



The City of Lee's Summit
Final Agenda
Finance and Budget Committee

Monday, February 5, 2018

5:30 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. PUBLIC COMMENTS
5. BUSINESS
 - A. [2018-1808](#) Approval of Minutes from January 8, 2018 and January 24, 2018 Finance & Budget Committee Meetings.
 - B. [2018-1810](#) Presentation of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017 by RubinBrown LLP
 - C. [TMP-0782](#) AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (BOAC 1-23-18)
 - D. [2018-1792](#) PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019. (BOAC 1-23-18)

- E. [TMP-0794](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AMENDMENT NO. 5 TO STATE BLOCK GRANT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FEDERAL FUNDS IN THE AMOUNT OF \$340,966.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.
- F. [TMP-0795](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FUNDS IN THE AMOUNT OF \$18,942.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.
- G. [TMP-0786](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND VERIZON WIRELESS, LLC ESTABLISHING THE LEASE TERM AND ANNUAL RENTAL PAYMENT FOR TELECOMMUNICATIONS EQUIPMENT TO BE INSTALLED ON THE CITY'S WATER STORAGE TOWER LOCATED AT 801 SW HOOK ROAD.
- H. [TMP-0797](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD, AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI TO ESTABLISH A SPONSORSHIP BY LEE'S SUMMIT PARKS AND RECREATION OF THE COMMON READ PROGRAM FOR 2018-2019 AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT EVIDENCING THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.
- I. [2018-1809](#) Presentation on all Active Tax Increment Financing Districts
- J. [2018-1811](#) Tax Incentive Projects GASB 77 Abatement Information
- K. [TMP-0796](#) AN ORDINANCE APPROVING AMENDMENT NO. 10 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED EXPENDITURES FOR THE CITY OF LEE'S SUMMIT
- L. [2018-1816](#) PRESENTATION OF THE YEAR-END BUDGET PROJECTIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2018
- M. [2018-1819](#) UPDATE ON PRIORITY BASED BUDGETING
- N. [2018-1822](#) Committee Discussion: Funding for wage enhancements

- O. [2018-1802](#) PRESENTATION OF THE NOVEMBER GENERAL FUND FINANCIAL DASHBOARD

- P. [2018-1803](#) PRESENTATION OF THE DECEMBER GENERAL FUND FINANCIAL DASHBOARD

- 6. ROUNDTABLE

- 7. ADJOURNMENT

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".



Packet Information

File #: 2018-1808, **Version:** 1

Approval of Minutes from January 8, 2018 and January 24, 2018 Finance & Budget Committee Meetings.



The City of Lee's Summit
Action Letter
Finance and Budget Committee

Monday, January 8, 2018

5:30 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1. CALL TO ORDER

2. ROLL CALL

Present: 3 - Chairperson Rob Binney
Vice Chair Phyllis Edson
Alternate Fred DeMoro

Absent: 2 - Councilmember Dave Mosby
Councilmember Craig Faith

3. APPROVAL OF AGENDA

Motion by Vice Chair Edson, second by Alternate DeMoro, the agenda was approved.

Aye: 3 - Chairperson Binney
Vice Chair Edson
Alternate DeMoro

Absent: 2 - Councilmember Mosby
Councilmember Faith

4. PUBLIC COMMENTS

5. BUSINESS

A. [2017-1756](#) Minutes from F&BC 12-4-17 meeting

ACTION: A motion was made by Vice Chair Edson, seconded by Alternate DeMoro that the Minutes from Dec. 4th meeting be approved. The motion carried by the following vote:

Aye: 3 - Chairperson Binney
Vice Chair Edson
Alternate DeMoro

Absent: 2 - Councilmember Mosby
Councilmember Faith

Finance and Budget Committee

Action Letter

January 8, 2018

- B. [BILL NO. 18-06](#) AN ORDINANCE APPROVING THE SCHEDULE OF FUEL DISCOUNTS FOR FUEL SALES AT THE LEE'S SUMMIT MUNICIPAL AIRPORT. (F&BC 1-8-18)

Recommendation: Recommendation:

Staff recommends approval of AN ORDINANCE APPROVING THE SCHEDULE OF FUEL DISCOUNTS FOR FUEL SALES AT THE LEE'S SUMMINT MUNICIPAL AIRPORT

Presenter: Presenter: Joel Arrington, Assistant Airport Manager

ACTION: A motion was made by Vice Chair Edson, seconded by Alternate DeMoro that this Ordinance be recommended for approval to the City Council - Regular Session due back on 1/18/2018. The motion carried by the following vote:

Aye: 3 - Chairperson Binney
Vice Chair Edson
Alternate DeMoro

Absent: 2 - Councilmember Mosby
Councilmember Faith

- C. [BILL NO. 18-07](#) AN ORDINANCE APPROVING AMENDMENT TO FIRST AMENDED AND RESTATED COOPERATIVE AGREEMENT TO FACILITATE INSTALLATION OF NEW STREETLIGHTS BY THE CITY OF LEE'S SUMMIT; AND AUTHORIZING FURTHER ACTIONS RELATED THERETO. (F&BC 1-8-18)

Presenter: Presenter: Bette Wordelman

ACTION: A motion was made by Alternate DeMoro, seconded by Vice Chair Edson that this Ordinance be recommended for approval to the City Council - Regular Session due back on 1/18/2018. The motion carried by the following vote:

Aye: 3 - Chairperson Binney
Vice Chair Edson
Alternate DeMoro

Absent: 2 - Councilmember Mosby
Councilmember Faith

- D. [TMP-0772](#) AN ORDINANCE AUTHORIZING THE CITY OF LEE'S SUMMIT TO PARTICIPATE IN THE GREATER KANSAS CITY CLEAN ENERGY DEVELOPMENT BOARD AND AUTHORIZING FURTHER ACTIONS AS MAY BE NECESSARY OR DESIRABLE TO CARRY OUT AND COMPLY WITH THE INTENT HEREOF. (F&BC 1-8-18)

Recommendation: Recommendation: Staff Recommends Approval

Presenter: Presenter: Stephen Arbo | City Manager

ACTION: A motion was made by Vice Chair Edson, seconded by Alternate DeMoro that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 2/1/2018. The motion carried by the following vote:

Aye: 3 - Chairperson Binney
Vice Chair Edson
Alternate DeMoro

Absent: 2 - Councilmember Mosby
Councilmember Faith

Finance and Budget Committee

Action Letter

January 8, 2018

- E. [BILL NO.
18-08](#) AN ORDINANCE APPROVING THE AWARD OF RFP NO. 2018-034 FOR A YEARLY AGREEMENT WITH FOUR POSSIBLE ONE-YEAR RENEWALS FOR FINANCIAL ADVISORY SERVICES WITH COLUMBIA CAPITAL MANAGEMENT, LLC BASED ON AMOUNTS SPECIFIED IN THE FEE SCHEDULE INCLUDED IN EXHIBIT A AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 1-8-18)

Presenter: Presenter: Bette Wordelman

ACTION: A motion was made by Alternate DeMoro, seconded by Vice Chair Edson that this Ordinance be recommended for approval to the City Council - Regular Session, due back on 1/18/2018. The motion carried by the following vote:

Aye: 3 - Chairperson Binney
Vice Chair Edson
Alternate DeMoro

Absent: 2 - Councilmember Mosby
Councilmember Faith

ROUNDTABLE
ADJOURNMENT

Meeting was adjourned at 6:30 p.m.

Next Meeting: February 5, 2018, 5:30 p.m.

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The City of Lee's Summit
Action Letter
Finance and Budget Committee

Wednesday, January 24, 2018

6:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1. CALL TO ORDER
2. ROLL CALL

Councilmember DeMoro was not present as an alternate was not needed.

Present: 4 - Chairperson Rob Binney
Vice Chair Phyllis Edson
Councilmember Dave Mosby
Councilmember Craig Faith

Absent: 1 - Alternate Fred DeMoro

3. APPROVAL OF AGENDA

Motion by Councilmember Edson, seconded by Councilmember Faith, the agenda was unanimously approved.

Aye: 4 - Chairperson Binney
Vice Chair Edson
Councilmember Mosby
Councilmember Faith

Absent: 1 - Alternate DeMoro

4. PUBLIC COMMENTS
5. BUSINESS

- A. [2018-1791](#) Presentation of long-term sustainable solutions to fund wage enhancements for City employees

Presenter: Presenter: Conrad Lamb | Finance Director

Councilmember Mosby made a motion to continue the budget forecast discussion and identify more ways to possibly come up with additional money for salary adjustments. The motion was seconded by Councilmember Faith. The vote was unanimous.

Aye: 4 - Chairperson Binney
Vice Chair Edson
Councilmember Mosby
Councilmember Faith

Absent: 1 - Alternate DeMoro

Finance and Budget Committee

Action Letter

January 24, 2018

6. ROUNDTABLE
7. ADJOURNMENT

Meeting was adjourned at 9:30 p.m.

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".

Packet Information

File #: 2018-1810, **Version:** 1

Presentation of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017 by RubinBrown LLP

Key issues:

Each year the City is required to undergo an independent audit of its financial statements. In addition, a Single Audit is performed on grant expenditures.

The City received an unmodified audit opinion.

In the Single Audit Report, Section II (beginning on page 9) notes any financial statement findings. We are happy to report there were no findings noted.

Kaleb Lilly, along with his team from RubinBrown will be here to present the report to the committee.

Presenter: Kaleb Lilly, RubinBrown

Committee Recommendation: Presentation only. No action required.

City Of Lee's Summit, Missouri



Presentation Of Results Of Annual Audit
And Required Communications



for the year ended
June 30, 2017

Table Of Contents

	Page
Auditor Communications	1 - 5
Accounting Pronouncements	6
Graphs	7 - 10
Cyber Security	11
Independent Auditors' Report On Additional Information	12

Auditor Communications

City of Lee's Summit, Missouri

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

We have audited the basic financial statements of the City of Lee's Summit, Missouri (the City) for the year ended June 30, 2017. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used by the City and the significant estimates made by the City's management as well as evaluated the overall financial statement presentation.

Auditing Standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

This information is intended solely for the use of the Honorable Mayor, Members of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

RubinBrown LLP

December 21, 2017

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, <i>Government Auditing Standards</i> and Uniform Guidance</p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the City complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements does not relieve you or management of responsibility for the accuracy of the financial statements.</p> <p>Professional standards also require that we obtain a significant understanding of the City's internal control to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p>	<p>We have audited the financial statements of the City of Lee's Summit, Missouri (the City) and the City's compliance with laws and regulations applicable to each of its major federal programs for the year ended June 30, 2017 and have issued the following:</p> <ul style="list-style-type: none"> ■ An unmodified opinion on the City's financial statements for the year ended June 30, 2017. ■ A report on internal control over financial reporting and on compliance based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i>. ■ An unmodified opinion on compliance and a report on internal control over federal programs in accordance with Uniform Guidance. ■ An in-relation-to opinion on the combining and individual fund financial statements and schedules. ■ No opinion on the management's discussion and analysis and other RSI included within the financial statements. ■ No opinion on the introductory and statistical sections of the CAFR.

Auditor Communications *(Continued)*

AREA	COMMENTS
Other Information In Documents Containing Audited Financial Statements	To our knowledge, the 2017 audited financial statements are not included within any other document.
Planned Scope And Timing Of The Audit	We performed the audit according to the planned scope and timing previously communicated to you through our engagement letter regarding the nature, timing and extent of our audit procedures.
Qualitative Aspects Of Accounting Practices Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.	<ul style="list-style-type: none"> ■ Significant accounting policies are described in Note 1. ■ The City implemented GASB 77, Tax Abatement Disclosures during the year. ■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. ■ No significant transactions have been recognized in a different period than when the transactions occurred.

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Management Judgments And Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p> <p>We evaluated the key factors and assumptions used to develop the estimates noted at right in determining that these amounts are reasonable in relation to the financial statements taken as a whole.</p>	<ul style="list-style-type: none"> ■ Allowance for uncollectible taxes and other accounts receivable ■ Useful lives of capital assets ■ Actuarial assumptions in the calculation of annual pension and OPEB costs ■ Estimated liability for payment of incurred (both reported and unreported) but unpaid self insurance claims ■ Estimated cost of closure and post closure care of the solid waste landfill ■ Acquisition value of contributed capital assets
<p>Financial Statement Disclosures</p> <p>The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements users. The most sensitive disclosures affecting the financial statements are:</p>	<ul style="list-style-type: none"> ■ Note 2 - The City's investment policy and portfolio risks ■ Note 4 - The City's long-term obligations ■ Note 7 - Employee retirement plan ■ Note 8 - Other post employment benefits (OPEB) ■ Note 10 - Closure and postclosure care costs ■ Note 13 - Tax Abatements
<p>Difficulties Encountered In Performing The Audit</p>	<p>There were no difficulties encountered in dealing with management related to performance of the audit.</p>

Auditor Communications *(Continued)*

AREA	COMMENTS
Corrected And Uncorrected Misstatements	Professional standards require us to accumulate factual, judgmental and projected misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction. Management has one corrected audit adjustment. See the attachment labeled Adjusting Journal Entries. We accumulated no uncorrected misstatement.
Disagreements With Management	None
Management Representations	We have requested certain representations from management that are included in the management representation letter dated December 21, 2017. A copy of the signed representation letter is attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the City's auditors.

Accounting Pronouncements

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

- These benefits principally involve health care benefits.
- This proposed standard would provide guidance on how OPEB is accounted for and reported. The proposed guidance for OPEB reporting is similar to the new pension standards.
- This statement will be effective for the City's fiscal year ending June 30, 2018.

