are permitted under the City's Investment Policy, as well as the size of the pool of investment funds. Revenues began declining in 2008 when the Federal Reserve began aggressively cutting interest rates. Interest rates are currently near zero, resulting in a significant decrease in City revenues. A total of \$180,000 is budgeted in 2014. Based on Federal Reserve indications that rates will remain near zero into the foreseeable future, budgeted interest earnings are projected to remain at minimal levels.

Rental Income

The City leases a variety of real estate, including office space, garage space and athletic fields. The majority of the rental income is derived from three sources: annual rental payments for space at the Central Maintenance Facility; rental payments from vendors at Century II and Expo Hall; and rentals offered by the Park and Recreation Department, typically shelters, recreation center rooms and athletic fields. These revenues are expected to be relatively stable at \$2.4 million.

Reimbursements

Reimbursement receipts are, as the name implies, intended to reimburse the General Fund for activity provided for non-General Fund financed or external services. A significant reimbursement is received from the Wichita Public Schools (USD 259) for their share of the cost of Police School Resource Officer positions based on a Memorandum of Agreement. This revenue is expected to total \$415,343 in 2013, a reimbursement of 50% of the costs of seven SRO positions.

Another source is an approximate \$134,000 annual transfer from the City of Eastborough for fire response services. Additionally, \$1.3 million is included in reimbursements for positions. Other reimbursement amounts are for a variety of purposes and most are relatively small.

CITY OF WICHITA, KANSAS

RECENT GENERAL OBLIGATION BOND SALES

SERIES NO.	AMOUNT	DATE OF BONDS	MATURITY	COUPON RATE (PERCENT)	NET INTEREST RATE (PERCENT)
778A	565,000	08/01/04	1 to 20 yrs.	4, 4.5, 4.1, 4.2, 4.25, 4.375, 4.4, 4.5, 4.7, 4.75	4.4388
2004D-Refunding	41,730,000	12/01/04	1 to 10 yrs.	4, 5	3.6036
782A	1,610,000	08/01/05	1 to 20 yrs.	4, 4.25	4.1471
786A	920,000	08/01/06	1 to 20 yrs.	5.75, 5.5, 5.0, 4.5, 4.3, 4.35, 4.4, 4.45, 4.55, 4.6, 4.65, 4.7, 4.75, 4.8, 4.85	4.6861
788	14,865,000	02/01/07	1 to 15 yrs.	4, 4.125, 4.250	4.0798
788A	4,985,000	02/01/07	1 to 20 yrs.	4, 4.1, 4.2, 4.25, 4.625	4.2567
790	12,740,000	08/01/07	1 to 15 yrs.	4.25, 4.5, 4.357, 4.5	4.3835
790A	2,575,000	08/01/07	1 to 20 yrs.	4, 4.375, 4.5, 4.6, 4.625, 4.65, 4.7, 4.75	4.5589
959	4,390,000	08/01/07	1 to 15 yrs.	6.25, 5.70, 5.75, 5.875	5.8612
960	7,385,000	08/01/07	1 to 15 yrs.	4.25, 4.5, 4.375, 4.5	4.3869
2007-Sales Tax	40,500,000	10/01/07	1 to 15 yrs.	4, 4.2, 4.25, 4.3, 4.375, 5.0	4.0422
792	11,765,000	02/01/08	1 to 15 yrs.	3.5, 4	3.7480
792A	3,390,000	02/01/08	1 to 20 yrs.	3.5, 3.75, 4, 4.1, 4.2, 4.25, 4.3, 4.35, 4.4	4.1075
794	10,050,000	08/01/08	1 to 15 yrs.	3.5, 4.0, 4.125, 4.2	3.8867
794A	3,970,000	08/01/08	1 to 20 yrs.	3.25, 3.5, 3.75, 4.0, 4.125, 4.250, 4.375	4.1670
2009A	23,385,000	04/01/09	1 to 8 yrs.	3.0, 3.25, 3.5	2.7551
2009B	19,470,000	04/01/09	1 to 8 yrs.	3.0, 3.25	2.5042
796	9,580,000	02/01/09	1 to 15 yrs.	2.25, 2.50, 2.75, 3.0, 3.25, 3.5, 4.0	3.4976
796A	9,390,000	02/01/09	1 to 20 yrs.	3.0, 3.5, 3.75, 4.0, 4.2, 4.3, 4.375, 4.5	4.0466
787	33,045,000	02/01/09	1 to 15 yrs.	2.25, 3.25, 2.5, 4.0	2.7941
798	8,460,000	08/01/09	1 to 15 yrs.	2.25, 2.50, 3.0, 3.25, 3.75	3.2636
798A	7,650,000	08/01/09	1 to 20 yrs.	2.25, 2.5, 2.75, 3.0, 3.25, 3.5, 4.0, 4.125, 4.2, 4.25	3.7989
797	11,240,000	08/01/09	1 to 15 yrs.	2.0, 4.0, 3.25, 3.375, 3.625, 3.75	2.7674
800	10,865,000	03/01/10	1 to 15 yrs.	2.0, 2.25, 2.625, 3.0, 3.125, 3.375, 3.5, 4.0	3.2266
800A	13,125,000	03/01/10	1 to 20 yrs.	2.25, 2.5, 2.75, 3.0, 3.25, 3.5, 4.0, 4.125, 4.2, 4.25	3.5655
800B	1,630,000	03/01/10	1 to 20 yrs.	2.0, 2.25, 2.625, 2.875, 3.125, 3.25, 3.375, 3.5, 4.0	4.9945
799	22,505,000	03/01/10	1 to 10 yrs.	1.25, 2.25, 2.5, 3.25, 3.5, 3.75, 4.0, 4.25, 4.5, 4.75, 4.9, 2.0, 5.1, 5.2, 5.3, 5.4, 5.5, 5.65, 5.75	2.7219
801	20,500,000	08/01/10	1 to 15 yrs.	2.0, 2.25, 2.5, 3.0, 3.25, 4.0	2.6086
802	6,085,000	08/01/10	1 to 15 yrs.	2.0, 2.5, 3.0, 3.125, 3.3, 3.4, 3.5	2.7891
802A	5,870,000	08/01/10	1 to 20 yrs.	2.20, 3.0, 3.125, 3.375, 3.5, 4.0	3.2914
802B	1,260,000	08/01/10	1 to 20 yrs.	3.25, 3.5, 3.75, 4.0, 4.25, 4.5, 4.6, 4.75, 4.9, 5.0, 5.15, 5.3, 5.4, 5.5, 5.6, 5.7	4.5431
2010A-Refund.	21,420,000	09/15/10	1 to 8 yrs.	2.0, 2.25, 2.375, 3.0	1.7046
2010B-Refund.	27,385,000	09/15/10	1 to 8 yrs.	3.0, 4.0	1.3780
2011A	5,715,000	02/01/11	1 to 30 yrs.	2.5, 3.0, 3.5, 4.0, 4.125, 4.25, 4.4, 4.5, 4.6, 5.0	4.5640
2011B	11,365,000	02/01/11	1 to 30 yrs.	1.2, 4.0, 4.25, 4.5, 4.75, 5.25, 5.0, 5.1, 5.2, 5.3, 5.35, 5.4, 5.45, 5.5	5.1945
804	1,965,000	02/01/11	1 to 15 yrs.	2.5, 2.7, 3.0, 3.2, 3.4, 3.7, 4.0, 4.1, 4.15, 4.25	3.5522
806	\$ 3,480,000	08/01/11	1 to 20 yrs.	2.0, 2.25, 2.50, 2.75, 3.0, 3.25, 3.50, 3.75, 4.0	3.1136
2011C	22,585,000	09/15/11	1 to 8 yrs.	2.0, 3.0, 4.0, 5.0	1.1323
2011D	11,365,000	02/01/11	1 to 9 yrs.	3.0, 4.0, 5.0	1.6509
2011A-Sales Tax	8,755,000	10/01/11	1 to 15 yrs.	2.0, 2.25, 2.50, 3.0, 3.25	2.5608
2011B-S-Tax Ref	16,240,000	10/01/11	1 to 5 yrs.	3.0, 4.0, 5.0	1.1893

SERIES NO.	AMOUNT	DATE OF BONDS	MATURITY	COUPON RATE (PERCENT)	NET INTEREST RATE (PERCENT)
803	19,265,000	02/01/12	1 to 15 yrs.	2.0, 2.25, 2.50, 3.0	2.0228
808	5,615,000	02/01/12	1 to 20 yrs.	2.0, 2.50, 3.0, 3.25	2.2766
805	11,365,000	08/01/12	1 to 15 yrs.	2.0, 3.0, 4.0	1.8297
961	1,610,000	08/01/12	1 to 11 yrs.	1.5, 1.7, 1.95, 2.25, 2.55, 2.7	2.0719
810	2,275,000	08/01/12	1 to 20 yrs.	2.0, 3.0, 3.125	2.5986
2012A-Refund.	21,250,000	11/01/12	1 to 9 yrs.	3.0, 4.0, 5.0	1.3859
2012B-Refund.	2,850,000	11/01/12	1 to 8 yrs.	1.0, 1.05, 1.25, 1.50, 1.75, 2.05, 2.25	1.6813
2012C-Refund.	4,360,000	11/01/12	1 to 8 yrs.	2.0, 3.0	1.3928
2012D-Sales Tax	17,700,000	11/01/12	1 to 15 yrs.	2.0, 2.125, 2.25, 2.5, 3.0	1.9765
2012E-S-Tax Ref.	22,865,000	11/01/12	1 to 8 yrs.	4.0, 5.0	1.3357
807	9,450,000	02/01/13	1 to 10 yrs.	2.0	1.3755
812	3,375,000	02/01/13	1 to 20 yrs.	2.0, 3.0, 4.0	2.3176
809	3,550,000	02/01/14	1 to 10 yrs.	2.0, 3.0	2.1633
809A	4,720,000	02/01/14	1 to 15 yrs.	1.0, 2.0, 3.0, 2.6, 2.8, 3.2, 3.5, 3.7, 3.75, 4.0, 4.125, 4.375	3.6092
2014A	8,010,000	02/01/14	1 to 30 yrs.	3.0, 4.0, 3.1, 3.25, 3.375, 3.5, 3.625, 3.7, 3.8, 4.125, 4.2, 4.25, 4.3	3.9041

APPENDIX D

FORM OF BOND COUNSEL'S OPINIONS



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C I T Y ■ O F
W I C H I T A

APPENDIX D-1

FORM OF BOND COUNSEL OPINION – SERIES 268

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 268 Purchaser]
[City, State]

Re: General Obligation Temporary Notes, Series 268, of the City of Wichita, Kansas, Dated
October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned notes (the “Notes”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer authorizing the issuance of the Notes.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Notes have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Notes are payable as to both principal and interest in part from special assessments levied upon the property benefited by the construction of certain improvements or from general obligation bonds of the Issuer 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent that necessary funds are not provided from other sources.

3. The interest on the Notes [(including any original issue discount properly allocable to an owner of a Note)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The Notes have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Notes.

4. The interest on the Notes is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement). Further,

we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth in this opinion.

The rights of the owners of the Notes and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

APPENDIX D-2

FORM OF BOND COUNSEL OPINION – SERIES 270

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 270 Purchaser]
[City, State]

Re: General Obligation Temporary Notes (Subject to AMT), Series 270, of the City of
Wichita, Kansas, Dated October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned notes (the “Notes”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer authorizing the issuance of the Notes.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Notes have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Notes are payable as to both principal and interest from general obligation bonds of the Issuer 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent that necessary funds are not provided from other sources.

3. The interest on the Notes [(including any original issue discount properly allocable to an owner of a Note)] is: (a) is excludable from gross income for federal income tax purposes, except for any period during which a Note is held by a “substantial user” of the facilities financed by the Notes or a “related person” within the meaning of Section 147(a) of the Code; and (b) is an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The Notes have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Notes.

4. The interest on the Notes is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement). Further,

we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth in this opinion.

The rights of the owners of the Notes and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

APPENDIX D-3

FORM OF BOND COUNSEL OPINION – SERIES 253

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

October 15, 2014

Governing Body
City of Wichita, Kansas

[Series 253 Purchaser]
[City, State]

Re: Taxable General Obligation Temporary Notes, Series 253, of the City of Wichita, Kansas,
Dated October 15, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned notes (the “Notes”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer authorizing the issuance of the Notes.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Notes have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.
2. The Notes are payable as to both principal and interest, from tax increment revenues or from general obligation bonds of the Issuer 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent that necessary funds are not provided from other sources.
3. The interest on the Notes is exempt from income taxation by the State of Kansas.

We express no opinion regarding federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth in this opinion.

The rights of the owners of the Notes and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.



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APPENDIX E
LIST OF CAPITAL IMPROVEMENTS

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 268
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	<u>Amount Required 10/15/2014</u>		
			Renewal Notes	New Notes	
AIRPORT IMPROVEMENTS					
1	451418	501853	Parking Facilities	\$ 21,025,240.00	\$ 9,139.00
2	451427	501871	Paint Truck Purchase	67,330.00	29.00
3	452424	501861	Electrical and Communications Infrastructure	2,802,890.00	1,218.00
4	453429	501874	Comm & Security Infrastructure (Apron III)	500,637.00	218.00
5	453429	501875	Outfall Channel (Apron III)	315,310.00	137.00
6	453437	501880	Irrigation System Improvements	-	356,655.00
7	463061	510162	Jabara Road Rhab and T-Hangar Expansion	16,630.00	1,422,415.00
			SUBTOTAL AIRPORT IMPROVEMENTS	24,728,037.00	1,789,811.00
ARTERIAL IMPROVEMENTS					
1	204358	706892	Seneca: I-235 - 31st S	\$ 463,210.00	\$ 27,314.00
2	204364	706898	Central: 135th JW - 119th W Imp.	2,500,000.00	-
3	204379	706913	13th St. - 135th W/Azure	-	4,302.00
4	205399	706933	13th, I-135 - Woodlawn	9,000,000.00	
5	205404	706938	13th, I-135 - Woodlawn	-	19,709.00
6	206426	706960	Int. Trans. Syst Traffic Signals	213,390.00	93.00
7	207435	706969	Harry, Turnpike - Rock	244,340.00	106.00
8	209464	706999	K96 & Hoover Interchange	-	90,039.00
9	209472	707007	Railroad Corridor Sepn Study	-	81,335.00
10	210478	707013	Harry/Broadway Intersection	662,000.00	288.00
11	210479	707014	Pawnee/Broadway Intersection	295,400.00	128.00
12	210485	707020	Meridian, Orient - McCormick	-	33,014.00
13	210487	707022	135th W Kellogg-Onewood	-	233,221.00
14	210488	707023	Amidon, 21st-29th	-	294,028.00
15	210495	707030	MU Path Garvey - Planeview Park	-	103,145.00
16	210497	707032	Traffic Signalization Program	-	8,554.00
17	211500	707035	Redbud Multi-Use Path	228,720.00	81,615.00
18	211502	707037	Mt Vernon & Oliver Intersection	-	22,340.00
19	211503	707038	KLINK Art Street Rehab	-	105,046.00
20	211506	707041	K-96/Greenwich Inter. Imprv	399,440.00	150,239.00
21	211507	707042	William Street, Main - Emporia	-	235,002.00
22	211508	707043	Traffic Signalization 2013	-	151,166.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 268
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	Renewal Notes	Amount Required 10/15/2014	
					New Notes
23	211509	707044 Arterial Sidewalk/Ramp	\$ -	\$	35,916.00
24	211513	707048 Pawnee, Hydraulic to Grove	-		73,592.00
25	211514	707049 Douglas Washington - Oliver	-		100,244.00
26	211515	707050 Railroad Crossing Improvement	-		64,128.00
27	211516	707055 Bike Enhancement Projects	-		11,655.00
28	211525	707061 West Bank River Corr Douglas - 2nd	-		48,921.00
29	211527	707063 2014 CIP Thermal Crack Mntnc	-		52,223.00
SUBTOTAL ARTERIAL IMPROVEMENTS			14,006,500.00		2,027,363.00
BRIDGE IMPROVEMENTS					
1	249140	715724 Lincoln Bridge, Dam@Ark River	\$ 4,620,010.00	\$	39,114.00
2	249142	715726 Pawnee St. at Ark River	-		49,852.00
3	249143	715727 Broadway Bridge @34 St. S	-		140,761.00
4	249145	715729 Old Lawrence Rd Bridge	-		22,010.00
5	249146	715730 Biennial Bridge Insp	-		81,035.00
6	249147	715731 Douglas Bridge at Linden	-		50,022.00
7	249148	715732 21st N Bridge Derby Refinery	-		55,024.00
SUBTOTAL BRIDGE IMPROVEMENTS			4,620,010.00		437,818.00
PARK IMPROVEMENTS					
1	397247	785171 Irrigation Sys Replace & Upgrade 2010-2011	\$ -	\$	21,008.00
2	397248	785179 2010-2012 Athletic Courts CIP	-		19,734.00
3	440150	785973 Buffalo Park Improvements 2011	-		32,214.00
4	440152	785975 Walking Paths 2011-12	-		53,983.00
5	440153	785976 Park Facilities Improvements 2012	-		174,236.00
6	440154	785995 Golf CIP Improvements	-		403,915.00
7	440155	786008 Osage Restroom/Bldg Improvements	-		4,002.00
8	440156	786011 Swimming Pool Improv 2013 CIP	-		2,051.00
9	440157	786014 Chisholm Creek Park South 2011	-		31,514.00
10	440158	796002 Playground Rehab 2012-13	-		38,217.00
SUBTOTAL PARK IMPROVEMENTS			-		780,874.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 268
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	<u>Amount Required 10/15/2014</u>		
			Renewal Notes	New Notes	
PUBLIC IMPROVEMENTS					
1	435352	792458	Water Walk - Eastbank Development	\$ 1,493,394.00	\$ 649.00
2	435379	792409	City Facilities ADA Compliance	-	165,292.00
3	435405	792455	CMF Expansion	-	36,516.00
4	435432	792510	Fire Training Grounds	-	558,743.00
5	435439	792517	Central Library Relocation	-	14,456.00
6	435441	792519	Fuel Management and Dispensing System	-	87,108.00
7	435454	792534	Fleet Heavy Equipment Replacment 2010	1,910,810.00	831.00
8	435457	792540	Wichita Art Museum	-	4,502.00
9	435462	792545	General Repairs - City Facilities 2009	-	106,376.00
10	435468	792558	WaterWalk Hotel Development	2,518,260.00	1,095.00
11	435471	792561	Century II Improv. 2012-2015	1,293,390.00	562.00
12	435473	792579	Fleet Heavy Equipment Replacement 2012	1,491,340.00	666,037.00
13	435476	792928	Century II CIP 2013	-	186,621.00
14	435478	795001	S Market Parking Garage Repair/Renovatio	-	59,826.00
15	435805	792921	Fire Apparatus '11-'13	6,586,090.00	621,141.00
16	435806	792922	Aged Fire Station M&R '10/'11 CIP	-	21,409.00
			SUBTOTAL PUBLIC IMPROVEMENTS	15,293,284.00	2,531,164.00
FLOOD IMPROVEMENTS					
1	861010	660812	Midtown Neighborhood SW Master Plan	\$ 26,200.00	\$ 11.00
2	866001	660800	Gypsum Creek Improv - Rock to Eastern	50,120.00	1,022.00
3	867001	660806	Digital SW Drainage Struc Inv - Ph I	65,400.00	9,633.00
4	869003	660814	Meridian Drainage Outfall	559,340.00	1,408,615.00
			SUBTOTAL FLOOD IMPROVEMENTS	701,060.00	1,419,281.00
PAVING IMPROVEMENTS					
1	490259	766241	Maize/34th St N Signals	\$ 37,200.00	\$ 16.00
2	490261	707041	K96/Greenwich Interchange	307,250.00	134.00
3	490275	766257	167th St. W. Accel/Decel Lane	27,090.00	12.00
4	490283	766265	36th St North	52,560.00	189,545.00
5	490284	766266	27th St North	525,400.00	228.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 268
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	Renewal Notes	Amount Required 10/15/2014	
					New Notes
6	490290	766272 Brush Creek Circle	\$ 585,220.00	\$	254.00
7	490297	766279 Washington S 47th W Hydraulic	74,200.00		3,134.00
8	490300	766283 29th Greenwich Bus Center Ph 1	158,620.00		69.00
9	490301	766284 29th Stoney Pointe Add	113,340.00		49.00
10	490306	766288 Parkdale Cr NewMarket Off 2nd Add	497,350.00		22,026.00
11	490307	766289 Paving Hoover Ct	37,290.00		181,295.00
12	490308	766290 Paving Rocky Creek Bellechase	52,750.00		797,219.00
13	490310	766292 Lindberg Waterfront 6th Addn	152,830.00		264,681.00
14	490311	766293 Stonegate Waterfront 8th Addn	106,880.00		132,824.00
15	490312	766294 Paving New Market V addn	-		251,009.00
16	490313	766295 Split Rail St Krug S Addn Ph5	233,870.00		18,440.00
17	490314	766296 Paving Northborouh 3rd Addn	70,120.00		124,965.00
18	490315	766297 Jennie St/Ct Bay Country Addn	-		237,403.00
19	490316	766298 Tamarac & Herrington Frontgate	27,440.00		259,385.00
20	490318	766300 27th N Woodridge Woods N. Ad 3r			215,394.00
21	490319	766301 Cherry Crk, Tara Creek Addn			152,266.00
22	490320	766302 Fawnwood, Jayson, Kennedy			245,707.00
23	490321	766303 Verona, Courtyards Auburn Hills			190,783.00
24	490322	766304 Paving Ph3a Falcoln Falls 2nd Add			211,692.00
25	490323	766305 Forestview Liberty Park3rd			117,151.00
26	490324	766306 Morrism Spring Hollow Clear Creek			12,405.00
SUBTOTAL PAVING IMPROVEMENTS			3,059,410.00		3,628,086.00

