

Port Library Board of Trustees
Special Meeting with Beloit City Council
May 6, 2010, Guaranty State Bank Community Room

Administrative Assistant Marla Evert took minutes for the Port Library Board.

At 7 PM Mayor Becky Koster called roll for the City Council. Kerri Benson announced there was a quorum. Members of the Port Library Board present were Rick Larson, Kitty Wagner, Sally Williams, Connie Kopsa, Jeri Bates, and Director Rachel Malay. Three members of the media were also present, as were about 15 members of the public.

Mayor Koster asked Rachel Malay to introduce herself; after Rachel gave a short introduction, Rick Larson introduced Port Library Board members present.

Rick Larson was the first to speak from the Port Library Board, at approximately 7:04 PM. He presented the schedule for the Library Board portion of the evening, then passed out packets with information from the Library Board, with the help of Rachel Malay. At about 7:06 PM Rick started his portion of the packet information with a written introduction by the new president of the Library Board, Verlin Kolman. Rick then gave a history of the sites previously considered by the Library Board. After fielding a few questions during his portion of the presentation, Rick asked that all questions for him be held until the end of his presentation. Highlights from the discussion following Rick's presentation included:

- The Library Board is willing to look at either building on the old Youth Center grounds, or renovating the cafeteria, but the Library Board's first choice is a new construction on the 5th and Mill site.
- The 5th and Mill site would benefit from soil samples.
- The Library Board may lose some funds if a new building is NOT built on the 5th and Mill site.
- There was some discussion of building/housing a library on the Youth Center grounds if the jail decides to move to the Youth Center.
- There was a suggestion to do a risk assessment for either the 5th and Mill location or building on the Youth Center grounds.
- Questions of ADA compliance and adequate parking were raised; Rachel Malay answered for parking requirements (24 spaces; 2 handicap spaces) but ADA requirements would need to be addressed once a location is determined.
- Member of the media Charlene Watson voiced an opinion that as a graduate of the BHS site formerly located at 5th and Mill, she has a preference for that location.
- City Councilman James Crowley asked for definite numbers on what monies might be lost by using a location other than the 5th and Mill site, and to see what more definite estimations might be for renovation vs. new building options. He also offered the location of the old First Federal Building as an option to build/renovate.
- Councilman Matt Otte asked if preliminary ideas for a new library included plans for a basement. Rick Larson replied no, in place of a basement the library would construct a safe room on ground level.
- Councilman Craig Cousland and City Attorney Harry Gantenbein asked again what amount of monies already raised by the library would be in jeopardy if the library did not build at the 5th and Mill location. Rick Larson replied there were no definite numbers at this time.
- A member of the public (Don Jones) voiced his displeasure that this meeting did not contain "meat and potatoes" of new library plans – he wanted to see internal building plans, not hear a discussion of possible locations and questions of funding. He also said he had no problem having the library near a jail.

- Rick Larson introduced the idea of a walking path along the west side of the high school stadium, should a new building be built on that side of the old Youth Center grounds.

At approximately 7:48 PM Port Library Board member Kitty Wagner began her portion of the presentation. Kitty showed some aerial photos of the 5th and Mill site, and what a possible building in that location would look like. She addressed some previous council questions on what size building would be appropriate, and gave a few assessor's estimations on what a building approximately 16,000 sq ft in size would cost. Kitty brought up the idea that the stone steps on the 5th and Mill building site could be restored and used as a fund raising opportunity for BHS alumni. Kitty also introduced the idea that a safe room in a future library could be partially funded by FEMA. However, no one has talked to an architect yet, so definite building costs are not known. Discussion highlights after Kitty's presentation included:

- A community member (Don Jones) voiced his opinion that the library should be made a community project, that more effort should be made to raise money from the community for a library. He also stated again that he was more interested on what would be inside a new library than building site or construction costs. He gave several examples of projects the Beloit community has been enthusiastic about in the past, and suggested bringing in local businesses like Sunflower, as larger participants in the construction of a new building. He ended by saying the community needed the same enthusiasm for a library as Beloit residents had for a wellness center.
- Kitty Wagner welcomed suggestions from other members of the audience and Bob Richard voiced his concern about asbestos removal and other site preparation costs.
- Council President Pat Struble wondered about furniture and computer costs for the interior of a building, and if the community could donate funds for those furnishings.
- A member of the public, David Chase, voiced his agreement with Don Jones that more information on costs for the interior of a new building would be needed, and agreed with Pat Struble that the community could take on the costs of interior furnishings.
- Member of the public Don Jones then brought up a discussion of a stick building vs. steel, and suggested that after the walls were put up that local contractors should be used for plumbing, electrical, etc. He suggested keeping the new building simple and cheap.
- Member of the public Jackie Larson stated she was on the committee for the last building, and nothing in those plans were fancy. Mr. Jones replied that the public was not well-enough informed of the costs of a simple functioning building.
- City Attorney Harry Gantenbein suggested we use the cost of the recent hospital expansion as a starting place for estimating building costs..
- An audience member asked about the future possibility of the fire station needing to expand at the 5th and Mill location. Kitty replied no one was sure where the debris field on that site started, but agreed future expansion of the fire station should be taken into consideration.
- Pat Struble reminded everyone that a future library should be thought of as more than just a building to house books.
- Councilman Rick Brown and Kitty Wagner had a short discussion on various building/renovation sites, and James Crowley reminded everyone that this was the point of tonight's meeting; to discuss different building options and sites.
- Councilman James Crowley said he would like to see a cost comparison of building on the 5th and Mill location and renovating the Youth Center cafeteria.
- After someone inquired whether the Youth Center cafeteria was an option, City Administrator Glen Rodden replied, "All options are open."
- Several conversations started at once about options for building on the Youth Center campus, the 5th and Mill site, and renovating the Youth Center cafeteria. The discussions ranged to estimates on the Youth Center cafeteria heating/AC system renovations, energy efficiency of any new building, and more.

- After the discussions, Kitty Wagner and members of the city council agreed that the Library Board and City Council needed to know definite expenses for building new at the 5th and Mill location vs. renovating the old Youth Center cafeteria.
- Member of the public David Chase then said he would also like to see a new building location at the old Youth Center also considered.
- Kitty gave figures for site preparation at the 5th and Mill site from the last report from architect Donnie Marrs, and discusses a slab construction vs. a basement.
- Member of the public David Chase then asks Councilman Craig Cousland about a City Council meeting where the “worst case” scenario happens, meaning that dangerous asbestos is found under the 5th and Mill location.

At approximately 8:30 PM Port Library Director Rachel Malay started her portion of the presentation. She agreed on the 16-17 thousand sq. ft. building size, and said she would not have a problem with future plans so long as they do not violate Kansas Standard for Public Libraries. She gave current financial figures of what the Library Board has available for a new building. She also mentioned that additional staff would be needed in a larger space. Rachel then went on to discuss possible programming in a new library space, the library’s current mission statement, and the average number of people who use the library currently. She wrapped up her presentation by saying a new building would protect the collection better, and allow the library to better archive the local historic documents it holds. Discussion after Rachel’s presentation included:

- Member of the public David Chase asked if Rachel Malay would be involved with new building plans. The answer is yes.
- Councilman Rick Brown asked if a survey could be done to see what the citizens of Beloit would like to see for programming in a new space. Rachel Malay said she would be willing to do such a survey, but the city may need to help in administering the survey.

At approximately 8:43 Port Library Board member Jeri Bates introduced herself and made comments about how a new library in Beloit would affect the lives of young families. She also reminded those present that communities smaller than Beloit had effectively built new libraries. She thanked the public for their suggestions during the evening, and thanked the City Council for attending.

Discussion after Jeri Bates’ remarks included:

- Member of the public Don Jones asked if the library could double the square footage of the old Youth Center cafeteria with it’s own money now and expand when needed in the future.
- Member of the public David Chase reminded Mr. Jones that ADA laws must be followed in any new space, and that a new building fitting ADA requirements would cost in total around \$3 million. A short discussion on library square footage between the two men ensued.