GASB Statement No. 83, Certain Asset Retirement Obligations

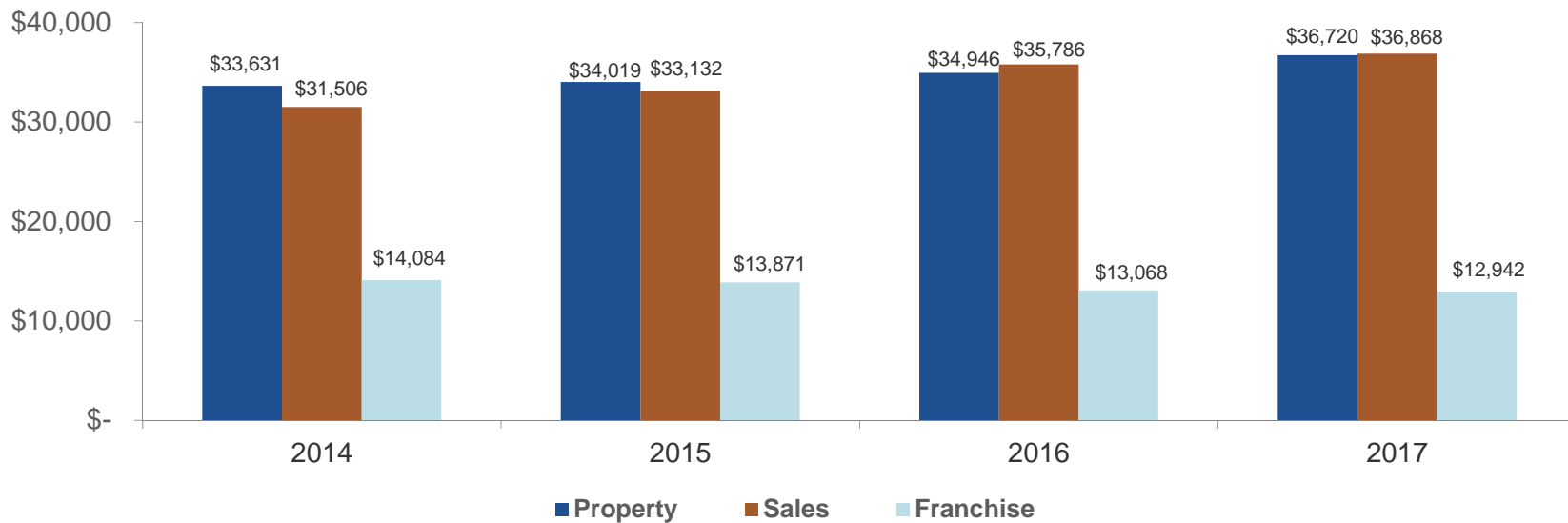
- Requires recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs).
- An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.
- Effective for periods beginning after June 15, 2018.

GASB Statement No. 87, Leases

- Requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- Recognize a lease liability and an intangible right-to-use lease asset.
- Effective for periods beginning after December 15, 2019.

Graphs

**Selected Tax Revenues - Governmental Funds
(In Thousands)**

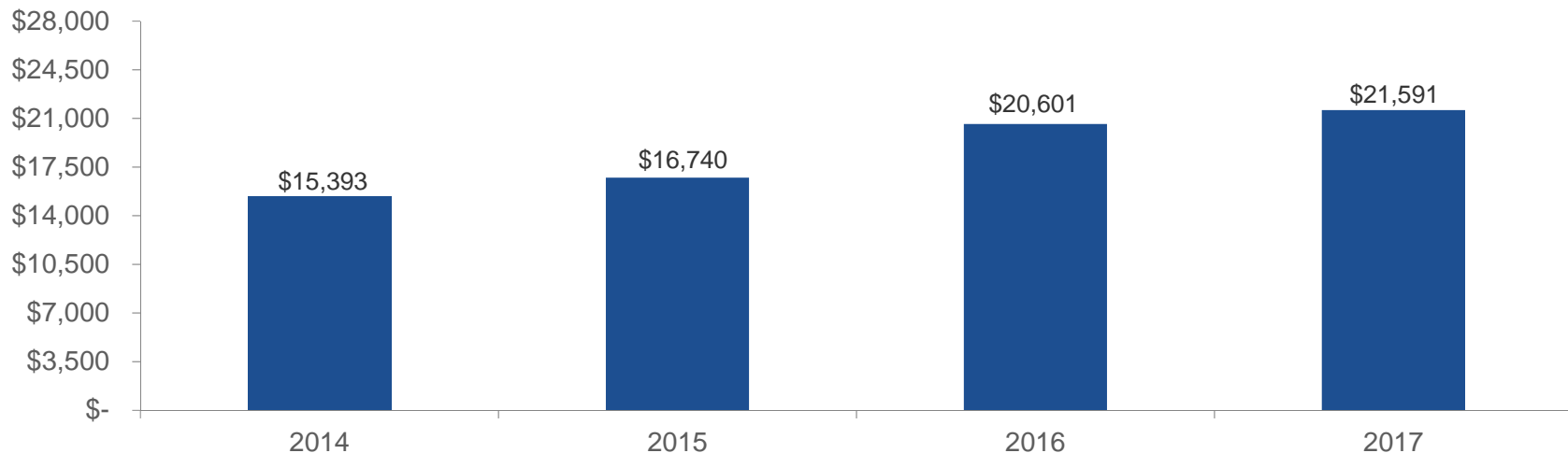


OBSERVATION

Both sales taxes and property taxes have had steady increases each year since 2014, while franchise taxes have had slight decreases.

Graphs (Continued)

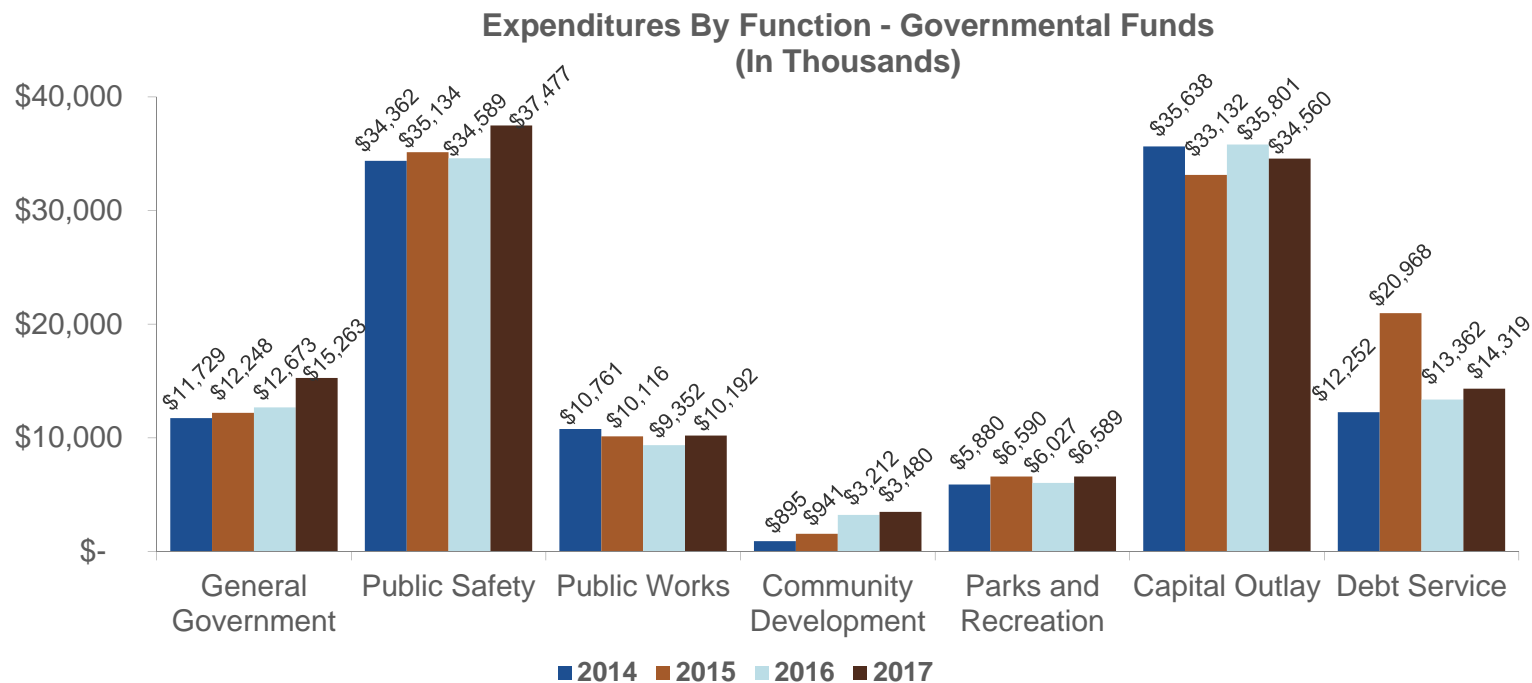
**Unassigned Fund Balance - General Fund
(In Thousands)**



OBSERVATION

From 2014 to 2017, the General Fund has had a surplus of revenues over expenditures and the unassigned fund balance in the General Fund has been steadily growing. The 2017 balance represents approximately 33% of the expenditures in the fund for the entire year.

Graphs (Continued)



OBSERVATION

Current year increase in general government and public safety categories are largely due to increased salaries, overtime, and rising insurance costs. The increase in debt service expenditures for 2015 related to refunding certain bonds with the issuance of new debt.

Graphs (Continued)

Total Expenditures- General Fund



This graph depicts how the City expended each General Fund dollar during the fiscal year.

Cyber Security: Five Principles For Council Consideration

City of Lee's Summit, Missouri

- I Council Members need to understand and approach cybersecurity as an enterprise-wide risk management issue, not just an IT issue.
- II Council Members should understand the legal implications of cyber risks as they relate to their City's specific circumstances.
- III City Council should have adequate access to cybersecurity expertise, and discussions about cyber-risk management should be given regular and adequate time on the Council meeting agenda.
- IV Council Members should set the expectation that management will establish an enterprise-wide cyber-risk management framework with adequate staffing and budget.
- V Council and management discussions of cyber-risk should include identification of which risks to avoid, accept, mitigate or transfer through insurance, as well as specific plans associated with each approach.

A publication from the  **RubinBrown** **Trusted Security Center of Excellence**

Independent Auditors' Report On Additional Information

City of Lee's Summit, Missouri

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

Our report, dated December 21, 2017, on our audit of the basic financial statements of the City of Lee's Summit, Missouri (the City) for the year ended June 30, 2017 accompanies the financial statements of the City. That audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The additional information presented on pages 6 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no such opinion on it.

RubinBrown LLP

December 21, 2017



LEE'S SUMMIT

MISSOURI

December 21, 2017

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, Missouri 64105

We are providing this letter in connection with your audit of the financial statements of the City Of Lee's Summit as of June 30, 2017 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City Of Lee's Summit and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We confirm, to the best of our knowledge and belief the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the city council is contingently liable, if any, have been properly recorded or disclosed.
10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
18. We have made available to you all financial records and related data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. As part of your audit, you assisted with preparation of the financial statements and related notes, and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, and schedule of expenditures of federal awards.
27. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

31. The financial statements properly classify all funds and activities.
32. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
34. Investments, derivative instruments, and land are properly valued.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
41. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
42. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
43. With respect to the combining and individual nonmajor fund financial statements and schedules.
 - a. We acknowledge our responsibility for presenting the combining and individual nonmajor fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual nonmajor fund financial statements and schedules, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual nonmajor fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b. If the combining and individual nonmajor fund financial statements and schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

44. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance, including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with

- federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the Uniform Guidance Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
 - j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
 - k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Compliance Supplement.
 - m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
 - r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
 - u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
 - v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - w. We have charged costs to federal awards in accordance with applicable cost principles.
 - x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - z. We are responsible for preparing and implementing a corrective action plan for each audit finding, if any.
45. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.



Darlene Pickett, Controller



Conrad Lamb, Finance Director



Stephen A. Arbo, City Manager

Client:
 Engagement: 2017 AUD - City of Lee's Summit
 Period Ending: 6/30/2017
 Trial Balance: TB
 Workpaper: 3001 - Combined Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 24		3004		
Entry to move payroll liability across funds. Also reallocate				
100-2100-0	Payroll Liabilities		428,770.00	
200-1000-0	Cash on Deposit		54,872.00	
201-1000-0	Cash on Deposit		8,303.00	
202-1000-0	Cash on Deposit		42,569.00	
203-1000-0	Cash on Deposit		36,932.00	
204-1000-0	Cash on Deposit		1,812.00	
500-1000-0	Cash on Deposit		120,371.00	
510-1000-0	Cash on Deposit		13,568.00	
520-1000-0	Cash on Deposit		2,889.00	
530-1000-0	Cash on Deposit		52,837.00	
600-1000-0	Cash on Deposit		13,834.00	
610-1000-0	Cash on Deposit		18,192.00	
620-1000-0	Cash on Deposit		61,370.00	
630-1000-0	Cash on Deposit		1,221.00	
100-1000-0	Cash on Deposit			428,770.00
200-2100-0	Payroll Liabilities			54,872.00
201-2100-0	Payroll Liabilities			8,303.00
202-2100-0	Payroll Liabilities			42,569.00
203-2100-0	Payroll Liabilities			36,932.00
204-2100-0	Payroll Liabilities			1,812.00
500-2100-0	Payroll Liabilities			120,371.00
510-2100-0	Payroll Liabilities			13,568.00
520-2100-0	Payroll Liabilities			2,889.00
530-2100-0	Payroll Liabilities			52,837.00
600-2100-0	Payroll Liabilities			13,834.00
610-2100-0	Payroll Liabilities			18,192.00
620-2100-0	Payroll Liabilities			61,370.00
630-2100-0	Payroll Liabilities			1,221.00
Total			857,540.00	857,540.00



LEE'S SUMMIT MISSOURI

January 15, 2018

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, MO 64105

In connection with your audit of the statement of financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City Of Lee's Summit as of June 30, 2017, and the related statements of changes in financial position and, where applicable, cash flows thereof for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net position, and where applicable cash flows of the City Of Lee's Summit, Missouri in conformity with U.S. generally accepted accounting principles, you were previously provided with a representation letter dated as of December 21, 2017. This letter also included representations related to your audit of the City of Lee's Summit, Missouri's scheduled of federal expenditures, as well as the City of Lee's Summit, Missouri's compliance with requirement applicable to each major program and on internal control over compliance in accordance with the Uniform Guidance. No information has come to our attention that would cause us to believe that any of those previous representations should be modified.

To the best of our knowledge and belief, no events have occurred subsequent to June 30, 2017 and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements, schedule of federal expenditures and your report on the City Of Lee's Summit, Missouri's compliance with requirement applicable to each major program and on internal control over compliance in accordance with the Uniform Guidance.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
6. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
7. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
8. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
9. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
10. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
12. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
13. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
14. We have made available to you all financial records and related data.

15. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
16. We have a process to track the status of audit findings and recommendations.
17. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
18. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
19. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
20. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
21. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
22. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
23. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
24. We acknowledge our responsibility for presenting the schedule of expenditures of federal award in accordance with accounting principles generally accepted in the United States of America, and we believe the schedule of expenditures of federal awards, included its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - a. If the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no

later than the date we issue the supplementary information and the auditor's report thereon.

25. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance, including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.

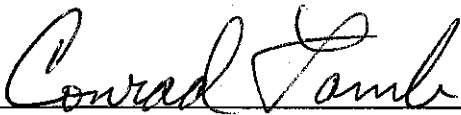
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the Uniform Guidance Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in Uniform Guidance Compliance Supplement.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.

- u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- z. We are responsible for preparing and implementing a corrective action plan for each audit finding.

26. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.



Darlene Pickett, Controller



Conrad Lamb, Finance Director



Stephen A. Arbo, City Manager

Packet Information

File #: TMP-0782, **Version:** 1

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (BOAC 1-23-18)

Issue/Request:

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Key Issues:

The Airport has received a request from Avionics Installation, Inc. to enter into a FBO Agreement to perform avionics and instrument sales, service and installation.