SANITARY SEWER IMPROVEMENTS

1	480017	744325 Lateral 130, SS#23	\$	-	\$ 64,827.00
2	480026	744334 Lateral 37 Main 2 SW Inter		21,680.00	115,560.00
3	480037	744345 Lateral 8 Main 18 Bellechase 3rd		151,310.00	6,759.00
4	480038	744346 Lateral 6 Main 20 SW Intercp Uneeda		-	38,417.00
5	480039	744347 Lateral 60 Main 24 WIS Waterfront 8		26,260.00	1,712.00
6	480041	744349 Lateral 136 WLK Huntington Park Add		-	26,411.00
7	480042	744350 Lateral 433 FMC Frontgate Addn		139,380.00	3,682.00
8	480044	744352 Lateral 61 CIS unplatted 135th West		25,460.00	20,120.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 268
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	Amount Required 10/15/2014	
			Renewal Notes	New Notes
9	480045	744353 Lateral 22 Main 20 Northborouh 3rd Addn	\$ 43,120.00	\$ 9,523.00
10	480046	744354 Lateral 62 CIS Bay Country Addn	21,540.00	98,552.00
11	480047	744355 Lateral 539 SWI DeWitt 5th Addn	-	12,906.00
12	480049	744357 Lateral 430 FMC Woods N 3rd Addn	13,200.00	110,054.00
13	480050	744358 Lateral 27 Main 13 Abs Nat Stone Addn	-	36,216.00
14	480051	744359 Lateral 5 Main 18 Tara Creek Addn	-	52,723.00
15	480052	744360 Lateral 11 Main 16 Glen Meadows Addn	-	103,845.00
16	480054	744362 Lateral 63 CIS Courtyards Aub Addn	-	153,267.00
17	480055	744363 Lateral 15 NWI Liberty Park	-	36,916.00
SUBTOTAL SANITARY SEWER IMPROVEMENTS			441,950.00	891,490.00
STORM SEWER IMPROVEMENTS				
1	485306	751415 SWD 272	\$ 43,370.00	\$ 19.00
2	485341	751450 SWD 300	29,830.00	13.00
3	485375	751484 Weir at Kellogg/Maize Rd	13,920.00	6.00
4	485389	751498 SWD 376	467,080.00	21,032.00
5	485393	751502 SWS 660	668,660.00	51,913.00
6	485398	751507 SWD 385 S 47th W Hydraulic	155,330.00	339,085.00
7	485405	751514 SWD #347 Woods North 3rd Addn	-	383,867.00
8	485406	751515 SWD #388 Huntington Park Addn	-	64,828.00
9	485407	751516 SWS 669 Krug S Addn Ph 5	106,580.00	9,650.00
10	485408	751517 SWD 387 Frontgate Addn	275,240.00	58,445.00
11	485410	751519 SWD 390 Northborouh 3rd Addn	15,360.00	3,248.00
12	485411	751520 SWD 389 for Bay Country Addn	194,940.00	27,697.00
13	485412	751521 SWS 670 for Bay Country Addn	-	67,529.00
14	485413	751522 SWS 359 Glen Meadows Addn	-	119,552.00
15	485414	751523 SWS391 The Ranch Addn	-	93,941.00
SUBTOTAL STORM SEWER IMPROVEMENTS			1,970,310.00	1,240,825.00
WATER IMPROVEMENTS				
1	470099	735426 WDS Sierra Hills 2nd Addition	\$ 19,150.00	\$ 8.00
2	470148	735475 WDS S 47th W Hydraulic	18,890.00	60,244.00
3	470156	735483 WDS Bridgeport Indust Park I	36,990.00	2,617.00
4	470157	735484 WDS Bellechase 3rd Addn	-	80,235.00

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 268
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	Renewal Notes	Amount Required 10/15/2014	
					New Notes
5	470158	735485 WDS Waterfront 6th Addn	\$ 59,850.00	\$	3,528.00
6	470159	735486 WDS Newmarket V Addn	144,850.00		1,564.00
7	470160	735487 WDS Krug South Addn Ph 5	43,170.00		3,520.00
8	470161	735488 WDS Frontgate Addn	71,760.00		2,332.00
9	470163	435490 WDS unplatted 135th St West	-		10,204.00
10	470164	735491 WDS Northborouh 3rd Addn	32,720.00		6,317.00
11	470165	735492 WDS Bay Country Addn	12,010.00		60,431.00
12	470166	735493 WDS Woods Addn	-		54,824.00
13	470167	735494 WDS Mission Addn	12,410.00		10,200.00
14	470168	735495 WDS 90555 Woods N 3rd Addn	-		56,525.00
15	470170	435497 WDS Tara Creek Addn	-		35,515.00
16	470173	735500 WDS Coutyards Auburn Hlls	-		73,032.00
17	470174	735501 WDS 901080 Falcon Falls 2nd Addn	-		33,715.00
18	470175	735502 WDS Ph2B Liberty Park 3rd;	-		36,116.00
SUBTOTAL WATER IMPROVEMENTS			451,800.00		530,927.00
TOTAL TEMPORARY NOTES, SERIES 268			\$ 65,272,361.00	\$	15,277,639.00
TOTAL RENEWAL MONEY			\$ 65,272,361.00		
TOTAL NEW MONEY			15,277,639.00		
TOTAL TEMPORARY NOTES, SERIES 268			\$ 80,550,000.00		

CITY OF WICHITA, KANSAS
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 253
CAPITAL IMPROVEMENTS

PPN	OCA	Description Of Project	Amount Required 10/15/2014		
			Renewal Notes	New Notes	
AIRPORT IMPROVEMENTS					
1	451418	501853	Parking Facilities	\$ 8,251,050.00	\$ 8,031.00
2	451423	501870	1801 Airport Road Remodel	62,300.00	1,354,077.00
			SUBTOTAL AIRPORT IMPROVEMENTS	8,313,350.00	1,362,108.00
FAÇADE IMPROVEMENTS					
1	491043	766043	Façade 120 E. 1st Lux	\$ 608,140.00	\$ 1,402.00
			SUBTOTAL FAÇADE IMPROVEMENTS	608,140.00	1,402.00
			TOTAL TEMPORARY NOTES, SERIES 253	\$ 8,921,490.00	\$ 1,363,510.00
			TOTAL RENEWAL MONEY	\$ 8,921,490.00	
			TOTAL NEW MONEY	1,363,510.00	
			TOTAL TEMPORARY NOTES, SERIES 253	\$ 10,285,000.00	



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APPENDIX F
SUMMARY OF FINANCING DOCUMENTS



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APPENDIX F

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions contained in each of the Note Resolutions authorizing the issuance of the Notes and the Disclosure Undertaking. Unless otherwise noted, the summary applies to each Note Resolution. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing documents.

THE NOTE RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution, particularly Article 12, Section 5 thereof, and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.* In addition, Act means, with respect to: (a) Series 268 – K.S.A. 12-685 *et seq.*, K.S.A. 12-6a01 *et seq.*, K.S.A. 12-1736 *et seq.*, K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 and K.S.A. 13-1348a, as amended by Charter Ordinance No. 78; (b) Series 270 – K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 and K.S.A. 13-1348a, as amended by Charter Ordinance No. 78; and (c) Series 253 – K.S.A. 12-6a01 *et seq.*, K.S.A. 13-1024c, as amended by Charter Ordinance No. 156 and K.S.A. 13-1348a, as amended by Charter Ordinance No. 78; all as amended and supplemented.

“Authorized Denomination” means \$5,000 or any integral multiples thereof.

“Beneficial Owner” of the Notes includes any Owner of the Notes and any other Person who, directly or indirectly has the investment power with respect to such Notes.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Notes.

“City” means the City of Wichita, Kansas.

“Clerk” means the duly appointed and acting Clerk of the Issuer or, in the Clerk's absence (or in the event of a vacancy in such office) any Deputy, Assistant or Acting Clerk of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

“Consulting Engineer” means an independent engineer or engineering firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by this Note Resolution.

“Costs of Issuance” means all costs of issuing the Notes, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, and all expenses incurred in connection with receiving ratings on the Notes.

“Dated Date” means October 15, 2014.

“Debt Service Account” means the account by that name (within the Bond and Interest Fund) created by the Note Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Note which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's (presently “Aaa”) or Standard & Poor's (presently “AAA”).

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Director of Finance” means the duly appointed and acting Director of Finance of the Issuer or, in the Director of Finance's absence (or in the event of a vacancy in such office) any Deputy, Assistant or Acting Director of Finance or Finance Manager of the Issuer.

“Disclosure Undertaking” means the Issuer's master undertaking to provide ongoing disclosure relating to certain obligations contained in the SEC Rule in connection with the general obligation notes of the Issuer issued after December 2, 2010, as implemented by Ordinance Number 49-077 of the Issuer.

“DTC” means The Depository Trust Company.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Notes shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Notes shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in the Note Resolution (other than the covenants relating to continuing disclosure contained in the Note Resolution or the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Notes then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate for the Notes, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Fiscal Year” means the twelve month period ending on December 31.

“Funds and Accounts” means funds and accounts created by or referred to in the Note Resolution.

“Improvement Fund” means the fund by that name created in the Note Resolution.

“Improvements” means the improvements referred to in the preamble to the Note Resolution and any Substitute Improvements.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Note Resolution.

“Interest Payment Date” means the Maturity of the Note.

“Issue Date” means the date when the Issuer delivers the Notes to the Purchaser in exchange for the Purchase Price.

“Issuer” means the City and any successors or assigns.

“Maturity” when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein and in the Note Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Mayor” means the duly elected and acting Mayor, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

“Moody's” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Note Payment Date” means any date on which principal of or interest on any Note is payable.

“Note Register” means the books for the registration, transfer and exchange of Notes kept at the office of the Note Registrar.

“Note Registrar” means the State Treasurer, and its successors and assigns.

“Note Resolution” means, collectively, the resolutions adopted by the governing body of the Issuer authorizing the issuance of the Notes, as amended from time to time.

“Notes” means, collectively, the Series 268 Notes, the Series 270 Notes and the Series 253 Notes.

“Official Statement” means the Issuer's Official Statement relating to the Notes.

“Outstanding” means, when used with reference to the Notes, as of a particular date of determination, all Notes theretofore, authenticated and delivered, except the following Notes:

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of the Note Resolution; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

“Owner” when used with respect to any Note means the Person in whose name such Note is registered on the Note Register. Whenever consent of the Owners is required pursuant to the terms of this Note Resolution, and the Owner of the Notes, as set forth on the Note Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Notes.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the State Treasurer, and any successors and assigns.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other

obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchaser” means the financial institution or investment banking firm that is original purchaser of the Notes.

“Rating Agency” means any company, agency or entity that provides ratings for the Notes.

“Record Dates” for the interest payable on any Interest Payment Date means the first day (whether or not a Business Day) of the calendar month of such Interest Payment Date.

“Redemption Date” when used with respect to any Note to be redeemed means the date fixed for the redemption of such Note pursuant to the terms of the Note Resolution.

“Redemption Fund” means the fund by that name created in the Note Resolution.

“Redemption Price” when used with respect to any Note to be redeemed means the price at which such Note is to be redeemed pursuant to the terms of the Note Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Notes” means that portion of the Series 249 Notes, Series 251 Notes, Series 262 Notes and the Series 266 Notes refunded with the proceeds of the Notes and other available funds of the Issuer.

“Replacement Notes” means Notes issued to the Beneficial Owners of the Notes in accordance with the Note Resolution.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Series 249 Notes” means the City's Taxable General Obligation Temporary Notes, Series 249, dated October 15, 2013.

“Series 251 Notes” means the Issuer's Taxable General Obligation Temporary Notes, Series 251, dated February 11, 2014.

“Series 253 Notes” means the Taxable General Obligation Temporary Notes, Series 253, authorized and issued by the Issuer pursuant to the Note Resolution.

“Series 262 Notes” means the General Obligation Temporary Notes (Subject to AMT), Series 264, dated October 15, 2013.

“**Series 266 Notes**” means the General Obligation Temporary Notes (Subject to AMT), Series 266, dated February 11, 2014.

“**Series 268 Notes**” means the General Obligation Temporary Notes, Series 268, authorized and issued by the Issuer pursuant to the Note Resolution.

“**Series 270 Notes**” means the General Obligation Temporary Notes (Subject to AMT), Series 270, authorized and issued by the Issuer pursuant to the Note Resolution.

“**Special Record Date**” means the date fixed by the Paying Agent for the payment of Defaulted Interest.

“**Standard & Poor's**” means Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“**State**” means the state of Kansas.

“**State Treasurer**” means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“**Stated Maturity**” when used with respect to any Note or any installment of interest thereon means the date specified in such Note and the Note Resolution as the fixed date on which the principal of such Note or such installment of interest is due and payable.

“**Substitute Improvements**” means the substitute or additional improvements of the Issuer described in the Note Resolution.

“**United States Government Obligations**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF NOTE PROCEEDS AND OTHER MONEYS

Creation of Funds and Accounts. Simultaneously with the issuance of the Notes, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Debt Service Account.
- (c) Redemption Fund.

The above Funds and Accounts shall be administered in accordance with the provisions of the Note Resolution so long as the Notes are Outstanding.

Deposit of Note Proceeds. The net proceeds received from the sale of the Notes shall be deposited simultaneously with the delivery of the Notes as follows:

- (a) An amount necessary to provide for redemption of the Refunded Notes shall be deposited in the Redemption Fund; and

- (b) The balance of the proceeds of the Notes shall be deposited in the Improvement Fund.

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Notes during construction of the Improvements; (c) paying Costs of Issuance; and (d) paying any amount necessary to satisfy the Rebate Amount (as defined in the Federal Tax Certificate).

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Director of Finance (or designee) stating that such payment is being made for a purpose within the scope of the Note Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Director of Finance (or designee) stating that such payment is being made for a purpose within the scope of the Note Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

Substitution of Improvements; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Notes to include the Substitute Improvements; and (d) the use of the proceeds of the Notes to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law.

The Issuer may reallocate expenditure of Note proceeds among all Improvements financed by the Notes; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Notes allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Notes under State or federal law.

Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the paying agent for the Refunded Notes, with irrevocable instructions to apply such amount to the payment of the Refunded Notes on their Stated Maturity. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Notes shall be transferred to the Debt Service Account.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Note Registrar and Paying Agent. The Director of Finance is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Notes and the fees and expenses of the Note Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Note Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the indebtedness for which the Notes were issued shall be transferred and paid into the Bond and Interest Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

Investments. Moneys held in any Fund or Account (other than the Redemption Fund) may be invested in accordance with the Note Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Note Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Notes. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Notes at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Notes similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Note Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Note Resolution and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of which Notes of any series shall be of equal rank and without preference or priority of one Note over any other Note in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Note Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Note Resolution, or to enforce any right, except in the manner provided in the Note Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Notes.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

DEFEASANCE

When any or all of the Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Note Resolution and all other rights granted

thereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption.

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that: it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 268 and Series 270 Notes; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 268 and Series 270 Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in the Note Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 268 and Series 270 Notes pursuant to the Note Resolution or any other provision thereof until such time as is set forth in the Federal Tax Certificate

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Note Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Notes. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the Note Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Notes, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Notes as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Notes as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

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

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of the Note Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;
- (c) permit preference or priority of any Note over any other Note; or
- (d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of the Note Resolution.

Any provision of the Notes or of the Note Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Notes at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Note Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Notes among Improvements, to provide for Substitute Improvements, to conform the Note Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Note Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transaction. The issuance of the Notes and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Note Resolution.

Governing Law. The Notes and the Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

THE DISCLOSURE UNDERTAKING

The Issuer has passed Ordinance Number 49-077 relating to the Issuer's master undertaking to provide ongoing disclosure relating to certain obligations contained in the SEC Rule in connection with the general obligation notes of the Issuer issued after December 2, 2010 (the "Disclosure Undertaking"). In the Note Resolution, the Issuer covenants to apply the provisions of the Disclosure Undertaking to the Notes. Such covenants are for the benefit of and enforceable by the Participating Underwriter and the Beneficial Owners. The Issuer is the only "obligated person" with responsibility for continuing disclosure with respect to the Notes.

DEFINITIONS

In addition to the definitions set forth in this "**APPENDIX F – THE NOTE RESOLUTION – Definitions**" unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the City's Comprehensive Annual Financial Report ("CAFR"), presenting financial and statistical information for the previous Fiscal Year (prepared in accordance with the guidelines of the Government Finance Officers Association of the United States and Canada ("GFOA"), as the same may be from time to time amended), and operating data with respect to the City, provided at least annually, of the type included in official statements relating to the Notes.

"Audited Financial Statements" means the City's general purpose financial statements for the previous fiscal year, prepared in accordance with GAAP for governmental units as prescribed by the GASB (except as otherwise stated or disclosed in the notes thereto or as otherwise required by applicable law, as the same may be from time to time amended), which shall have been audited by such auditor(s) as shall be then required or permitted by applicable law.

"City" means the city of Wichita, Kansas.

"EMMA" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB, or any other market access method approved under the Rule.

"GAAP" means generally accepted accounting principles.

"GASB" means the Governmental Accounting Standards Board or its successors or assigns.

"MSRB" means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the Rule.

"Outstanding" when used with reference to any of the Notes shall mean, as of a particular date, all Notes theretofore authenticated and delivered under one or more ordinances or resolution(s) of the City, except: (a) Notes theretofore canceled by the fiscal agent or paying agent (as defined in the ordinance(s) or resolution(s) authorizing the issuance of such Notes) or delivered to such fiscal agent or paying agent for cancellation; (b) Notes for which payment or redemption monies or government securities (as defined in the ordinance(s) or resolution(s) authorizing the issuance of such Notes), or both, in the necessary amounts have been deposited with the fiscal agent or paying agent or other such depository as provided in the ordinance(s) or

resolution(s) authorizing the issuance of such Notes, in trust for the owners thereof (whether upon or prior to maturity or the Redemption Date(s) of such Notes); or (c) Notes in exchange for or in lieu of which refunding bonds have been authenticated and delivered pursuant to the terms of (and within the meaning of) the appropriate ordinance(s) or resolution(s).

“Prescribed Form” means such electronic format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of the applicable information.

“Redemption Date(s)” shall mean, when used with respect to any Note(s), the date(s) established as such in the ordinance(s) or resolution(s) authorizing the issuance of such Note(s).

“Report Date” means December 31st of each year, beginning December 31, 2011.

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

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (g) Modifications to rights of security holders, if material;
- (h) Note calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the securities, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

“Reporting Event Notice” means notice in Prescribed Form in accordance with EMMA of a Reporting Event.

UNDERTAKING

The City, as an “obligated person” within the meaning of the Rule, undertakes to provide the following information, at the times and to the recipients as provided in this Section:

- (a) Annual Financial Information;
- (b) Audited Financial Statements; and
- (c) Reporting Event Notices.

REPORTING

Filings. So long as the Rule continues to require an undertaking to make ongoing disclosure as established herein, or performance of prior such undertakings, then, with respect to all of the Notes issued subject to such requirements which remain Outstanding:

(a) The City shall provide the Annual Financial Information in Prescribed Form in accordance with EMMA to the MSRB, on or before the Report Date. The City may adjust the Report Date if the City changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the MSRB; provided that the new Report Date shall not exceed one year from the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the City provides to the MSRB the Annual Financial Information by specific reference to documents available to the public on the MSRB’s Internet Web site, or filed with the SEC.