At approximately 8:49 Mayor Becky Koster read a letter from member of the public Dina Budke. (Mrs. Budke was not present.) Another letter from Patty K. Ord was read; both letters were in support of a new library building. Mayor Koster then raised the idea of adding an optional donation opportunity to city utility bills so that members of the community could donate to the new library project now if they wanted to. The Mayor also expressed her support of a new building. Mayor Koster and the council discussed briefly the need to know the amount of money involved at each site discussed during the evening so that funding options could be explored. After cost and funding options are determined, then a vote to the public could be considered. Councilman Bob Richard reiterated once the city council had estimates of new building on either the 5th and Mill site or renovating the old Youth Center cafeteria, the council could act.

The meeting was adjourned at 8:56 PM.

Port Library Board of Trustees
Minutes
May 3, 2010

The Port Library Board of Trustees met Monday May 3, 2010. Trustees present were Rick Larson, Sally Williams, Jeri Bates and Kitty Wagner. New trustees attending their first meeting were Connie Kopsa and Margaret Moore. Also present was Director Rachel Malay.

Meeting was called to order at 5:36 p.m.

A correction was made to the minutes from April. Minutes from the April 5, 2010 were reviewed. Connie Kopsa made a motion to approve the corrected minutes of the April meeting. Jeri Bates seconded. Motion passed.

Financial Reports were reviewed. Director Rachel Malay stated the Library received the State grant and told us that on June 30th the Kpers rate goes up 1%. Jeri Bates made a motion to approve the financial report and pay all bills. Motion was seconded by Connie Kopsa. Motion passed.

Margaret Moore made a motion to approve the minutes of the April 19th special work session. Jeri Bates seconded. Motion passed.

Directors Report:

- Plaque ordered for Pat Heidrick's portrait.
- The drinking fountain removed and waiting for determination of problem.
- April 7-9th, Rachel attended the Kansas Library Association annual convention in Wichita and gave a presentation on last year's online teen summer program. She enjoyed the educational sessions, and picked up many new ideas.
- April 12th, Alyssa Twaddell begins work as circulation assistant.
- April 19th, "PUSH" team from CKLS, barcoded & labeled books, DVD's etc.
- April 19th, Special work session for upcoming City Council/Library Board meeting.
- April 22nd Rotating Book Van-the library chose 188 items.
- April 26th, the last session of Spring Story Port.
- April 29th, Margaret Moore & Connie Kopsa, new Board members, worked with Rick Larson & Rachel on Trustee training.
- May 6th, Joint meeting with Beloit City Council.
- May 11th, CKLS-Great Bend-New Librarian's Day.
- May 12th, Library closed. New Librarian's Day & Spring Assembly in Great Bend.
- May 17th-29th, Summer Library Program signup.
- May 18th, Rachel presenting an online workshop.
- May 26th, Rachel to visit with the Lion's Club.

Old Business:

Rick Larson, Kitty Wagner, and Rachel Malay made short presentations and the board had a short discussion about the joint meeting of City Council/Library Board.

New Business:

Election of Officers:

Rick Larson made a motion to nominate Verlin Kolman as Chairman. Jeri Bates seconded.

Connie Kopsa made a motion to nominate Rick Larson as Vice Chairman. Kitty Wagner seconded.

Kitty Wagner made a motion to nominate Sally Williams as Treasurer. Rick Larson seconded.

There were no volunteers for the position of Secretary. It was agreed that the remaining Trustees will share in taking the minutes.

A motion was made by Connie Kopsa and seconded by Sally Williams to cast a unanimous ballot to approve the Election of Officers. Election of Officers as presented was approved.

Kitty Wagner made a motion to adjourn the meeting. The motion was seconded by Sally Williams. Motion passed. Meeting was adjourned at 7:20.

Next Meeting: Monday – June 7, 2010 - 5:30 p.m.

Chairman

Secretary

Community Development Report

May 2010

North Campus Development- The City and County have a contract for the law enforcement center to move to the Morning View building on the North Campus. The boilers have been shut down for the summer. On demand hot water heaters have been installed along with separate electric meters.

North Campus Interests-

We have no “active” prospects at this time. We continue to pursue other businesses. We do have one proposal submitted to a prospect handled by the Kansas Department of Commerce that could involve the undeveloped portion of the property.

Housing- We are waiting for the U.S. Senate to pass an extension for the federal housing tax credit program before we can move any further with Manske & Associates and the Kansas Housing Resources Corporation. We have been working with Senator Brownback’s office on this. But Congress has been recessed for some time now and no action is taking place.

Renewal of the Neighborhood Revitalization Program- The Cities of Beloit and Glen Elder have already held public hearings and voted to renew their participation in the program. The County Commissioners have indicated their interest in renewing. Cawker City will have a public hearing in July and I will be meeting with the USD 273 Board of Education in soon to discuss the program. I still need to schedule meetings with USD 272 and Tipton to see if they would also like to continue to participate in the program.

To date there has been over \$20 million in construction projects approved under this program since it began in October 2006.

Business Incubator- After meeting with Dr. Hornsbey from K-State to discuss the idea of turning the Administration Building into a business incubator. I met with members of the North Central Kansas Rural Development Council to see if there was any interest in looking at this as a “regional” business incubator. They group was receptive to the idea. We have also contacted Ellis County Economic Development. They recently did a study for development of an incubator and modeling for ways to operate one. At this time we are still reviewing the information.

Electric Transmission- I wanted to report there is still interest in our area for further wind energy development. Recently the interest has come from those interested in transmission line development. There are several transmission line development projects underway in Kansas. One person recently contacted me in regard to information on transmission lines and connection points in Mitchell County and in neighboring areas.

E-Community Program- I have recently started working with Linda Sutton from the Small Business Development office in Concordia on an application for the E-Communities program that could provide us with our own revolving loan fund in the future.

Video Cameras- I have attended meetings and plan to attend a presentation on June 24 to discuss installation of video cameras on the streets and alleys near the businesses in Beloit.

Marketing- The new getruralkansas.org website was officially launched on June 2nd. We are a part of that website with pages currently developed for Beloit and Cawker City. Each of those is also connected with their own Facebook pages to help promote special events, attractions and items that would interest travelers.

In conjunction with the launch of the getrurarkansas.org website, I also did an interview with a reporter from the Salina Journal.

We are also currently working with staff from Commerce to implement a new tracking system on the Location One database. This will let us know which buildings and properties are getting the most attention or interest from site selectors.

Recent Business Activity-

- 1) Farmway Coop has announced plans to construct another flat storage facility at Glen Elder for an estimated \$1.6 million. They utilized the Neighborhood Revitalization Program.
- 2) Dr. Jetta Holloway-Jankowski has joined the staff at Dental Designs
- 3) The North Central Kansas Regional Prevention Center is opening an office in Beloit.
- 4) Ambria Wendall had a ribbon cutting for her new massage therapy business located south of Solomon Valley Cinema
- 5) Andrea Benedick had a ribbon cutting and opened a floral shop at the same location as Great Plains Landscape.
- 6) Eva Shurts is opening a fitness program in the north side of the Closet Building at Court and Hersey. It will be called Body Defined by Eva.
- 7) Dustin Dougherty will be moving his Tae Kwon Do classes to the north side of the Closet Building.
- 8) Solomon Valley Farmers Market will begin June 19 and continue through October 2nd.

Prospective business expansions-

- 1) **March 10-** I was contacted by a local business person who is interested in putting up a new building to expand their current business. I have put them in touch with several property owners to discuss potential sites for their building. We are also meeting to discuss their business plan and will be setting up a meeting with staff from NCK Regional Planning Commission to discuss possible financial assistance for this project. This would be a significant sized building and could create 2 to 3 new jobs.

April Update- We have met with staff from the Regional Planning Commission and Department of Commerce. There are several sources of tax credits available and financing options available to assist this business development. They have also expressed interest in building in the SVED Business Park and would construct a 50,000 s.f. facility.

May Update- We have not heard anything new from the business owner. We have discussed this further with the Kansas Department of Commerce staff.

June Update- We have been back in contact and are discussing preliminary plans again. This business is currently finishing up another project.