Proposed Committee Motion:

I move to recommend to City Council approval of AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Background:

Avionics Installations, Inc has been in business since 1991 providing avionics and instrument sales, service and installation in Port Orange, Florida to a wide variety of aircraft including General Aviation, Business Aviation, Light Sport, and Warbird, as well as Part 121, part 135 and part 141 aircraft. The operator of Avionics Installation Inc. is wanting to expand his business to include a second location in the midwest. Avionics Installation Inc. would like to begin operations with the rental of 625 square of space in Hangar 1 for the first year with interest in expanding the rental of space to 2,500 square in their second year of operations.

Impact/Analysis:

The Airport actively markets for aviation service providers. The addition of an Avionics facility at the Lee's Summit Municipal Airport provides service not only to the based tenants but draws transient business to the airport that would not normally have a reason to come to our airport. This can result in additional fuel sales and new based tenants. Rental for 625 square foot of space and space for one aircraft will generate \$968.75

per month or \$11,625.00 per year.

Presenter: John Ohrazda, Airport Manager

Recommendation: STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Committee Recommendation: The Board of Aeronautical Commissioners voted unanimously 5-0 to recommend to City Council approval of AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

BILL NO. 16-

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT BETWEEN AVIONICS INSTALLATIONS, INC (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI (HEREINAFTER "CITY") TO PERFORM AVIONICS AND INSTRUMENT SALES, SERVICE AND INSTALLATION OPERATIONS AT THE LEE'S SUMMIT MUNICIPAL AIRPORT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the City of Lee's Summit owns and operates the Lee's Summit Municipal Airport (hereinafter "Airport") which includes the ownership of a number of Offices located on the property; and,

WHEREAS, the Airport, through the City Council, periodically enters into agreements for the facilities located on the property for various aviation business purposes; and,

WHEREAS, Avionics Installations, Inc. has requested permission to perform avionics and instrument sales, service and installation operations as a Fixed Base Operator (FBO) at the Lee's Summit Municipal Airport: and

WHEREAS, Avionics Installations, Inc. and the Airport have negotiated the terms and conditions of a Fixed Base Operator Agreement which provides for the operations as an FBO; and,

WHEREAS, City and Avionics Installations, Inc. wish to enter into the Fixed Base Operator Agreement.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Fixed Base Operator Agreement by and between the City of Lee's Summit, Missouri and Avionics Installations, Inc. for the purpose of the operation of a Fixed Based Operator Agreement (FBO), a true and accurate copy being attached hereto as Exhibit "A" and incorporated herein by reference, be and the same is hereby approved. The City Manager is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____ day of _____, 2018.

Mayor Randall L. Rhoads

BILL NO. 16-

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said city this ____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

Nancy K. Yendes
Chief Counsel of Infrastructure and Planning

**FIXED BASE OPERATOR AGREEMENT
2018**

Avionics Installations, Inc.

And

The City of Lee's Summit, Missouri

FIXED BASE OPERATOR AGREEMENT

TABLE OF CONTENTS

SECTION 1. LEASED PREMISES 1

SECTION 2. PURPOSE OF AGREEMENT 1

SECTION 3. TERM 3

SECTION 4. RENTALS, FEES AND RECORDS 3

SECTION 5. OBLIGATIONS OF OPERATOR 5

SECTION 6. OBLIGATIONS OF CITY 6

SECTION 7. CITY’S RESERVATIONS 6

SECTION 8. INDEMNITY AND INSURANCE 7

SECTION 9. TERMINATION OF AGREEMENT BY OPERATOR 9

SECTION 10. TERMINATION OF AGREEMENT BY CITY 9

SECTION 11. ASSIGNMENT 10

SECTION 12. GENERAL PROVISIONS 10

FIXED BASE OPERATOR AGREEMENT

THIS LEASE AGREEMENT is made this ____ of _____, **2018**, between the City of Lee's Summit, Missouri, hereinafter called "City," and **Avionics Installations, Inc.**, a corporation incorporated and existing under the laws of the State of Missouri and authorized to do business in the State of Missouri, hereinafter called "Operator".

WITNESSETH

WHEREAS, City operates the Lee's Summit Municipal Airport, hereafter called "Airport," located in the City of Lee's Summit, Jackson County, Missouri; has the right, title and interest in and to the real property comprising the Airport; and has full power and authority to enter into this Agreement;

WHEREAS, the Operator is desirous to rent 625 square feet of hangar space in Hangar 1 for the operation of an avionics repair station as a Fixed Based Operation located at the Airport; and

WHEREAS, Operator agrees to comply with the Minimum Standard Requirements for Airport Aeronautical Services adopted by the City for fixed based operators and requirements for specific businesses engaged in which includes flight school and aircraft rental business at the Lee's Summit Municipal Airport and the Lee's Summit Municipal Airport Rules and Regulations, and as may be amended from time to time, which are hereby incorporated by reference as if fully set forth herein, for so long as this Agreement is in effect.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, City leases to Operator and Operator leases from City the following described premises and rights, subject to the following:

SECTION 1. LEASED PREMISES

Subsection 1.01 Description of Leased Premises

- A. The only "Leased Premises", in this Agreement is one located at the Lee's Summit Municipal Airport, 2525 NE Douglas; Hangar 1 Lee's Summit, Missouri, 64064 for a period of **one (1)** years from and after the date of this Agreement.
- B. A total of 625 (six hundred twenty-five) square feet of Hangar space for the storage of aircraft involved in the installation, sales, or service of avionics operations.
- C. One aircraft space in Hangar 1 will be allocated for the storage of aircraft for the sole purpose of avionics repair and service operations at a rate of \$500.00 per month.
- D. The above referenced facilities are included as part of the Leased Premises in their present condition, and any improvements, together with the easements and rights thereto or as

may be hereafter separately granted to effectuate the purposes of this lease, including the right of ingress thereto and egress therefrom.

C. The Operator may also use up to two (2) paved tie-downs, on an as needed basis and when available, to be used only for those aircraft that are owned, operated or under the control of the Operator. Such tie-down spaces are not specific as to location and are not for exclusive use by the Operator.

D. Upon request from the Operator and approval by the Airport Manager, the Operator may lease additional aircraft tie-downs or additional aircraft storage hangars on a daily or monthly basis for those aircraft that are owned, operated, or under the control of the Operator. Such additional tie-downs or hangars will be leased subject to the terms of this Agreement.

E. The parties agree that the Operator may, upon approval by the Airport Manager, substitute the above referenced office space, open or enclosed aircraft storage hangars for other such rental spaces. At such time the Operator wishes to rent office space, open or enclosed aircraft storage hangars, the rates will be based on the City's current schedule of fees. The City Manager is hereby authorized to execute any such addendum to this Agreement relating to the rental of office space or the addition of hangars. Any additional or substituted hangars will be subject to the terms of this Agreement, and the rental rate shall be the hangars current retail rate (the "Posted Rate").

SECTION 2. PURPOSE OF AGREEMENT

Subsection 2.01. Use of Leased Premises.

A. Purpose of Agreement: The purpose of this Agreement is to establish an agreement for the operation of an ***avionics and instrument sales, service and installation*** as a Fixed Base Operator (FBO) at the Lee's Summit Municipal Airport. In addition to other limitations and restrictions contained in this Agreement, the Operator agrees to the following limitations on the permitted uses of the Leased Premises:

B. Conditions of Granting Fixed Base Operator Status: Granting Operator the status of Fixed Based Operator is conditioned upon the following covenants:

- (1) That the right to use the public airport facilities as well as all of Operator's rights as a fixed Base Operator shall be exercised subject to and in accordance with the laws of the United States of America including regulations promulgated by the Federal Aviation Administration (FAA), the State of Missouri, and the City of Lee's Summit, now in force or afterwards ordained or promulgated including environmental legislation and regulations.

- (2) That Operator shall obtain a business license from the City prior to commencement of its Aeronautical Services.
- (3) That Operator shall provide the City with appropriate certificates of insurance in accordance with Subsection 8.02 and all relevant FAA certificates for types of services provided.
- (4) That the Operator shall comply with the Minimum Standard Requirements for Commercial Airport Aeronautical Service Providers (“Requirements”) as adopted and revised by the City. The Operator understands that this requirement is ongoing and continuing in nature, and that the Requirements are subject to future modification.
- (5) That the Operator shall comply with Lee’s Summit Municipal Airport Rules and Regulations.

C. Aeronautical Services. Upon execution of this agreement and completion of all requirements herein, the Operator is authorized to undertake and provide the following proposed Aeronautical Services: ***avionics and instrument sales, service and installation***. The rights granted by this agreement will be exercised in such a way as to not interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 2.02. No Exclusive Right. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

Subsection 2.03. Prohibited Activities. The following activities are expressly prohibited:

- A. Operator agrees not to use any Leased Premises or permit the use thereof in such manner as to make void or increase the rate of insurance thereon.
- C. The Operator is prohibited from selling or dispensing aircraft fuels. Any violation by the Operator of this subsection shall constitute a material breach of this Agreement, and shall constitute cause for immediate termination of the Agreement and repossession of the Leased Premises by the City.

SECTION 3. TERM

Subsection 3.01. Term. The Initial Term of this Agreement is one (1) years, commencing on the _____, 2018, and terminating _____, 2019. This agreement may be

extended for one additional one year term upon the giving of sixty (60) days' notice by the Operator of its intent to so renew.

Subsection 3.02 Holdover. In the event Operator rents office space during the term of the agreement and continues to occupy the Leased Premises beyond the initial Agreement term, or any extension thereof, without the City's written consent thereto, such holding over shall not constitute a renewal or extension of this Agreement but shall create a tenancy from month to month which may be terminated at any time by either party giving thirty (30) days written notice to the other party. The Operator shall perform and maintain its obligations under this Agreement during any holdover period, including the payment of rent in accordance with Subsection 4.01 of this Agreement.

SECTION 4. RENTALS, FEES AND RECORDS

Subsection 4.01 Rentals for Leased Premises.

The rental rate for 625 square feet of space in Hangar 1 is seventy-five cents a square foot for a monthly rental rate of (\$468.75) per month.

A. Rental fees shall be adjusted following the Initial Term of this Agreement, and then after every Renewal Term thereafter, with each such adjustment to become effective upon commencement of the subsequent term. The rental rates shall be adjusted by the total change in the Consumer Price Index for All Urban Consumers, (CPI-U) all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 equals 100) or a successor index appropriately adjusted. This shall be measured by finding the difference between the CPI-U figure for the month immediately prior to the commencement date of the Agreement or of the previous two year measuring period, and the CPI-U index figure for the same month immediately prior to the commencement of the next measuring period, as described in the example below.

2. The percent increase in the Consumer Price Index during the measuring period shall be multiplied by the annual square footage rental rate to determine the annual rent to be paid for the next two year Renewal Term. The annual rent increases shall be cumulative. For example:

FORMULA	EXAMPLE
NEW CPI (9/99)	156.91
- OLD CPI (9/94)	149.44
CPI CHANGE+	7.47
CHANGE IN CPI = % CPI	7.47 = (5.00%)
OLD CPI	149.44

$$\begin{aligned} (\% \text{ CPI} + 1) \times \text{CURRENT RATE} &= (0.05 + 1) \times \$0.25 = \$0.26 \\ \text{NEW RATE} & \end{aligned}$$

3. Notwithstanding the adjustment calculation methodology stated above, at no time during the term of this Agreement, including any renewals thereof, will the annual square feet rental rate decrease. In the event the adjustment calculation methodology described above would result in a decrease in the annual rental rate, the Operator shall, for that measuring period under the said Renewal Term, pay an annual rental rate in the same amount as that assessed for the Renewal Term or measuring period immediately prior to the period or renewal term involving the calculated or appraised decrease. In the event that the City causes a decrease in the total square feet of the Leased Premises, the total rental amount would decrease proportionately.

Subsection 4.03. Delinquent Payments. The Operator agrees to pay all invoices within ten (10) days after receipt. The City may establish an interest charge computed as simple interest, to be collected on the principal of all sums due and unpaid for more than ten (10) days, but such interest when assessed thereafter, shall be computed from the 11th day after invoice date. The City reserves the right to refuse to provide services, including fuel, or require payment in advance for any fuel or services at any time Operator is thirty (30) days or more delinquent on any payment. Upon payment of any delinquent amounts, the decision to provide services on an advance payment or invoice basis is at the sole discretion of the Airport Manager. In the event that collection activities, including litigation, are used in order to recover past due amounts owed, the City shall be entitled to recover its collections costs, including its reasonable attorney's fees.

Subsection 4.04 Fees for Ramp Tie-Downs and Other Services. Open ramp aircraft tie-downs shall be charged at a rate of fifty percent (50%) of the retail rate (the "Posted Rate") for aircraft involved in ***avionics and instrument sales, service and installation***. The charge for towing services shall be at the Posted Rate. Any special services not available or required by other airport patrons will have rates determined on a case by case basis.

Subsection 4.05. Books and Records of Operator. There are no books and records requirements under this Agreement.

Subsection 4.06. Audit. There are no audit requirements under this Agreement.

SECTION 5. OBLIGATIONS OF OPERATOR

Subsection 5.01. Operations by Operator: Operator agrees:

- A. To promote aviation activity on the Airport and to conduct operations on the Leased Premises in a proper, efficient and courteous manner.
- B. That all services shall be furnished on a fair, equal and nondiscriminatory basis to all users, and that only fair, reasonable and nondiscriminatory prices for each unit of sale or service will be charged. Operator may, however, make reasonable and nondiscriminatory discounts, rebates or other similar price reductions to volume purchasers.
- C. To furnish those Aeronautical Services listed heretofore and to receive written approval from the Airport Manager of all Operator's operations, signs, etc. thirty (30) days before start-up of any additional Aeronautical Services or cessation of any or all approved Aeronautical Services.
- D. To supply the Airport Manager with a list of its employees or associated personnel names, job titles and duties, and their emergency telephone numbers and addresses. The Airport may request background or other checks on such employees.
- E. To not execute an agreement with any subcontractor to perform the Operator's Aeronautical Services without written approval of the City and to insert in all subcontracts a provision requiring the subcontractors to comply with applicable provisions of this agreement and further provide in each subcontract a statement "that nothing contained in these conditions shall create any contractual relationship between the subcontractor and the City."
- F. To provide the City with a list by "N" number and type of all aircraft owned or operated by Operator and to provide a written revision of said list within seven (7) days of any aircraft changes.
- G. To follow the procedures of the National Fire Protection Association when draining residual fuel from aircraft tanks incidental to aircraft fuel system maintenance, testing, manufacturing, salvage, or recovery operations
- H. To store any paints, cleaners or other flammable liquids in an approved storage locker.
- I. If any are applicable, follow all Homeland Security requirements and Transportation Security Administration recommendations, as amended, as they pertain to ***avionics and instrument sales, service and installation.***

Subsection 5.02 Nondiscrimination. Operator, for itself, it's personal representatives,

successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (A) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (B) that in the construction of any improvements on, over, or under such land and the furnishing of services thereof no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (C) that Operator shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and any other relevant law, regulation or standard in effect now or adopted in the future, and as said Regulations may be amended, to the extent that said requirements are applicable, as a matter of law, to Operator.