(b) If not provided as part of the Annual Financial Information, the City shall provide the Audited Financial Statements when and if available to the MSRB in Prescribed Form in accordance with EMMA.

(c) If a Reporting Event occurs, the City shall file a Reporting Event Notice in a timely manner not in excess of ten business days after the occurrence of the event in Prescribed Form in accordance with EMMA with the MSRB. Each "Reporting Event Notice" shall be so captioned, and shall prominently state the date, title and CUSIP numbers of the Notes to which the Reporting Event(s) covered by the Reporting Event Notice pertain(s).

(d) The City shall provide in Prescribed Form in accordance with EMMA in a timely manner to the MSRB notice of any failure by the City to provide Annual Financial Information on or before the Report Date to the MSRB as required by the terms of this Section.

The information listed in the above-section entitled “Undertaking” shall be provided by the City to the MSRB, at www.emma.msrb.org in the Prescribed Form or to such other location and by such other method of transmitting information that is approved by the SEC.

Nullification, Repeal and Amendment. These disclosure provisions or any portion hereof, shall be subject to nullification and repeal in the event that the City first delivers to the MSRB, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require the provision as a condition for particular underwriter conduct, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Notes. These provisions may be amended without the consent of the holders or beneficial owners of any Note(s), following the delivery by the City to the MSRB, of the proposed amendment and the opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the adequacy of these provisions or the adequacy of the City's subsequent conduct for purposes of compliance with the Rule, provided, however, that no such amendment will be made unless the following conditions are satisfied:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of any primary offering to which the undertaking applies, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment does not materially impair the interests of holders, as determined either by parties unaffiliated with the City (such as the trustee or bond counsel) or by approving vote of holders of the Notes pursuant to the terms of the governing instrument(s) at the time of the amendment;

(d) If the amendment changes the type of operating data or financial information provided pursuant to the City's undertaking, the Annual Financial Information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided; and,

(e) If the amendment alters portions of the City's undertaking specifying the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, which comparison should include a qualitative (and to the extent reasonably feasible, quantitative) discussion of the differences in the accounting principles and the impact of the change in principles on the presentation of the financial information. A notice of the change in accounting principles will be sent to the MSRB.

Non-default. Any failure by the City to perform in accordance with the reporting requirements set forth above shall not constitute an "Event of Default" or "Default" within the meaning of any ordinance(s) or resolution(s) authorizing the issuance of any of the Notes, and the rights and remedies provided to holders or beneficial owners of the Notes under such ordinance(s) or resolution(s) upon the occurrence of such a "Default" or such an "Event of Default" shall not apply to any such failure.

Invalidity. If any of the foregoing provisions or terms of with the reporting requirements set forth above, or any application thereof, is held invalid, the invalidity shall not affect other applications of the provisions or terms of this Section which reasonably can be given effect without the invalid provision or term or the application thereof, and to this end, the provisions of this Section are declared to be severable.

Limited liability. None of the provisions of with the reporting requirements set forth above are in any way intended to impose upon, or result in an assumption by, the City or any of its officers, agents or employees, of any special duty or any civil law duty of care as to which any breach or alleged breach thereof could give rise to any claim for damages in tort, and the City hereby expressly disclaims any such duty or responsibility for damages, including (but not limited to) any direct, indirect, special or consequential damages. The provisions of this Section shall not, in any way, create liability or a basis for liability on the part of the City or any officer or employee thereof for any damages that result from failure of the City to timely perform any portion, provision, term or condition of the written undertaking on its part established herein, or for any damages that result from reliance upon any provision of this Section or any administrative decision lawfully made thereunder. However, nothing in this subsection shall operate or be construed to limit the rights of any holder or beneficial owner of any Note to seek enforcement of the undertakings herein expressed through proceedings for a decree of specific performance in equity.

Miscellaneous. The Disclosure Undertaking shall inure solely to the benefit of the holders of the Notes as required by Section (b)(5)(i) of the Rule, and shall create no rights in any other person or entity.

The City shall maintain records of all disclosure made pursuant to this Section, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

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

Nothing in this Section shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this subsection or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Reporting Event in addition to that which is required by this Section. If the City chooses to include any information from any document or notice of occurrence of a Reporting Event in addition to that which is specifically required by this Section, the City shall not have any obligation under this Section to update such information or include it in any future disclosure or notice of the occurrence of a Reporting Event.

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RESOLUTION NO. 14-248

RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS.

WHEREAS, the City Council (the “Governing Body”) of the City of Wichita, Kansas (the “City”), has heretofore authorized the acquisition, construction and equipping of various public improvements (the “Improvements”) to be paid from the proceeds of general obligation bonds to be issued by the City pursuant to the laws of the State of Kansas and certain Charter Ordinances of the City; and

WHEREAS, the City has heretofore issued and has outstanding temporary notes, the proceeds of which were applied to temporarily finance a portion of the costs of the Improvements (collectively the “Notes”); and

WHEREAS, the City proposes to issue its general obligation bonds to permanently finance all or a portion of the costs of the Improvements and to retire the Notes; and

WHEREAS, the City desires to authorize the Director of Finance and other City staff, the Law Department and Gilmore & Bell, P.C., as bond counsel (“Bond Counsel”) to proceed with the offering for sale of said general obligation bonds and related activities, including the preparation and distribution of a preliminary official statement and notice of bond sale.

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

Section 1. The Director of Finance is hereby authorized to offer at competitive public sale the following general obligation bonds (collectively, the “Bonds”) of the City:

<u>Description</u>	<u>Series</u>
General Obligation Bonds	811
Taxable General Obligation Bonds	813
General Obligation Bonds	814
General Obligation Tax Increment Financing Bonds	962

as more fully described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the Governing Body this date.

Section 2. The Preliminary Official Statement relating to the Bonds, is hereby approved in substantially the form presented to the Governing Body this date, with such changes or additions as the Mayor or Director of Finance shall deem necessary and appropriate, and such officials and other representatives of the City are hereby authorized to use such document in connection with the public sale of the Bonds.

Section 3. The Director of Finance, in conjunction with Bond Counsel, is hereby authorized and directed to give notice of said sale by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds. Proposals for the purchase of the Bonds shall

be submitted upon the terms and conditions set forth in said Notice of Bond Sale, and shall be delivered to the Governing Body at its meeting to be held on the date of such sale, at which meeting the Governing Body shall review such bids and shall award the sale of the Bonds or reject certain or all proposals.

Section 4. For the purpose of enabling the purchasers of the Bonds (collectively, the “Purchaser”) to comply with the requirements of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”), the Director of Finance or other appropriate officers of the City are hereby authorized to approve the form of said Preliminary Official Statement. The Mayor and Director of Finance or other appropriate officers of the City are hereby authorized to: (a) 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 officials’ signature thereon being conclusive evidence of such officials’ and the City’s approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to certain national repositories and the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary; to enable the Purchaser to comply with the requirement of the Rule. The City agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 5. The Mayor, Director of Finance, Clerk, the City Attorney and the other officers and representatives of the City and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds, including selecting certain other qualified professional firms necessary to complete the issuance of the Bonds, including providing for redemption of a portion of the Notes.

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 of the City of Wichita, Kansas, on August 26, 2014.

(SEAL)

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Sharon L. Dickgrafe, Interim Director of
Law and City Attorney

EXHIBIT A

**CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL**

_____, 2014

To:

Re: City of Wichita, Kansas: General Obligation Bonds, Series 811; Taxable General Obligation Bonds, Series 813, General Obligation Bonds, Series 814 and General Obligation Tax Increment Financing Bonds, Series 962 (collectively, the "Bonds")

The undersigned are the duly authorized and acting Mayor and Director of Finance of the City of Wichita, Kansas (the "City"), and are authorized to deliver this Certificate to the addressees (collectively, the "Purchaser") on behalf of the City. The City has heretofore 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 City hereby deems the information regarding the City 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, identity of the underwriters and other terms of the Bonds depending on such matters.

CITY OF WICHITA, KANSAS

By: _____
Carl Brewer, Mayor

By: _____
Shawn Henning, Director of Finance

CITY OF WICHITA, KANSAS

OFFICIAL NOTICE OF NOTE SALE

<i>Principal Amount*</i>	<i>Description</i>	<i>Series</i>	<i>Reference</i>
\$80,550,000	General Obligation Temporary Notes	268	“Series 268 Notes”
94,435,000	General Obligation Temporary Notes (Subject to AMT)	270	“Series 270 Notes”
10,285,000	Taxable General Obligation Temporary Notes	253	“Series 253 Notes”

*Subject to change

(GENERAL OBLIGATION NOTES PAYABLE FROM UNLIMITED AD VALOREM TAXES)

Bids. *Separate* electronic bids for the purchase of each series of the above-referenced notes (collectively, the “Notes”) of the City of Wichita, Kansas (the “City”) herein described will be received by the Director of Finance of the City via **PARITY**[®] until 10:00 a.m., Central Daylight Time (the “Submittal Hour”), on

TUESDAY, SEPTEMBER 16, 2014

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of each series of the Notes to the successful bidders (collectively, the “Successful Bidder”) will be acted upon by the City Council (the “Governing Body”) of the City as soon thereafter as may be practical at its meeting to be held on the Sale Date in the Council Chamber at City Hall. No oral, auction, facsimile or other written bids will be considered and no bid for less than the entire principal amount of the Notes will be considered. Other capitalized terms not otherwise defined in this Notice of Note Sale (the “Notice”) shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Notes.

Each series of Notes shall be sold separately, and bidders may bid on any series of Notes.

Terms of the Notes

General. The Notes will consist of fully registered notes in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”), will be dated October 15, 2014 (the “Dated Date”) and will become due on the payment dates and in the principal amounts as follows:

<u>Series Designation</u>	<u>Stated Maturity</u>	<u>Principal Amount*</u>
268	10/15/2015	\$80,550,000
270	10/15/2015	94,435,000
253	10/15/2015	10,285,000

The Notes will bear interest from the Dated Date at rates to be determined when the Notes are sold as hereinafter provided, which interest will be payable at maturity or earlier redemption.

***Adjustment of Principal Amounts.** The City reserves the right to adjust the total principal amount of any series of the Notes, depending on the purchase price bid by the Successful Bidder, amounts necessary to pay for interest on the Notes to the initial Interest Payment Date and amounts necessary to finance the public improvements to be financed thereby. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Notes as described herein. If there is an adjustment in the final aggregate principal amount of any series of the Notes as described above, the City will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m., Central Daylight Time, on the Sale Date. The actual purchase price for each series of the Notes shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the series of Notes, as adjusted.

Place of Payment and Registration

Payment. The principal of and interest on the Notes will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Note Registrar"). The principal of each Note will be payable at maturity or earlier redemption to the owners thereof whose names are on the registration books (the "Register") of the Note Registrar (the "Registered Owner") upon presentation and surrender at the principal office of the Paying Agent. Interest on each Note will be payable to the Registered Owner of such Note as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the "Record Date"): (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co., by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Registration. The Notes will be registered pursuant to a plan of registration approved by the City and the Attorney General of the State of Kansas. The City will pay for the fees of the Note Registrar for registration and transfer of the Notes and will also pay for printing a reasonable supply of registered blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, will be the responsibility of the Registered Owners.

Book-Entry-Only System

The Notes shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Notes. During the term of the Notes, so long as the book-entry-only system is continued, the City will make payments of principal of, premium, if any, and interest on the Notes to DTC or its nominee as the Registered Owner of the Notes, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Notes to its participants who shall be responsible for transmitting payments to beneficial owners of the Notes in accordance with agreements between such participants and the beneficial owners. The City will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Notes, or (b) the City determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Notes would adversely affect the interests of the beneficial owners of the Notes, the City will discontinue the book-entry-only form of registration with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will cause to be authenticated and delivered to the beneficial owners replacement Notes in the form of fully registered certificates. Reference is made to the

Preliminary Official Statement for further information regarding the book-entry-only system of registration of the Notes and DTC.

Redemption Provisions

General. Whenever the City is to select Notes for the purpose of redemption, it will, in the case of Notes in denominations greater than the minimum Authorized Denomination, if less than all of the Notes then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Note as though it were a separate Note in the minimum Authorized Denomination.

Optional Redemption. At the option of the City, the Notes will be subject to redemption and payment prior to maturity on April 15, 2015 and thereafter, as a whole or in part (selection of the amount of Notes to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Notice and Effect of Call for Redemption. Unless waived by any owner of Notes to be redeemed, if the City shall call any Notes for redemption and payment prior to the maturity thereof, the City shall give written notice of its intention to call and pay said Notes to the Note Registrar and the Successful Bidder. In addition, the City shall cause the Note Registrar to give written notice of redemption to the registered owners of said Notes. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the date fixed for redemption. All notices of redemption shall state the date of redemption, the redemption price, the Notes to be redeemed, the place of surrender of Notes so called for redemption and a statement of the effect of the redemption. The City shall also give such additional notice as may be required by Kansas law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Note be called for redemption and payment as aforesaid, all interest on such Note shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

Authority, Purpose and Security

General. The Notes are being issued pursuant to the Constitution and statutes of the State of Kansas, as amended by Charter Ordinances of the City.

Series 268. The Series 268 Notes are being issued to provide interim financing for various internal improvement projects of the City and to refund and renew previously issued temporary notes.

Series 270. The Series 270 Notes are being issued to provide interim financing for a portion of the costs to construct and equip a new aviation terminal for the City and other airport improvements (the "Airport Improvements") and to refund and renew previously issued temporary notes.

Series 253. The Series 253 Notes are being issued to provide interim financing for a portion of the costs of certain tax increment projects, facade improvement projects and for Airport Improvements and to refund and renew previously issued temporary notes.

Security. The Notes shall be general obligations of the City payable as to both principal and interest, in part from special assessments, or from the proceeds of general obligation bonds of the City, 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. The full

faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal and interest on the Notes as the same become due.

Submission of Bids

Separate bids shall be submitted for each series of the Notes, which shall be sold separately. Bidders may bid on any or all series of the Notes. All bids shall be submitted electronically via PARITY[®] and must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice. If provisions of this Notice conflict with those of PARITY[®], this Notice shall control. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which shall be submitted separately. The City shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. Information about the electronic bidding services of PARITY[®] may be obtained from Ipreo at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

Conditions of Bids

General. Separate proposals will be received on each series of the Notes bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Notes of each series; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by **THE BOND BUYER**, in New York, New York, on the Monday next preceding the day on which the Notes are sold, plus 6% for the Series 268 and 270 Notes and plus 7% for the Series 253 Notes; and (c) no supplemental interest payments will be considered. No bid shall be for less than **100%** of the principal amount of each series of the Notes will be considered. Each bid shall specify: (a) the total interest cost (expressed in dollars) during the term of the Notes on the basis of such bid; (b) the purchase price offered by the bidder; (c) the net interest cost (expressed in dollars) on the basis of such bid; and (d) average annual net interest rate (expressed as a percentage) on the basis of such bid. **Each bidder shall certify to the City the correctness of the information contained on the bid form. In addition, each bidder for the Series 270 Notes shall certify that the total compensation to such bidder based on such bid will not exceed 0.75% of the aggregate offering price of the Series 270 Notes. The City will be entitled to rely on such certifications.** Each bidder agrees that, if it is awarded any series of the Notes, it will provide the certification as to initial offering prices described under the caption "Certification as to Offering Price" in this Notice.

Good Faith Deposit

General. Each bid shall be accompanied by a good faith deposit (the Deposit") in an amount equal to **2%** of the principal amount of each series of the Notes as stated on the initial page of this Notice, payable to the order of the City to secure the City from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. **Separate Deposits must be submitted for each series of Notes.** Each Deposit, **which must be received by the City prior to 9:30 a.m. Central Daylight Time on the Sale Date**, must be in the form of: (a) a certified or cashier's check drawn on a bank located in the United States of America, payable to the order of the City; (b) a Financial Surety Bond (as described below) payable to the order of the City; or (c) a wire of Federal Reserve funds (as described below), immediately available for use by the City. If a bid is accepted, the Deposit, or the proceeds thereof, will be held by the City until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price at the option of the City. If a bid is accepted, but the City fails to deliver a series of the Notes to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit, or the proceeds thereof, will be returned to the Successful Bidder. If a bid is accepted but the Successful Bidder defaults in the performance of any of the terms and conditions of this

Notice, the proceeds of such Deposit will be retained by the City as and for liquidated damages. No interest on any Deposit shall be paid by the City.

Deposit Submission Details.

(a) *Certified or Cashier's Check.* Certified or cashier's checks must be delivered to the Debt Coordinator at the address set forth on the last page of this Notice.

(b) *Financial Surety Bond.* Any financial surety bond (the "Surety Bond") must be issued by an insurance or surety company rated "AA" by Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., or "Aa" by Moody's Investors Service and licensed to issue such a Surety Bond in the State of Kansas, and shall identify each bidder whose Deposit is guaranteed by such Surety Bond. Notice of the issuance of such Surety Bond shall be given by the issuer thereof via email transmission to the Director of Finance at the address set forth on the last page of this Notice. If the sale a series of the Notes is awarded to a bidder utilizing a Surety Bond, the Successful Bidder is required to submit to the City a cashier's or certified check or wire transfer of immediately available federal funds to such financial institution requested by the City, not later than 2:00 p.m., Central Daylight Time on the next business day following the Sale Date. If such funds are not received by such time, the Surety Bond may be drawn on by the City to satisfy the Deposit requirement.

(c) *Wire Transfer.* Any wire transfer shall be submitted to a financial institution designated by the City, and wire transfer instructions may be obtained from the Debt Coordinator at the address set forth on the last page of this Notice. ***Each wire transfer Deposit must reference "City of Wichita, Kansas, Good Faith Deposit, Series 268, 270 or 253."*** Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to the Director of Finance or Debt Coordinator at the email address set forth on the last page of this Notice, including the following information: (i) notification that a wire transfer has been made; (ii) the amount of the wire transfer; (iii) the wire transfer federal reference number; (iv) the name of the bidder for which the wire transfer is to be credited as a Deposit, (v) if the name of the bidder as shown on *PARITY* does not match the name shown as the beneficiary on the wire instructions, the email will also state that the bidder is identified by the beneficiary's name on the wire instructions; and (vi) return wire transfer instructions in the event such bid is unsuccessful.

Deposit Return Details. Good Faith checks submitted by unsuccessful bidders will be returned promptly via United States first class mail; wire transfer Deposits submitted by unsuccessful bidders will not be accepted or shall be returned in the same manner received not later than the next business day following the Sale Date, and the City reserves the right to withhold reasonable charges for any fees or expenses incurred in returning a wire transfer Deposit.

Basis of Award

General. Each series of the Notes shall be sold separately. The City reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any disputes arising hereunder shall be governed by the laws of the State of Kansas, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Kansas with regard to such dispute. Any bid received after the Submittal Hour on the Sale Date will be rejected or returned to the bidder.

Award. The award of a series of Notes will be made on the basis of the lowest net interest cost (expressed in dollars), which will be determined by subtracting the amount of the premium bid, if any,

from the total interest cost to the City (“NIC”). The City will compute the NIC based on such bids. If there is any discrepancy between the NIC specified and the interest rates specified, the specified NIC shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest NIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

Ratings

The City’s general obligation notes are rated “MIG 1” by Moody’s and “SP-1+” by S&P. The City has applied to the same rating agencies that currently rate the City’s general obligation notes for ratings on the Notes. Additional information regarding such application and ratings are further described in the Preliminary Official Statement, as hereinafter described. Any explanations of the significance of such ratings (as well as any positive or negative outlooks thereon or potential changes to any rating in the near future) should be obtained from Moody’s and S&P.

Bond Insurance

The City has **not** applied for any policy of municipal bond insurance with respect to the Notes, and will not pay the premium in connection with any policy of municipal bond insurance desired by any Successful Bidder. In the event a bidder desires to purchase and pay all costs associated with the issuance of a policy of municipal bond insurance in connection with any series of Notes, such indication and the name of the desired insurer must be set forth on the bidder's bid form and the bid must be accompanied by a commitment from the selected insurer and shall specify all terms and conditions to which the City will be required to agree in connection with the issuance of such insurance policy. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest NIC to the City.

CUSIP Numbers

The CUSIP Service Bureau will be requested to assign CUSIP identification numbers to the Notes, and such numbers shall be printed on the Notes; however, neither the failure to assign any such number to or print any such number on any Note, nor any error with respect thereto, shall constitute cause for the failure or refusal by the Successful Bidder to accept delivery of and to make payment for the Notes in accordance with the terms of this Notice and of its bid. All expenses in relation to the printing of the CUSIP numbers and the expenses of the CUSIP Service Bureau for the assignment thereof shall be the responsibility of and shall be paid for by the City.