Prospective new business developments-

1. **May 14-Project Monument-** On May 14 I submitted an 8 page proposal for a new manufacturing business that was brought to our attention by the Kansas Department of Commerce. The business is seeking a site with 20-30 acres of land. They also sent us their specifications for a building, transportation, utilities, workforce, training and other items they are seeking. Our proposal is currently under review by the Kansas Department of Commerce and the company.

June update-Shortly after the proposal was submitted. We received a call requesting additional information on two locations. We provided follow-up information. On June 9, I visited with our regional representative from KS Dept. Commerce and they have not received any new information on the project.

2. **May 11-Project Prevention**- On May 11 I was contacted by a Kansas based organization looking for office space in Beloit. They currently have an office in Concordia. They are planning to close their Concordia office and would like to relocate to Beloit.
Central Kansas Foundation/ Regional Prevention Center- They will be moving their office from Concordia to Beloit on June 15th.

Success!!

3. **May 4-Project Digger**- On May 4 I attended a meeting with a company from the Wichita area that may be striking up a partnership with someone in Beloit. We have discussed some interest in establishing a business location for them in Beloit. Two locations have been discussed.

June Update-Nothing new to report

4. **April 16-Project Grain**-On April 16 I contacted a large ag based company from Kansas that I have been in contact with for many years. The point of our contact was to discuss interest in the North Campus Administration Building.

June Update-This company has indicated they have no interest at this time.

5. **April 13**- I was contacted again by a company interested in establishing a new statewide company that could have a regional office in Beloit. They have recently completed an initial drive to raise capital and have been successful. They are now starting their campaign for private investors and hope to have this completed within a couple of months. We have discussed establishing a regional office in Beloit and will wait to see how their private investors support the business development. We have been working with this business since August 6, 2009.

May—We continue to visit with this company. They are still raising capital.

June Update-They are now making a public offering of stock in their company. They have placed advertisements in the Salina Journal.

6. **April 9 & 10**- As a result of the Farm Home and Garden Show on April 9 & 10 I was contacted by two separate retailers from other communities. They have expressed interest in finding locations for their stores in Beloit. At the same time we have a local business interested in sharing space in their store if they can find a retailer compatible with their setting.

May-One of these business people continue to look for a location in Beloit.

June Update-Very little new activity on this project.

Businesses/Organizations requested information or assistance.

Current Month Current YTD '09 YTD

	Current Month	Current YTD	'09 YTD
Expansion Plans	1	8	8
Tax Assistance	0	0	0
Marketing/Planning Assistance	0	0	0
Employment Assistance	0	1	1
New Business Prospect	0	18	11

ITEMS FOR COUNCIL DISCUSSION

DATE:

June 15, 2010

TITLE:

WORK SESSION DISCUSSION

DISCUSSION:

Items for discussion at your June 15, 2010 Work Session will include the following:

1. Water Project Financing Options.

The city's Financial Adviser Rick Ensz will attend the next council meeting to discuss the options for financing the proposed water project.

2. Mill Street.

City Engineer John Cashatt will attend the next council meeting to discuss options for repairing and widening this street. We need this information before we make any further decisions on this project.

3. Vacant Structures.

Code Officer Chris Jones will discuss further with the council the adoption of a vacant structures register.

4. Vehicle Towing.

Code Officer Chris Jones would like the council to consider adopting an agreement with Mr. Ed Crowley for towing and storing junk vehicles.

Respectfully submitted,

Glenn Rodden
City Administrator

Cooper Malone McClain, Inc.

P.O. BOX 23565 * OVERLAND PARK, KANSAS 66283
800-657-5730

FAX 913-681-8185

PHONE 913-681-8185

11 June 2010

Honorable Mayor and City Council
Attn: Glenn Rodden
Beloit City Hall
119 North Hersey
Beloit, KS 67420

(Electronic Delivery Only)

RE: Water Supply Line and Water Treatment Plant Financing Summary Comparison

Dear Honorable Mayor and City Council:

At the direction of Mr. Rodden, I have prepared an initial preliminary summary comparison for financing the proposed water supply line and water treatment plant improvements.

Background

The City was recently approached by Mitchell County RWD No. 3 (RWD 3) regarding the sale of water to RWD 3. The City has determined that in order to accommodate such a request there are certain capital improvements that would need to be constructed, including, but not limited to: a water supply line and water treatment plant improvements.

In order to finance the proposed improvements the City has asked me to evaluate and analyze various funding sources/programs. My analysis compared conventional revenue bonds (RB), the Kansas Department of Health and Environment's State Revolving Loan program (SRF), the United States Department of Agriculture's Rural Development Loan/Grant program (RD), and the Kansas Department of Commerce's Community Development Block Grant program (CDBG).

It should be noted that RB, SRF, and RD have the potential to fund 100 percent of the projected project costs. The CDBG however, is a limited grant program (\$500,000 maximum) and therefore must be supplemented with either RB, SRF, or RD funds in order to finance 100 percent of the projected project costs. Because of the numerous combinations that could be considered with CDBG funds, only RB, SRF, and RD funding/programs were evaluated. Obviously if the City were to apply for CDBG funding, any resulting award would decrease the amount of funding necessary from RB, SRF, or RD.

In addition, in discussions with RD, they indicated the City of Beloit could be eligible for a grant of up to a maximum of 45 percent of the project cost. RD pointed out however that the City is not guaranteed a grant, or a grant at 45 percent. For the purposes of my analysis I conservatively considered grants of zero percent and 30 percent. RD also indicated the City is eligible for their intermediate rate for borrowing money.

INVESTMENT BANKERS – SECURITIES BROKER/DEALER

MEMBER: Securities Investor Protection Corporation
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Honorable Mayor and City Council

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Projected Revenue from RWD 3

A review of RWD 3 water usage was performed to determine the amount of water that might be purchased from the City. KDHE Municipal Water Use Reports for RWD 3 for the years 2004 through 2009 are as follows:

1. 2004 water usage	110,724,000 gallons
2. 2005 water usage	100,736,000 gallons
3. 2006 water usage	116,876,000 gallons
4. 2007 water usage	99,755,000 gallons
5. 2008 water usage	101,784,000 gallons
6. 2009 water usage	93,980,000 gallons

Based on the above data, RWD 3 has averaged an annual water usage of 103,975,833 gallons for the past six years. Per Mr. Rodden's direction, I used a projected rate of \$2.00 per 1,000 gallons to determine the potential revenue the City could receive from RWD 3. At this rate, using annual average usage, the resulting revenue is projected to be \$207,952 per year.

Funding Features

A comparison of financing programs for your projects included using RB, SRF, RD, and CDBG funds. It is important to note that no two financing programs are alike and therefore a direct one-to-one comparison is impossible. Such factors as US Congress appropriations to funding agencies, competition for funds, funding agency evaluation of funding applications, when funds might be available, Davis-Beacon wage rate requirements, interest rate fluctuations, and many other factors may influence which financing mechanism is the best choice for a particular situation. Below are some of the highlights of each funding source/program:

1. RB

- a. Funds can be available to the City in 60 days.
- b. No application/government review required to secure funds.
- c. Interest rate is not subsidized by the US taxpayers.
- d. Debt reduction is over 20 years.

2. SRF

- a. It is unknown how soon funds could be available.
- b. Application and government agency review required to secure funds.
- c. Interest rate is subsidized by US taxpayers.
- d. Debt reduction is over 20 years.

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3. RD

- a. It is unknown how soon funds could be available.
- b. Application and government agency review required to secure funds.
- c. Interest rate is subsidized by US taxpayers.
- d. Debt reduction is over 40 years.

Funding Comparison

Using information provided by the City and the City's engineering consultant, Exhibit A reflects four sections of information: Project Details, Yearly Financial Impacts, Financial Impacts to Users, and Financing Program Information.

Project Details: To determine preliminary opinions of total project cost, I provided additional cost information in order to calculate preliminary total project principal and interest costs. These costs are reflected at the bottom of the Project Details section.