Subsection 5.03. Fair Service. The Operator agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Operator may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Subsection 5.04. Observance of Statutes, etc. The granting of this Agreement and its acceptance by Operator is conditioned upon the right to use the Airport facilities in common with others authorized to do so. The Operator shall observe and comply with any and all requirements of the constituted public authorities and with all Federal, State or Local statutes, ordinances, regulations and standards applicable to Operator for its use of the leased premises, including but not limited to, rules and regulations promulgated from time to time by the City for the administration of the Airport. The Operator shall also defend, reimburse, indemnify and hold harmless the City, its agents, employees and elected officials, including costs of defense, from any claims, demands, penalties or liability which may accrue to it because of any alleged violation or noncompliance with any such statute, ordinance, rule or standard by the Operator or resulting from Operator's activities hereunder.

SECTION 6. OBLIGATIONS OF THE CITY

Subsection 6.01. Operation as a Public Airport. The City reserves the right to discontinue use of the Airport as an airport. The City covenants and agrees that as long as the City continues to use the Airport as an airport it will operate and maintain the Airport consistent with and pursuant to the Sponsor's Assurances given by the City to the United States Government under the Federal Aviation Act, subject to the City's Reservations set forth in this Agreement.

SECTION 7. CITY'S RESERVATIONS

Subsection 7.01. Free and Unrestricted Flight. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or thereafter used for navigation of or flight in the air using said airspace or landing , taking off from, or operating on or about the Airport.

Subsection 7.02. Subordination to U.S. and Missouri State Government. This Agreement shall be subordinate to the provisions of any existing or future agreements between City and the United States or any agency thereof, and between the City and the State of Missouri or any agency thereof, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City for Federal or State funds for the development of the Airport.

Subsection 7.03 Improvements, Relocation, or Removal of Structures. The City, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport (including, without limitation, the Leased Premises), including the right to remove or relocate any structure on the Airport as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent the Operator from erecting or permitting to be erected, any buildings or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. The City further reserves the right to take any of the aforementioned actions regardless of the desire or views of the Operator, without interference or hindrance by the Operator and without obligation to abate rent or otherwise provide relief of be liable to the Operator for any harm or inconvenience from disruption of Airport operations resulting from such actions.

Subsection 7.04. Inspection of Leased Premises. The City, through its duly authorized agent, shall have at any reasonable time, the full and unrestricted right to enter any Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.

Subsection 7.05. War or National Emergency. During the time of war or national emergency, the City shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended.

SECTION 8. INDEMNITY AND INSURANCE

Subsection 8.01. Indemnification. Operator agrees to protect, defend, indemnify, and hold the City of Lee's Summit, and its officers employees, elected officials in their official and personal capacities, and attorneys, completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement or the use or occupancy of the Leased Premises, or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused solely by the negligence or willful misconduct of the City, or its officers and employees. This duty shall also extend to claims of damages to the environment caused by Operator, including but not limited to the investigation, field study, and cleanup costs assessed by any federal, state or local agency against the City of Lee's Summit or any of its agents or employees, as well as any civil fine or penalty. The City shall give to the Operator reasonable notice of any such claims or actions. The provisions of this Section shall survive the expiration or early termination of this Agreement. The duties of the Operator specified herein shall not be limited by the amount of any insurance coverage required to be provided by the Operator herein, but shall extend to the full amount of any such claim or liability. This duty shall also not be limited by the provision of any workers' compensation coverage. In no event shall any provision of this Section, Section 8.02 or this agreement be construed as a waiver of sovereign or any other immunity or defense that the City, its officers, employees or elected officials may have or be able to assert against any claim or in any action.

Subsection 8.02 Insurance Requirements. Operator shall, at its expense, procure and keep in force at all times during the term of this Agreement, from a financially sound and reputable company acceptable to the City, all types of insurance required pursuant to the City's Minimum Standards for Commercial Aeronautical Service Providers, Appendix 1, *Minimum Insurance Policy Requirements*, as currently revised, in amounts at least equal to the minimum amounts specified therein, unless specified otherwise in this sub-section, insuring Operator for bodily injury and property damage, and such other insurance necessary to protect the Operator from all such claims and actions described in the preceding section 8.01. Operator recognizes that the required amounts of coverage set forth are the minimum limits, and may not reflect the Operator's actual risk. Operator shall furnish the City with a certificate of insurance as evidence of coverage whenever requested. Said insurance policies shall not be canceled or materially modified or non-renewed except upon thirty (30) days advance written notice to the City and such requirement for notice shall appear on the face of the certificate of insurance. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost. Operator further agrees to name the City as an additional insured on all applicable policies, with the exception of the policy endorsement covering hired and non-owned automobiles, and workers compensation. Operator further agrees to increase its insurance coverage, if necessary, to ensure coverage for all approved Aeronautical Services and if Operator adds any Aeronautical Services not identified in Subsection 2.01(C).

Subsection 8.03 Insurance Notification. Operator shall keep on file with the Airport Manager a copy of a current certificate of insurance evidencing that Operator has procured all required insurance coverage and that said insurance coverage will not be canceled without thirty (30) day advance written notice to the City. This agreement will not be executed, renewed or extended by the City until such proof of coverage has been received, reviewed and accepted by the City.

SECTION 9. TERMINATION OF AGREEMENT BY OPERATOR

Subsection 9.01. Termination. Unless renewed by the Operator as described in Subsection 3.01, this Agreement shall terminate at the end of the term, or at such time as written notice of termination is provided by either party as provided in Subsection 9.02 or Subsection 10.02.

Subsection 9.02. Termination by Operator. Operator, in addition to any other rights it has under the law, may terminate this Agreement and terminate its obligations hereunder (excluding such obligations that survive the expiration or termination of this Agreement) at any time that Operator is not in default in the payment of rentals and/or fees to the City by giving the City sixty (60) days advance written notice to be served as hereinafter upon or after the happening of any one of the following events:

- A. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, so as to substantially affect Operator's use of the system at the Airport, and the remaining in force of such injunction for a period of at least sixty (60) days; provided, however, that such injunction is not due to Operator's operation at the Airport.
- B. The default by the City in the performance of any covenant or agreement herein required to be performed by the City, and the failure of the City to undertake and be continuing to remedy such default for a period of sixty (60) days after receipt from Operator of written notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if the City shall have remedied the default prior to receipt of Operator's notice of termination.
- C. The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport and facilities or any substantial part or parts thereof, in a manner as substantially to restrict Operator for a period of at least sixty (60) days from full use of its leased premises, and in that event, a just and proportionate part of the rent hereunder shall be abated.

SECTION 10. TERMINATION OF AGREEMENT BY CITY

Subsection 10.01. Termination by the City. The City, in addition to any other rights to which it may be entitled by law, may declare this Agreement terminated in its entirety as provided in Subsection 10.02 upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Leased Premises. These events are as follows:

- A. The completion of the initial or any subsequent term without written notice of Operator's intention to enter into a subsequent term extension.
- B. The failure to pay all installments of fees then due (with interest) within thirty (30) days after receipt by Operator of written notice from the City to pay such rent.
- C. The filing by Operator of a voluntary petition in bankruptcy or the making of any assignment of all or any part of Operator's assets for benefit of creditors.
- D. The filing of an involuntary bankruptcy petition against the Operator as a bankrupt pursuant to any involuntary bankruptcy proceedings.
- E. The taking of jurisdiction by a court of competent jurisdiction of Operator or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- F. The appointment of a receiver or a trustee of Operator's assets by a court of competent jurisdiction or a voluntary agreement with Operator's creditors.
- G. The breach by Operator of any of the covenants or agreements herein contained, and the failure of Operator to remedy such breach within 30 days after receipt of written notice of such breach from the City.
- H. The abandonment of the Leased Premises.
- I. The breach of any one of the covenants contained in Subsection 2.03.C. in which case the provisions of Subsection 10.02 concerning notice to the Operator of the breach and time to cure said breach shall not apply.
- J. The Operator, its principles, directors, owners or agents, transfers, sells or otherwise conveys an ownership interest in the Operator greater than 50%.
- K. The City's discontinuation of use of the Airport as an airport.

Subsection 10.02. Termination Notice. In the event the City exercises its option to cancel this Agreement upon the happenings of any or all of the events set forth in this Section, a notice of cancellation shall be sufficient to cancel this Agreement; and, upon such cancellation,

Operator hereby agrees that it will forthwith cease all FBO services defined and approved herein. The City shall provide written notice of its intent to terminate the Agreement to the Operator a minimum of sixty (60) days prior to the date of termination, except for termination as described in Subsection 10.01(I). Failure of the City to declare this Agreement terminated for any of the reasons set out shall not operate to bar, destroy, or waive the right of the City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

SECTION 11. ASSIGNMENT AND SUBLETTING

Subsection 11.01. Assignment. Operator shall not assign this Agreement or any part thereof in any manner whatsoever or assign any of the privileges recited herein without the prior written consent of the City. In the event of such assignment, Operator shall remain liable to the City for the remainder of the term of the Agreement to pay to the City any portion of the rentals or fees provided for herein upon failure of the assignee to pay the same when due. Said assignee shall not assign said Agreement except with the prior written approval of the City and the Operator herein, and any assignment by the Operator shall contain a clause to this effect. The City shall not unreasonably withhold its consent to any assignment, transfer or delegation by the Operator of its privileges and obligations under this Agreement to any successor, parent organization, wholly owned subsidiary or affiliate of the Operator.

Subsection 11.02 Subletting. The Operator shall not have the right to sublease all or part of the Leased Premises subject to the following conditions:

- A. No sublease or rental for the performance of FBO or Special Aviation Services Operator (SASO) services, the engagement of any aviation-related commercial activity upon the Leased Premises, or for any aviation-related commercial purposes shall be valid unless the sublessee has executed a separate Fixed Based Operator Agreement with the City; and
- B. No sublease or rental for the performance of non-aviation-related services or operations on the Leased Premises shall be valid unless the sublessee has executed a General Services Provider Agreement with the City.

SECTION 12. GENERAL PROVISIONS

Subsection 12.01. The City shall maintain and keep in repair the Airport landing areas, including taxiways and aircraft parking apron and shall have the right to direct and control all activities of the Operator in this regard.

Subsection 12.02. Attorney's Fees. In any action brought by either party for the enforcement or the construction of the terms of this Agreement, the City, if it is a prevailing party in the action, shall be entitled to recover interest and its reasonable attorney's fees and litigation expenses, including, but not limited to, expert witness fees and expenses.

Subsection 12.03. Taxes. Operator shall pay any personal property taxes and other taxes which may be assessed against equipment, merchandise, or other personal property belonging to Operator located on the Leased Premises, or other permitted portions of the Airport, or upon Operator's activities thereupon.

Subsection 12.05. License Fees and Permits. Operator shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Subsection 12.06. Non-Exclusive Rights. It is hereby specifically understood and agreed between the parties that nothing contained hereby shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended; and the City reserves the right to grant to others the privilege and right of conducting any one or all of the Aeronautical Services listed herein or any other activity of an aeronautical nature.

Subsection 12.07. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of the Agreement.

Subsection 12.08. Applicable Law; Venue. This Agreement shall be interpreted in accordance with the laws of the State of Missouri. Should any part of this Agreement be adjudicated, jurisdiction and venue shall be proper only in the Circuit Court of Jackson County, Missouri.

Subsection 12.09. Non-Waiver. No waiver of any condition or covenant contained in this Agreement or of any breach thereof shall be taken to constitute a waiver of any subsequent condition, covenant or breach.

Subsection 12.10. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Subsection 12.11. Binding Effect. This Agreement, including all of its covenants, terms, provisions, and conditions, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Subsection 12.12. No Partnership. Nothing contained in this Agreement shall be deemed to create the relationship of principal and agent or of partnership or joint venture or any

relationship between the City and Operator other than the relationship of the City and Operator.

Subsection 12.13. Duty to be Reasonable. Wherever in this Agreement the City is to give its consent, approval or otherwise exercise discretion in judgment, such consent, approval or judgment shall not be unreasonably exercised or unreasonably withheld.

Subsection 12.14. City Agent. Unless specifically stated herein, the City Manager, or his designee, shall be considered the agent and representative of the City with respect to all notices, approvals and matters contained hereunder, and his authority to act for and on behalf of the City in connection with all matters occurring under this Agreement shall not be questioned by the Operator.

Subsection 12.15. Non-Liability of Individuals. No director, officer, agent, elected official or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. This Subsection 12.15 shall have no application to any independent guaranty or other assumption of the obligations of Operator which may be obtained by the City relative to this Agreement. This Subsection 12.15 shall also not apply to the Operator if the Operator is an entity other than a corporation in good standing and authorized to conduct business in the state of Missouri.

Subsection 12.16. Personal Property. Operator shall maintain the Leased Premises in a clean and orderly condition. Upon termination of this Agreement, Operator shall remove all personal property from the Leased Premises within thirty (30) days after said termination, unless otherwise agreed to, in writing, by the parties, and restore the leased premises to its original condition. If the Operator fails to remove said personal property within the aforementioned time frame, the City may take immediate possession of any property remaining on the Leased Premises and shall, at the City's sole option, become the property of the City or same may be removed and/or disposed of in any manner deemed appropriate by the City. The City shall not be liable in any manner for such removal and/or disposal; and the cost and expense of such removal and/or disposition shall be paid by the Operator.

Subsection 12.17. Casualty. If either part of the Leased Premises is damaged by fire or other insured casualty, the rent payable hereunder for such damaged premises shall not abate provided that the damaged premises are not rendered untenable by such damage. If the damaged premises are rendered untenable and the City elects to repair the damaged premises, the rent shall abate for the period during which such repairs are being made, provided the damages were not caused by the acts or omissions of the Operator, its employees, agents or invitees, in which case the rent shall not abate. If the damaged premises are rendered untenable and the City elects not to repair the damaged premises, this Agreement shall terminate upon written notice from the City. If this Agreement is terminated by reason of fire or other insured casualty as

herein provided, rent shall be apportioned and paid to the day of such fire or other insured casualty. Notwithstanding the forgoing, termination of the Agreement under this subsection shall not preclude the negotiation of a new agreement for alternate premises.

Subsection 12.18. Maintenance. City will keep the exterior of the Leased Premises in repair, provided that Operator shall give City written notice of the necessity for such repairs, and provided that the damage thereto shall not have been caused by the carelessness or negligence of Operator, its agents, employees, or servants, in which event Operator shall be responsible therefore. Operator will keep the interior of the Leased Premises in good repair and will surrender the Leased Premises at the expiration of the term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting depreciation caused by ordinary wear and tear.