Delivery and Payment

The City will pay for printing the Notes and will deliver each series of the Notes properly prepared, executed and registered without cost on or about **OCTOBER 15, 2014** (the “Closing Date”), at DTC for the account of the Successful Bidder. Each Successful Bidder will be furnished with a certified transcript of the proceedings in CD-ROM format evidencing the authorization and issuance of such series of Notes and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Notes affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Notes shall be received by 12:00 noon, Central Daylight Time, on the Closing Date, in Federal Reserve funds immediately available for use by the City. The City will deliver one Note for each series of Notes registered in the nominee name of DTC.

Reoffering Prices

The Successful Bidder for each series of Notes will be required to complete, execute and deliver to the City prior to the delivery of the Notes, a written certification (the "Issue Price Certificate") containing the following: (a) the initial offering price and interest rate for each series of the Notes; (b) that all of the Notes of each series were offered to the public in a bona fide public offering at the initial offering prices on the Sale Date; and (c) on the Sale Date the Successful Bidder reasonably expected that at least 10% of each maturity of a series of the Notes would be sold to the "public" at prices not higher than the initial offering prices. For purposes of the preceding sentence "public" means persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Notes for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Notes for sale the public. ***Such initial offering prices to the public must also be included in the Official Bid Form submitted for each series of the Notes.***

At the request of the City, the Successful Bidder will provide information explaining the factual basis for the Successful Bidder's Issue Price Certificate. This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the City requests the information in connection with an audit or inquiry by the Internal Revenue Service (the "IRS") with respect to the Series 268 Notes and Series 270 Notes, or the Securities and Exchange Commission (the "SEC") or (b) the information is required to be retained by the City pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement

On August 26, 2014, the Governing Body authorized and directed the preparation of a Preliminary Official Statement "deemed final" by the City except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12, copies of which may be obtained by contacting the Department of Finance at the address set forth on the last page of this Notice or by visiting www.onlinemuni.com. Authorization is hereby given to redistribute this Notice and the Preliminary Official Statement, but this entire Notice and the entire Preliminary Official Statement, and not portions thereof, must be redistributed. Upon the sale of the Notes, the City will prepare the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder's proposal, with a sufficient number of copies thereof, which may be in electronic format, in order to comply with the requirements of Rule 15c2-12(3) and (4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board (collectively the "Rules"). The City's acceptance, including electronic acceptance through PARITY[®], of the Successful Bidder's proposal for the purchase of each series of the Notes in accordance with this Notice shall constitute a contract between the City and the Successful Bidder for purposes of the Rules. The City designates the senior managing underwriter of any syndicate of the Successful Bidder as agent for purposes of distributing copies of the final Official Statement to each participating underwriter. Any bidder submitting a bid for the purchase of the Notes agrees thereby that if such bid is accepted: (a) it shall accept such designation, and (b) it shall enter into a contractual relationship with all participating underwriters of the Notes for purposes of assuring the receipt by each such participating underwriter of the final Official Statement. Additional copies may be ordered by the Successful Bidder at its expense.

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to its Rule 15c2-12 (the "Rule") requiring continuous secondary market disclosure for certain issues. In the separate resolutions authorizing each series of Notes, the City has covenanted to enter into an undertaking (the "Undertaking") for the benefit of the holders of the Notes to send to the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access facility, or other applicable entity as required or permitted under the Rule, certain financial information and operating data annually and to provide notice to the MSRB of certain events, pursuant to the requirements of the Rule. For further information regarding the Undertaking, reference is made to the caption "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

Assessed Valuation and Indebtedness

Information regarding the assessed valuation of the taxable tangible property within the City and the amount of indebtedness of the City as of the date of delivery of the Notes is set forth in the Preliminary Official Statement.

Legal Opinion

Each series of Notes will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel, which opinion will be furnished and paid for by the City, will be printed on the Notes, if the Notes are printed, and will be delivered to the Successful Bidder when the Notes are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Notes being excludable from gross income for federal income tax purposes, if applicable, and exempt from income taxation by the State of Kansas. Reference is made to the Preliminary Official Statement for further discussion of federal and Kansas income tax matters relating to the interest on the Notes.

Additional Information

Additional information regarding the Notes, the delivery of the Deposit and notification regarding the same may be obtained from the Department of Finance, 12th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679, or by contacting:

Ms. Shawn Henning
Director of Finance
Phone: (316) 268-4300
Fax: (316) 858-7520
Email: shenning@wichita.gov

Ms. Cheryl Busada
Debt Coordinator
Phone: (316) 268-4143
Fax: (316) 858-7520
cbusada@wichita.gov

**BY ORDER OF THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, ON
AUGUST 26, 2014.**

By: /s/ Carl Brewer, Mayor
Carl Brewer, Mayor

(Seal)

ATTEST:

By: /s/ Karen Sublett, City Clerk
Karen Sublett, City Clerk

RESOLUTION NO. 14-[]

RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION TEMPORARY NOTES OF THE CITY OF WICHITA, KANSAS.

WHEREAS, the City Council (the “Governing Body”) of the City of Wichita, Kansas (the “City”), has heretofore authorized the acquisition, construction and equipping of various public improvements (the “Improvements”) to be paid from the proceeds of general obligation bonds to be issued by the City pursuant to the laws of the State of Kansas and certain Charter Ordinances of the City; and

WHEREAS, it is necessary for the City to provide cash funds (from time to time) to meet its obligations incurred in constructing the Improvements prior to the completion thereof and the issuance of the City's general obligation bonds, and it is desirable and in the interest of the City that such funds be raised by the issuance of temporary notes of the City; and

WHEREAS, the City has heretofore issued and has outstanding temporary notes, the proceeds of which were applied to temporarily finance a portion of the costs of the Improvements and other public improvements (collectively the “Existing Notes”); and

WHEREAS, certain of the Improvements are completed and will be permanent financed from proceeds of general obligation bonds of the City and it is necessary to provide for redemption of that portion of the Existing Notes; and

WHEREAS, permanent financing for a portion of the Improvements will not be completed prior to the maturity date of the Existing Notes and it is necessary for the City to provide cash funds to meet its obligations on the Existing Notes by the issuance of additional temporary notes of the City; and

WHEREAS, the City desires to authorize the Director of Finance and other City staff, the Law Department and Gilmore & Bell, P.C., as bond counsel (“Bond Counsel”) to proceed with the offering for sale of said temporary notes and related activities, including the preparation and distribution of a preliminary official statement and notice of note sale.

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

Section 1. The Director of Finance is hereby authorized to offer at competitive public sale the following general obligation temporary notes (collectively, the “Notes”) of the City:

<u>Description</u>	<u>Series</u>
General Obligation Temporary Notes	268
General Obligation Temporary Notes (Subject to AMT)	270
Taxable General Obligation Temporary Notes	253

as more fully described in the Notice of Note Sale, which is hereby approved in substantially the form presented to the Governing Body this date.

Section 2. The Preliminary Official Statement relating to the Notes, is hereby approved in substantially the form presented to the Governing Body this date, with such changes or additions as the Mayor or Director of Finance shall deem necessary and appropriate, and such officials and other representatives of the City are hereby authorized to use such document in connection with the public sale of the Notes.

Section 3. The Director of Finance, in conjunction with Bond Counsel, is hereby authorized and directed to give notice of said sale by distributing copies of the Notice of Note Sale and Preliminary Official Statement to prospective purchasers of the Notes. Proposals for the purchase of the Notes shall be submitted upon the terms and conditions set forth in said Notice of Note Sale, and shall be delivered to the Governing Body at its meeting to be held on the date of such sale, at which meeting the Governing Body shall review such bids and shall award the sale of the Notes or reject certain or all proposals.

Section 4. For the purpose of enabling the purchasers of the Notes (collectively, the “Purchaser”) to comply with the requirements of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”), the Director of Finance or other appropriate officers of the City are hereby authorized to approve the form of said Preliminary Official Statement. The Mayor and Director of Finance or other appropriate officers of the City are hereby authorized to: (a) 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 officials’ signature thereon being conclusive evidence of such officials’ and the City’s approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to certain national repositories and the Municipal Securities Rulemaking Board, as applicable; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary; to enable the Purchaser to comply with the requirement of the Rule. The City agrees to provide to the Purchaser within seven business days of the date of the sale of Notes 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, Director of Finance, Clerk, the City Attorney and the other officers and representatives of the City and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Notes, including providing for redemption of a portion of the Existing Notes.

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 of the City of Wichita, Kansas, on August 26, 2014.

(SEAL)

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Sharon L. Dickgrafe, Interim Director of
Law and City Attorney

EXHIBIT A
CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL

_____, 2014

To:

Re: City of Wichita, Kansas: General Obligation Temporary Notes, Series 268; General Obligation Temporary Notes (Subject to AMT), Series 270 and Taxable General Obligation Temporary Notes, Series 253 (collectively, the "Notes")

The undersigned are the duly authorized and acting Mayor and Director of Finance of the City of Wichita, Kansas (the "City"), and are authorized to deliver this Certificate to the addressees (collectively, the "Purchaser") on behalf of the City. The City has heretofore caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the Notes.

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 City hereby deems the information regarding the City 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, identity of the underwriters and other terms of the Notes depending on such matters.

CITY OF WICHITA, KANSAS

By: _____
Carl Brewer, Mayor

By: _____
Shawn Henning, Director of Finance

Second Reading Ordinances for August 26, 2014 (first read on August 19, 2014)

A. Request for Proposals and Selection Committee Assessment.

ORDINANCE NO. 49-816

AN ORDINANCE AMENDING SECTIONS 2.04.060, 2.04.090, 2.64.010, 2.64.020, 2.64.040, AND 10.12.180 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO AUTHORIZED CONTRACTING AUTHORITY OF STAFF AND REPEALING THE ORIGINALS OF SAID SECTIONS.

CHARTER ORDINANCE NO. 222

A CHARTER ORDINANCE AMENDING SECTION 1 OF CHARTER ORDINANCE NO. 198 PERTAINING TO THE METHODS OF BUILDING PUBLIC IMPROVEMENT PROJECTS, AND REPEALING THE ORIGINAL OF SECTION 1 OF CHARTER ORDINANCE 198.

B. A14-05 Request by Willie C. and Frohna Michele Richardson to Annex Lands Generally Located One-Quarter Mile South of Pawnee on the West Side of Webb. (District II)

ORDINANCE NO.49-817

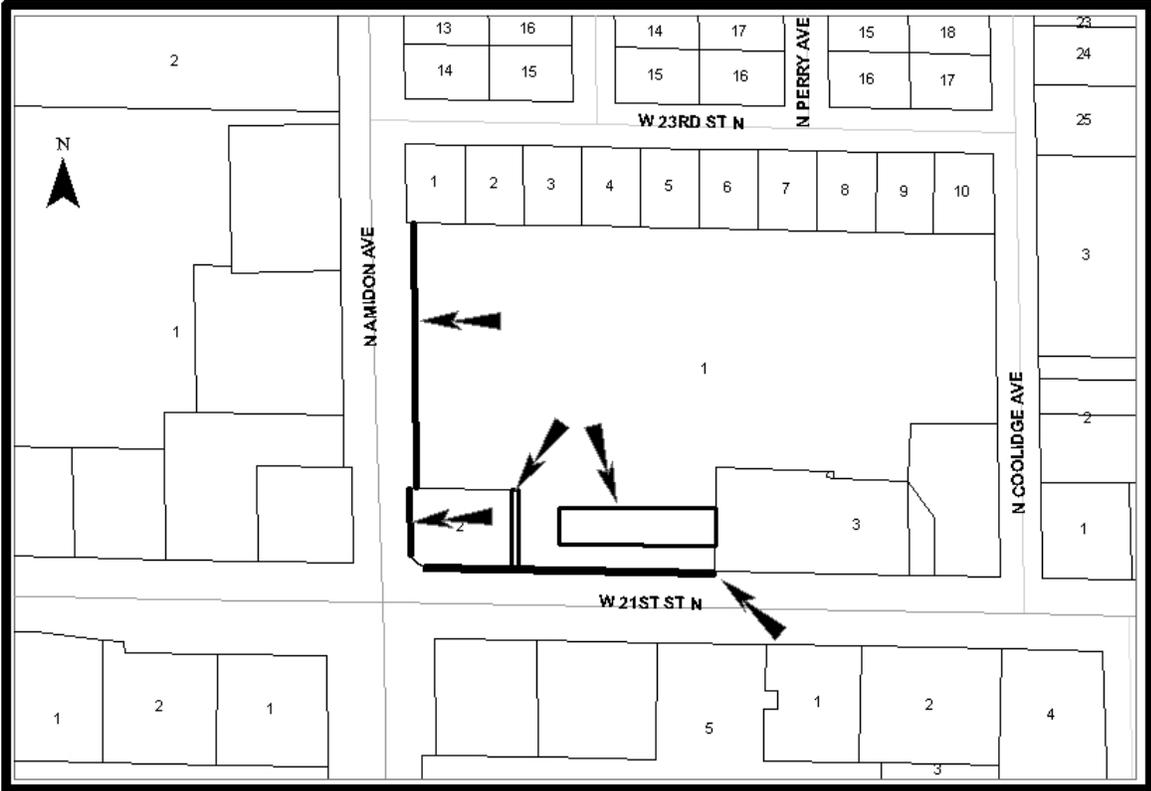
AN ORDINANCE INCLUDING AND INCORPORATING CERTAIN BLOCKS, PARCELS, PIECES AND TRACTS OF LAND WITHIN THE LIMITS AND BOUNDARIES OF THE CITY OF WICHITA, KANSAS. (A14-05)

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council
SUBJECT: VAC2013-00017 - Request to Vacate a Platted Easement, Platted Setbacks, Platted Access Control and Platted Contingent Street Right-of-Way on Property Generally Located on the Northeast Corner of 21st Street North and Amidon Avenue. (District VI)
INITIATED BY: Metropolitan Area Planning Department
AGENDA: Planning (Consent)

Staff Recommendation: Staff recommends approval of the vacation request.

MAPC Recommendation: The Metropolitan Area Planning Commission recommends approval of the vacation request (12-0).



Background: The applicant is requesting consideration for the following multiple vacations on Lots 1 and 2, the Amidon Plaza Addition, Community Unity Plan (CUP) DP-76:

- (a) The platted 10-foot wide utility easement that runs parallel to the east side of the east lot line of Lot 2, the Amidon Plaza Addition. There are no utilities located in the subject easement.
- (b) The platted 190-foot and 85-foot setback located on Lot 1, and the 35-foot setback located on Lot 2, all in the Amidon Plaza Addition. Dedication of 35-foot setback, which is the minimum standard for a CUP, has been provided by the applicant.
- (c) The platted access control located along the Amidon Avenue and 21st Street North frontages of Lots 1 and 2, the Amidon Plaza Addition. Dedication of new access control has been provided by the applicant.
- (d) The platted contingent street right-of-way located along the 21st Street North frontage of Lots 1 and 2, the Amidon Plaza Addition. Dedication of complete street right-of-way has been provided by the applicant.

The Amidon Plaza Addition was recorded October 23, 1996.

Analysis: The Metropolitan Area Planning Commission (MAPC) voted (12-0) to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing or its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: All improvements are to City standards and at the applicant's expense.

Legal Considerations: The Law Department has reviewed and approved, as to form, the Vacation Order, the dedications by instruments for setbacks, access controls and street right-of-ways. The original Vacation Order and the dedications by instruments for setbacks, access controls and street right-of-ways will be recorded with the Register of Deeds.

Recommendation/Actions: It is recommended that the City Council follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order and authorize the necessary signatures.

Attachments:

- Vacation Order
- A dedication by instrument for setbacks
- Two (2) dedications by instruments for access controls
- Two (2) dedications by instruments for street right-of-ways
- A check for \$72 for recording the above dedications by separate instruments with the Register of Deeds of Sedgwick County

**BEFORE THE CITY COUNCIL OF THE
CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**IN THE MATTER OF THE VACATION OF A)
PLATTED UTILITY EASEMENT, PLATTED SETBACKS,)
PLATTED ACCESS CONTROL AND PLATTED)
CONTINGENT STREET RIGHT-OF-WAY)
)
GENERALLY LOCATED ON THE NORTHEAST CORNER) **VAC2013-00017**
OF 21ST STREET NORTH AND AMIDON AVENUE)
)
)
)
MORE FULLY DESCRIBED BELOW)**

VACATION ORDER

NOW on this 19th day of August, 2014, comes on for hearing the petition for vacation filed by the Dillon Companies, Inc., c/o Joseph A. Grieshaber – Vice President praying for the vacation of a platted utility easement, platted setbacks, platted access controls, and platted contingent street right-of-ways, to-wit:

Legal description of a vacated platted utility easement:

A 10' Utility Easement located within Lot 1, Amidon Plaza Addition to Wichita, Sedgwick County, Kansas; lying east of and adjacent to the east line of Lot 2, Amidon Plaza Addition.

&

Legal description of a vacated platted contingent street right-of-way:

A tract of land in the Southeast Quarter, Section 6, Township 27 South, Range 1 East, 6th Principal Meridian, Sedgwick County, Kansas, more particularly described as: ALL of the contingent street dedication lying within Lots 1 and 2, Amidon Plaza Addition to Wichita; EXCEPT the west 10' of the east 20' of said contingent street dedication lying adjacent to Amidon Avenue and lying north of a line

being 75' north of and parallel with the south line of said Southeast Quarter, all in accordance with Exhibit A attached hereto.

&

Legal description of a vacated platted setbacks:

The 190' Building Setback Line located parallel with Amidon Avenue and the 85' Building Setback Line located parallel with 21st Street North, as platted in Amidon Plaza Addition, Wichita, Sedgwick County, Kansas.

&

Legal description of a vacated platted access control:

Platted access control to or from 21st Street North and to or from Amidon Avenue over and across the south and west lines of Lots 1 and 2, Amidon Plaza Addition to Wichita, Sedgwick County, Kansas; EXCEPT the platted 51' access opening on the north side of 21st Street North located at lot line common to Lots 1 and 3 of said addition all in accordance with Exhibit B attached hereto.

The City Council, after being duly and fully informed as to fully understand the true nature of this petition and the propriety of granting the same, makes the following findings:

1. That due and legal notice has been given by publication, as required by law, in The Wichita Eagle on May 30, 2013 , which was at least 20 days prior to the public hearing.

2. No private rights will be injured or endangered by the vacation of the above-described portions of a platted utility easement, platted setbacks, platted access controls, and platted contingent street right-of-ways and the public will suffer no loss or inconvenience thereby.

3. Dedications by separate instruments of setbacks, two access controls and two street right-of-ways will be filed with this Vacation Order at the Register of Deeds.

4. In justice to the petitioner(s), the prayer of the petition ought to be granted.

5. No written objection to said vacation has been filed with the City Clerk by any owner or adjoining owner who would be a proper party to the petition.

6. The vacation of the described portions of a platted utility easement, platted setbacks, platted access controls, and platted contingent street right-of-ways should be approved.

IT IS, THEREFORE, BY THE CITY COUNCIL, on this 26th day of August, 2014, ordered that the above-described portions of a platted utility easement, platted setbacks, platted access controls, and platted contingent street right-of-ways are hereby vacated. IT IS FURTHER ORDERED that the City Clerk shall send this original Vacation Order to the Register of Deeds of Sedgwick County.

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Sharon Dickgrafe, Interim City Attorney
& Director of Law

DEDICATION OF SETBACK

The undersigned Dillon Companies, Inc., a Kansas corporation, being the Owner(s) of the following-described real estate (property) situated in Wichita, Sedgwick County, Kansas, to wit:

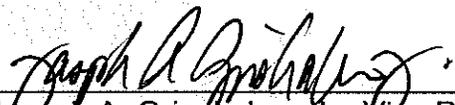
Lots 1 and 2, Amidon Plaza Addition, Wichita, Sedgwick County, Kansas.

Does hereby dedicate a 35-foot building setback running parallel along the entire west line of Lots 1 and 2, Amidon Plaza Addition and dedicates a 35-foot building setback running parallel along the entire south lot line of Lots 1 and 2, Block 1, Amidon Plaza Addition.

The above undersigned agrees the above-described dedicated setback will remain with the above-described properties until a replat of the above-described properties occurs.

IN WITNESS WHEREOF: The said first party has signed the presents the day and the year first above written.

DILLON COMPANIES, INC.