Yearly Financial Impacts: Taking information from Project Details, an average principal and interest payment was determined using the respective length of maturity of each funding program. Using the projected yearly revenue from RWD 3, a net balance was calculated. These figures are reflected at the bottom of the Yearly Financial Impacts section.

Financial Impacts to Users: Using 2,180 total meters in the City, the financial impact per month, per user was determined for each program. The impacts are reflected at the bottom of the Financial Impacts to Users section.

Financing Program Information: Some of the various features of each program were provided earlier in this letter. Additional information is provided in the Financing Program Information section.

Conclusions

An "apples-to-apples" comparison of various financing programs is impossible to make as each program has different requirements, conditions, and features. However, the above analysis begins to give the City a starting point in which to make informed decisions. A number of assumptions were used. As assumptions change and as additional information is developed, the results of this analysis may change. Some items to consider:

1. Interest rates are at historic lows and all programs provide lower financing costs than have been seen in a number of years. In the future all rates could be lower or higher.
2. RB and SRF maturities are for 20 years which would generally coincide with the useful life of the facilities being considered.

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Cooper Malone McClain, Inc.

Honorable Mayor and City Council

11 June 2010

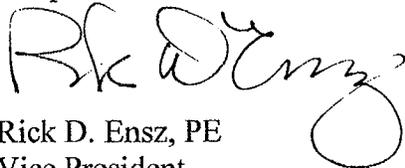
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3. RD maturities are for 40 years. Major capital improvements, 20-plus years in the future to replace the improvements now being considered, may require additional debt financing. This could result in the City making two debt service payments, one of which is for improvements that no longer are providing any useful life or service to the City.
4. RB can be placed immediately (within 60 days) to provide necessary funding.
5. SRF and RD require appropriation of funds, an application, and a review process before award. With RD particularly, the time before award may be several years. There is no guarantee of award.
6. CDBG are also dependent on appropriation of funds, an application, and a review process before award. Like the RD program, is no guarantee of award. The maximum amount is \$500,000 for water and sewer projects so another source of funding would be required.
7. All funding programs have little or no additional financial impact to existing users so the proposed improvements, with revenue coming from the sale of water to RWD 3, appears to be feasible. Note: no operation and maintenance costs were considered in this analysis and results are based on certain assumptions.

I plan to attend the City Council meeting on 15 June 2010 to discuss the contents of this letter and answer any questions.

Sincerely,

Cooper Malone McClain, Inc.



Rick D. Ensz, PE
Vice President

Attachments – Exhibits A and B

INVESTMENT BANKERS – SECURITIES BROKER/DEALER

MEMBER: Securities Investor Protection Corporation
Financial Industry Regulatory Authority

Exhibit A

City of Beloit, Kansas

Water Supply Line and Water Treatment Plant Funding Comparison

6/11/2009

Project Details	Program						Dept of Commerce CDBG
	Revenue Bonds	KDHE State Revolving Loan	Rural Development with 30% Grant	Rural Development with 0% Grant			
Estimated Sub-Project Cost	\$ 2,669,400	\$ 2,669,400	\$ 2,669,400	\$ 2,669,400	\$ 2,669,400		<i>Maximum</i> \$500,000
Debt Service Reserve Fund	\$ 315,500						
Cost of Issuance	\$ 170,100	\$ 23,957	\$ 121,500	\$ 170,790	\$ 170,790		
Temporary Note Interest			\$ 60,000	\$ 87,900	\$ 87,900		
FIAC Origination Fee		\$ 26,694					
Loan Origination Fee		\$ 6,674					
Service Fee		\$ 92,350					
RD Loan			\$ 2,000,000	\$ 2,928,090	\$ 2,928,090		<i>Would need</i> <i>to supplement</i> <i>with other</i> <i>funding source(s).</i>
RD Grant			\$ 850,900				
Total Project Cost	\$ 3,155,000	\$ 2,819,075	\$ 2,000,000	\$ 2,928,090	\$ 2,928,090		
Total Interest Cost	\$ 1,688,206	\$ 1,222,200	\$ 1,601,925	\$ 2,346,565	\$ 2,346,565		
Total Principal and Interest Cost	\$ 4,843,206	\$ 4,041,275	\$ 3,601,925	\$ 5,274,655	\$ 5,274,655		

Yearly Financial Impacts						
Average Principal and Interest	\$ 242,160	\$ 202,064	\$ 90,048	\$ 131,866	\$ 131,866	
RWD 3 Projected Revenue	\$ 207,952	\$ 207,952	\$ 207,952	\$ 207,952	\$ 207,952	
Net Balance	\$ (34,208)	\$ 5,888	\$ 117,904	\$ 76,086	\$ 76,086	

Financial Impacts to Users						
Average Monthly Increase	\$ 1.31	\$ -	\$ -	\$ -	\$ -	

Financing Program Information						
Eligibility	Yes	Yes	Yes	Yes	Yes	Yes
Process	N/A	Application Unknown				
Likelihood of funding	Yes	20	40	40	40	N/A
Terms (years)	20	3.50	3.25	3.25	3.25	N/A
Current Interest Rates (percent)	4.75	6 to 12	12 to 36+	12 to 36+	12 to 36+	N/A
Funds Available (months)	2					N/A

Exhibit B

Debt Service Schedules

CITY OF BELOIT, KS

Water Supply Main & WTP Rev Bds - w DSRF

\$3,155,000

January 1, 2011

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2011	-	-	-	-	-
01/01/2012	-	-	134,087.50	134,087.50	-
07/01/2012	40,000.00	4.250%	67,043.75	107,043.75	-
12/31/2012	-	-	-	-	241,131.25
01/01/2013	-	-	66,193.75	66,193.75	-
07/01/2013	110,000.00	4.250%	66,193.75	176,193.75	-
12/31/2013	-	-	-	-	242,387.50
01/01/2014	-	-	63,856.25	63,856.25	-
07/01/2014	115,000.00	4.250%	63,856.25	178,856.25	-
12/31/2014	-	-	-	-	242,712.50
01/01/2015	-	-	61,412.50	61,412.50	-
07/01/2015	120,000.00	4.250%	61,412.50	181,412.50	-
12/31/2015	-	-	-	-	242,825.00
01/01/2016	-	-	58,862.50	58,862.50	-
07/01/2016	125,000.00	4.250%	58,862.50	183,862.50	-
12/31/2016	-	-	-	-	242,725.00
01/01/2017	-	-	56,206.25	56,206.25	-
07/01/2017	130,000.00	4.250%	56,206.25	186,206.25	-
12/31/2017	-	-	-	-	242,412.50
01/01/2018	-	-	53,443.75	53,443.75	-
07/01/2018	135,000.00	4.250%	53,443.75	188,443.75	-
12/31/2018	-	-	-	-	241,887.50
01/01/2019	-	-	50,575.00	50,575.00	-
07/01/2019	140,000.00	4.250%	50,575.00	190,575.00	-
12/31/2019	-	-	-	-	241,150.00
01/01/2020	-	-	47,600.00	47,600.00	-
07/01/2020	145,000.00	4.250%	47,600.00	192,600.00	-
12/31/2020	-	-	-	-	240,200.00
01/01/2021	-	-	44,518.75	44,518.75	-
07/01/2021	155,000.00	4.250%	44,518.75	199,518.75	-
12/31/2021	-	-	-	-	244,037.50
01/01/2022	-	-	41,225.00	41,225.00	-
07/01/2022	160,000.00	4.250%	41,225.00	201,225.00	-
12/31/2022	-	-	-	-	242,450.00
01/01/2023	-	-	37,825.00	37,825.00	-
07/01/2023	165,000.00	4.250%	37,825.00	202,825.00	-
12/31/2023	-	-	-	-	240,650.00
01/01/2024	-	-	34,318.75	34,318.75	-
07/01/2024	175,000.00	4.250%	34,318.75	209,318.75	-
12/31/2024	-	-	-	-	243,637.50
01/01/2025	-	-	30,600.00	30,600.00	-
07/01/2025	180,000.00	4.250%	30,600.00	210,600.00	-
12/31/2025	-	-	-	-	241,200.00