Subsection 12.19 Utilities. Rental of any Office Premises by the Operator shall include a monthly fee of twenty-five dollars (\$25.00) for the use of various City provided services, including water, sewer, electricity, and trash. This fee may be increased at the City's discretion and any such increase shall become effective upon 30 days written notice to Operator.

Subsection 12.20. Notices. Whenever any notice is required by this Agreement to be made, given or transmitted to the City, it shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, first class, addressed to:

Airport Manager
Lee's Summit Municipal Airport
2751 NE Douglas
Lee's Summit, Missouri 64064

with a copy to the City Attorney, City of Lee's Summit, 220 SE Green St., Lee's Summit, MO 64063.

Notices to Operator shall be addressed to:

Avionics Installations, Inc.
212 Cessna Blvd. Hangar 5
Port Orange, Florida 32128

Attn. ***Pahan Ranasingha***

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above, or in the case of delivery by the City to the Operator, by posting said item conspicuously

on the leased premises. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed, or posted on the leased premises, the item shall be considered received the third day after the date of posting.

Subsection 12.21. Prohibition against Interference. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 12.22. Amendment of Agreement. This Agreement may not be amended or changed without the mutual written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above mentioned at Lee's Summit, Missouri.

Remainder of this page left intentionally blank.

CITY OF LEE'S SUMMIT,

Stephen Arbo,
City Manager

Attest:

City Clerk

Approved as to form:

Office of the City Attorney

OPERATOR: [insert legal entity name]

Signature: _____

Title: _____

Attest:

Remainder of this page left intentionally blank.

CITY OF LEE'S SUMMIT

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this ____ day of _____, 2018, before me _____, a Notary Public in and for said state, personally appeared Steve Arbo, City Manager of the City of Lee's Summit, Missouri, known to me to be the person who executed the within Agreement and acknowledged to me that he executed the Agreement for the purposes therein stated and as the free act and deed of the City of Lee's Summit, a municipal corporation.

WITNESS my hand and official seal in the County and State aforesaid, the day and year first above written.

/s/ _____
Notary Public Signature

Printed or Typed Name

My Commission Expires: _____

operator's full legal name

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this ____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, the _____ of [operator's full legal name] who is personally known to me to be the same person who executed the within instrument on behalf of _____ [operator's full legal name], and such person duly acknowledged the execution of the same to be the free act and deed of [operator's full legal name].

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

/s/ _____
Notary Public Signature

Printed or Typed Name

My Commission Expires: _____

Packet Information

File #: 2018-1792, Version: 1

PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019. (BOAC 1-23-18)

Issue/Request:

PRESENTATION REGARDING THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Key Issues:

- Airport improvements will require the removal of seven hangar buildings as part of Taxiway Alpha project which will begin in March of 2018.
- Tenants in the seven buildings have been requested to be out of the hangar units by February 20, 2018 to allow for demolition to begin in early March.
- Twenty-eight replacement units have been approved for construction and are expected to be completed by June 30, 2018.
- Rental rates for the new hangars are being proposed to be the same as Hangar Units H & G as they are the same style and size of units which are being built. The H & G units were constructed in 2000. These units currently rent for \$386.00 per month. These units have been subject to a Consumer Price Index (CPI-U) review each year for the last 18 years.
- Staff is proposing a sliding scale rental rate for the first two-years for those tenants who are displaced and must park their aircraft outside until the new hangar units are completed.
- At the end of the second year the rental rates for these tenants would become the full rate as posted in the schedule of fees for these units.

Proposed Committee Motion:

I move to recommend to the City Council approval of THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Background:

The replacement of seven hangar buildings has been in the Airport development plan for many years. With the taxiway improvements beginning in March, the removal of seven hangar buildings will be taking place at this time. Discussion of the removal of these units has been discussed at each of the customer tenant meetings in November 2016 and October

2017. Updates have also been presented at each of the two construction update meetings held in the spring and fall of 2017. Letters terminating the hangar lease agreements for each of the tenants in hangars being demolished were mailed on December 22, 2017.

Prior to the preconstruction meeting on December 19th with the contractor for the taxiway project an exact date wasn't known as to when demolition of the hangars would be taking place. Since December 19th hangar space for 22 of the affected tenants have been found in other hangar units that have become vacant, three have relocated temporarily to other airports and three units vacated previously were not re-rented knowing hangar space availability would be limited. Of the remaining 21 tenants should any hangar units that come available between now and when the new units are completed will be given priority over any other persons on the waiting list.

Hangar rental rates at Lee's Summit tend to be higher than most in the surrounding area. This is partially due to the fact that the hangar units at Lee's Summit are newer than most in the metropolitan area and receive a CPI review each year. The Kansas City Aviation Department built 95 units in 1999 and their rental rates are comparable to Lee's Summit's based on the age and size for units of the same size. The Kansas City Aviation department also does a CPI increase annually which becomes affective on January 1st each year.

Staff recommends that the rental rate for the new hangar units be the same rental rate as Hangar units H & G. In addition, those tenants who are displaced and must park their aircraft outside on the apron until the new units are ready for occupancy be afforded a lesser rental rate for a period of two-years. The rental rates will vary depending the rental rate the tenant was paying for the type of hangar unit they were in prior to their termination. The proposed rates for these tenants are shown on the attached illustration which would include an adjustment be made in the second year.

Any vacancies that occur in the new units, and are filled by tenants not affected by the demolition, would be at the full rate as posted on the schedule of fees.

This presentation will also be made at the February 5, 2018 meeting of the Finance and Budget Committee (F&BC) for information purposes. The F&BC will consider the city-wide Schedule of Fees and Charges, including this proposal, at their March meeting. Their final recommendation will then be forwarded to the City Council at a subsequent meeting.

Impact/Analysis:

The seven buildings to be replaced currently house over 30% of the based aircraft on the Airport. Annual revenues generated from fuel sales and hangar rental from these units is over \$110,000.00 The loss of rental from the units being demolished for the five remaining months of the fiscal year will be approximately \$50,000.00 in revenue. The 28 new units, when completed and rented at the full rental rate, will provide a revenue stream similar to that which is being lost.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Bob Hartnett, Deputy Director of Public Works

Recommendation: Staff recommends approval of THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019

Committee Recommendation: The Board of Aeronautical Commissioners voted unanimously 5-0 to recommend to City Council approval of THE PROPOSED HANGAR RATES FOR THE NEW REPLACEMENT HANGARS FOR THOSE CUSTOMERS IN HANGAR UNITS L, S & OPEN-T'S WHO MUST PARK THEIR AIRCRAFT OUTSIDE UNTIL NEW REPLACEMENT HANGAR UNITS ARE AVAILABLE A DISCOUNTED RATE FOR A PERIOD OF TWO YEARS BEGINNING IN FISCAL YEAR 2019.

Comparable Hangar Rates in the KC Metro Area as of 1/6/2018

"SMALL HANGAR UNITS"					
Airport	Row Designation	Door Type	Year Built	Size	Currently Monthly Rate
Lee's Summit Municipal	H & G	Bi-Fold El.	2000	42' X 33'	\$386.00
Lee's Summit Municipal	K	Bi-Fold El.	1983	40' X 29'	\$324.00
C.B. Wheeler - KC Downtown	Standard S	Bi-Fold El.	2008	42' X 33'	\$352.00
Midwest National Air Center	B,D,E	Bi-Fold El.	1998 - 2006	42' X 31'	\$280.00
Johnson County Airport Commission	A,D,E,K,L,M,N,O,R,S,T	Bi-Fold El.	1971	42' X 32"	\$275.00

Proposed Hangar Rates for New Hangar Units

Airport	Row Designation	Door Type	Year Built	Size	Proposed Monthly Rate
All customers other than displaced	New Hangar Units W & X	Bi-Fold El.	2018	40' X 32'	\$386.00
Displaced Tenants in Units L - FY 19	New Hangar Units W & X	Bi-Fold El.	2018	42' X 32'	\$317.00
Displaced Tenants in Units S-FY19	New Hangar Units W & X	Bi-Fold El.	2018	42' X 32'	\$302.00
Displaced Tenants in Open-T Units -FY19	New Hangar Units W & X	Bi-Fold El.	2018	42' X 32'	\$152.00

Proposed Hangar Rates for Those Customers Displaced Who Must Park Their Aircraft Outside

Airport	Current Rate	Monthly Rate July 1, 2018	Monthly Rate July 1, 2019	Monthly Rate July 1, 2020
L-Hangar Units 5-tenants	\$277.00	\$317.00	\$357.00	\$403.00
S-Hangar Units 12-tenants	\$222.00	\$262.00	\$302.00	\$403.00
Opent-T Hangar Units 5-tenants	\$112.00	\$152.00	\$192.00	\$403.00

Packet Information

File #: TMP-0794, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AMENDMENT NO. 5 TO STATE BLOCK GRANT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FEDERAL FUNDS IN THE AMOUNT OF \$340,966.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Issue/Request:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AMENDMENT NO. 5 TO STATE BLOCK GRANT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FEDERAL FUNDS IN THE AMOUNT OF \$340,966.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Key Issues:

- The Commission previously approved funds for Land Acquisition for Runway 18-36.
- The Level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition 18-36.
- The Commission has sufficient funds to increase the grant amount for Land Acquisition for Runway 18-36 Extension
- The Commission grants to the sponsor and additional sum not to exceed \$340,966 for Land Acquisition for Runway 18-36 Extension.
- The remaining \$18,943.00 will be paid with funds from a grant provided under the Commission's airport aid program.
- Local matching funds of \$18,943.00 represent fifty percent (50%) of the estimated local match required for the eligible project costs and has already been expended.
- This Amendment shall expire and the Commission shall not be obligated to pay any part of the costs of the project unless this grant amendment has been executed by the Sponsor on or before April 1, 2018, or such subsequent date as may be prescribed in writing by the Commission.

Proposed Committee Motion:

I move to recommend to City Council Approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AMENDMENT NO. 5 TO STATE BLOCK GRANT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FEDERAL FUNDS IN THE AMOUNT OF \$340,966.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Background:

The Commission previously approved funds for Land Acquisition for Runway 18-36. The Level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition 18-36. The Commission has additional funds to increase the grant amount for Land Acquisition for Runway 18-36 Extension. The Commission grants to the sponsor and additional sum to exceed \$340,966 for Land Acquisition for Runway 18-36 Extension. Local matching funds of \$18,943.00 represents fifty percent (50%) of the estimated local match required for the eligible project costs and has already been expended. The remaining \$18,943.00 will be paid

File #: TMP-0794, Version: 1

with funds from a grant provided under the Commission's airport aid program.

Timeline:

Start: Fall of 2015

Finish: December 31, 2018

Presenter: Bob Hartnett - Deputy Director of Public Works/Administration

Recommendation: Staff recommends approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AMENDMENT NO. 5 TO STATE BLOCK GRANT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FEDERAL FUNDS IN THE AMOUNT OF \$340.966.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Committee Recommendation: [Enter Committee Recommendation text Here]

BILL NO.

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION AMENDMENT NO. 5 TO STATE BLOCK GRANT AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FEDERAL FUNDS IN THE AMOUNT OF \$340,966.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

WHEREAS, the Commission previously approved funds for Land Acquisition for Runway 18-36 Extension; and

WHEREAS, the level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition for Runway 18-36 Extension.

WHEREAS, the Commission has sufficient funds to increase the grant amount for Land Acquisition for Runway 18-36 Extension an additional sum not to exceed Three Hundred Forty Thousand Nine Hundred Sixty-Six Dollars (\$340,966) for Land Acquisition for Runway 18-36 Extension.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council of the City of Lee's Summit hereby authorizes the execution, by the Mayor on behalf of the City of Lee's Summit, of a state block grant agreement by and between the Missouri Highways and Transportation Commission and the City of Lee's Summit, Missouri for assistance with Land Acquisition for Runway 18-36 extension at the Lee's Summit Municipal Airport, which is attached hereto and incorporated by reference as if fully set forth herein.

SECTION 2. That this Ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said city this _____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

Nancy Yendes, Chief Counsel of
Infrastructure and Planning
Office of the City Attorney

CCO Form: MO18
Approved: 05/94 (MLH)
Revised: 03/17 (MWH)
Modified:

Sponsor: City of Lee's Summit
Project No.: 11-109A-2

CFDA Number: CFDA #20.106
CFDA Title: Airport Improvement Program
Federal Agency: Federal Aviation Administration, Department of Transportation

**MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
AMENDMENT TO STATE BLOCK GRANT AGREEMENT**

AMENDMENT #5

THIS AGREEMENT AMENDMENT is entered into by the Missouri Highways and Transportation Commission (hereinafter, "Commission") and the City of Lee's Summit (hereinafter, "Sponsor").

WITNESSETH:

WHEREAS, the parties entered into an Agreement executed by the Sponsor on May 23, 2011 and executed by the Commission on June 3, 2011, (hereinafter, "Original Agreement") under which the Commission granted the sum not to exceed One Hundred Sixty-Two Thousand Eight Hundred Seventy-Three Dollars (\$162,873) to the Sponsor to assist with Land Acquisition for Runway 18/36 Extension; and

WHEREAS, the parties entered into an Amendment #1 to the Original Agreement executed by the Sponsor on April 8, 2013, and executed by the Commission on April 17, 2013, (hereinafter, "Amendment #1") under which the original project time period was extended from June 30, 2012 to December 31, 2013 to allow for completion of the project; and

WHEREAS, the parties entered into an Amendment #2 to the Original Agreement executed by the Sponsor on January 14, 2014, and executed by the Commission on March 21, 2014, (hereinafter, "Amendment #2") under which the Commission granted an additional sum not to exceed Two Million Eight Hundred Twenty-Five Thousand Five Hundred Seventy-Five Dollars (\$2,825,575) and extended the project time period from December 31, 2013 to December 31, 2014 to allow for completion of the project; and

WHEREAS, the parties entered into an Amendment #3 to the Original Agreement executed by the parties on October 1, 2014, (hereinafter, "Amendment #3") under which the Commission granted an additional sum not to exceed One Hundred Thirty-Six Thousand Nine Hundred Fifty-Three Dollars (\$136,953) to the Sponsor to assist with Land Acquisition for Runway 18/36 Extension and extended the project time period from December 31, 2014 to December 31, 2015 to allow for completion of the project; and

WHEREAS, the parties entered into an Amendment #4 to the Original Agreement

executed by the Sponsor on November 2, 2016, and executed by the Commission on November 9, 2016, (hereinafter, "Amendment #4") under which the Commission granted an additional sum not to exceed Two Million Two Hundred Thirty-Two Thousand Seven Hundred Eighty-Nine Dollars (\$2,232,789) to the Sponsor to assist with Land Acquisition for Runway 18/36 Extension and extended the project time period from December 31, 2015 to December 31, 2017 to allow for completion of the project; and

WHEREAS, the Commission previously approved funds for Land Acquisition for Runway 18/36 Extension; and

WHEREAS, the level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition for Runway 18/36 Extension.