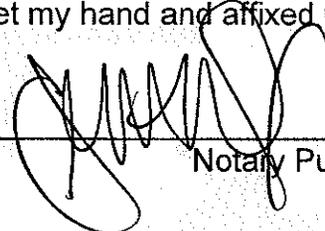
By: 
Joseph A. Grieshaber, Jr., Vice President

STATE OF KANSAS)
RENO COUNTY)

BE IT REMEMBERED, that on this 5th day of December, 2013, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came Joseph A. Grieshaber, Jr., Vice President of Dillon Companies, Inc., a Kansas corporation, who is personally known to me to be the same person(s) who executed the within instrument of writing and such person duly acknowledged the execution of the same, for and on behalf of the corporation.

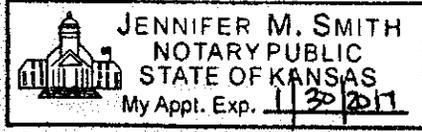
VAC 2013-17

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

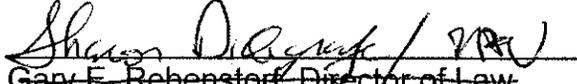


Notary Public

My Commission Expires: 11/30/2017



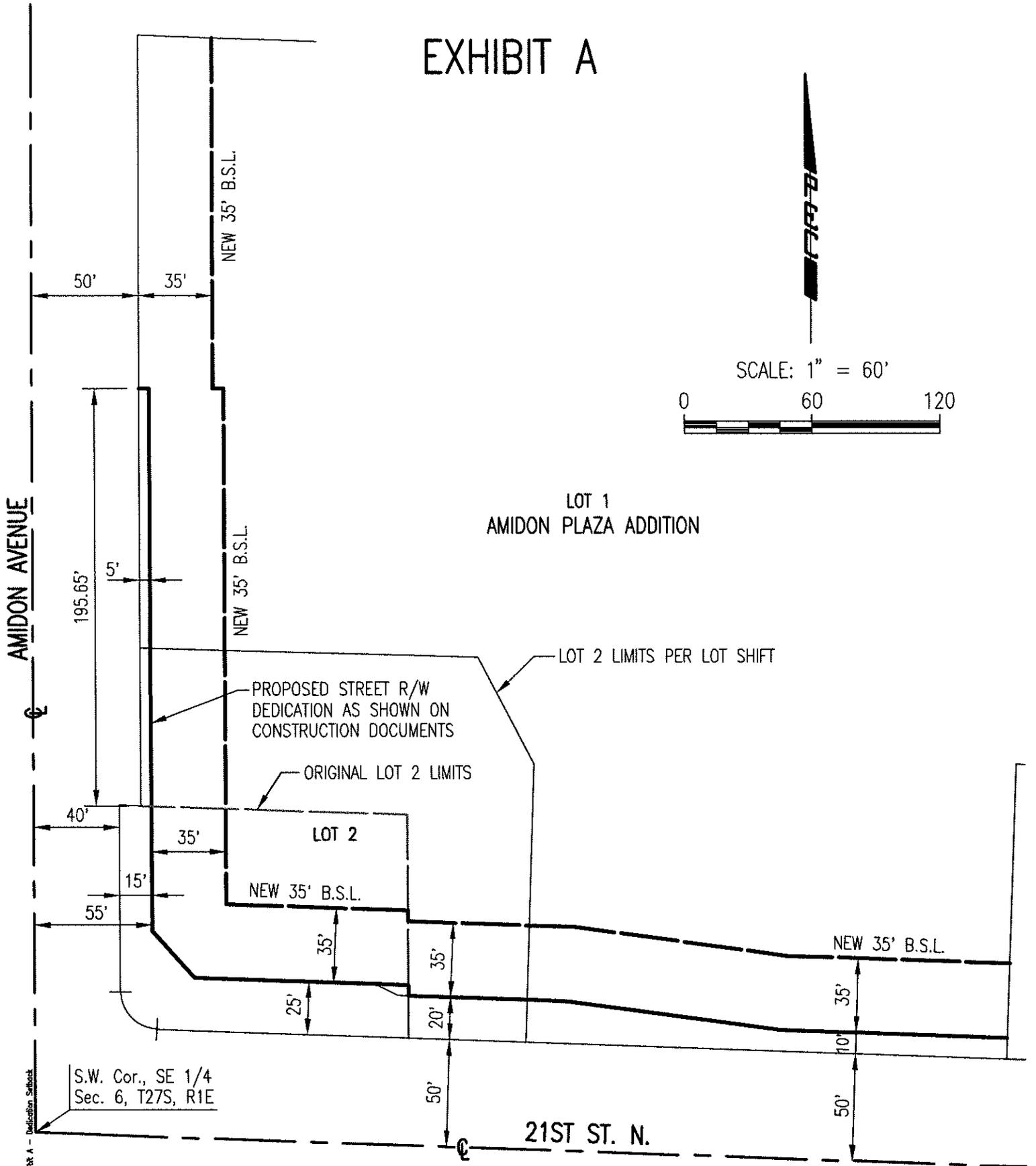
Approved as to form:



Gary E. Rebenstorf, Director of Law
Sharon Dukegrafe, Interim City Attorney

VAC2013-17

EXHIBIT A



Served 10-25-2013 2:57:39 PM by JTS
 Plot Scale 1/60 10-25-2013 4:54:02 PM by JTS
 C:\2005\06742\cases\Exhibit A - Dedication Setback - Exhibit A

VAC2013-17

DEDICATION OF ACCESS CONTROL

KNOW ALL MEN BY THESE PRESENTS

That for and in consideration of the sum of One Dollar (\$1.00) and other goods and valuable considerations, the receipt of which is hereby acknowledged, the undersigned Dillon Companies, Inc. being the owner of the following described real estate in Wichita, Sedgwick County, Kansas to wit:

Lots 1 and 2, Amidon Plaza Addition to Wichita, Sedgwick County, Kansas.

does hereby transfer and convey to the City of Wichita, Kansas, all abutter's rights of access, ingress and egress to said property from Amidon Avenue over and across the above described property; to have and to hold the same forever; provided however, that said property shall have access to Amidon Avenue at two locations. It being understood that this conveyance is a covenant running with the land and prohibits all subsequent owners thereof and all members of the public from entering said property from Amidon Avenue, except at the two permitted locations; that the two permitted locations being;

Full Turn Opening

The South 50 feet of the North 110 feet of Lot 1, Amidon Plaza Addition to Wichita, Sedgwick County, Kansas.

Right-in Right-out Drive Opening

The North 50 feet of Lot 2, Amidon Plaza Addition, to Wichita, Sedgwick County, Kansas.

It also being understood that this conveyance does not prohibit the owners or subsequent owners thereof from requesting additional access points in the future that comply with the City of Wichita access management policy.

Executed this 26th day of July, 2013.

DILLON COMPANIES, INC.

By: *Joseph A. Grieshaber, Jr.*
Joseph A. Grieshaber, Jr., Vice President

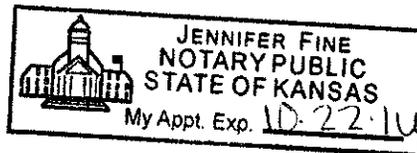
STATE OF KANSAS)
) SS:
RENO COUNTY)

Personally appeared before me a notary public in and for the County and State aforesaid came undersigned Joseph A. Grieshaber, Jr., Vice President of Dillon Companies, Inc., to me personally known to be the same person who executed the forgoing instrument of writing and said person duly acknowledged the execution thereof.

Dated at Wichita, Kansas, this 26th day of July, 2013.

Jennifer Fine
Notary Public

My appointment expires: 10.22.2014



VAC2013-17

DEDICATION OF ACCESS CONTROL

KNOW ALL MEN BY THESE PRESENTS

That for and in consideration of the sum of One Dollar (\$1.00) and other goods and valuable considerations, the receipt of which is hereby acknowledged, the undersigned Dillon Companies, Inc. being the owner of the following described real estate in Wichita, Sedgwick County, Kansas to wit:

Lot 2, Amidon Plaza Addition to Wichita, Sedgwick County, Kansas.

does hereby transfer and convey to the City of Wichita, Kansas, all abutter's rights of access, ingress and egress to said property from or to 21st Street North over and across the above described property; to have and to hold the same forever; provided however, that said property shall have access to 21st Street North at one location. It being understood that this conveyance is a covenant running with the land and prohibits all subsequent owners thereof and all members of the public from entering said property from 21st Street North, except at the one permitted location; that the one permitted location being;

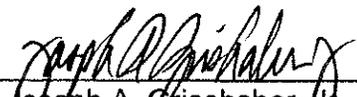
Right-in Right-out Drive Opening

The East 50 feet of Lot 2, adjacent to 21st Street North, Amidon Plaza Addition, to Wichita, Sedgwick County, Kansas.

It also being understood that this conveyance does not prohibit the owners or subsequent owners thereof from requesting additional access points in the future that comply with the City of Wichita access management policy.

Executed this 26th day of July, 2013.

DILLON COMPANIES, INC.

By: 
Joseph A. Grieshaber, Jr., Vice President

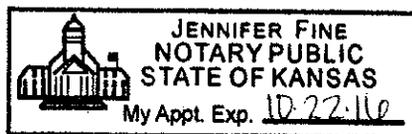
STATE OF KANSAS)
) SS:
RENO COUNTY)

Personally appeared before me a notary public in and for the County and State aforesaid came undersigned Joseph A. Grieshaber, Jr., Vice President of Dillon Companies, Inc., to me personally known to be the same person who executed the forgoing instrument of writing and said person duly acknowledged the execution thereof.

Dated at Wichita, Kansas, this 26th day of July, 2013.

Jennifer Fine
Notary Public

My appointment expires: 10-22-2016



VAC2013-17

DEDICATION FOR STREET RIGHT OF WAY

KNOW ALL MEN BY THESE PRESENTS:

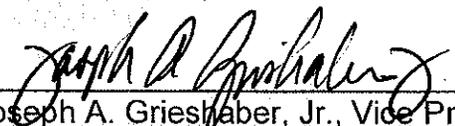
That for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, the undersigned, Dillon Companies, Inc., a Kansas corporation, being the owner(s) of the following described real estate in Sedgwick County, Kansas, to-wit:

All of the contingent street dedication along the south line of Lot 1 as platted in Amidon Plaza Addition, Wichita, Sedgwick County, Kansas; TOGETHER WITH the south 25' of Lot 2 as platted in Lot 2, Amidon Plaza Addition, Wichita, Sedgwick County, Kansas; TOGETHER WITH the following described tract: Commencing at the northwest corner of Lot 2, Amidon Plaza Addition, Wichita, Sedgwick County, Kansas; thence south along the west line of said Lot 2, bearing S00°W to a point being 75' north of the south line of the SE ¼, Section 6, Township 27 South, Range 1 East; thence bearing S87°55'45"E, parallel with the south line of said Lot 2, 15' to the POINT OF BEGINNING; thence continuing bearing S87°55'45"E, a distance of 20'; thence northwesterly to a point being 20' north of the point of beginning, said point also being 55' east of the west line of said SE ¼; thence south bearing S00°00'W to the Point of Beginning.

Do hereby dedicate the above-described real estate to the public for Street Right of Way purposes.

Executed this 5th day of December, 2013.

DILLON COMPANIES, INC.

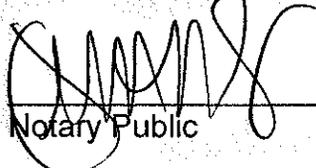
By: 
Joseph A. Griestaber, Jr., Vice President

VAC2013-17

STATE OF KANSAS)
) SS:
RENO COUNTY)

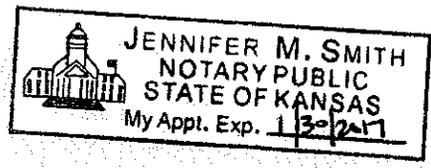
Personally appeared before me a notary public in and for the County and State aforesaid came undersigned Joseph A. Grieshaber, Jr., Vice President of Dillon Companies, Inc., a Kansas corporation, to me personally known to be the same person who executed the forgoing instrument of writing and said person duly acknowledged the execution thereof for and on behalf of the corporation.

Dated at Hutchinson, Kansas, this 5th day of December, 2013.

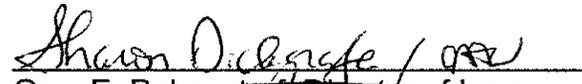


Notary Public

My appointment expires: 1/30/2017



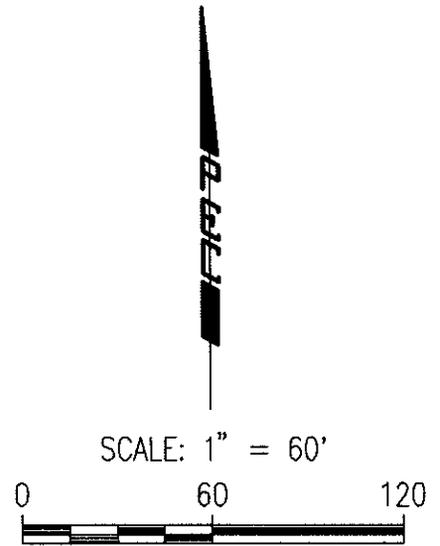
Approved as to form:



~~Gary E. Rebenstorff, Director of Law~~
Sharon D. DeGrate, Interim City Attorney

EXHIBIT A

AMIDON AVENUE



LOT 1
AMIDON PLAZA ADDITION

5'
PROPOSED STREET R/W
DEDICATION AS SHOWN ON
CONSTRUCTION DOCUMENTS

LOT 2 LIMITS PER LOT SHIFT

N.W. Corner of Original Lot 2
POINT OF COMMENCEMENT

ORIGINAL LOT 2 LIMITS

AMIDON PLAZA CONTINGENT STREET DEDICATION
PROPOSED STREET R/W
DEDICATION PER LEGAL DOCUMENTS

LOT 2
NEW 35' B.S.L.

NEW 35' B.S.L.

S87°55'45" E 20'
POINT OF BEGINNING
S87°55'45" E
15'

21ST ST. N.

S.W. Cor., SE 1/4
Sec. 6, T27S, R1E

Saved: 10-25-2013 2:51:30 PM by JTS
 Plot Scale: 1:60 10-25-2013 4:04:41 PM by JTS
 C:\2008\06712\ORWA\Exhibit A - Exhibit A - Dedication of Street ROW 2

VAC2013-17

VAC2013-00017: Dedication Street Right of Way-1



303 SOUTH TOPEKA
WICHITA, KS 67202
316-262-2691
www.pec1.com

DEDICATION FOR STREET RIGHT OF WAY

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, the undersigned, Dillon Companies, Inc., a Kansas corporation, being the owner(s) of the following described real estate in Sedgwick County, Kansas, to-wit:

The west 5' of the south 195.65' of Lot 1 as platted in Amidon Plaza Addition, Wichita, Sedgwick County, Kansas TOGETHER WITH the west 15' of Lot 2, as platted in Amidon Plaza Addition, Wichita, Sedgwick County, Kansas.

Do hereby dedicate the above-described real estate to the public for Street Right of Way purposes.

Executed this 5th day of December, 2013.

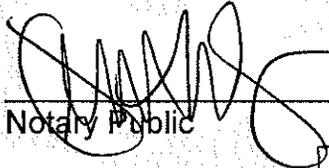
DILLON COMPANIES, INC.

By: 
Joseph A. Grieshaber, Jr., Vice President

STATE OF KANSAS)
) SS:
RENO COUNTY)

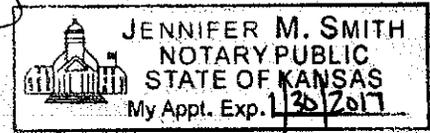
Personally appeared before me a notary public in and for the County and State aforesaid came undersigned Joseph A. Grieshaber, Jr., Vice President of Dillon Companies, Inc., a Kansas corporation, to me personally known to be the same person who executed the forgoing instrument of writing and said person duly acknowledged the execution thereof for and on behalf of the corporation.

Dated at Hutchinson, Kansas, this 5th day of December, 2013.



Notary Public

My appointment expires: 1/30/2017



Approved as to form:


~~Gary E. Rebenstorf, Director of Law~~
Sharon Diegrafe, Interim City Attorney

EXHIBIT A

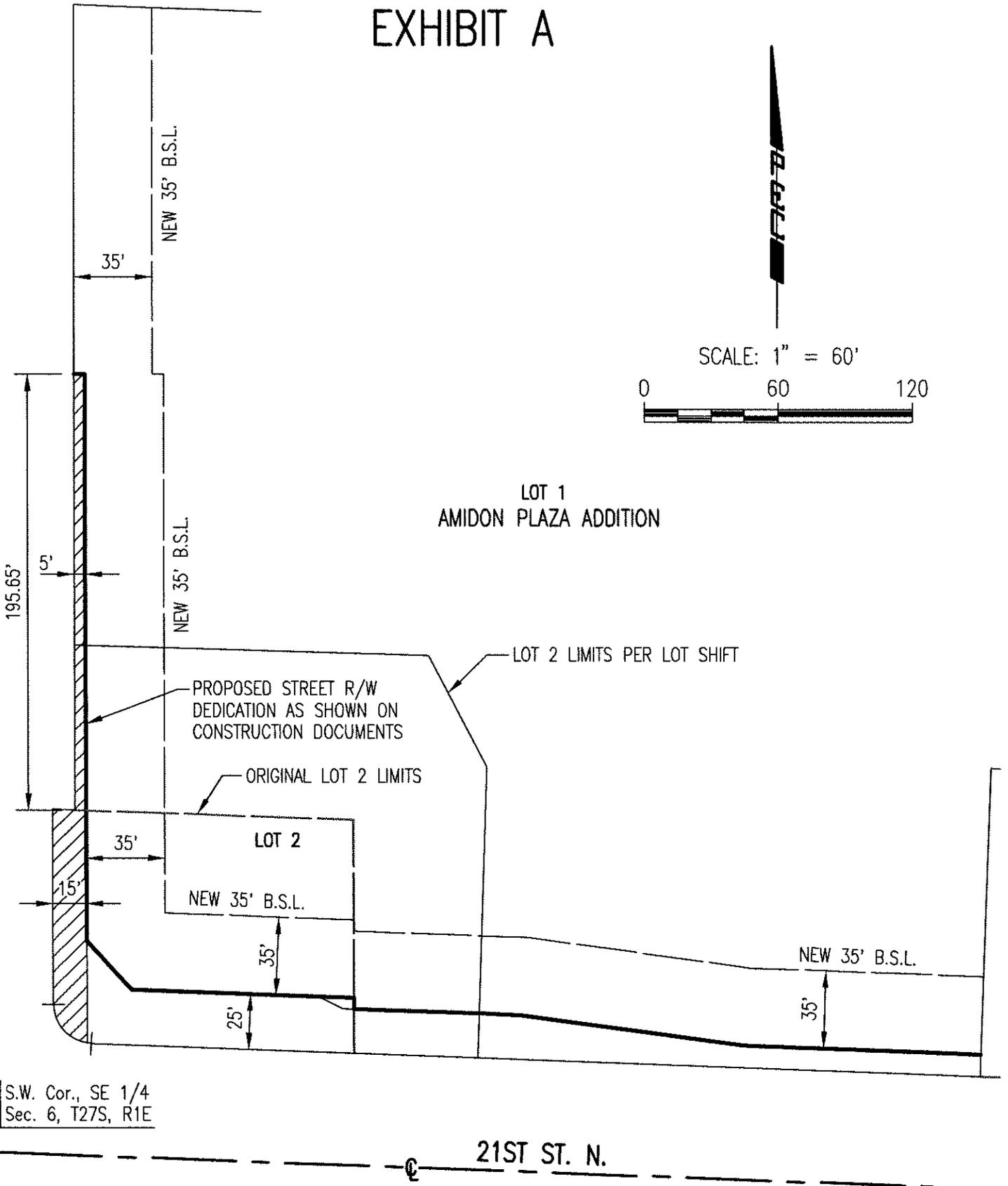
AMIDON AVENUE



SCALE: 1" = 60'



LOT 1
AMIDON PLAZA ADDITION



S.W. Cor., SE 1/4
Sec. 6, T27S, R1E

21ST ST. N.

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 Plot Scale 1/80 10-25-2013 2:57:02 PM by JTS
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VAC2013-17



PROFESSIONAL ENGINEERING CONSULTANTS, P.A.

303 SOUTH TOPEKA
WICHITA, KS 67202
316-262-2691
www.pec1.com

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council

SUBJECT: ZON2014-00013 – Zone Change Request from SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) to LI Limited Industrial (LI), Generally Located East of South Tyler Road and North of the K42 Highway (District IV).