Water Supply Main & WTP R | SINGLE PURPOSE | 6/11/2010 | 1.15 PM

CITY OF BELOIT, KS

Water Supply Main & WTP Rev Bds - w DSRF

\$3,155,000

January 1, 2011

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2026	-	-	26,775.00	26,775.00	-
07/01/2026	190,000.00	4.250%	26,775.00	216,775.00	-
12/31/2026	-	-	-	-	243,550.00
01/01/2027	-	-	22,737.50	22,737.50	-
07/01/2027	195,000.00	4.250%	22,737.50	217,737.50	-
12/31/2027	-	-	-	-	240,475.00
01/01/2028	-	-	18,593.75	18,593.75	-
07/01/2028	205,000.00	4.250%	18,593.75	223,593.75	-
12/31/2028	-	-	-	-	242,187.50
01/01/2029	-	-	14,237.50	14,237.50	-
07/01/2029	215,000.00	4.250%	14,237.50	229,237.50	-
12/31/2029	-	-	-	-	243,475.00
01/01/2030	-	-	9,668.75	9,668.75	-
07/01/2030	225,000.00	4.250%	9,668.75	234,668.75	-
12/31/2030	-	-	-	-	244,337.50
01/01/2031	-	-	4,887.50	4,887.50	-
07/01/2031	230,000.00	4.250%	4,887.50	234,887.50	-
12/31/2031	-	-	-	-	239,775.00
Total	\$3,155,000.00	-	\$1,688,206.25	\$4,843,206.25	-

Yield Statistics

Bond Year Dollars	\$39,722.50
Average Life	12.590 Years
Average Coupon	4.2500000%
Net Interest Cost (NIC)	4.5677041%
True Interest Cost (TIC)	4.6878103%
Bond Yield for Arbitrage Purposes	4.2453456%
All Inclusive Cost (AIC)	4.8479214%

IRS Form 8038

Net Interest Cost	4.2500000%
Weighted Average Maturity	12.590 Years

Water Supply Main & WTP R | SINGLE PURPOSE | 6/11/2010 | 1:15 PM

CITY OF BELOIT, KS

Wtr & WTP SRF

\$2,820,000

January 1, 2011

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
01/01/2011	-	-	-	-	-
01/01/2012	-	-	98,700.00	98,700.00	-
07/01/2012	50,000.00	3.500%	49,350.00	99,350.00	-
12/31/2012	-	-	-	-	198,050.00
01/01/2013	50,000.00	3.500%	48,475.00	98,475.00	-
07/01/2013	50,000.00	3.500%	47,600.00	97,600.00	-
12/31/2013	-	-	-	-	196,075.00
01/01/2014	50,000.00	3.500%	46,725.00	96,725.00	-
07/01/2014	55,000.00	3.500%	45,850.00	100,850.00	-
12/31/2014	-	-	-	-	197,575.00
01/01/2015	55,000.00	3.500%	44,887.50	99,887.50	-
07/01/2015	55,000.00	3.500%	43,925.00	98,925.00	-
12/31/2015	-	-	-	-	198,812.50
01/01/2016	55,000.00	3.500%	42,962.50	97,962.50	-
07/01/2016	55,000.00	3.500%	42,000.00	97,000.00	-
12/31/2016	-	-	-	-	194,962.50
01/01/2017	60,000.00	3.500%	41,037.50	101,037.50	-
07/01/2017	60,000.00	3.500%	39,987.50	99,987.50	-
12/31/2017	-	-	-	-	201,025.00
01/01/2018	60,000.00	3.500%	38,937.50	98,937.50	-
07/01/2018	60,000.00	3.500%	37,887.50	97,887.50	-
12/31/2018	-	-	-	-	196,825.00
01/01/2019	60,000.00	3.500%	36,837.50	96,837.50	-
07/01/2019	65,000.00	3.500%	35,787.50	100,787.50	-
12/31/2019	-	-	-	-	197,625.00
01/01/2020	65,000.00	3.500%	34,650.00	99,650.00	-
07/01/2020	65,000.00	3.500%	33,512.50	98,512.50	-
12/31/2020	-	-	-	-	198,162.50
01/01/2021	65,000.00	3.500%	32,375.00	97,375.00	-
07/01/2021	65,000.00	3.500%	31,237.50	96,237.50	-
12/31/2021	-	-	-	-	193,612.50
01/01/2022	70,000.00	3.500%	30,100.00	100,100.00	-
07/01/2022	70,000.00	3.500%	28,875.00	98,875.00	-
12/31/2022	-	-	-	-	198,975.00
01/01/2023	70,000.00	3.500%	27,650.00	97,650.00	-
07/01/2023	70,000.00	3.500%	26,425.00	96,425.00	-
12/31/2023	-	-	-	-	194,075.00
01/01/2024	75,000.00	3.500%	25,200.00	100,200.00	-
07/01/2024	75,000.00	3.500%	23,887.50	98,887.50	-
12/31/2024	-	-	-	-	199,087.50
01/01/2025	75,000.00	3.500%	22,575.00	97,575.00	-
07/01/2025	80,000.00	3.500%	21,262.50	101,262.50	-
12/31/2025	-	-	-	-	198,837.50

Wtr & WTP SRF | SINGLE PURPOSE | 6/11/2010 | 1:21 PM

CITY OF BELOIT, KS

Wtr & WTP SRF

\$2,820,000

January 1, 2011

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2026	80,000.00	3.500%	19,862.50	99,862.50	-
07/01/2026	80,000.00	3.500%	18,462.50	98,462.50	-
12/31/2026	-	-	-	-	198,325.00
01/01/2027	80,000.00	3.500%	17,062.50	97,062.50	-
07/01/2027	85,000.00	3.500%	15,662.50	100,662.50	-
12/31/2027	-	-	-	-	197,725.00
01/01/2028	85,000.00	3.500%	14,175.00	99,175.00	-
07/01/2028	85,000.00	3.500%	12,687.50	97,687.50	-
12/31/2028	-	-	-	-	196,862.50
01/01/2029	85,000.00	3.500%	11,200.00	96,200.00	-
07/01/2029	90,000.00	3.500%	9,712.50	99,712.50	-
12/31/2029	-	-	-	-	195,912.50
01/01/2030	90,000.00	3.500%	8,137.50	98,137.50	-
07/01/2030	90,000.00	3.500%	6,562.50	96,562.50	-
12/31/2030	-	-	-	-	194,700.00
01/01/2031	95,000.00	3.500%	4,987.50	99,987.50	-
07/01/2031	95,000.00	3.500%	3,325.00	98,325.00	-
12/31/2031	-	-	-	-	198,312.50
01/01/2032	95,000.00	3.500%	1,662.50	96,662.50	-
12/31/2032	-	-	-	-	96,662.50
Total	\$2,820,000.00	-	\$1,222,200.00	\$4,042,200.00	-

Yield Statistics

Bond Year Dollars	\$34,920.00
Average Life	12.383 Years
Average Coupon	3.5000000%
Net Interest Cost (NIC)	3.5000000%
True Interest Cost (TIC)	3.4969243%
Bond Yield for Arbitrage Purposes	3.4969243%
All Inclusive Cost (AIC)	3.4969243%
IRS Form 8038	
Net Interest Cost	3.5000000%
Weighted Average Maturity	12.383 Years