WHEREAS, the Commission has sufficient funds to increase the grant amount for Land Acquisition for Runway 18/36 Extension.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations in this Agreement, the parties agree as follows:

(1) ADDITIONAL GRANT: The Commission grants to the Sponsor an additional sum not to exceed Three Hundred Forty Thousand Nine Hundred Sixty-Six Dollars (\$340,966) for Land Acquisition for Runway 18/36 Extension subject to the following conditions:

(A) The Sponsor shall provide matching funds of not less than Eighteen Thousand Nine Hundred Forty-Three Dollars (\$18,943) toward the project in addition to those previously committed by the Sponsor in the Original Agreement, Amendment #2, Amendment #3 and Amendment #4. The amount of matching funds stated above represents fifty percent (50%) of the estimated local match required for the eligible project costs. The remaining Eighteen Thousand Nine Hundred Forty-Two Dollars (\$18,942) will be paid with funds from a grant provided under the Commission's airport aid program pursuant to section 305.230.4(1), RSMo.

(B) The project will be carried out in accordance with the assurances (Exhibit 1) given by the Sponsor to the Commission as specified in this Amendment #5.

(C) This Amendment shall expire and the Commission shall not be obligated to pay any part of the costs of the project unless this grant amendment has been executed by the Sponsor on or before April 1, 2018, or such subsequent date as may be prescribed in writing by the Commission.

(D) Based upon the revised project schedule, the original project time period of December 31, 2017, will be extended to December 31, 2018, to allow for completion of the work. Paragraph (1) (D) of Amendment #4 is hereby amended accordingly.

(E) All other terms and conditions of the Original Agreement, Amendment #1, Amendment #2, Amendment #3 and Amendment #4 entered into between the parties shall remain in full force and effect.

(2) BAN ON TEXTING WHILE DRIVING: In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:

(A) Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.

(B) Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:

1. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

2. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(3) SUSPENSION AND DEBARMENT: Sponsors entering into "covered transactions", as defined by 2 CFR § 180.200, must:

(A) Verify the non-federal entity is eligible to participate in this Federal program by:

1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if non-federal entity is excluded or disqualified; or

2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or

3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating; and

(B) Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g. subcontracts).

(4) SYSTEM FOR AWARD MANAGEMENT REGISTRATION AND UNIVERSAL IDENTIFIER:

(A) Requirement for System for Award Management (hereinafter, "SAM"): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110,

the Sponsor must maintain the currency of its information in the SAM until the Commission submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Commission review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).

(B) Requirement for Data Universal Numbering System (hereinafter, "DUNS") Numbers:

1. The Sponsor that it cannot receive a subgrant unless it has provided its DUNS number to the Commission.

2. The Commission may not make a subgrant to the Sponsor unless it has provided its DUNS number to the Commission.

3. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B

by telephone (currently 866-608-8220) or on the web (currently at <http://fedgov/dnb/com/webform>).

(5) REQUIRED FEDERAL PROVISIONS: The Sponsor shall incorporate all required federal contract provisions that apply to this Project in its contract documents.

(6) EMPLOYEE PROTECTION FROM REPRISAL:

(A) Prohibition of Reprisals:

1. In accordance with 41 U.S.C. §4712, an employee of the Sponsor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in subparagraph (A)2, information that the employee reasonably believes is evidence of:

- a. Gross mismanagement of a Federal grant;
- b. Gross waste of Federal funds;
- c. An abuse of authority relating to implementation or use of Federal funds;
- d. A substantial and specific danger to public health or safety; or
- e. A violation of law, rule, or regulation related to a

Federal grant.

2. The persons and bodies to which a disclosure by an employee is covered are as follows:

- a. A member of Congress or a representative of a committee of Congress;
- b. An Inspector General;
- c. The Government Accountability Office;
- d. A Federal office or employee responsible for oversight of a grant program;
- e. A court or grand jury;
- f. A management office of the Sponsor; or
- g. A Federal or State regulatory enforcement agency.

(B) Submission of Complaint: A person who believes that they have been subjected to a reprisal prohibited by Paragraph (A) of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General for the U.S. Department of Transportation.

(C) Time Limitation for Submittal of a Complaint: A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

(D) Required Actions of the Inspector General: Actions, limitations, and exceptions of the Inspector General's office are included under 41 U.S.C. §4712(b).

(E) Assumption of Rights to Civil Remedy: Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. §4712(c).

[Remainder of Page is Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below:

Executed by the Sponsor this ____ day of _____, 20__.

Executed by the Commission this ____ day of _____, 20__.

**MISSOURI HIGHWAYS AND
TRANSPORTATION COMMISSION**

CITY OF LEE'S SUMMIT

By _____

Title _____

Title _____

By _____

Secretary to the Commission

Title _____

Approved as to Form:

Approved as to Form:

Commission Counsel

Title _____

Ordinance No. _____
(if applicable)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as attorney for the Sponsor do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing grant Agreement under the laws of the State of Missouri. Further, I have examined the foregoing grant Agreement and the actions taken by said Sponsor and Sponsor's official representative have been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said state and the Airport and Airway Improvement Act of 1982, as amended. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said grant constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

CITY OF LEE'S SUMMIT

Name of Sponsor's Attorney (typed)

Signature of Sponsor's Attorney

Date _____

APPENDIX
STATE BLOCK GRANT AGREEMENT

Purpose

The purpose of this appendix is to provide the sponsors with sufficient information to carry out the terms of the state block grant agreement and implement their project.

The key items are listed below and are available on the MoDOT website (<http://www.modot.mo.gov/>), the FAA website (<http://www.faa.gov/index.cfm>), the State Block Grant Program Guidance Handbook or other website as indicated.

EXHIBIT 1

Aviation - Grant Programs, Documentation, Guidance

State Block Grant Program (Federal Funds)

- **MoDOT Guidance Handbook**
 - About the Handbook (26 kb, 1 page)
 - Index (57 kb, 3 pages)
 - Section 1 - Grant Application and Project Selection (35 kb, 5 pages)
 - Section 2 - Project Environmental Requirements (27 kb, 3 pages)
 - Section 3 - Airport Planning Projects (29 kb, 4 pages)
 - Section 4 - Land Acquisition (14 kb, 3 pages)
 - Section 5 - Procurement of Engineering Services (35 kb, 4 pages)
 - Section 6 - Project Development (77 kb, 11 pages)
 - Federal-Required Documentation Checklist (Advertising) (38 kb, 1 page)
 - Federal-Required Documentation Checklist (Construction Projects) (38 kb, 1 page)
- **FAA Airport Sponsor Guide**

State Aviation Trust Fund Program (State Funds)

- State Aviation Trust Fund Program Procedures (51 kb, 5 pages)
- State Required Documentation Checklist (44 kb, 1 page)

Sponsor CIP Submittal

- Sponsor's Guide on Submitting CIP (980 kb, 11 pages)
- MoDOT AirportIQ System Manager (ASM) Website

Financial Forms

- Grant Funding Application (424 kb, 22 pages)
- Air Service Development Application
- State Transportation Assistance Revolving (STAR) Loan Application
- Outlay Report and Request for Reimbursement (Federal 95%) (Form 271) (106 kb, 1 page)
- Request for Payment (State 90%) (100 kb, 1 page)

Consultant Procurement

- Sample Advertisement Consultant Selection
- ACEC MO Qualifications Based Selection (QBS) Guidance
- MSPE Qualifications Based Selection (QBS) Guidance

Federally Funded Projects

- FAA Advisory Circular 150/1500-14E-Architectural, Engineering, and Planning Consultant Services For Airport Grant Projects
- Aviation Project Consultant Agreement (256 kb, 43 pages)
 - Exhibit IV- Derivation of Consultant Project Costs (53kb, 1 page)
 - Exhibit V - Engineering Basic and Special Services-Cost Breakdown 67 kb, 1 page)
- Aviation Project Consultant Supplemental Agreement No. 1 (103 kb, 5 pages)
 - Exhibit IV- Derivation of Consultant Project Costs (Construction) (56 kb, 1 page)
 - Exhibit V - Engineering Construction Services-Cost Breakdown (65 kb, 1 page)
- Sample Letter of Recommendation of Approval for Project Consultant Agreement (22 kb, 1 page)
- Sponsor Certification for Selection of Consultants (form) (38 kb, 2 pages)

State Funded Projects

- Missouri Revised Statutes Sections 8.285-8.291 (23 kb, 2 pages)
- State Aviation Trust Fund Project Consultant Agreement (189 kb, 35 pages)
 - Exhibit IV- Derivation of Consultant Project Costs (53 kb, 1 page)
 - Exhibit V - Engineering Basic and Special Services-Cost Breakdown (67 kb, 1 page)
- Sample Letter of Recommendation of Approval for Project Consultant Agreement (22 kb, 1 page)
- Certification of Compliance (form) (33 kb, 1 page)

Airports Resources

- Obstructions Evaluation Submission (electronic 7460-1)
- Notice of Proposed Landing 7480-1 (form)
- FAA Series 150 Advisory Circulars for Airports
- FAA Airport's GIS Website
- Aeronautical GIS Survey Scope of Work
- Request for new or amended Instrument Approach Procedures
- Airport Layout Plan (ALP) and Narrative Checklist (277 kb, 10 pages)
- VGSI Data Form and Request for Flight Inspection (55 kb, 1 page)

Land Acquisition

- Land Acquisition Guidance
- MoDOT Approved Appraiser List
- Sponsor Certification for Certificate of Title (form) (85 kb, 12 pages)
- Sponsor Certification of Environmental Site Assessment (form) (43 kb, 2 pages)
- Sponsor Certification for Real Property Acquisition (form) (48 kb, 3 pages)
- Exhibit A Property Map Guidance

Environmental

- Environmental Guidance
- Undocumented Categorical Exclusion Letter (Environmental Clearance Letter) (21kb, 1 page)
- Documented Categorical Exclusion-FAA SOP 5.XX (355 kb, 8 pages)
- Documented Categorical Exclusion-MoDOT Signature Page (24 kb, 1 page)

Compliance

- Compliance Guidance
- Standard DOT Title VI Assurances (43 kb, 4 pages)
- Sponsor Questionnaire-Airport Compliance Status (130 kb, 16 pages)
- FAA/MoDOT Lease Requirements, Recommendations, and Guidance (95 kb, 5 pages)

Utility Adjustments

- Utility Agreement (71 kb, 36 pages)

Engineering, Design, and Construction

- **Sponsor Certifications For Federally Funded Projects**
 - Sponsor Certification for Conflict of Interest
 - Sponsor Certification for Drug-Free Workplace
 - Sponsor Certification for Projects Plans and Specifications (46 kb, 2 pages)
 - Sponsor Certification for Equipment/Construction Contracts (46 kb, 3 pages)
 - Sponsor Certification for Construction Project Final Acceptance (46 kb, 3 pages)
 - Sponsor Certification for Equipment Final Acceptance (38 kb, 2 pages)

- **Construction Project Items**

Federal Projects

- Weekly DBE Compliance Review Report (38 kb, 2 pages)

Federal & State Projects

- Sample Letter of Recommendation to Award for Construction Contracts (22 kb, 1 page)
- Weekly Construction Progress and Inspection Report (35 kb, 1 page)
- Weekly Wage Rate Interview Report (32 kb, 1 page)
- Change Order and Supplemental Agreement Instructions (68 kb, 3 pages)
- Change Order and Supplemental Agreement Form (Auto) (28 kb, 1 page)

- **Project Closeout Items**

Federal Projects

- Sample Certification Letter from Prime Contractor Regarding DBE's (24 kb, 1 page)
- DBE Documentation – Final Construction Report

Federal & State Projects

- Final Testing Report (Checklist) (70 kb, 3 pages)
- Electrical Systems Testing Report (36 kb, 1 page)
- Precision Approach Path Indicator (PAPI) Inspection Report (47 kb, 1 page)
- Contractor's Certification Regarding Settlement of Claims (37 kb, 12 pages)

- **MoDOT Construction Specifications**

Federally Funded Projects

- Federal-Preparation of Project Plans and Specifications (307 kb, 127 pages)
- Federal-Construction Observation Program (293kb, 22 pages)
- Federal-Preparation of Equipment Specifications (240 kb, 42 pages)
- AC 150/5370-10G Standards for Specifying Construction of Airports

Federal & State Projects

- Construction Observation Program (Non-Paving) (91 kb, 10 pages)
- Construction Observation Program-Required Tests and Certifications (75 kb, 17 pages)
- Construction Project Review Level Matrix
- Construction Plans Full Review Checklist
- Construction Plans General Review Checklist
- Safety Plan Checklist

State Funded Projects

- State-Preparation of Project Plans and Specifications (585 kb, 84 pages)
- State-Construction Observation Program (266 kb, 18 pages)
- MO-100 Mobilization (28 kb, 1 page)
- MO-152 Excavation and Embankment (71 kb, 11 pages)
- MO-155 Fly Ash Treated Subgrade (45 kb, 5 pages)
- MO-156 Erosion and Sediment Control (50 kb, 6 pages)
- MO-161 Woven Wire Fence with Steel Posts (37kb, 3 pages)
- MO-162 Chain-Link Fences (39 kb, 3 pages)
- MO-209 Crushed Aggregate Base Course (35 kb, 4 pages)
- MO-401S Plant Mix Bituminous Pavements (87 kb, 14 pages)
- MO-500 Joint and Crack Resealing-Concrete Pavement (36 kb, 3 pages)
- P-501 Portland Cement Concrete Pavements is now required for Aviation Projects in Missouri. Find the form on the linked FAA page. (effective May 2013)
- MO-601 Surface Preparation (38 kb, 4 pages)
- MO-602 Bituminous Prime Coat (29 kb, 2 pages)
- MO-603 Bituminous Tack Coat (29 kb, 2 pages)
- MO-610 Structural Portland Cement Concrete (45 kb, 5 pages)
- MO-620 Runway and Taxiway Painting (43 kb, 4 pages)
- MO-622 Crack and Joint Sealing-Bituminous Pavement (31 kb, 3 pages)
- MO-623 Pavement Friction Sealcoat Surface Treatment (48 kb, 5 pages)
- MO-701 Pipe for Storm Drains and Culverts (38 kb, 4 pages)