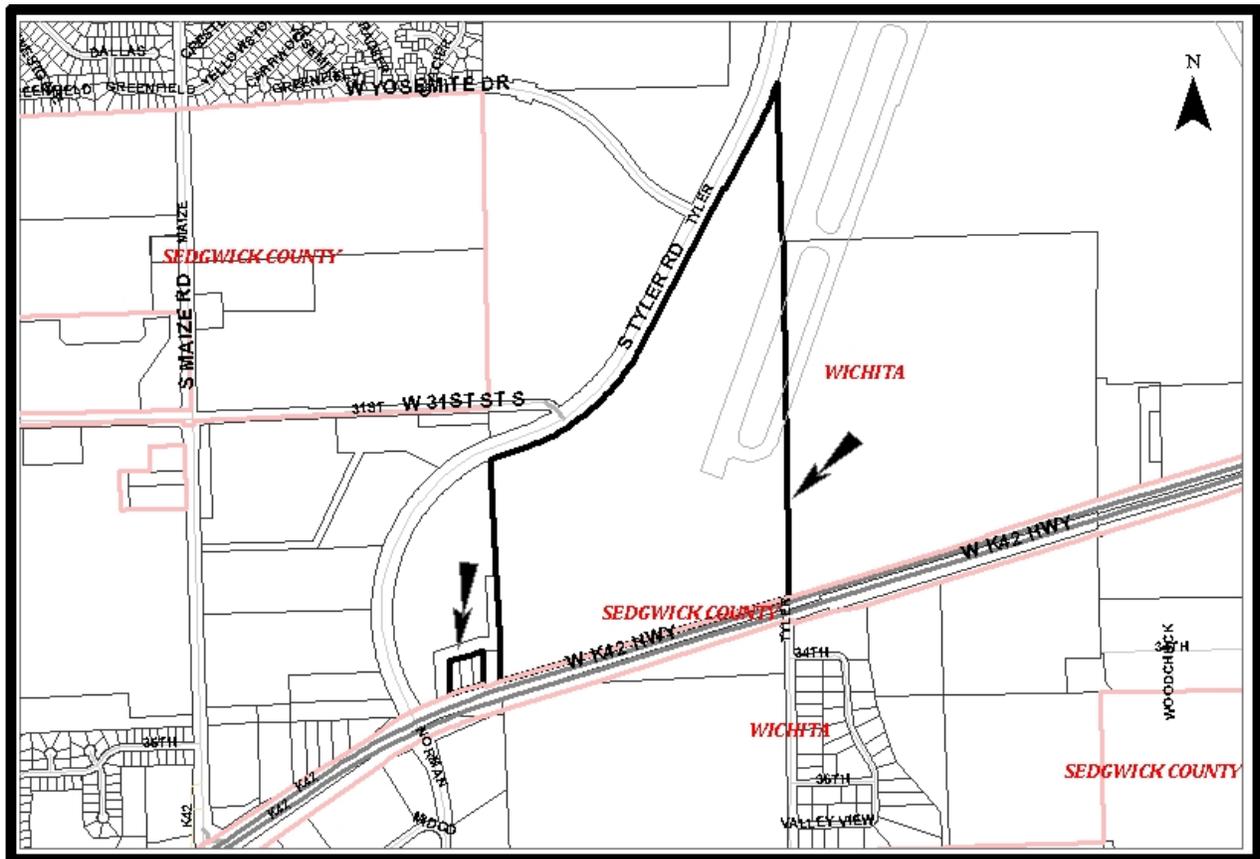
INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

MAPC Recommendation: The MAPC recommended approval of the request (11-0).

DAB Recommendation: District Advisory Board IV heard the item but did not have a quorum and therefore did not make a recommendation.

MAPD Staff Recommendation: Metropolitan Area Planning Department staff recommended approval of the request.



Background: The 160-acre application area is currently zoned SF-5 Single-Family Residential (SF-5) with a small portion of LC Limited Commercial (LC) zoning, it is owned by the Wichita Airport Authority and is contiguous with the remainder of the LI Limited Industrial (LI) zoned airport property. The application area includes the far south end of the paved runway system, and is otherwise open space under the Airport Hazard Zone Area A with a 25-foot height restriction. The Airport Authority also owns all surrounding property, to include property south of K42, with the exception of one SF-5 zoned residence on the north side of K42 and surrounded by the application area. Under LI zoning, the Unified Zoning Code (UZC) would permit numerous uses not permitted under the current SF-5 zoning. However, the Airport Authority intends to continue the current use – open space surrounding the paved runway system. The majority of the site is platted; the three small parcels in the southwest corner of the application area are un-platted.

Property north of the site, across Tyler Road, is zoned SF-5 and is used for an open space park and Airport Authority owned open space. Property south of the site, across K42, is zoned SF-5 and is used as Airport Authority zoned open space. Property east and west of the site is zoned LI and is used as Airport Authority owned open space, with the exception of one SF-5 zoned .95-acre site developed with a single-family residence.

Analysis: District Advisory Board (DAB) IV heard the rezone request on August 4, 2014, the DAB did not have a quorum and therefore did not make a recommendation. No citizens spoke at the DAB hearing on this request.

At the Metropolitan Area Planning Commission (MAPC) meeting held on July 24, 2014, the MAPC voted (11-0) to recommend approval of the request subject to platting the un-platted portion within one year. No citizens spoke at the MAPC hearing and no protests were filed on this request.

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 adopt the findings of the MAPC and approve the zone change subject to platting within one year of approval, instruct the Planning Department to forward the ordinance for first reading when the plat is recorded (simple majority vote required).

Attachments:

- Ordinance
- DAB memorandum
- MAPC minutes

ORDINANCE NO. 49-819

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. ZON2014-00013

Zone change from SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) to LI Limited Industrial (LI) on approximately 160 acres described as:

That part of Lot 1, Block 1, Mid-Continent Airport 6th Addition, to Wichita, Sedgwick County, Kansas lying in Sections 5 and 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas; TOGETHER WITH a tract in Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas, described as: Beginning at the intersection of the East line of the Northwest Quarter of said Section 8 and the North line of State Highway K-42 as it exists on July 24, 1996; thence in a southwesterly direction along the said North line of State Highway K-42, a distance of 150.0 feet for a point of beginning; thence in a southwesterly direction along said North line of State Highway K-42, a distance of 100 feet; thence north parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet; thence in a northeasterly direction parallel with the said North line of State Highway K-42, a distance of 100 feet; thence south parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet to the point of beginning, except the south 30 feet for road; TOGETHER WITH the West Half of a tract in Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas, described as: Beginning at the intersection of the East line of the Northwest Quarter of said Section 8 and the North line of State Highway K-42 as it exists on July 24, 1996; thence in a southwesterly direction along the said North line of State Highway K-42, a distance of 150.0 feet for a point of beginning; thence in a southwesterly direction along said North line of State Highway K-42, a distance of 200 feet; thence north parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet; thence in a northeasterly direction parallel with the said North line of State Highway K-42, a distance of 200 feet; thence south parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet to the point of beginning, except the south 30 feet for road; TOGETHER WITH A tract in the Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas, described as: Beginning at the intersection of the east line of the Northwest Quarter of said Section 8 and the north line of State Highway K-42 as it exists on July 24, 1996; thence in a southwesterly direction along the said north line of State Highway K-42, a distance of 355.4 feet for a Point of Beginning; thence in a southwesterly direction along said north line of State Highway K-42, a distance of 110 feet; thence north parallel with the east line of the Northwest Quarter of said Section 8, a distance of 310 feet; thence in a northeasterly direction parallel with the said north line of State Highway K-42, a distance of 110 feet; thence south parallel with the east line of the Northwest Quarter of said Section 8, a distance of 310 feet to the Point of Beginning, except the south 30 feet for road.

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.

Carl Brewer - Mayor

ATTEST:

Karen Sublett, City Clerk

(SEAL)

Approved as to form: _____
Sharon Dickgrafe, Interim City Attorney



**INTEROFFICE
MEMORANDUM**

TO: MAPC
FROM: Case Bell, Community Liaison
SUBJECT: ZON2014-13
DATE: August 6, 2014

At the August 4th District IV Advisory Board meeting **Jess McNeely of Planning** presented on the request to move from SF-5 Single-family Residential (SF-5) and LC Limited Commercial (LC) zoning to LI Limited Industrial (LI) zoning for the 160 acres generally located east of South Tyler Road and north of the K42 Highway. The 160-acre application area is owned by the Wichita Airport Authority and is contiguous with the remainder of the LI Limited Industrial (LI) zoned airport property. The application area includes the far south end of the paved runway system, and is otherwise open space under the Airport Hazard Zone Area A with a 25-foot height restriction. The Airport Authority also owns all surrounding property, to include property south of K42, with the exception of one SF-5 zoned residence on the north side of K42 and surrounded by the application area. Under LI zoning, the Unified Zoning Code (UZC) would permit numerous uses not permitted under the current SF-5 zoning. However, the Airport Authority intends to continue the current use – open space surrounding the paved runway system. The majority of the site is platted; the three small parcels in the southwest corner of the application area are un-platted.

Questions:

DAB? Is this the same zoning as the adjacent property? **A:** Yes.

There were not enough DAB members present to constitute a quorum so no vote was taken.

**EXCERPT MINUTES OF THE JULY 24, 2014 WICHITA-SEDGWICK COUNTY
METROPOLITAN AREA PLANNING COMMISSION HEARING**

Case No.: ZON2014-00013 - Wichita Airport Authority, c/o John Oswald, P.E. (owner) and Baughman Company, P.A. c/o Russ Ewy (agent) request a City zone change from SF-5 Single-family Residential and LC Limited Commercial to LI Limited Industrial on property described as:

That part of Lot 1, Block 1, Mid-Continent Airport 6th Addition, to Wichita, Sedgwick County, Kansas lying in Sections 5 and 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas; TOGETHER WITH a tract in Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas, described as: Beginning at the intersection of the East line of the Northwest Quarter of said Section 8 and the North line of State Highway K-42 as it exists on July 24, 1996; thence in a southwesterly direction along the said North line of State Highway K-42, a distance of 150.0 feet for a point of beginning; thence in a southwesterly direction along said North line of State Highway K-42, a distance of 100 feet; thence north parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet; thence in a northeasterly direction parallel with the said North line of State Highway K-42, a distance of 100 feet; thence south parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet to the point of beginning, except the south 30 feet for road; TOGETHER WITH the West Half of a tract in Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas, described as: Beginning at the intersection of the East line of the Northwest Quarter of said Section 8 and the North line of State Highway K-42 as it exists on July 24, 1996; thence in a southwesterly direction along the said North line of State Highway K-42, a distance of 150.0 feet for a point of beginning; thence in a southwesterly direction along said North line of State Highway K-42, a distance of 200 feet; thence north parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet; thence in a northeasterly direction parallel with the said North line of State Highway K-42, a distance of 200 feet; thence south parallel with the East line of the Northwest Quarter of said Section 8, a distance of 310 feet to the point of beginning, except the south 30 feet for road; TOGETHER WITH A tract in the Northwest Quarter of Section 8, Township 28 South, Range 1 West of the Sixth Principal Meridian, Sedgwick County, Kansas, described as: Beginning at the intersection of the east line of the Northwest Quarter of said Section 8 and the north line of State Highway K-42 as it exists on July 24, 1996; thence in a southwesterly direction along the said north line of State Highway K-42, a distance of 355.4 feet for a Point of Beginning; thence in a southwesterly direction along said north line of State Highway K-42, a distance of 110 feet; thence north parallel with the east line of the Northwest Quarter of said Section 8, a distance of 310 feet; thence in a northeasterly direction parallel with the said north line of State Highway K-42, a distance of 110 feet; thence south parallel with the east line of the Northwest Quarter of said Section 8, a distance of 310 feet to the Point of Beginning, except the south 30 feet for road.

BACKGROUND: The 160-acre application area is currently zoned SF-5 Single-Family Residential (SF-5) with a small portion of LC Limited Commercial (LC) zoning, it is owned by the Wichita Airport Authority and is contiguous with the remainder of the LI Limited Industrial (LI) zoned airport property. The application area includes the far south end of the paved runway

system, and is otherwise open space under the Airport Hazard Zone Area A with a 25-foot height restriction. The Airport Authority also owns all surrounding property, to include property south of K42, with the exception of one SF-5 zoned residence on the north side of K42 and surrounded by the application area. Under LI zoning, the Unified Zoning Code (UZC) would permit numerous uses not permitted under the current SF-5 zoning. However, the Airport Authority intends to continue the current use – open space surrounding the paved runway system. The majority of the site is platted; the three small parcels in the southwest corner of the application area are un-platted.

Property north of the site, across Tyler Road, is zoned SF-5 and is used for an open space park and Airport Authority owned open space. Property south of the site, across K42, is zoned SF-5 and is used as Airport Authority zoned open space. Property east and west of the site is zoned LI and is used as Airport Authority owned open space, with the exception of one SF-5 zoned .95-acre site developed with a single-family residence.

CASE HISTORY: The majority of the site was platted as Lot 1, Block 1 of the Mid Continent Airport 6th Addition in 2001; three parcels in the southwest corner of the site are un-platted.

ADJACENT ZONING AND LAND USE:

NORTH:	SF-5	Park, open space
SOUTH:	SF-5	K42, open space
EAST:	LI	Open space
WEST:	LI, SF-5	Open space, single-family residence

PUBLIC SERVICES: Tyler Road is a paved, two-lane arterial street at this location with a 180-foot right-of-way (ROW). K42 is a paved two lane highway at this location with additional turn lanes at the Tyler intersection, and a 150-foot ROW. All other public utilities are available.

CONFORMANCE TO PLANS/POLICIES: The *2030 Wichita Functional Land Use Guide* of the Comprehensive Plan identifies the site as “major utility/transportation.” The major utility/transportation category encompasses utility and transportation facilities and includes a range of such uses as airports, landing strips, landfills, waste transfer stations, water treatment and sanitary sewer plant facilities.

RECOMMENDATION: Based upon information available prior to the public hearings, planning staff recommends that the request be **APPROVED** subject to platting the un-platted portion within one year.

This recommendation is based on the following findings:

- (1) The zoning, uses and character of the neighborhood:** Property north of the site, across Tyler Road, is zoned SF-5 and is used for an open space park and Airport Authority owned open space. Property south of the site, across K42, is zoned SF-5 and is used as Airport Authority zoned open space. Property east and west of the site is zoned LI and is used as Airport Authority owned open space, with the exception of one SF-5 zoned .95-acre site developed with a single-family residence.
- (2) The suitability of the subject property for the uses to which it has been restricted:** The site is currently zoned SF-5, is within the Airport Hazard Zone Area A, and is used

as Airport Authority open space surrounding the paved runway system. The application area could not be developed with typical SF-5 uses.

- (3) **Extent to which removal of the restrictions will detrimentally affect nearby property:** Because use of the property will not change as a result of the requested zone change, the one residence bordering the application area will not be impacted by the requested zone change.

- (4) **Conformance of the requested change to the adopted or recognized Comprehensive Plan and policies:** The *2030 Wichita Functional Land Use Guide* of the Comprehensive Plan identifies the site as “major utility/transportation.” The major utility/transportation category encompasses utility and transportation facilities and includes a range of such uses as airports, landing strips, landfills, waste transfer stations, water treatment and sanitary sewer plant facilities.

- (5) **Impact of the proposed development on community facilities:** The proposed zone change will not change the impact of this site on community facilities, and the use of this property will not change.

DALE MILLER, Planning Staff presented the Staff Report.

MOTION: To approve subject to staff recommendation.

NEUGENT moved, MITCHELL seconded the motion, and it carried (11-0).

City of Wichita
City Council Meeting
August 26, 2014

TO: Mayor and City Council

SUBJECT: ZON2014-00014 and CUP2014-00017 – Amendment to the Foliage Center Community Unit Plan DP-282 to Add 11,972.06 Square Feet and Rezone the Same From the GO General Office District to the LC Limited Commercial District; Relocate and Reduce the Size of Parcel 2; Modify Various Development Standards Dealing with Screening, Setbacks, Signage, Lighting Use and Access Control on Property Located Northwest of the Intersection Of North Webb Road and East 13th Street North (District II)

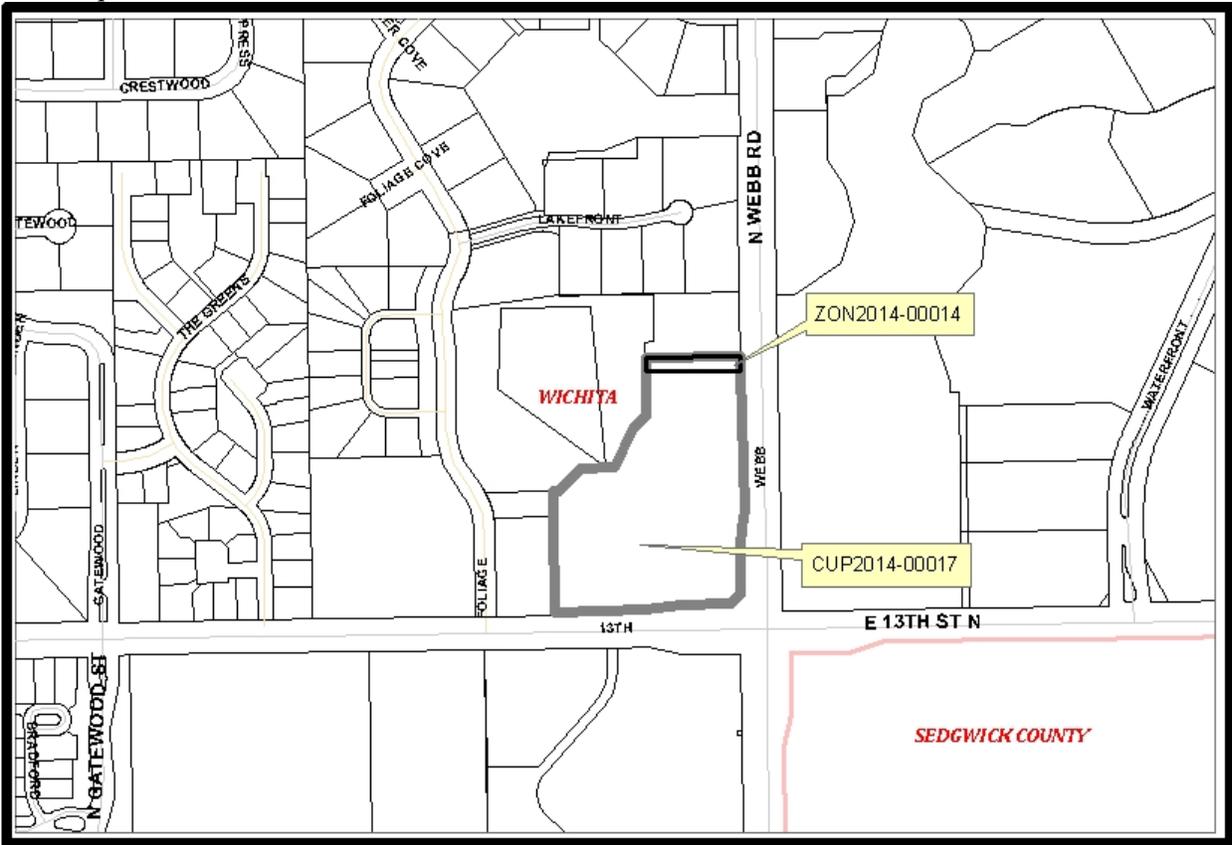
INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

MAPC Recommendation: The MAPC recommended approval of the request (11-0).

DAB Recommendation: District Advisory Board II recommended approval of the request (8-0).

MAPD Staff Recommendation: Metropolitan Area Planning Department staff recommended approval of the request.



