(Published in ***The Coffeyville Journal*** on July 1, 2016)

ORDINANCE NO. S-16-09

AN ORDINANCE APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A COOPERATION AGREEMENT AMONG THE CITY OF COFFEYVILLE, KANSAS, THE COFFEYVILLE REGIONAL MEDICAL CENTER BOARD OF TRUSTEES AND COFFEYVILLE REGIONAL MEDICAL CENTER, INC. RESPECTING THE LEVY, COLLECTION AND USE OF THE 2016 HEALTH CARE SALES TAX.

WHEREAS, K.S.A. 12-2901 *et seq.* (the "Act") provides that in order for public agencies to make the most efficient use of their powers, such public agencies may cooperate with other public agencies on a basis of mutual advantage to provide services and facilities in a manner that will best accord with geographic, economic and other factors influencing the needs and development of such public agencies; and

WHEREAS, the Act authorizes public agencies to enter into cooperation agreements with one or more other public or private agencies for joint or cooperative action pursuant to the provisions of the Act; and

WHEREAS, the City of Coffeyville, Kansas (the "City") is a "public agency" within the State of Kansas (the "State"), and pursuant to the Act it is necessary and advisable to enter into a cooperation agreement with Coffeyville Regional Medical Center Board of Trustees (the "Trustees") and Coffeyville Regional Medical Center, Inc. ("CRMC"), both also public or private agencies, in order to collectively provide for certain matters respecting the levy, collection and use of the special one-half percent (.50%) Citywide retailers' sales tax (the "2016 Health Care Sales Tax") to provide financial support to CRMC to assist the financing of health care and emergency services without increasing the ad valorem property tax burden of property owners in the City, as more fully set forth in the cooperation agreement.

THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF COFFEYVILLE, KANSAS:

SECTION 1. The City is hereby authorized to enter into the "COOPERATION AGREEMENT" among the City, the Trustees, and CRMC respecting the levy, collection, and use of the 2016 Health Care Sales Tax (the "Agreement"), as more fully set forth in the Agreement. The form of the Agreement presented to the governing body of the City this date is hereby approved in substantially the form presented, and the Mayor and Clerk are hereby authorized to execute the Agreement in that form, with such changes as may be approved by the Mayor and the City Administrator or the City Attorney, and the Mayor's execution of the Agreement shall evidence any such approval.

SECTION 2. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City and publication in the official City newspaper.

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PASSED by the governing body of the City of Coffeyville, Kansas, on June 28, 2016, and **SIGNED** by the Mayor.

(SEAL)

_____
Craig C. Powell, Mayor

ATTEST:

_____
Cindy Price, City Clerk

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT is entered into as of July 1, 2016 between the City of Coffeyville, Kansas (the "City"), the Coffeyville Regional Medical Center Board of Trustees (the "Trustees") and Coffeyville Regional Medical Center, Inc. ("CRMC"), (collectively referred to as the "Parties").

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RECITALS

A. CRMC provides health care services to the residents of the City and surrounding community.

B. The respective governing bodies of the Parties have determined there is a public need to provide financial support to CRMC to assist the financing of health care and emergency services without increasing the ad valorem property tax burden of property owners in the City, by the City's imposition of a special one-half percent (.50%) Citywide retailers' sales tax (the "2016 Health Care Sales Tax"), such 2016 Health Care Sales Tax to commence upon the expiration of the existing one-half percent (.50%) retailers' sales tax for healthcare purposes approved by the electors of the City on October 23, 2001, and the execution of a cooperation agreement among the Parties, or as soon thereafter as permitted by law; and shall terminate ten (10) years after its commencement.

C. The electors of the City approved the imposition of the 2016 Health Care Sales Tax at an election held in the City on April 5, 2016.

D. The Parties desire to enter into this Cooperation Agreement in order to facilitate the distribution of the 2016 Health Care Sales Tax Revenues to assist CRMC in providing health care and emergency services.

THEREFORE, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions

"Act" means K.S.A. 12-187 *et seq*, as amended.

"Agreement" means this Cooperation Agreement.

"City" means the City of Coffeyville, Kansas, a municipal corporation incorporated as a city of the first class of the State of Kansas.

"CRMC" means Coffeyville Regional Medical Center, Inc., a 501(c)(3) not-for-profit hospital corporation organized under the laws of the State of Kansas.

"Enabling Ordinance" means the ordinance enacted by the City authorizing the City to enter into this Agreement.

"Enabling Resolutions" mean the resolutions adopted by the governing bodies of CRMC, the Trustees and the PBC authorizing execution of this agreement.

"Healthcare and Emergency Services Expenses" means the healthcare and emergency services expenses approved to be paid by the City from the 2016 Health Care Sales Tax Revenues.

"Healthcare Facilities" means the healthcare facilities operated by CRMC and located in the City, consisting of, but not limited to, an intensive care unit, emergency room, laboratory, skilled nursing unit, birthing center, behavioral health unit, medical-surgical nursing area, surgery suite, medical imaging department, outpatient services, rehabilitation services department and emergency services facilities and equipment.

"State" means the state of Kansas.

"Trustees" means the Coffeyville Regional Medical Center Board of Trustees as appointed by the governing body of the City. The Board of Trustees is sometimes referred to as the Board of Trustees of Coffeyville Memorial Hospital pursuant to section 2-281 of the City Code of Ordinances of the City of Coffeyville, Kansas.

"2016 Health Care Sales Tax" means the one-half percent (0.5%) retailers' sales tax levied by the City as authorized by the Act; approved by the qualified electors of the City on April 5, 2016 and subsequent Enabling Ordinance.