Wtr & WTP SRF | SINGLE PURPOSE | 6/11/2010 | 1:21 PM

CITY OF BELOIT, KS

Wtr & WTP RD - with 30% Grant

\$2,000,000

January 1, 2011

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
01/01/2011				
01/01/2012	25,000.00	3.250%	65,000.00	90,000.00
01/01/2013	26,000.00	3.250%	64,187.50	90,187.50
01/01/2014	27,000.00	3.250%	63,342.50	90,342.50
01/01/2015	28,000.00	3.250%	62,465.00	90,465.00
01/01/2016	28,000.00	3.250%	61,555.00	89,555.00
01/01/2017	29,000.00	3.250%	60,645.00	89,645.00
01/01/2018	30,000.00	3.250%	59,702.50	89,702.50
01/01/2019	31,000.00	3.250%	58,727.50	89,727.50
01/01/2020	32,000.00	3.250%	57,720.00	89,720.00
01/01/2021	33,000.00	3.250%	56,680.00	89,680.00
01/01/2022	35,000.00	3.250%	55,607.50	90,607.50
01/01/2023	36,000.00	3.250%	54,470.00	90,470.00
01/01/2024	37,000.00	3.250%	53,300.00	90,300.00
01/01/2025	38,000.00	3.250%	52,097.50	90,097.50
01/01/2026	39,000.00	3.250%	50,862.50	89,862.50
01/01/2027	41,000.00	3.250%	49,595.00	90,595.00
01/01/2028	42,000.00	3.250%	48,262.50	90,262.50
01/01/2029	43,000.00	3.250%	46,897.50	89,897.50
01/01/2030	45,000.00	3.250%	45,500.00	90,500.00
01/01/2031	46,000.00	3.250%	44,037.50	90,037.50
01/01/2032	48,000.00	3.250%	42,542.50	90,542.50
01/01/2033	49,000.00	3.250%	40,982.50	89,982.50
01/01/2034	51,000.00	3.250%	39,390.00	90,390.00
01/01/2035	52,000.00	3.250%	37,732.50	89,732.50
01/01/2036	54,000.00	3.250%	36,042.50	90,042.50
01/01/2037	56,000.00	3.250%	34,287.50	90,287.50
01/01/2038	58,000.00	3.250%	32,467.50	90,467.50
01/01/2039	59,000.00	3.250%	30,582.50	89,582.50
01/01/2040	61,000.00	3.250%	28,665.00	89,665.00
01/01/2041	63,000.00	3.250%	26,682.50	89,682.50
01/01/2042	65,000.00	3.250%	24,635.00	89,635.00
01/01/2043	68,000.00	3.250%	22,522.50	90,522.50
01/01/2044	70,000.00	3.250%	20,312.50	90,312.50
01/01/2045	72,000.00	3.250%	18,037.50	90,037.50
01/01/2046	74,000.00	3.250%	15,697.50	89,697.50
01/01/2047	77,000.00	3.250%	13,292.50	90,292.50
01/01/2048	79,000.00	3.250%	10,790.00	89,790.00
01/01/2049	82,000.00	3.250%	8,222.50	90,222.50
01/01/2050	84,000.00	3.250%	5,557.50	89,557.50
01/01/2051	87,000.00	3.250%	2,827.50	89,827.50
Total	\$2,000,000.00	-	\$1,601,925.00	\$3,601,925.00

Wtr & WTP RD - with 30% G | SINGLE PURPOSE | 6/11/2010 | 1:20 PM

CITY OF BELOIT, KS

Wtr & WTP RD - with 30% Grant

\$2,000,000

January 1, 2011

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$49,290.00
Average Life	24.645 Years
Average Coupon	3.2500000%
Net Interest Cost (NIC)	3.2500000%
True Interest Cost (TIC)	3.2476719%
Bond Yield for Arbitrage Purposes	3.2476719%
All Inclusive Cost (AIC)	3.2476719%

IRS Form 8038

Net Interest Cost	3.2500000%
Weighted Average Maturity	24.645 Years

Wtr & WTP RD - with 30% G | SINGLE PURPOSE | 6/11/2010 | 1:20 PM

CITY OF BELOIT, KS

Wtr & WTP RD - with 0% Grant

\$2,928,000

January 1, 2011

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
01/01/2011	-	-	-	-
01/01/2012	37,000.00	3.250%	95,160.00	132,160.00
01/01/2013	38,000.00	3.250%	93,957.50	131,957.50
01/01/2014	39,000.00	3.250%	92,722.50	131,722.50
01/01/2015	40,000.00	3.250%	91,455.00	131,455.00
01/01/2016	42,000.00	3.250%	90,155.00	132,155.00
01/01/2017	43,000.00	3.250%	88,790.00	131,790.00
01/01/2018	44,000.00	3.250%	87,392.50	131,392.50
01/01/2019	46,000.00	3.250%	85,962.50	131,962.50
01/01/2020	47,000.00	3.250%	84,467.50	131,467.50
01/01/2021	49,000.00	3.250%	82,940.00	131,940.00
01/01/2022	50,000.00	3.250%	81,347.50	131,347.50
01/01/2023	52,000.00	3.250%	79,722.50	131,722.50
01/01/2024	54,000.00	3.250%	78,032.50	132,032.50
01/01/2025	56,000.00	3.250%	76,277.50	132,277.50
01/01/2026	57,000.00	3.250%	74,457.50	131,457.50
01/01/2027	59,000.00	3.250%	72,605.00	131,605.00
01/01/2028	61,000.00	3.250%	70,687.50	131,687.50
01/01/2029	63,000.00	3.250%	68,705.00	131,705.00
01/01/2030	65,000.00	3.250%	66,657.50	131,657.50
01/01/2031	67,000.00	3.250%	64,545.00	131,545.00
01/01/2032	70,000.00	3.250%	62,367.50	132,367.50
01/01/2033	72,000.00	3.250%	60,092.50	132,092.50
01/01/2034	74,000.00	3.250%	57,752.50	131,752.50
01/01/2035	77,000.00	3.250%	55,347.50	132,347.50
01/01/2036	79,000.00	3.250%	52,845.00	131,845.00
01/01/2037	82,000.00	3.250%	50,277.50	132,277.50
01/01/2038	84,000.00	3.250%	47,612.50	131,612.50
01/01/2039	87,000.00	3.250%	44,882.50	131,882.50
01/01/2040	90,000.00	3.250%	42,055.00	132,055.00
01/01/2041	93,000.00	3.250%	39,130.00	132,130.00
01/01/2042	96,000.00	3.250%	36,107.50	132,107.50
01/01/2043	99,000.00	3.250%	32,987.50	131,987.50
01/01/2044	102,000.00	3.250%	29,770.00	131,770.00
01/01/2045	105,000.00	3.250%	26,455.00	131,455.00
01/01/2046	109,000.00	3.250%	23,042.50	132,042.50
01/01/2047	112,000.00	3.250%	19,500.00	131,500.00
01/01/2048	116,000.00	3.250%	15,860.00	131,860.00
01/01/2049	120,000.00	3.250%	12,090.00	132,090.00
01/01/2050	124,000.00	3.250%	8,190.00	132,190.00
01/01/2051	128,000.00	3.250%	4,160.00	132,160.00
Total	\$2,928,000.00	-	\$2,346,565.00	\$5,274,565.00

Wtr & WTP RD - with 0% Gr | SINGLE PURPOSE | 6/11/2010 | 1:20 PM

CITY OF BELOIT, KS

Wtr & WTP RD - with 0% Grant

\$2,928,000

January 1, 2011

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$72,202.00
Average Life	24.659 Years
Average Coupon	3.2500000%
Net Interest Cost (NIC)	3.2500000%
True Interest Cost (TIC)	3.2476719%
Bond Yield for Arbitrage Purposes	3.2476719%
All Inclusive Cost (AIC)	3.2476719%

IRS Form 8038

Net Interest Cost	3.2500000%
Weighted Average Maturity	24.659 Years

Wtr & WTP RD - with 0% Gr | SINGLE PURPOSE | 6/11/2010 | 1:20 PM

ANNUAL REGISTRATION OF VACANT BUILDINGS AND ASSOCIATED FEES

An owner of a building that has been vacant for more than sixty (60) consecutive days is required to file with the Code Enforcement Officer a notarized registration statement containing all the relevant information with respect to the vacant property. Registration forms are available City Hall, 119 N. Hersey, phone (785) 738-3551. A registration fee is assessed to each property that has been vacant for at least one (1) year. Registration fees are billed by the City of Beloit in November of each year and must be paid in full by January 1. If the status of the property or the information contained in your registration statement changes, it is your responsibility to inform the Code Enforcement Officer in writing within 30 days of the change.

FEE STRUCTURE

The registration fee due for each property is determined by the number of years the property has been vacant. The following is the current fee structure:

1 year vacant:	\$500.00
2 years vacant:	\$1,000.00
3 - 4 years vacant:	\$2,000.00
5 - 9 years vacant:	\$3,500.00
10 years vacant:	\$5,000.00
10+ years vacant:	\$5,000.00, plus an additional \$500.00 for every year the property is vacant over 10 years.