Background: The applicant is requesting a number of amendments to the existing 7.13-acre LC Limited Commercial (LC) zoned Foliage Center Community Unit Plan (CUP) DP-282 located at the northwest corner of East 13th Street North and North Webb Road. The Foliage Center CUP permits all uses allowed by-right in the LC district except uses specified by General Provision 3 of DP-282, such as: adult entertainment, car wash, nightclub, tavern or drinking establishments. Building construction on the site began in the last few months is currently ongoing. The proposed amendments include:

- 1) Revised General Provision 1. Increase the overall area of DP-282 by adding 11,972.06 square feet to Parcel 1, resulting in a total CUP area of 7.43 acres.
- 2) Rezone the previously noted 11,972.06 square feet proposed to be added to Parcel 1 from its current GO General Office (GO) zoning to the LC district.
- 3) Move north and reduce in area the existing 1.15-acre Parcel 2 to .345 acre or 15,060 square feet and add the residual square footage to Parcel 1 which will increase the size of Parcel 1 an additional 35,096 square feet for an adjusted total area of 7.086 acres when the square-footage from item 1 is also added to Parcel 1's total area.
- 4) Maximum coverage and gross floor area for Parcel 2 is 50 percent.
- 5) Revised General Provision 3.A. For Parcels 1 and 2 all uses permitted within the LC zoning district. Additionally restaurants serving liquor are allowed, provided that food is the primary service of the establishment, and also restaurants having outdoor seating are allowed within 200 feet of residential zoning by right (CUP Amendment #1) Article III, Sec. III-D.6.w.
- 6) Revised General Provision 6.A. Landscape street yards, buffers and parking lot landscaping and screening shall be in accordance with the City of Wichita Landscape Ordinance, unless otherwise stated below.
- 7) Revised General Provision 6.B. A landscape plan shall be prepared by a Kansas licensed Landscape Architect for the above referenced landscaping, indicating the type, location, and specifications of all plant material. The plan shall be submitted to the Metropolitan Area Planning Department (MAPD) for its review and approval prior to issuance of any building permit(s). No landscaping shall be required adjacent to existing screen wall along the west boundary of Parcel 1. Berming and landscaping on top of the berm was installed by the CUP developer for the benefit and maintenance of the adjoining Homeowners Association as a condition of development. Staff recommends the additional language for General Provision 6.B to read: No landscaping shall be required adjacent to existing screen wall along the west boundary of Parcel 1 so long as there is code compliant screening and landscaping on the abutting property.
- 8) Revised General Provision 7.B. Trash receptacles, loading docks, outdoor storage and loading areas shall be appropriately screened to reasonably hide them from ground view, except, if not visible from public right-of-way. The screening material shall be consistent with materials and colors of the supported buildings. Trash enclosures shall be allowed within 20 feet of property line if not visible from public right-of-way and will not be closer than five feet from the westerly property line.
- 9) Revised General Provision 7.E. ~~If the adjoining property north of Parcel 1 is zoned NO or greater no wall easement or masonry wall is required.~~ Screening adjacent to existing SF-5 zoned property is to be provided by the existing concrete wall. No screening shall be required on or adjacent to Parcel 2 or along the north line of Parcel 1. No landscaping shall be required adjacent to existing screening wall per General Provision 6.B. Staff recommends: No landscaping shall be required adjacent to existing screening wall per General Provision 6.B so long as there is code compliant screening and landscaping on the abutting property.
- 10) Revised General Provision 8. Setbacks are as indicated on the C.U.P. drawing or as specified in Wichita-Sedgwick County Unified Zoning Code. If contiguous parcels are to be developed under the same ownership, setbacks between those parcels are not required. Parcel 2 has zero building setbacks, provided appropriate fire walls and /or separation are provided.
- 11) Revised General Provision 9.A. ~~Parcels 1 and 2 are subject to the requirements of the Sign Code for the City of Wichita for the LC zoning district except as noted herewith.~~ All parcels shall adhere to the requirements of the Sign Code for the City of Wichita for the LC zoning district, except as provided herewith:
- 12) Revised General Provision 9.B. No flashing, moving, portable, billboard, banner or pennant signs shall be permitted (except for signs showing time and temperature.), except one electronic message sign shall be permitted along Webb Road.

13) ~~The existing CUP omitted 9.C. New General Provision 9.C is now the old 9.D. All signs along and adjacent to 13th and Webb streets shall be monument type signs with a maximum height of 20 feet. Seven monument signs are permitted: four along Webb Road and three along 13th Street. The sign areas shall be limited to a maximum of 150 square feet each along Webb Road and 145 square feet each along 13th Street.~~

14) ~~Revised General Provision 9.D. All signs along and adjacent to 13th and Webb streets shall be monument type signs with a maximum height of 20 feet. Seven monument signs are permitted: four along Webb Road and three along 13th Street. The sign areas shall be limited to a maximum of 150 square feet each along Webb Road and 145 square feet along 13th Street. Standalone development identification signs shall count against the above total allowed seven monument signs. Development identification signs may also have tenant signage.~~

15) ~~Revised General Provision 9.E. Three development signs will be permitted: two along Webb Road and one along 13th Street. Development signs may contain the development name only. They shall be limited to a maximum sign area of 100 square feet. The minimum distance between signs shall be 120 feet, except tenant use may be located a minimum of 50 feet when adjacent to a development identification only sign.~~

16) ~~Revised General Provision 9.F. Two business use or name identification signs shall be allowed on Parcel 1 and two on Parcel 2. Business use or name identification signs shall be limited to a maximum sign area of 150 square feet. These signs may be used for tenants within the CUP. Building signage shall be permitted with the CUP. Building signage shall be limited to 20 percent of the wall area with no single tenant sign exceeding 400 square feet in area, and there shall be no more than three signs for each tenant (business) on each building elevation. There shall be no building signage along the westerly facades of any buildings on Parcel 1 abutting the western boundary of the CUP.~~

17) ~~Revised General Provision 9.G. The minimum distance between signs shall be 150 feet, except business use or name identification may be located a minimum of 75 feet from an adjacent development sign. Accent lighting of monument signs shall be permitted.~~

18) ~~Revised General Provision 9.H. Building signage shall be permitted within the cup. Building signage shall be limited to 20 percent of the wall area with a maximum size of 150 square feet per elevation for 1 sign or may be divided into a maximum of 3 signs, 70 sq. feet per sign elevation. Window signage shall be limited to 25 percent of window area.~~

19) ~~Revised General Provision 9.I. Accent lighting of monument signs shall be permitted. Directional signs are permitted and shall not exceed 6 square feet in area each.~~

20) ~~Revised General Provision 9.J. Window signage shall be limited to 25 percent of window area. One temporary sign of 70 square feet that will have its message replaced three times during a 90 day time period is allowed. The 90 day time period shall begin running from the time the sign permit is issued.~~

21) ~~Revised General Provision 9.K. Directional signs not exceeding 6 square feet in area shall be permitted per Sign Code of the City of Wichita.~~

22) ~~Revised General Provision 10.D. Light poles including ground base shall be limited to 25 feet tall. Light poles shall be reduced to 14 feet when within 100 feet of residential zoning. Light poles including above ground base shall be limited to 28 feet and no light poles shall be within 100 feet of residential zoning.~~

23) ~~Revised General Provision 13.C. Access controls shall be as shown on the final plat and revised on the CUP. Access controls shall be per VAC2013-00008, or as amended.~~

The application area is located at the intersection of two arterial streets that carries between 14,700 and 20,700 average daily vehicle trips. Located immediately north of the application area is a GO zoned bank that is not part of the application area or the DP-282. North of the bank is the easternmost edge of SF-5 Single-family Residential (SF-5) zoned The Foliage neighborhood. East of the site, across North Webb Road is a lake associated with the LI zoned Waterfront commercial center. Southeast of the site is LI zoned land that was once a corporate private park and recreation area but is now privately owned. South of the site property is zoned GO and LC and is either developed with an office building or is undeveloped. Land to the west is developed with The Foliage single-family residential neighborhood. A significant berm and landscaping buffer is located along The Foliage's east property line.

Community Unit Plans are required by the Unified Zoning Code for land that is: zoned LC or GC General Commercial (GC), six acres or more in size and held under unified ownership at the time of initial approval.

On July 24, 2014, the Metropolitan Area Planning Commission (MAPC) approved (11-0) the request. Other than the applicant's agent there was not anyone present to discuss the request.

On August 26, 2014, District Advisory Board (DAB) II voted 8-0 to approve the request. No one spoke in opposition to the request and there have not been any protests filed.

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 adopt the findings of the MAPC and approve the requested zone change and recommended development standards (simple majority vote required); authorize the Mayor to sign the ordinance and place the ordinance on first reading.

Attachments: Foliage Center CUP, MAPC minutes, DAB memo and ordinance.

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. ZON2014-00014 and CUP2014-00017

Zone change request from GO General Office (GO) to LC Limited Commercial (LC), subject to the development standards contained in CUP2014-00017 Community Unit Plan DP-282 on property containing approximately 11,972.06 square feet generally located north of East 13th Street North and west of North Webb Road, and described as:

The south 43.00 feet of Lot 1, Block 1, Foliage Center Second Addition to 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.

ADOPTED this 26th day of August, 2014.

Carl Brewer - Mayor

ATTEST:

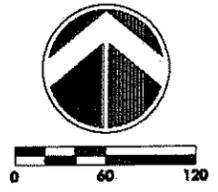
Karen Sublett, City Clerk

(SEAL)

Approved as to form: _____
Sharon Dickgrafe, Interim City Attorney

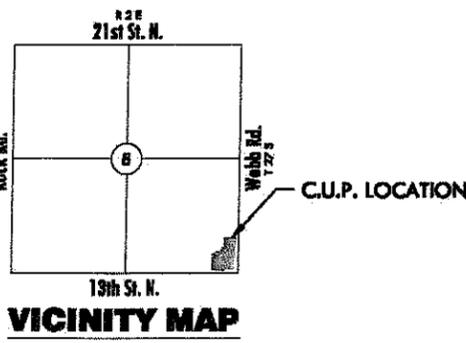
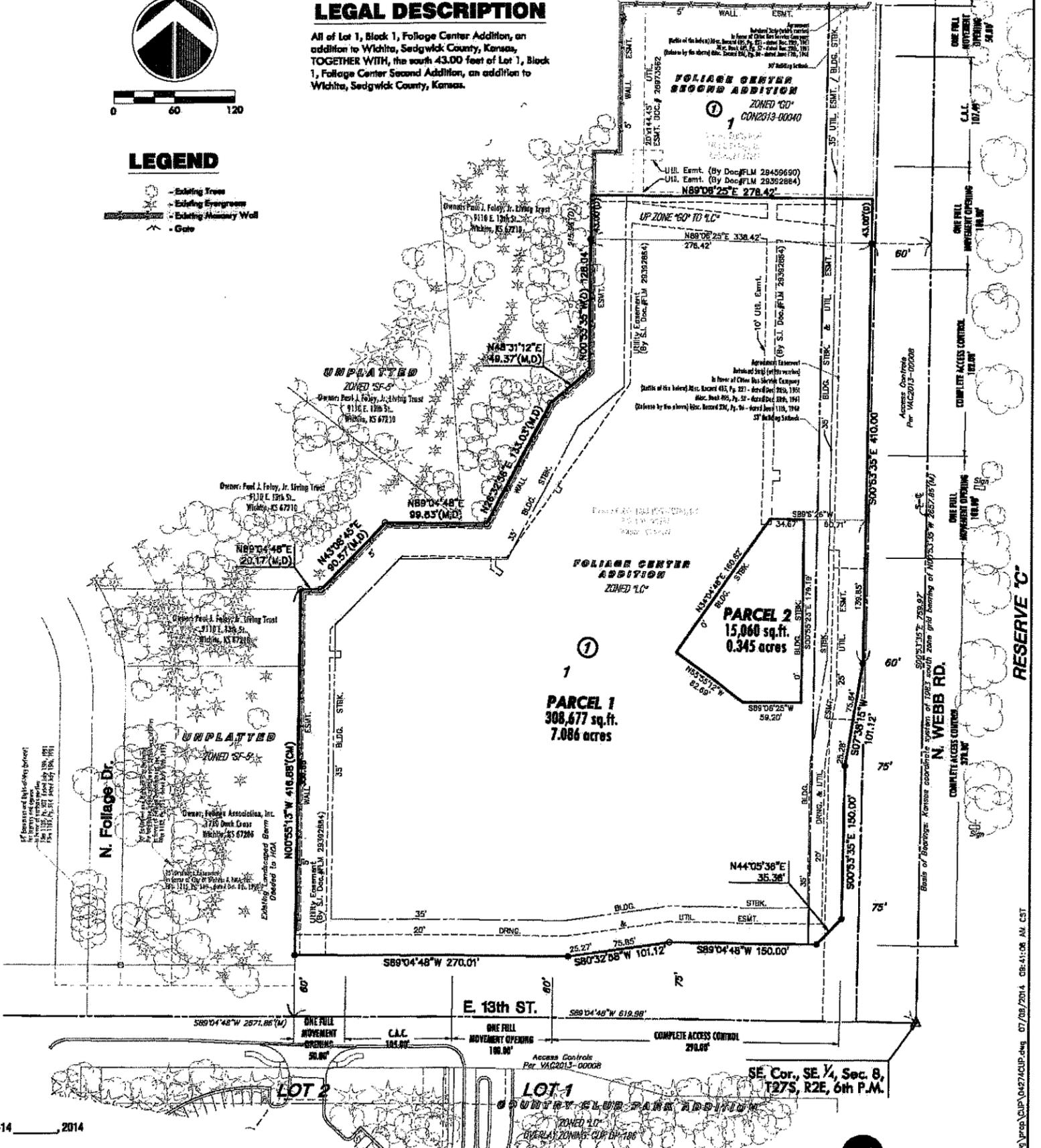
DEVELOPMENT GUIDELINES

- Area: The total development contains 7.43 acres of land more or less.
- Parcel Descriptions
 - Parcel 1
 - Great Area = 7.086 Ac or 308,677 sq. ft.
 - Maximum Height of Unoccupied Architectural Elements = 55 feet
 - Maximum Height of Occupied Space = 40 feet/2-story maximum
 - Maximum Coverage=30%
 - Max. Gross Floor Area=90%
 - Setbacks - 35' except on the north and east where adjacent to Parcel 2 which shall be 0' (see G.P.S.)
 - Parcel 2
 - Great Area = 0.345 Ac or 15,060 sq. ft.
 - Maximum Height of Unoccupied Architectural Elements = 55 feet
 - Maximum Height of Occupied Space = 40 feet/2-story maximum
 - Maximum Coverage=30%
 - Max. Gross Floor Area=90%
 - Setbacks - 0' adjacent to Parcel 1 (see G.P.S.)
- The following uses are permitted for all Parcels within the C.U.P.
 - A. ALLOWABLE USES: For Parcels 1 and 2 all uses permitted within the IC Zoning District. Additionally, restaurants serving liquor are allowed, provided that food is the primary service of the establishment, and (also restaurants having outdoor seating are allowed within 200 feet of residential by right per C.U.P. Amendment #1) Article III, Sec. III, 3.2, 3.3, 3.4, 3.5.
 - B. EXCLUDED IC USES: No Parcels within this C.U.P. shall allow use of Adult entertainment establishments, Residential use, Cemetery, Church or place of worship, School K-12, College or university, Community assembly, Convalescent care facility, Group home, Hospital, Recycling process center, Revenue vending machine, Pawn shop, Utility, Car wash, Construction sales and service, Nightclub, Tavern and drinking establishment, Vehicle repair, Vocational school, Wireless communication facility, Asphalt or concrete plant, Storage.
 - C. The uses permitted by the C.U.P. are only those uses permitted by right and not by conditional use unless specifically identified.
- Architectural Controls
 - A. All buildings within the C.U.P. shall share a uniform architectural character, color, and some predominant exterior building material, as approved by the Director of Planning. Building walls and roofs must have predominantly south-facing colors, with vivid colors limited to incidental accents, and most exterior materials similar to surrounding residential areas.
- This
 - A. The transfer of the title on all or any portion of the land included in the Community Unit Plan does not constitute a termination of the plan or any portion thereof but said plan shall run with the land for commercial development and be binding upon the present owners, their successors and assigns. However, the Director of the MAPD, with the concurrence of the Zoning Administrator, may approve other adjustments to the conditions in this overlay, consistent with the approved development plan, without filing a formal ordinance amendment.
- Landscaping for this site shall be required as follows:
 - A. Landscaped street yards, buffers, and parking lot landscaping and screening - Shall be in accordance with the City of Wichita Landscaping Ordinance, unless otherwise stated below.
 - B. No landscaping shall be required adjacent to existing screen wall along the westerly boundary of Parcel 1. Screening and landscaping on top of the lawn will be required by the C.U.P. development for the benefit and maintenance of the adjoining Homeowners Association as a condition of development.
 - C. A landscape plan shall be prepared by a Kansas Licensed Landscape Architect for the above referenced landscaping, indicating the type, location, and specifications of all plant material. This plan shall be submitted to the Metropolitan Area Planning Department (MAPD) for its review and approval prior to issuance of any building permits.
 - D. A financial guarantee for the plant material approved on the landscape plan for that portion of the C.U.P. being developed shall be required prior to issuance of any occupancy permit, if the required landscape has not been planted.
- Screening for this site shall be required as follows:
 - A. Rooftop mechanical equipment shall be screened from ground level view per Wichita-Sedgwick County Unified Zoning Code.
 - B. Trash receptacles, loading docks, outdoor storage, and loading areas shall be appropriately screened to reasonably hide them from ground view, except if not visible from public right-of-way. The screening material shall be consistent with materials and colors of the appurtenant buildings. Trash enclosures shall be allowed within 20 feet of property line if not visible from public right-of-way and will not be closer than 5 feet from the westerly property line.
 - C. Unless otherwise noted screening shall be in accordance with the Wichita-Sedgwick County Unified Zoning Code, Section IV and Section II-C2.b.
 - D. Outdoor display and storage shall be subject to all conditions of Article II, Sec. III-5.14.e for Parcels 1 and 2.
 - E. Screening adjacent to existing 3F-3 zoned property to be provided by existing concrete wall. No screening shall be required on or adjacent to Parcel 2 or along the north line of Parcel 1. No landscaping shall be required adjacent to existing screen wall per G.P.S.1.
- Setbacks
 - A. APPROPRIATE setbacks are indicated on the C.U.P. drawing or as specified in Wichita-Sedgwick County Unified Zoning Code. If contiguous Parcels are to be developed under the same ownership, setbacks between those Parcels are not required. Parcel 2 has zero building setback, provided appropriate fire walls and/or building separation also see Parcel Description.
- Signs
 - A. APPROPRIATE signs shall adhere to the requirements of the Sign Code for the City of Wichita for IC Zoning District, except as provided herein.
 - B. No flashing, moving, portable, billboard, banner, or permanent signs shall be permitted, except, one electronic message sign is allowed along Webb Road.
 - C. All signs along and adjacent to 13th and Webb streets shall be permanent type signs with a maximum height of 20 feet.
 - D. Seven monument signs are permitted: four along Webb Road and three along 13th Street. The sign areas shall be limited to a maximum of 150 square feet each along Webb Road and 145 square feet each along 13th Street. Standalone development identification signs shall meet against the above total allowed seven monument signs. Development identification signs may also have tenant signage.
 - E. The minimum distance between monument signs shall be 120 feet, except tenant signs may be located a minimum distance of 50 feet when adjacent to a development identification only sign. Building signage shall be permitted within the C.U.P. Building signage shall be limited to 20% of the wall area with no single tenant sign exceeding 400 square feet in area, and there shall be no more than six signs for each tenant (business) on each building elevation. There shall be no building signage along the westerly facade of any buildings on Parcel 1 abutting the western boundary of the C.U.P.
 - F. Accent lighting of monument signs shall be permitted.
 - G. Window signage shall be limited to 25% of window area.
 - H. Directional signs are permitted and shall not exceed 6 square feet in area each.
 - I. One temporary sign of 70 square feet that will have its message replaced three times during on 90 day time period is allowed. The 90 day time period shall begin running from the time the sign permit is issued.
- Lighting
 - A. Lighting shall be in accordance with the Wichita-Sedgwick County Unified Zoning Code, Section IV.
 - B. All Parcels shall share similar or consistent parking lot lighting elements (i.e. fixtures, poles and lenses and etc.), as approved by the Director of the MAPD.
 - C. All lighting shall be directed to direct light downwards in a downward direction and directed away from residential areas.
 - D. Light poles including above ground base shall be limited to 28 feet tall and no light poles shall be within 100 feet of residential zoning.
 - E. Extensive use of back lit canopies and neon or fluorescent tube lighting on buildings is not permitted.
- Parking
 - A. All Parcels shall be in accordance with the Wichita-Sedgwick County Unified Zoning Code, Section IV, unless otherwise specified.
- No occupancy permits shall be issued for any development without service by municipal water and sewer services.
- The following transportation improvements and Parcel access shall be provided:
 - A. Cross-lot driveway agreements shall be required at the time of planting to ensure internal vehicular movement between Parcels within the C.U.P. if plotted as one lot and developed under one ownership.
 - B. Guarantees for specific street improvements for 13th and Webb road shall be determined at the time of plotting by the Traffic Engineer.
 - C. Access controls shall be per VAC2013-0008, or as amended.
- Grading Plans
 - A. A lot grading plan will be prepared in conformance with the Drainage Concept Plan for review prior to the issuance of a Building Permit. A drainage plan shall be submitted to the City Engineer for approval. Required guarantees for drainage shall be provided at the time of plotting.
- All new utilities shall be installed underground.
- Final determination of minimum pad elevations (at least 2 feet higher than the 100 year flood elevation), street right-of-way, easements, reserves, and pavement widths on public private streets shall be resolved at the time of plotting.
- The development of this property shall proceed in accordance with the development plan as recommended for approval by the Planning Commission and approved by the Governing Body, and any substantial deviation of the plan, as determined by the Zoning Administrator and the Director of Planning, shall constitute a violation of the building permit authorizing construction of the proposed development.
- Any major changes within this Community Development Plan shall be submitted to the Planning Commission and the Governing Body for their consideration. Amendments, adjustments, or interpretations to the C.U.P. shall be done in accordance with the Unified Zoning Code.
- Music played outdoors between the hours of 10 PM and 9 AM shall be prohibited. Trash pickup/removal during these hours is also prohibited.
- A pedestrian circulation plan shall be approved by the Planning Director prior to the issuance of building permits. Said plan shall link all buildings in the development with the arterial sidewalks on Webb Road and 13th Street North.
- Fire lanes shall be in accordance with the Fire Code of the City of Wichita. No parking shall be allowed in said fire lanes, provided however, they may be used for passenger loading and unloading. The Fire Chief or the designated representative shall review and approve the location and design of all fire lanes. Fire hydrant installation and paved access to all building sites shall be provided for each phase of construction prior to the issuance of building permits.