- MO-706 Prefabricated Underdrains (*54 kb, 5 pages*)
- MO-901 Seeding (*71 kb, 7 pages*)
- MO-905 Topsoiling (*25 kb, 2 pages*)
- MO-908 Mulching (*27 kb, 2 pages*)
- **MoDOT Electrical Specifications** (State Funded Projects)
 - MO-101 Airport Rotating Beacons (*39 kb, 5 pages*)
 - MO-103 Airport Beacon Towers (*36 kb, 4 pages*)
 - MO-107 Airport 8-Foot and 12-Foot Wind Cones (*36 kb, 4 pages*)
 - MO-108 Underground Power Cable for Airports (*402 kb, 12 pages*)
 - MO-109 Airport Prefabricated Housing and Equipment (*373 kb, 7 pages*)
 - MO-110 Airport Underground Electrical Duct Banks and Conduits (*56 kb, 8 pages*)
 - MO-120 Airport Precision Approach Path Indicator (PAPI) System (*41 kb, 5 pages*)
 - MO-125 Airport Lighting Systems and Guidance Signs (*51 kb, 5 pages*)

Airports Central Region – AIP Guide Index

This guide has been prepared to assist Central Region airport owners and their consultants in obtaining and administering an Airport Improvement Program (AIP) grant. Users of this guidance shall note that requirements for AIP participation are established within applicable United States Code, Public Law, Federal Regulations and official FAA policy. The supplemental guidance and best practices provided within this guide are not intended to create additional participation requirements over and above that established by statute, regulation, or official FAA policy. In the event this guidance conflicts with current AIP policy, the AIP policy has precedence. Web site address http://www.faa.gov/airports/central/aip/sponsor_guide/

100 - Airport Improvement Program (AIP)

- 110 - Overview
- 120 - Checklists for Typical AIP Funded Projects
- 130 - Sponsor Eligibility
- 140 - Project Eligibility
- 150 - AIP Obligations
- 160 - FAA Standards
- 170 - Non-Primary Entitlement Funds

200 - Civil Rights

- 210 - DBE Overview
- 220 - DBE Program Submittal Information
- 230 - DBE Goals
- 240 - Good Faith Efforts
- 250 - DBE Contract Provisions
- 260 - DBE Reporting Requirements
- 270 - Identifying DBE Fraud

300 - Procurement of Professional Services

- 310 - Procurement Requirements and Standards for A/E Services
- 320 - Roles and Responsibilities
- 330 - Selection Guide
- 340 - Contract Establishment
- 350 - Acquiring a Surveyor for AGIS

400 - Procurement

- 410 - Procurement Standards - §18.36(b)
- 420 - Competition - §18.36(c)
- 430 - Procurement Methods - §18.36(d)
- 440 - Small & Minority Firms & Womens Business Enterprises - §18.36(e)
- 450 - Cost and Price Analysis - §18.36(f)
- 460 - FAA Review of Procurement Documents - §18.36(g)
- 470 - Bond Requirements - §18.36(h)
- 480 - Federal Provisions - §18.36(i)
- 490 - Buy American Preferences - Title 49 USC 501

500 - Airport Planning

- 510 - National Plan of Integrated Airport Systems (NPIAS)
- 515 - Master Plans
- 520 - Airport Layout Plans
- 530 - Environmental Review
- 540 - Airport Site Investigations
- 550 - Runway Protection Zones
- 560 - Airport Property Interests
- 570 - Apron Design
- 580 - Planning Resources

600 - Project Formulation

- 610 - Requesting Aid: ACIP
- 620 - Benefit/Cost Analysis
- 630 - FAA Reimbursable Agreements

700 - Grant Implementation

- 710 - Project Initiation
- 720 - Project Application
- 730 - Sponsor Assurances
- 740 - Drug Free Workplace Requirements
- 750 - Title VI Assurance
- 760 - Executing the Grant Offer

800 - Sponsor Certification

900 - Project Design Development Projects

- 910 - Predesign Conference
- 920 - Engineer's Design Report
- 930 - Plans and Specifications
- 940 - Regional Approved Modifications to AC 150/5370-10
- 950 - Sponsor Modifications of FAA Standards
- 960 - Operational Safety on Airport During Construction

1000 - Construction Phase

- 1010 - Bidding
- 1020 - Contract Award
- 1030 - Construction Observation Program
- 1040 - Preconstruction Conference
- 1050 - Notice-to-Proceed
- 1060 - Labor Provisions
- 1070 - Inspections
- 1080 - Contract Modifications

1100 - Runway Commissioning

- 1110 - Airports Geographic Information Systems (AGIS)
- 1120 - Revising Airport Aeronautical Information
- 1130 - Runway Commissioning Data
- 1140 - Commissioning of Non-Federal VGSI

1200 - Equipment Projects

- 1210 - Federal Provisions
- 1220 - Sample Bid Documents

1300 - Airport Land Acquisition

- 1310 - Land Acquisition Requirements
- 1320 - Environmental Site Assessment
- 1320 - Satisfactory Evidence of Good Title

1400 - Sponsor Force Accounts

- 1410 - Force Account Overview
- 1420 - Force Account Engineering Services
- 1430 - Construction Force Account

1500 - Grant Payments

- 1510 - DELPHI eInvoicing System
- 1520 - Making the Grant Drawdown
- 1530 - Invoice Summary
- 1540 - Financial Reports
- 1550 - Payment History
- 1560 - Improper Payments

1600 - Grant Closeout

- 1610 - Development Project Closeout
- 1620 - Equipment Project Closeout
- 1630 - Planning Grant Closeout
- 1640 - Grant Amendment

1700 - Post Grant Obligations

- 1710 - Record Keeping
- 1720 - Audit Requirements
- 1730 - Financial Reports
- 1740 - Compliance
- 1750 - Pavement Maintenance
- 1760 - Release of Airport Property



ASSURANCES

Airport Sponsors

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements.

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

- a. Title 49, U.S.C., subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.¹
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act – 5 U.S.C. 1501, et seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.^{1 2}
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).¹
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.¹
- h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.¹
- l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.¹
- s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.¹
- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.¹
- u. Copeland Anti-kickback Act - 18 U.S.C. 874.1
- v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.¹
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.²
- y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

Executive Orders

- a. Executive Order 11246 - Equal Employment Opportunity¹
- b. Executive Order 11990 - Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 - Intergovernmental Review of Federal Programs
- e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction¹
- f. Executive Order 12898 - Environmental Justice

Federal Regulations

- a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].^{4, 5, 6}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
- d. 14 CFR Part 13 - Investigative and Enforcement Procedures 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- e. 14 CFR Part 150 - Airport noise compatibility planning.
- f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
- g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- h. 29 CFR Part 1 - Procedures for predetermination of wage rates.¹
- i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.¹
- j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).¹
- k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).¹
- l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.³
- m. 49 CFR Part 20 - New restrictions on lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.^{1 2}
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.¹
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

Specific Assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

Footnotes to Assurance C.1.

¹ These laws do not apply to airport planning sponsors.

² These laws do not apply to private sponsors.

³ 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

⁴ On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

⁵ Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

⁶ Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

- b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and

has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans,

specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal,

state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

- 1) Operating the airport's aeronautical facilities whenever required;
 - 2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 - 3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or

to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

- 1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
 - 2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
 - d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
 - e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
 - f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.
 - g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
 - h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
 - i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
 - 1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or

operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

- 2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
 - 3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
 - c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

- a. It will keep up to date at all times an airport layout plan of the airport showing
 - 1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
 - 2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and

roads), including all proposed extensions and reductions of existing airport facilities;

- 3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and
 - 4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.
- b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

- a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.
- b. Applicability
 - 1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 - 2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

- 3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

- 1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
- 2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

“The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”

e. Required Contract Provisions.

- 1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
- 2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
- 3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
- 4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a

covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

- a) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.
- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another

eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ (the latest approved version as of this grant offer) and included in this grant, and in accordance

with applicable state policies, standards, and specifications approved by the Secretary.

35. Relocation and Real Property Acquisition.

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

- a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-
 - 1) Describes the requests;
 - 2) Provides an explanation as to why the requests could not be accommodated; and
 - 3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.



**FAA
Airports**

Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 12/31/2015

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars

NUMBER	TITLE
70/7460-1L	Obstruction Marking and Lighting
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Changes 1 - 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28E	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30C Change 1	Airport Winter Safety And Operations
150/5200-31C Changes 1 - 2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-18A	Systems for Interactive Training of Airport Personnel

NUMBER	TITLE
150/5210-19A	Driver's Enhanced Vision System (DEVS) Ground Vehicle Operations on Airports
150/5220-10E	Guide Specification for Aircraft Rescue and Fire Fighting (ARFF) Vehicles
150/5220-16D	Automated Weather Observing Systems (AWOS) for Non-Federal Applications
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20A	Airport Snow and Ice Control Equipment
150/5220-21C	Aircraft Boarding Equipment
150/5220-22B	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5220-25	Airport Avian Radar Systems
150/5220-26, Change 1	Airport Ground Vehicle Automatic Dependent Surveillance - Broadcast (ADS-B) Out Squitter Equipment
150/5300-7B	FAA Policy on Facility Relocations Occasioned by Airport Improvements of Changes
150/5300-13A, Change 1	Airport Design
150/5300-14C	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17C	Standards for Using Remote Sensing Technologies in Airport Surveys
150/5300-18C	Survey and Data Standards for Submission of Aeronautical Data Using Airports GIS
150/5320-5D	Airport Drainage Design
150/5320-6E	Airport Pavement Design and Evaluation
150/5320-12C, Changes 1 - 8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces

NUMBER	TITLE
150/5320-15A	Management of Airport Industrial Waste
150/5235-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30H	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retro reflective Markers
150/5345-42H	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43G	Specification for Obstruction Lighting Equipment
150/5345-44K	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures
150/5345-46D	Specification for Runway and Taxiway Light Fixtures

NUMBER	TITLE
150/5345-47C	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49C	Specification L-854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51B	Specification for Discharge-Type Flashing Light Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53D	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems
150/5345-55A	Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56B	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-12F	Airport Signing and Graphics
150/5360-13 Change 1	Planning and Design Guidelines for Airport Terminal Facilities
150/5360-14	Access to Airports By Individuals With Disabilities
150/5370-2F	Operational Safety on Airports During Construction
150/5370-10G	Standards for Specifying Construction of Airports
150/5370-11B	Use of Nondestructive Testing in the Evaluation of Airport Pavements
150/5370-13A	Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5370-15B	Airside Applications for Artificial Turf
150/5370-16	Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements
150/5370-17	Airside Use of Heated Pavement Systems
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness
150/5390-2C	Heliport Design

NUMBER	TITLE
150/5395-1A	Seaplane Bases

THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

Updated: 12/31/2015

NUMBER	TITLE
150/5100-14E, Change 1	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17, Changes 1 - 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-15A	Use of Value Engineering for Engineering Design of Airports Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating (PASER) Manuals
150/5370-12B	Quality Control of Construction for Airport Grant Projects
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-7B	Airport Pavement Management Program
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness

Packet Information

File #: TMP-0795, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FUNDS IN THE AMOUNT OF \$18,942.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Issue/Request:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FUNDS IN THE AMOUNT OF \$18,942.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Key Issues:

- The Commission previously approved funds for Land Acquisition for Runway 18-36.
- The Level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition 18-36.
- The Commission has sufficient funds to increase the grant amount for Land Acquisition for Runway 18-36 Extension
- The Commission grants to the sponsor an additional sum not to exceed \$18,942.00 for Land Acquisition for Runway 18-36 Extension.
- Local matching funds of \$18,942.00 represent fifty percent (50%) of the estimated local match required for the eligible project costs and has been expended.
- Based upon the revised project schedule, the original project time period of December 31, 2017, will be extended to December 31, 2018, to allow for completion of the work.

Proposed Committee Motion:

I move to recommend to City Council the approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FUNDS IN THE AMOUNT OF \$18,942.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Background:

The Commission previously approved funds for Land Acquisition for Runway 18-36. The Level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition 18-36. The Commission has additional funds to increase the grant amount for Land Acquisition for Runway 18-36 Extension. The Commission grants to the sponsor an additional sum to exceed \$18,942.00 for Land Acquisition for Runway 18-36 Extension. Local matching funds of \$18,942.00 represents fifty percent (50%) of the estimated local match required for the eligible project costs and has been expended. Based upon the revised project schedule, the original project time period of December 31, 2017, will be extended to December 31, 2018, to allow for completion of the work.

Timeline:

Start: Fall of 2015

Finish: December 31, 2018

Presenter: Bob Hartnett - Deputy Director of Public Works/Administration

Recommendation: Staff recommends approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FUNDS IN THE AMOUNT OF \$18,942.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

Committee Recommendation: [Enter Committee Recommendation text Here]

BILL NO.

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, AND THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, GRANTING ADDITIONAL FUNDS IN THE AMOUNT OF \$18,942.00 FOR LAND ACQUISITION FOR RUNWAY 18-36 EXTENSION AT THE LEE'S SUMMIT MUNICIPAL AIRPORT.

WHEREAS, the Commission previously approved funds for Land Acquisition for Runway 18-36 Extension; and

WHEREAS, the level of funding originally approved is not sufficient to cover the costs associated with Land Acquisition for Runway 18-36 Extension, and

WHEREAS, the Commission has sufficient funds to increase the grant amount for Land Acquisition for Runway 18-36 Extension an additional sum of Eighteen Thousand Nine Hundred Forty-Two Dollars (\$18,942) for Land Acquisition for Runway 18-36 Extension.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council of the City of Lee's Summit, Missouri hereby authorizes the execution, by the Mayor on behalf of the City of Lee's Summit, of a fifth supplemental agreement to airport aid agreement by and between the Missouri Highways and Transportation Commission and the City of Lee's Summit, Missouri for assistance with Land Acquisition for Runway 18-36 extension at the Lee's Summit Municipal Airport, which is attached hereto and incorporated by reference as if fully set forth herein.

SECTION 2. That this Ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said city this _____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

Nancy Yendes, Chief Counsel of
Infrastructure and Planning
Office of the City Attorney

CCO Form: MO03
Approved: 7/94 (MLH)
Revised: 03/17 (MWH)
Modified:

Project No. AIR 116-109A-1

**MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
FIFTH SUPPLEMENTAL AGREEMENT TO AIRPORT AID AGREEMENT**

THIS AGREEMENT AMENDMENT is entered into by the Missouri Highways and Transportation Commission (hereinafter, "Commission") and the City of Lee's Summit (hereinafter, "Sponsor").