"2016 Health Care Sales Tax Revenues" means moneys received from time to time by the City from the levy of the 2016 Health Care Sales Tax.

ARTICLE II

STATEMENT OF PURPOSE

2.1. The purpose of this Agreement is to set forth the terms and conditions under which the Parties will cooperate in a genuine effort to provide for funding of the operation of healthcare and emergency services conducted in and for the Healthcare Facilities for the benefit of the general public of the City and its environs.

ARTICLE III

REPRESENTATIONS OF PARTIES

The Parties each hereby represent that:

3.1. Their governing bodies have authorized the execution of this Agreement by Enabling Ordinance or Enabling Resolution, as applicable.

3.2. The governing body of the City intends to fulfill the commitments made to CRMC and the Trustees as set forth in this Agreement to the extent permitted by law. However, the parties acknowledge that the financial commitments made by the City in this Agreement, including specifically those described in ***Article V*** hereof, are limited as follows:

(a) payments to be made from the 2016 Health Care Sales Tax Revenues are subject to the availability of revenues generated by the 2016 Health Care Sales Tax; and

(b) are subject to annual appropriation by the governing body of the City.

ARTICLE IV

LEVY OF SALES TAX BY CITY

4.1. The City will proceed with diligence after the effective date of this Agreement to secure the levy and collection of the 2016 Health Care Sales Tax in accordance with the conditions of the ballot question approved by City voters and the Act.

4.2. The 2016 Health Care Sales Tax Revenues received by the City shall be separately accounted for by the City and will be applied only in accordance with the limitations on use set forth in the ballot question approved by the City's electors and in this Agreement, on an annual appropriation basis.

ARTICLE V

2016 HEALTH CARE SALES TAX PAYMENTS BY CITY TO CRMC

5.1. CRMC shall, ~~on an annual basis~~by not later than January 1 of each year, submit to the governing body of the City the hospital's operations and capital budgets.

5.2. CRMC shall, on a monthly basis, submit to the governing body of the City, the Board of Directors and Trustees meeting minutes. ~~of Directors meeting packet.~~

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5.3. CRMC shall, by not later than August 1 of each year, submit to the governing body of the City its annual audit report for the previous fiscal year.

5.4. CRMC shall, annually and upon its availability, submit to the governing body of the City its annual 990 report for the previous fiscal year.

5.5. The amount of payments for Healthcare and Emergency Services Expenses in a given calendar year will be determined by the governing body of the City as a part of adoption of the City's budget of expenditures for each subsequent year in accordance with State law. Upon determination ~~of the budgeted amount~~, the City will notify CRMC and the Trustees of the total budgeted amount for the following calendar year. ~~Such payments~~The 2016 Health Care Sales Revenues will be disbursed by the City to CRMC on a monthly basis not later than the 20th day of such month.

5.6. 2016 Health Care Sales Tax Revenues collected by the City in excess of the annual budgeted amounts shall be retained and shall be available for budgeted payments to CRMC in subsequent annual periods,

ARTICLE VI

DURATION OF AGREEMENT

6.1. This Agreement will continue in full force and effect until [120] days after the termination of collection of the 2016 Health Care Sales Tax. Any 2016 Health Care Sales Tax Revenues not previously budgeted for distribution to CRMC shall be disbursed to CRMC pursuant to the next annual budget of the City.

ARTICLE VII

AMENDMENTS

7.1. This Agreement may be amended or supplemented in whole or in part when such amendments are approved by ordinance or resolution of the Parties, as applicable, and such amendments or supplements have been executed by appropriate officials thereof.

ARTICLE VIII

EFFECTIVE DATE

8.1. This Agreement shall take effect upon enactment of the Enabling Ordinance, adoption of the Enabling Resolutions, signature by appropriate officials of the Parties and approval by the Attorney General of the State in accordance with State law.

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be executed on its behalf by an authorized official, to be effective as of the date first above written.

CITY OF COFFEYVILLE, KANSAS

By: _____

(SEAL) Craig Powell, Mayor

Attest:

_____

Cindy Price, City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
)SS:
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me on the _____ day of [_____], 2016 by Craig Powell, Mayor of the City of Coffeyville, Kansas, and Cindy Price, City Clerk of the City of Coffeyville, Kansas, a municipal corporation incorporated as a city of the first class of the State of Kansas.

(SEAL)

My Appointment Expires:

_____ _____

Notary Public

COFFEYVILLE REGIONAL MEDICAL CENTER BOARD OF TRUSTEES

By: _____
Neal Barkley, Chairman

(SEAL)

Attest:

_____
Stan Eli, Secretary-Treasurer

ACKNOWLEDGMENT

STATE OF KANSAS)
)SS:
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me on the _____ day of [_____], 2016, by Neal Barkley, Chairman of the Coffeyville Regional Medical Center Board of Trustees, and Stan Eli, Secretary-Treasurer.

(SEAL)

My Appointment Expires:

_____ _____
Notary Public

COFFEYVILLE REGIONAL MEDICAL CENTER, INC.

By: _____

(SEAL) [_____], Chairman

Attest:

_____

[_____], Secretary-Treasurer

ACKNOWLEDGMENT

STATE OF KANSAS)
)SS:
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me on the _____ day of [_____], 2016, by [_____], Chairman of the Coffeyville Regional Medical Center, Inc., and [_____], Secretary-Treasurer.

(SEAL)

My Appointment Expires:

_____ _____

Notary Public