LEGAL DESCRIPTION

All of Lot 1, Block 1, Foliage Center Addition, an addition to Wichita, Sedgwick County, Kansas, TOGETHER WITH, the south 43.00 feet of Lot 1, Block 1, Foliage Center Second Addition, an addition to Wichita, Sedgwick County, Kansas.



COMMUNITY UNIT PLAN DP-282 FOLIAGE CENTER

DEVELOPER / OWNER: Beech Lake Investments, LLC 1223 N. Rock Rd. Bldg H, Suite 200 Wichita, KS 67206 (316) 636-2100

Amendment #1 CUP2014-17/ZON2014-14, 2014
 A.A.#3 CUP2014-10 April 28, 2014
 A.A.#2 CUP2013-39 Nov. 4, 2013
 A.A.#1 CUP2008-20 June 9, 2008
 CUP2005-08 / ZON2005-08



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**EXCERPT MINUTES OF THE JULY 24, 2014 WICHITA-SEDGWICK COUNTY
METROPOLITAN AREA PLANNING COMMISSION HEARING**

Case No.: ZON2014-00014 and CUP2014-00017 - Beech Lake Investment, LLC (Johnny Stevens) / MKEC (Brian Lindebak) City zone change from SF-5 Single family Residential and GO General Office to LC Limited Commercial and City CUP amendment to DP-282 to increase size of CUP, modify landscaping, screening, setback and signage on property described as:

All of Lot 1, Block 1, Foliage Center Addition, an addition to Wichita, Sedgwick County, Kansas, TOGETHER WITH, the south 43.00 feet of Lot 1, Block 1, Foliage Center Second Addition, an addition to Wichita, Sedgwick County, Kansas.

BACKGROUND: The applicant is requesting a number of amendments to the existing 7.13-acre LC Limited Commercial (LC) zoned Foliage Center Community Unit Plan (CUP) DP-282 located at the northwest corner of East 13th Street North and North Webb Road. The Foliage Center CUP permits all uses allowed by-right in the LC district except uses specified by General Provision 3 of DP-282, such as: adult entertainment, car wash, nightclub, tavern or drinking establishments. Building construction on the site began in the last few months is currently ongoing. The proposed amendments include:

- 1) Revised General Provision 1. Increase the overall area of DP-282 by adding 11,972.06 square feet to Parcel 1, resulting in a total CUP area of 7.43 acres.
- 2) Rezone the previously noted 11,972.06 square feet proposed to be added to Parcel 1 from its current GO General Office (GO) zoning to the LC district.
- 3) Move north and reduce in area the existing 1.15-acre Parcel 2 to .345 acre or 15,060 square feet and add the residual square footage to Parcel 1 which will increase the size of Parcel 1 an additional 35,096 square feet for an adjusted total area of 7.086 acres when the square-footage from item 1 is also added to Parcel 1's total area.
- 4) Maximum coverage and gross floor area for Parcel 2 is 50 percent.
- 5) Revised General Provision 3.A. For Parcels 1 and 2 all uses permitted within the LC zoning district. Additionally restaurants serving liquor are allowed, provided that food is the primary service of the establishment, and also restaurants having outdoor seating are allowed within 200 feet of residential zoning by right (CUP Amendment #1) Article III, Sec. III-D.6.w.
- 6) Revised General Provision 6.A. Landscape street yards, buffers and parking lot landscaping and screening shall be in accordance with the City of Wichita Landscape Ordinance, unless otherwise stated below.
- 7) Revised General Provision 6.B. A landscape plan shall be prepared by a Kansas licensed Landscape Architect for the above referenced landscaping, indicating the type, location, and specifications of all plant material. The plan shall be submitted to the Metropolitan Area Planning Department (MAPD) for its review and approval prior to issuance of any building permit(s). No landscaping shall be required adjacent to existing screen wall along the west boundary of Parcel 1. Berming and landscaping on top of the berm was installed by the CUP developer for the benefit and maintenance of the adjoining Homeowners Association as a condition of development. Staff recommends the additional language for General Provision 6.B to read: No landscaping shall be required adjacent to existing screen wall along the west boundary of Parcel 1 so long as there is code compliant screening and landscaping on the abutting property.

8) Revised General Provision 7.B. Trash receptacles, loading docks, outdoor storage and loading areas shall be appropriately screened to reasonably hide them from ground view, except, if not visible from public right-of-way. The screening material shall be consistent with materials and colors of the supported buildings. Trash enclosures shall be allowed within 20 feet of property line if not visible from public right-of-way and will not be closer than five feet from the westerly property line.

9) Revised General Provision 7.E. If the adjoining property north of Parcel 1 is zoned NO or greater no wall easement or masonry wall is required. Screening adjacent to existing SF-5 zoned property is to be provided by the existing concrete wall. No screening shall be required on or adjacent to Parcel 2 or along the north line of Parcel 1. No landscaping shall be required adjacent to existing screening wall per General Provision 6.B. Staff recommends: No landscaping shall be required adjacent to existing screening wall per General Provision 6.B so long as there is code compliant screening and landscaping on the abutting property.

10) Revised General Provision 8. Setbacks are as indicated on the C.U.P. drawing or as specified in Wichita-Sedgwick County Unified Zoning Code. If contiguous parcels are to be developed under the same ownership, setbacks between those parcels are not required. Parcel 2 has zero building setbacks, provided appropriate fire walls and /or separation are provided.

11) Revised General Provision 9.A. Parcels 1 and 2 are subject to the requirements of the Sign Code for the City of Wichita for the LC zoning district except as noted herewith. All parcels shall adhere to the requirements of the Sign Code for the City of Wichita for the LC zoning district, except as provided herewith:

12) Revised General Provision 9.B. No flashing, moving, portable, billboard, banner or pennant signs shall be permitted (except for signs showing time and temperature.);, except one electronic message sign shall be permitted along Webb Road.

13) ~~The existing CUP omitted 9.C.~~ New General Provision 9.C is now the old 9.D. All signs along and adjacent to 13th and Webb streets shall be monument type signs with a maximum height of 20 feet. Seven monument signs are permitted: four along Webb Road and three along 13th Street. The sign areas shall be limited to a maximum of 150 square feet each along Webb Road and 145 square feet each along 13th Street.

14) ~~Revised General Provision 9.D. All signs along and adjacent to 13th and Webb streets shall be monument type signs with a maximum height of 20 feet. Seven monument signs are permitted: four along Webb Road and three along 13th Street. The sign areas shall be limited to a maximum of 150 square feet each along Webb Road and 145 square feet along 13th Street. Standalone development identification signs shall count against the above total allowed seven monument signs. Development identification signs may also have tenant signage.~~

15) ~~Revised General Provision 9.E. Three development signs will be permitted: two along Webb Road and one along 13th Street. Development signs may contain the development name only. They shall be limited to a maximum sign area of 100 square feet. The minimum distance between signs shall be 120 feet, except tenant use may be located a minimum of 50 feet when adjacent to a development identification only sign.~~

16) ~~Revised General Provision 9.F. Two business use or name identification signs shall be allowed on Parcel 1 and two on Parcel 2. Business use or name identification signs shall be limited to a maximum sign area of 150 square feet. These signs may be used for tenants within the CUP. Building signage shall be permitted with the CUP. Building signage shall be limited to 20 percent of the wall area with no single tenant sign exceeding 400 square feet in area, and there shall be no more than three signs for each tenant (business) on each building elevation. There shall be no building signage along the westerly facades of any buildings on Parcel 1 abutting the western boundary of the CUP.~~

- 17) Revised General Provision 9.G. ~~The minimum distance between signs shall be 150 feet, except business use or name identification may be located a minimum of 75 feet from an adjacent development sign.~~ Accent lighting of monument signs shall be permitted.
- 18) Revised General Provision 9.H. ~~Building signage shall be permitted within the cup. Building signage shall be limited to 20 percent of the wall area with a maximum size of 150 square feet per elevation for 1 sign or may be divided into a maximum of 3 signs, 70 sq. feet per sign elevation.~~ Window signage shall be limited to 25 percent of window area.
- 19) Revised General Provision 9.I. ~~Accent lighting of monument signs shall be permitted.~~ Directional signs are permitted and shall not exceed 6 square feet in area each.
- 20) Revised General Provision 9.J. ~~Window signage shall be limited to 25 percent of window area.~~ One temporary sign of 70 square feet that will have its message replaced three times during a 90 day time period is allowed. The 90 day time period shall begin running from the time the sign permit is issued.
- 21) Revised General Provision 9.K. ~~Directional signs not exceeding 6 square feet in area shall be permitted per Sign Code of the City of Wichita.~~
- 22) Revised General Provision 10.D. ~~Light poles including ground base shall be limited to 25 feet tall. Light poles shall be reduced to 14 feet when within 100 feet of residential zoning.~~ Light poles including above ground base shall be limited to 28 feet and no light poles shall be within 100 feet of residential zoning.
- 23) Revised General Provision 13.C. ~~Access controls shall be as shown on the final plat and revised on the CUP.~~ Access controls shall be per VAC2013-00008, or as amended.

The application area is located at the intersection of two arterial streets that carries between 14,700 and 20,700 average daily vehicle trips. Located immediately north of the application area is a GO zoned bank that is not part of the application area or the DP-282. North of the bank is the easternmost edge of SF-5 Single-family Residential (SF-5) zoned The Foliage neighborhood. East of the site, across North Webb Road is a lake associated with the LI zoned Waterfront commercial center. Southeast of the site is LI zoned land that was once a corporate private park and recreation area but is now privately owned. South of the site property is zoned GO and LC and is either developed with an office building or is undeveloped. Land to the west is developed with The Foliage single-family residential neighborhood. A significant berm and landscaping buffer is located along The Foliage's east property line.

CASE HISTORY: The City Council approved CUP 2005-00009 and ZON2005-00006 on May 3, 2005, which created the Foliage Center Addition CUP DP-282. The Foliage Center Addition was recorded in January 2009. On June 9, 2008, administrative adjustment CUP2008-00020 was approved which permits building height to 40 feet and the height of unoccupied architectural elements up to 55 feet. On April 28, 2014, administrative adjustment CUP2014-00010 was approved; this administrative adjustment permitted a 28-foot maximum pole height for lighting and prohibited the placement of light poles within 100 feet of residential zoning. On November 4, 2013, administrative adjustment CUP2013-00039 was approved, which permitted: a main entry sign of up to 149.5 square feet plus the "Whole Foods Market" sign; temporary sign of 64 square feet that will have its message replaced three times during an 86 day time period and five blade signs, 16.84 square feet each or a total of 84.2 square feet.

ADJACENT ZONING AND LAND USE:

North: GO; bank

South: GO and LC; office and undeveloped

East: LI; retail, banking and office center
West: SF-5; single-family residences

PUBLIC SERVICES: The site is served by all normally supplied public and private services and utilities. At the subject site Webb Road and 13th Street have 75 feet of right-of-way at the intersection tapering to 60 feet and are four-lane arterials with left turn lanes. The Webb Road-13th Street intersection carries between 14,700 and 20,700 average daily trips.

CONFORMANCE TO PLANS/POLICIES: The May 2005 "Wichita Land Use Guide" map identifies a majority of the site as appropriate for low density residential; a smaller portion is recommended for commercial development. However, with City Council approval of CUP2005-00009 and ZON2005-00006 that expanded LC zoning, subject to CUP DP-282, the entire application area is appropriate for commercial development.

RECOMMENDATION: Based upon the information available at the time the staff report was prepared, staff recommends approval of the request subject to the following conditions (only those provisions listed below are amended, all other provisions remain unchanged):

- 1) Revised General Provision 1. Area: The total development area contains 7.43 acres of land more or less.
- 2) Revised General Provision 2. Parcel 1 Gross Area = 7.086 acres or 308,677 square feet. Setbacks – 35 feet except on the north end of Parcel 1 and where adjacent to Parcel 2 which shall be zero.
Parcel 2 Gross Area = 0.345 acre or 15,060 square feet. Maximum Gross Floor Area = 50%.
Maximum Gross Floor Area = 50%.
- 2) Revised General Provision 3.A. ALLOWABLE USES: For Parcels 1 and 2 all uses permitted within the LC Zoning District. Additionally, restaurants serving liquor are allowed, provided that food is the primary service of the establishment, and restaurants having outdoor seating are allowed within 200 feet of residential zoning per Article III, Section III-D.6.w.
- 3) Revised General Provision 6.B. No landscaping shall be required adjacent to existing screen wall along the westerly boundary of Parcel 1 so long as there is code compliant screening and landscaping on the abutting property.
- 4) Revised General Provision 7.B. Trash receptacles, loading docks, outdoor storage and loading areas shall be appropriately screened to reasonably hide them from ground view, except, if not visible from public right-of-way. The screening material shall be consistent with materials and colors of the supported buildings. Trash enclosures shall be allowed within 20 feet of property line if not visible from public right-of-way and will not be closer than five feet from the westerly property line.
- 5) Revised General Provision 7.E. Screening adjacent to existing SF-5 zoned property to be provided by existing concrete wall. No screening shall be required on or adjacent to existing screen wall so long as there is code compliant screening and landscaping on the abutting property (see G.P. 6.B).
- 6) Revised General Provision 8. Setbacks are as indicated on the CUP drawing or as specified in the Wichita-Sedgwick County Unified Zoning Code. If contiguous Parcels are to be developed under the same ownership, setbacks between those Parcels are not required. Along the northern boundary of Parcel 1 and Parcel 2 have zero building setbacks, provided appropriate fire walls and/or building separation is provided (see G.P. 2).
- 7) Revised General Provision 9. Signs. As permitted under the Sign Code of the City of Wichita, except as provided herewith.

- 8) Revised General Provision 9.A. All parcels shall adhere to the requirements of the Sign Code for the City of Wichita for the LC zoning district, except as provided herewith:
- 9) Revised General Provision 9.B. No flashing, moving, portable, billboard, banner or pennant signs shall be permitted (except for signs showing time and temperature), except one electronic message sign shall be permitted along Webb Road.
- 10) New General Provision 9.C. All signs along and adjacent to 13th and Webb streets shall be monument type signs with a maximum height of 20 feet.
- 11) New General Provision 9.D. Seven monument signs are permitted: four along Webb Road and three along 13th Street. The sign areas shall be limited to a maximum of 150 square feet each along Webb Road and 145 square feet each along 13th Street. Standalone development identification signs shall count against the above total allowed seven monument signs. Development identification signs may also have tenant signage.
- 12) Revised General Provision 9.E. The minimum distance between signs shall be 120 feet, except tenant use may be located a minimum of 50 feet when adjacent to a development identification only sign.
- 13) Revised General Provision 9.F. Building signage shall be permitted with the CUP. Building signage shall be limited to 20 percent of the wall area with no single tenant sign exceeding 400 square feet in area, and there shall be no more than three signs for each tenant (business) on each building elevation. There shall be no building signage along the westerly facades of any buildings on Parcel 1 abutting the western boundary of the CUP.
- 14) Revised General Provision 9.G. Accent lighting of monument signs shall be permitted.
- 15) Revised General Provision 9.H. Window signage shall be limited to 25 percent of window area.
- 16) Revised General Provision 9.I. Directional signs are permitted and shall not exceed 6 square feet in area each.
- 17) Revised General Provision 9.J. One temporary sign of 70 square feet that will have its message replaced three times during a 90 day time period is allowed. The 90 day time period shall begin running from the time the sign permit is issued.
- 18) Revised General Provision 10.D. Light poles including above ground base shall be limited to 28 feet and no light poles shall be within 100 feet of residential zoning.
- 20) Revised General Provision 10.D. Light poles including above ground base shall be limited to 28 feet and no light poles shall be within 100 feet of residential zoning.
- 21) Revised General Provision 13.C. Access controls shall be per VAC2013-00008, or as amended.
- 22) Rezone the previously noted 11,972.06 square feet proposed to be added to Parcel 1 from its current GO General Office (GO) zoning to the LC district.
- 23) Move north and reduce in area the existing 1.15-acre Parcel 2 to .345 acre or 15,060 square feet and add the residual square footage to Parcel 1 which will increase the size of Parcel 1 an additional 35,096 square feet for an adjusted total area of 7.086 acres.

This recommendation is based on the following findings:

1. The zoning, uses and character of the neighborhood: The application area is located at the intersection of two arterial streets that carries between 14,700 and 20,700 average daily vehicle trips. Located immediately north of the application area is a GO zoned bank that is not part of the application area or the DP-282. North of the bank is the easternmost edge of SF-5 Single-family Residential (SF-5) zoned The Foliage neighborhood. East of the site, across North Webb Road is a lake associated with the LI

zoned Waterfront commercial center. Southeast of the site is LI zoned land that was once a corporate private park and recreation area but is now privately owned. South of the site property is zoned GO and LC and is either developed with an office building or is undeveloped. Land to the west is developed with The Foliage single-family residential neighborhood. A significant berm and landscaping buffer is located along The Foliage's east property line.

2. The suitability of the subject property for the uses to which it has been restricted: The land located within the original CUP is currently zoned LC subject to the development standards contained in CUP DP-282. The site could be developed and used as currently zoned.
3. Extent to which removal of the restrictions will detrimentally affect nearby property: The proposed zone change from GO to LC on .3 of an acre; increasing the size of the CUP by .3 of an acre and the other requested changes do not significantly increase the intensity of development already permitted on the site and are consistent with the development standards initially approved. The recommended conditions of approval minimize detrimental impacts to nearby properties.
4. Relative gain to the public health, safety and welfare as compared to the loss in value or the hardship imposed upon the applicant: Presumably denial would represent a loss of economic opportunity to the property owner. If approved, the CUP becomes flexible and potentially provides more choice to potential customers located in the neighborhoods in the general area.
5. Length of time the property has been vacant as currently zoned. Construction has begun on the site.
6. Conformance of the requested change to the adopted or recognized Comprehensive Plan and policies: The May 2005 "Wichita Land Use Guide" map identifies a majority of the site as appropriate for low density residential; a smaller portion is recommended for commercial development. However, with City Council approval of CUP2005-00009 and ZON2005-00006 that expanded LC zoning, subject to CUP DP-282, the entire application area is appropriate for commercial development.
7. Impact of the proposed development on community facilities: Existing or planned facilities are adequate to serve programmed or anticipated demand.

DALE MILLER, Planning Staff presented the Staff Report.

MOTION: To approve subject to staff recommendation.

NEUGENT moved, **MITCHELL** seconded the motion, and it carried (11-0).



**INTEROFFICE
MEMORANDUM**

TO: Wichita City Council Members

FROM: Alana Haynes, Community Liaison

SUBJECT: CUP2014-00017 and ZON2014-00014 request for a number of amendments to the existing 7.13-acre LC Limited Commercial (LC) zoned Foliage Center Community Unit Plan (CUP) DP-282 located at the northwest corner of East 13th Street North and North Webb Road.

DATE: August 5, 2014

On Tuesday, August 5, the District II Advisory Board considered a request for a number of amendments to the existing 7.13-acre LC Limited Commercial (LC) zoned Foliage Center Community Unit Plan (CUP) DP-282 located at the northwest corner of East 13th Street North and North Webb Road.

Dale Miller presented and the **DAB Members** were provided the MAPD staff report for review.

Questions- None.

Blaine Knot made a motion to recommend approval of the LC Limited Commercial (LC) zoned Foliage Center Community Unit Plan. Motion was properly seconded by **Nick Howell**. Motion passed 8-0.

Please review this information when CUP2014-00017 and ZON2014-00014 is considered.