SEPTEMBER 25, 2012

ITEM #I-4

TO: MAYOR AND CITY COMMISSION

FROM: FINANCE DEPARTMENT

SUBJECT: APPROVAL TO AUTHORIZE PAYMENT TO KANSAS MUNICIPAL GAS AGENCY (KMGA) BY APPLICABLE DUE DATE, SUBJECT TO LATER RATIFICATION BY THE CITY COMMISSION.

RECOMMENDATION: APPROVE RESOLUTION NO. R-12-94 AUTHORIZING THE FINANCE DIRECTOR TO PROCESS EARLY PAYMENTS OF KMGA INVOICES IN ORDER TO ASSURE TIMELY PAYMENT, SUBJECT TO LATER RATIFICATION BY THE CITY COMMISSION.

DISCUSSION:

Staff was recently notified by Kansas Municipal Gas Agency (KMGA) that payment of our monthly gas purchases would be due within 10 days of receiving their invoice. Power plant cities do not prepay for their gas purchases like other KMGA programs do. As a result of our large gas purchases this summer related to running the power plant, KMGA is now requesting we submit our payments more quickly than in the past.

In the event the invoice is received and payable within our commission meeting schedule, payment will be processed as normal. During months when our schedule would result in a past due payment, this resolution will give the Finance Director authority to process the payment to KMGA in a timely manner. The payment would then be included on the next available commission meeting appropriation report for the commission's approval.

Staff would be glad to address any questions you have regarding this matter.

Stephanie A. Richardson
Finance Director

RESOLUTION NO. R-12-94

A RESOLUTION TO AUTHORIZE PAYMENT TO KANSAS MUNICIPAL GAS AGENCY (KMGA) BY APPLICABLE DUE DATE, SUBJECT TO LATER RATIFICATION BY THE CITY COMMISSION.

WHEREAS, the City has been notified by KMGA that, beginning with the October 2012 billing cycles, KMGA is requiring payment within ten (10) days after receipt of the invoice;

WHEREAS, according to KMGA, power plant cities do not prepay for their gas as the other program cities do, and with the large volumes of gas being purchased recently, KMGA will need payment in time to pay for these purchases;

WHEREAS, the City benefits from its relationship with KMGA and is willing to accede to KMGA's billing requirements; and

WHEREAS, the invoice dates do not always coincide with City Commission meeting dates, so as to allow authorization of payment of KMGA's invoice within the specified time.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas, that the Finance Director be and is hereby authorized and directed to process early payments of KMGA invoices in order to assure timely payment thereof, subject to later ratification of such payments by the City Commission.

Adopted this 25th day of September 2012.

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David George, Mayor

ATTEST:

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Cindy Price, City Clerk

Approved as to Form and Legality:

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Paul Kritz, City Attorney