VACANT STRUCTURE REGISTRATION FORM

The Vacant Structure Registration Form will be provided by the City of Beloit. The entire form must be filled out completely and accurately to be accepted. Mail to: Vacant Structures Registration, c/o Code Enforcement Officer, PO Box 567, Beloit, Ks. 67420. If an owner fails to return the registration form for all their vacant properties, to amend the registration statement, if applicable, or pay the registration fee, the City of Beloit may institute legal proceedings against the owner of the property. An owner is subject to a potential fine of \$500.00. In addition, the City of Beloit may bring a civil action to collect any unpaid registration fees. Please call the Code Enforcement Officer regarding any questions you may have about the completion and/or submittal of this form at (785) 738-3553.

APPEAL RIGHTS

As the owner, you have the right to appeal the fee assessed to your property. To appeal your vacant structure registration fee, you must submit an application in writing to the Governing Body of the City of Beloit with a \$50.00 non-refundable filing fee. Appeals must be sent to:

City of Beloit
c/o Code Enforcement Officer
PO Box 567
Beloit, Ks. 67420

To be considered, your application must be received with the \$50.00 filing fee by the City of Beloit no later than 15 calendar days from the date of the billing statement. On appeal, the owner bears the burden of proving the property was occupied during that period of time he or she was assessed a vacant registration fee.

ONE TIME WAIVER OF REGISTRATION FEE

You may request a one time waiver of your registration fee from the City Administrator if you can clearly and fully prove one of the following:

1. You are in the process of demolition, rehabilitation, or other substantial repair of the vacant building, and work will be completed in a reasonable time; or
2. You were actively attempting to sell or lease the property during the vacancy period.

In order to request a waiver, you must follow the procedure for an appeal. (Non-profit organizations may request a two (2) year waiver of their registration fees.)

FAILURE TO REGISTER

If an owner fails to register all vacant structures, to amend the registration statement if applicable, or pay the registration fee, the City of Beloit may institute criminal proceedings against the owner of the property. An owner is subject to a potential fine of \$500.00. In addition, the City of Beloit may bring a civil action to collect any unpaid registration fees.

WHAT YOU CAN DO TO HELP

You can help the City of Beloit eliminate vacant structures by reviewing the City's current list of addresses of vacant structures. If there is a property in your neighborhood that is vacant and is NOT on our list, please call Chris Jones, Code Enforcement Officer at (785) 738-3553.

CITY OF BELOIT VACANT PROPERTIES LIST

The City currently has a database of over 14 property owners that either owe registration fees or have recently paid their fees.

DEFINITIONS OF VACANT/ABANDONED/UNOCCUPIED STRUCTURES

K.S.A. 12-1750. Unsafe or dangerous structures; abandoned property; definitions.
As used in this act:

"Structure" means any building, wall or other structure.

"Enforcing officer" means the building inspector or other officer designated by ordinance and charged with the administration of the provisions of this act.

"Abandoned property" means any residential real estate for which taxes are delinquent for the preceding two years and which has been unoccupied continuously by persons legally in possession for the preceding 180 days.

(11) **'Neglected unoccupied building'** means an unoccupied building (whether or not boarded) in which one or more of the following events have occurred:

- a. Within the last eighteen months, the property is the subject of two or more notices of violation of the provisions of Chapters 18, Chapter 20 or the provision of this chapter of the Code of the City of Wichita and the owner has failed to demonstrate that due diligence is being exercised in abating the violation;
- b. The building is unsecured;
- c. The building has sustained significant fire, wind or water damage and is uninhabitable.
- d. The building has been declared a criminal nuisance pursuant to K.S.A. 22-3901, *et. seq.*
- e. The building has been boarded for a period of more than ninety days.
- f. The building has sustained substantial deterioration due to lack of maintenance.
- g. The owner has failed to appear and a warrant has been issued in municipal court for a violation of Chapter 18, or Chapter 20, of the Code of the City of Wichita; or
- h. The owner has refused to accept service of notices of violations of Chapter 18, or Chapter 20, of the **Code of the City of Wichita.**

Abandoned/Vacant Buildings

The City defines an abandoned/vacant building as a building or portion of a building that is unoccupied and unsecured, or unoccupied and secured by means other than those used in the design of the building, or declared a dangerous building under the uniform code for the abatement of dangerous buildings, or unoccupied and unfit for occupancy, or unoccupied with housing and building code violations, or unoccupied for a continuous period of more than 180 days.

The owner of an abandoned/vacant building is required to register the building with the City and have the building inspected on an annual basis if it remains vacant. Both a registration fee and an inspection fee will be required. The building must be maintained to comply with building, housing, and nuisance codes. Failure to register an abandoned/vacant building and/or maintain the building will be considered a municipal infraction and result in subsequent fines and court costs.

Vacant Structure: For purposes of this section, vacant means a structure that is lacking the habitual presence of human beings, who have a legal right to be on the premises, for 90 consecutive days, or at which substantially all lawful business or construction activity or residential occupancy has ceased, or which is substantially devoid of contents. A multifamily residential property containing ten or more dwelling units shall be considered vacant when ninety percent or more of the dwelling units are unoccupied. For the purposes of this ordinance, exceptions to this definition of .vacant. shall be made for properties that are actively listed for sale and are covered by a current City of Waukegan zoning inspection letter under Ordinance 07 . O . 83; and for those properties which are under active, ongoing rehabilitation or reconstruction and are under permit with the **City of Waukegan Building Department**.

Abandoned and/or Vacant Residential Structure means a residential structure that has not been occupied for 30 days or more and meets any of the following criteria:

- (a) Provides a location for loitering, vagrancy, unauthorized entry or other criminal activity;
- (b) Has been boarded for at least 30 days;
- (c) Has taxes in arrears for a period of time exceeding 365 days;
- (d) Has utilities disconnected or not in use;
- (e) Is not maintained in compliance with any **City of Mount Clemens Ordinance**.

Vacant means not occupied by a human or used for any purpose by a person.

Unoccupied: Not being used for a lawful occupancy.

REQUEST FOR COUNCIL APPROVAL

RECOMMENDATION:

I propose that the Council approve the agreement and financing for “junk vehicle” towing by Mr. Ed Crowley of Crowley Cars and Salvage. Our junk vehicle code requires this procedure to abate junk vehicles when property owners fail to comply with the Abatement Order. However, the city has no impound lot nor a tow truck with which to efficiently move offending vehicles. Mr. Crowley has the means and location for this procedure and is willing to assist the city with this abate process. Previously, the city has issued a notice to appear in municipal court for non-compliance which is not addressed by our code.

FISCAL NOTE:

The cost for this abatement process will be \$50.00 for towing and \$20.00 per day for storage of these vehicles. I would not expect there to be more than 8-10 vehicles impounded at any one time. While the cost for towing and storage and any possible fines will be assessed to the property owner, payment for this service should be paid by the city to Mr. Crowley on a monthly basis.

DISCUSSION:

Formal notices will continue to be mailed or personally delivered to the owners of the junk vehicles as required by our code. When the owner fails to abate the junk vehicle(s) the towing service will be employed. Any vehicle subject to the provisions of our code which has been impounded by the city shall be sold and disposed of according to the provisions of our code.

Respectfully submitted,

Chris Jones
Code Enforcement Officer

AGENCY AGREEMENT

On this, the _____ day of June, 2010, this Agreement is hereby entered into by the City of Beloit, a Kansas Municipality, ("City") and Ed Crowley, d/b/a, Crowley Cars and Salvage ("Crowley"), 3148 Hallie Trail, Beloit, KS, for the purposes of securing the towing services of Crowley for the removal of vehicles within the City of Beloit, Mitchell County, Kansas.

WHEREAS, the City, by and through the City Code Official will designate all vehicles to be towed and impounded and shall direct Crowley which vehicles to remove within the city limits of Beloit, Kansas. The designation of vehicles shall be pursuant to the City Code of Beloit and the City Code Official shall follow all notice requirements of the Code prior to the engaging Crowley to remove any vehicles.

WHEREAS, any vehicles that shall be removed and impounded by Crowley at the direction of the City Code Official shall considered to be in the care, custody and control of the City. Consequently, any damage that may be sustained to any vehicle during removal or while in the impound lot will be the responsibility of the City.

WHEREAS, Crowley agrees to designate a fully enclosed area at Crowley Cars and Salvage which shall hold any vehicles impounded by the City separate from any other vehicles being stored at the facility. The City Code Official shall visually inspect the holding area and shall give his consent prior to any vehicles being placed there. Once the City Code Official has consented to the impoundment area, any vehicles stored there at the direction of the City shall be the responsibility of the City. Any damage sustained by any vehicle in this area shall be the responsibility of the City unless such damage was due to negligence on the part of Crowley.

WHEREAS, Crowley agrees to remove all vehicles designated by the City Code Official in a manner customarily used to hook-up, tow and store vehicles when transporting them with a

tow style truck. Crowley further agrees to store the vehicles in a manner customarily used when impounding a vehicle to prevent unnecessary damage to the vehicles.

THIS AGREEMENT is designated to create an agent relationship between the City and Crowley. Nothing in this agreement shall make Crowley an employee of the City of Beloit and entitled to all the rights and benefits of its employees. Furthermore, Crowley will only be considered an agent of the City of Beloit when instructed to remove vehicles by the City Code Official and performing the services requested by the City. At no time shall Crowley remove and/or impound vehicles as an agent of the City without authorization to do so by the City Code Enforcement Official or his/her designee.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the _____ day and year first above written.

THE CITY OF BELOIT, KANSAS
A Kansas Municipality

By _____
Becky Koster, Mayor

ATTEST:

Kerry Benson, City Clerk

By _____
Ed Crowley, d/b/a Crowley Cars and
Salvage

ARTICLE 3. JUNKED, ABANDONED VEHICLES

7-301. UNLAWFUL ACTS. It shall be unlawful, without prior authorization of the governing body, to park, store, leave or permit the parking, storing or leaving of any motor vehicle of any kind which is in a wrecked, junked, partially dismantled, inoperative or abandoned condition, whether attended or not, for a period of time in excess of 72 hours upon any private property and/or upon any street, alley, highway, or thoroughfare within the city, unless the same is completely enclosed within a building or unless it is in connection with a business enterprise properly operated in the appropriate business zone pursuant to the zoning laws of the city.

7-302. NUISANCES. Any motor vehicle parked, stored, left or permitted to be parked, stored or left in violation of the provisions of section 7-301 hereof shall constitute rubbish and unsightly debris and a nuisance detrimental to the health, safety and welfare of the inhabitants of the city, and it shall be the duty of the registered or other owner of such vehicle, and it shall also be the duty of the owner, lessee or occupant of the private property upon which such vehicle is located, to either remove the same from the city or to have the same housed in a building where it will not be visible from the street or other private property.

7-303. SAME; EXCEPTION. (a) All premises or portions of premises within the city situated within 100 feet of any area bearing a classification under zoning regulations of R-S (residential suburban district), R-1 (single family dwelling district), R-2, (two family dwelling district), R-3 (multiple family dwelling district), or MP (mobile home park district) which shall be used for the storage of motor vehicles or machine parts shall be screened from public view by the erection of board fencing to a height of eight feet, bottom of which fencing shall not be more than one foot from the ground surface of the premises. Public parking along any street shall not be used for the storage of motor vehicles or machine parts and all screen fencing herein required shall be erected under the inspection and approval of the building inspector.

(b) All premises or portions of premises within the city which shall be used for the storage of motor vehicles or machine parts and which shall be located within 100 feet of a public street shall be screen fenced as provided in subsection (a).

(c) The owner or owners of all premises defined in this section together with the lessees of the premises shall be jointly and severally liable for erecting the screen fencing as required by this section. The term "storage of motor vehicles or machine parts" shall contemplate under this section the accumulation of said items for the purpose of salvaging parts therefrom for sale. Each day that a premises or portion thereof shall be used in violation of this section shall constitute a separate violation.

7-304. NOTIFICATION. (a) It shall be the duty of the chief of police to give written notice to the registered or other owner of any motor vehicle which is in violation of this article, or in the alternative to give such notice to the owner, lessee or occupant of the private property upon which such motor vehicle is situated, to the effect that the parking, storing, leaving or permitting of the parking, storing, or leaving of such vehicle is in violation of this article and requiring that the vehicle be removed from the premises within 72 hours or that within 72 hours the same be housed in a building where it will not be visible from the street or adjoining private property.

(b) Notice shall be given by personal service or by registered or certified mail.

(c) In case of a motor vehicle abandoned on the streets of the city, the notice shall be attached to the vehicle in a conspicuous manner.

7-305. FAILURE TO COMPLY. If notice is given as provided in section 7-304 hereof and the person upon whom the notice and demand is made shall fail to meet the requirements of the notice, then the persons shall be in violation of this article.

7-306. IMPOUNDMENT AND DISPOSITION. Notwithstanding the provisions of section 7-305 hereof, and regardless of whether or not the person or persons mentioned herein have been charged with a violation of this article, the chief of police, after the giving of notice required by section 7-304 hereof, and if the requirements of such notice have not been complied with upon the expiration of said 72 hour period, shall cause the vehicle or vehicles to be removed to such suitable place for storage as may be designated by the mayor.

7-307. DISPOSITION AND SALE OF VEHICLES IMPOUNDED. Any vehicle subject to the provisions of this article which has been impounded by the police department shall be sold and disposed of in the following manner:

(a) If the vehicle has displayed thereon a registration plate issued by the State of Kansas, the city shall notify by registered mail the registered owner of the vehicle addressed to the address shown on the certificate of registration, and the lienholder, if any, giving notice to the same to claim the vehicle in 30 days from the date of mailing the notice or the vehicle will be sold at public auction sale for cash. The titleholder or registered owner of a vehicle not displaying such a registration plate shall be notified and the vehicle sold as hereinafter set forth. The city shall exercise reasonable diligence in determining the title owner or registered owner of vehicles and shall ~~inquire by mail of the office of the register of deeds of the county in which the title shows the~~ owner resides as to any lienholder of record.

(b) After 30 days from the date of mailing notice if the abandoned motor vehicle is more than four model years of age, or after 60 days from date of mailing notice, if the abandoned motor vehicle is four model years of age or less the city shall publish a notice on< ~ a week for two consecutive weeks in the official city newspaper which notice shall as accurately as possible describe the vehicle. In the case of a motor vehicle, such description shall be by name of maker, color, serial number and owner, if known. The notice shall state that the same has been impounded by the city and that the same will be sold at public auction to the highest bidder, for cash, if the owner thereof does not claim the same within 10 days from the date of the second publication of the notice and pay the removal and storage charges and publication costs incurred by the city.

(c) If such motor vehicle does not display a registration plate issued by the motor vehicle department of the highway commission of this state and is not registered with the department, the city may after 30 days from the date of abandonment publish a notice in the official city newspaper which notice shall describe the motor vehicle by name of maker, model, color and serial number and stating that the same has been impounded by the city and the 7-5 same will be sold at public auction to the highest bidder for cash if the owner thereof does not claim the same within 10 days of the date of the second publication of the notice and pay the removal and storage and publication charges incurred by the city.

(d) All proceeds from the sale of vehicles under this section shall go first toward satisfying the towing, storing, publication and other expenses of the city, with the surplus, if any, going to the general fund of the city to be used for street purposes.

7-308. RELEASE FROM IMPOUNDMENT. After any vehicle is impounded and stored, as aforesaid, the same shall not be released until all charges connected with the removal, towing and storage of such vehicle have been paid.

7-309. PENALTY. Any person violating the provisions of this article shall, upon conviction thereof, be punished by a fine of not less than \$25 or more than \$50 or by imprisonment in jail for a term of not less than 10 days nor more than 30 days, or by both such fine and imprisonment.