WITNESSETH:

WHEREAS, the parties entered into an Airport Aid Agreement executed by the Sponsor on May 23, 2011, and executed by the Commission on June 3, 2011 (hereinafter, "Original Agreement") under which the Commission granted the sum of Four Thousand Two Hundred Eighty-Six Dollars (\$4,286) to the Sponsor to assist in specified Land Acquisition for Runway 18/36 extension; and

WHEREAS, the parties entered into a First Supplemental Agreement to Airport Aid Agreement executed by the Sponsor on April 8, 2013, and executed by the Commission on April 17, 2013 (hereinafter, "First Supplemental Agreement") under which the original project time period was extended from June 30, 2012, to December 31, 2013; and

WHEREAS, the parties entered into a Second Supplemental Agreement to Airport Aid Agreement executed by the Sponsor on January 16, 2014, and executed by the Commission on March 21, 2014 (hereinafter, "Second Supplemental Agreement") under which the Commission agreed to increase the grant by Seventy-Four Thousand Three Hundred Fifty-Seven Dollars (\$74,357) to the Sponsor to assist in specified Land Acquisition for Runway 18/36 extension and to extend the project time period from December 31, 2013 to December 31, 2014, to allow for completion of the project; and

WHEREAS, the parties entered into a Third Supplemental Agreement to Airport Aid Agreement executed by the parties on October 3, 2014, (hereinafter, "Third Supplemental Agreement") under which the Commission agreed to increase the grant by Seven Thousand Six Hundred Nine Dollars (\$7,609) to the Sponsor to assist in specified Land Acquisition for Runway 18/36 extension and to extend the project time period from December 31, 2014 to December 31, 2015, to allow for completion of the project; and

WHEREAS, the parties entered into a Fourth Supplemental Agreement to Airport Aid Agreement executed by the Sponsor on November 2, 2016, and executed by the Commission on November 9, 2016 (hereinafter, "Fourth Supplemental Agreement") under which the Commission agreed to increase the grant by One Hundred Twenty-

Four Thousand Forty-Four Dollars (\$124,044) to the Sponsor to assist in specified Land Acquisition for Runway 18/36 extension and to extend the project time period from December 31, 2015 to December 31, 2017, to allow for completion of the project; and

WHEREAS, the Commission previously approved funds for this project; and

WHEREAS, the level of funding originally approved is not sufficient to cover costs associated with this project; and

WHEREAS, the Commission has sufficient funds to increase the grant amount for this project.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations in this Agreement, the parties agree as follows:

(1) ADDITIONAL GRANT: The Commission hereby grants to the Sponsor an additional sum of Eighteen Thousand Nine Hundred Forty-Two Dollars (\$18,942) for this project, which is equal to fifty percent (50%) of the additional match required for the Sponsor's State Block Grant for Project No. 11-109A-2.

(2) PROJECT TIME PERIOD: Based upon the revised project schedule, the original project time period of December 31, 2017, will be extended to December 31, 2018, to allow for completion of the work. Paragraph (2) of the Fourth Supplemental Agreement is hereby amended accordingly.

(3) ORIGINAL AGREEMENT: Except as otherwise modified, amended, or supplemented by this Supplemental Agreement, the Original Agreement, First Supplemental, Second Supplemental Agreement, Third Supplemental Agreement, and Fourth Supplemental Agreement between the parties shall remain in full force and effect and the unaltered terms of the Original Agreement shall extend and apply to this Supplemental Agreement.

[Remainder of Page is Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have entered into and accepted this Agreement on the last date written below.

Executed by the Sponsor this _____ day of _____, 20____.

Executed by the Commission this _____ day of _____, 20____.

MISSOURI HIGHWAYS AND
TRANSPORTATION COMMISSION

CITY OF LEE'S SUMMIT

By _____

Title _____

Title _____

Attest:

Attest:

Secretary to the Commission

By _____

Title _____

Approved as to Form:

Approved as to Form:

Commission Counsel

Title _____

Ordinance No. _____
(if applicable)

Packet Information

File #: TMP-0786, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND VERIZON WIRELESS, LLC ESTABLISHING THE LEASE TERM AND ANNUAL RENTAL PAYMENT FOR TELECOMMUNICATIONS EQUIPMENT TO BE INSTALLED ON THE CITY'S WATER STORAGE TOWER LOCATED AT 801 SW HOOK ROAD.

Issue/Request:

An ordinance authorizing execution of a lease agreement between City of Lee's Summit and Verizon Wireless LLC that allows Verizon to install, operate, and maintain communications equipment on the City's property and water storage tower located at 801 SW Hook Road.

Key Issues:

The City of Lee's Summit owns a parcel of land at 801 SW Hook Road in the City of Lee's Summit on which a water storage facility is located.

Verizon Wireless LLC ("Verizon") wishes to lease from the City a portion of the Property and Tower Facilities for the purpose of constructing, installing, maintaining, operating, and removing at Verizon's expense, a directional antenna, connecting cables, support structures, and related site equipment for communication facilities.

Verizon representatives and City staff negotiated a lease agreement establishing a lease term for ten (10) years commencing on or after February 1, 2018, with three (3) possible renewal terms of five (5) years each. Terms and conditions of the lease are detailed in the Lease Agreement and attached exhibits.

The Lease establishes annual rent of \$27,000 for the Leased Facilities with an annual increase of 3% upon each annual renewal.

The terms and conditions of this lease are consistent with those of similar lease agreements on other City properties.

Proposed Committee Motion:

I move to recommend to City Council approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND VERIZON WIRELESS, LLC ESTABLISHING THE LEASE TERM AND ANNUAL RENTAL PAYMENT FOR TELECOMMUNICATIONS EQUIPMENT TO BE INSTALLED ON THE CITY'S WATER STORAGE TOWER LOCATED AT 801 SW HOOK ROAD.

Background:

[Enter text here]

Impact/Analysis:

The initial term of the proposed lease is ten (10) years and shall be automatically renewed for three (3) additional terms of five (5) years each unless terminated pursuant to terms of the lease. The lease provides for annual rent of \$27,000 with a 3% increase at annual anniversary dates.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Bette Wordelman

Recommendation: Enter Recommendation Here]

Committee Recommendation: [Enter Committee Recommendation text Here]

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT AND VERIZON WIRELESS, LLC ESTABLISHING THE LEASE TERM AND ANNUAL RENTAL PAYMENT FOR TELECOMMUNICATIONS EQUIPMENT TO BE INSTALLED ON THE CITY'S WATER STORAGE TOWER LOCATED AT 801 SW HOOK ROAD.

WHEREAS, the City of Lee's Summit, Missouri ("City") currently owns a parcel of land at 801 SW Hook Road in the City of Lee's Summit, Jackson County, State of Missouri, legally described on Exhibit A and Exhibit D both attached to the Lease Agreement which is attached hereto; and,

WHEREAS, the City of Lee's Summit, Missouri currently owns a water storage tower located on said parcel of land addressed as 801 SW Hook Road; and,

WHEREAS, Verizon Wireless LLC ("Verizon") wishes to lease from the City a portion of the Property and Tower Facilities for the purpose of constructing, installing, maintaining, operating, and removing at Verizon's expense, a directional antenna, connecting cables, support structures, and related site equipment for communication facilities; and,

WHEREAS, Verizon representatives and City staff negotiated a lease agreement attached hereto establishing a lease term for ten (10) years commencing on or after February 1, 2018, with three (3) possible renewal terms of five (5) years each; and

WHEREAS, said Lease establishes annual rent of \$27,000 for the Leased Facilities with an annual increase of 3% upon each annual renewal.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council of the City of Lee's Summit hereby approves and authorizes the execution, by the Mayor, of the Lease Agreement by and between the City of Lee's Summit and Verizon Wireless, LLC which is attached hereto as Exhibit "A" and incorporated herein by reference as if fully set forth herein.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this _____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

Deputy City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said City this _____ day of _____, 2017.

Mayor

Randall L. Rhoads
ATTEST:

Deputy City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

Chief Counsel of Infrastructure and Planning
Nancy K. Yendes

This Lease Agreement is made this ____ day of _____, 2017, ("Lease Agreement") by and between the City of Lee's Summit, Missouri, a municipal corporation, ("Lessor") and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, with its principal offices at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404) ("Lessee").

WITNESSETH THAT:

WHEREAS, Lessor is the owner in fee simple of a parcel of land in the City of Lee's Summit, Jackson County, State of Missouri, legally described on the attached Exhibit A, which is incorporated by reference as if fully set forth herein, ("Property"); and

WHEREAS, a water tower, including an equipment shelter area antenna mounts, owned by Lessor, (collectively "Tower Facilities") is located on the Property; and

WHEREAS, Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, a portion of the Property and Tower Facilities (collectively "Leased Premises") for the purpose of constructing, installing, maintaining, operating, and removing at its expense, a directional antenna, connecting cables, support structures and related site equipment for communication facilities ("Site Equipment").

NOW THEREFORE, The parties hereto agree as follows.

1. DESCRIPTION AND USE OF PROPERTY

Lessee agrees to lease from Lessor, and Lessor agrees to lease to Lessee, the following property (collectively "Leased Premises"):

- a. A non-exclusive easement of reasonable access to the Tower Facilities across the property located in the City of Lee's Summit, Jackson County, State of Missouri more particularly described in legal description attached and incorporated herein as **Exhibit A**. For the purposes of this Lease Agreement, reasonable access shall be shall be access between 7:00 AM and 3:30 PM. Monday through Friday, except on City Holidays as designated in Section 2-2 of the Lee's Summit code of Ordinances. Such access shall be granted upon 4 hours' notice to the Lee's Summit Water Utilities Department. In the event of an emergency necessitating access to the Leased Premises outside the times of access stated above, at any time day or night, by Lessee, Lessee shall call Lee's Summit Water Utilities at 816-969-7407, for access, access to the Leased Premises during such emergencies shall not be unreasonably withheld by Lessor. Lessee shall provide Lessor with a list of Lessee's agents and employees authorized to access the equipment located on the Leased Premises. Lessor shall not be responsible for monitoring access to Lessee equipment.
- b. A tract of land located on the Property which is more specifically described in **Exhibit D**, attached hereto and incorporated herein by reference.
- c. The right to construct, install, maintain, operate, and remove the Site Equipment on that part of the Tower Facilities more particularly described in the site plan attached and incorporated herein as **Exhibit B**. This right shall be exercised in accordance with the plans and specifications for the Site Equipment attached hereto and incorporated herein as **Exhibit C**, and all other provisions of this Lease Agreement. Further, this right includes the ability to replace Site Equipment with equipment that is exactly the same as the equipment that is being

replaced and which is in all respects in accordance with the plans and specifications contained in Exhibit C.

This Lease Agreement is non-exclusive and the Lessor reserves the right to lease vacant space on the Tower Facilities to third parties. It is also recognized by the Lessee that there may be communications facilities owned by third parties already located on the Leased Premises.

2. TERM

The Initial Term of this Lease Agreement shall be for ten (10) years, commencing on (i) February 1, 2018 or (ii) the first day of the month after Lessee begins installation of Lessee's communications equipment, whichever occurs first ("Commencement Date"). This Lease Agreement shall be automatically renewed for three (3) additional terms, (each a "Renewal Term") of five years each, unless the Lessee provides the Lessor with written notice of intention not to renew not less than 90 days prior to the expiration of the Initial Term or any Renewal Term; or Lessee is in default as provided in Paragraph 19 of this Lease Agreement; or this Lease Agreement is terminated as provided in paragraph 27.

3. RENT

Lessee agrees to pay the Lessor, for the Leased Premises, rents paid annually in advance beginning on the Commencement Date and on each anniversary of the Commencement Date. The annual rent for the first year of the initial term of this Lease Agreement shall be \$27,000.00. Thereafter, the rent due hereunder will be increased on each anniversary of the Commencement Date to an amount equal to the amount of the annual installment of rent payable during the preceding year increased by 3%.

All annual rent installments are to be paid at Lee's Summit City Hall, 220 SE Green Street, P.O. BOX 1600, Lee's Summit, Missouri 64063, or at such other place as Lessor may designate from time to time. Any rental payment which is beyond thirty days in default, and continues to be in default ten (10) days after Lessor has send notice in writing to Lessee of said default, shall have interest thereon at 9 percent per annum.

The first rent installment shall be due within 45 days after the commencement date.

Prior to Lessee's execution of this Lease Agreement, Lessor shall provide Lessee documentation necessary for Lessee to comply with tax and information return reporting rules of the Internal Revenue Service ("IRS") and state and local governments, including, without limitation, IRS Form W-9 and applicable state and local withholding forms, in a form acceptable to Lessee. Within fifteen (15) days of any requested change in the then-current rent payee, Lessor, or its successors or assigns, shall provide to Lessee the following: (i) documentation acceptable to Lessee, in Lessee's reasonable discretion, evidencing such party's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefits hereunder; and (ii) documentation necessary for Lessee to comply with tax and information return reporting rules of the IRS and state and local governments, including, without limitation, IRS Form W-9 and applicable state and local withholding forms, in a form acceptable to Lessee. If Lessee is unable to deliver any payments to the proposed rent payee as a result of Lessor's, or its successors' or assigns', failure to provide such documentation, Lessee shall not be relieved of its rental payment obligations, but Lessee's failure to deliver such payments to such person or entity shall not be a breach of this Lease Agreement unless Lessee fails to send any deferred payments within forty-five (45) days after Lessee receives such documentation.

4. ACCESS TO LEASED PREMISES AND SITE EQUIPMENT

Lessee agrees to provide prior written notice to Lessor of the date and time that all work pursuant to this Lease Agreement will occur, along with a list of the names of all Lessee employees, or Lessee engineers, contractors, subcontractors, and agents or employees thereof, who will be performing work on behalf of Lessee pursuant to this Lease Agreement. Lessor shall obtain directly from said employees, engineers, contractors, subcontractors and agents any personal information (including, but not limited to, social security numbers) necessary for Lessor to perform a criminal background check and pre-authorize such parties. Such information shall be provided by said employees, engineers, contractors, subcontractors and agents to Lessor's designated contact, who shall be designated to Lessee in writing by Lessor. It is agreed that only those employees, engineers, contractors, subcontractors and agents who have submitted to a criminal background check and are pre-authorized by Lessor will be permitted to enter the Leased Premises.

5. CONSTRUCTION STANDARDS AND PERMIT REQUIREMENTS

Lessee shall, at its own cost construct, install, operate and maintain the Site Equipment upon the Leased Premises. Lessee's construction and installation of Site Equipment shall be done according to plans and specifications approved by the Lessor and attached in **Exhibit C**. The Lessee may, at its expense, make such improvements on the Tower Facilities as are necessary for the operation of the transmission site for voice and data communications in accordance with the plans and specifications in **Exhibit C**. Construction shall be completed no later than six (6) months from the Commencement Date.

Lessee shall obtain all necessary permits, permissions, sanctions, and approvals necessary to construct, install, operate and maintain the Site Equipment. Lessee shall construct, install, operate and maintain the Site Equipment in accordance with site standards, state statutes, ordinances, rules and regulations now in effect or that thereafter may be issued by the Federal Communications Commission or any other governing body. In the event that any alteration of the Property; Tower Facilities, or Site Equipment is required to fulfill the covenants of this paragraph, it shall be done in accordance the alteration procedures of Paragraph 13 of this Lease Agreement. Any damage done to the Property or Tower Facilities during the construction, installation, maintenance, operation and/or removal of the Site Equipment shall be repaired or replaced within ten (10) days, or within a reasonable period approved by Lessor, at Lessee's expense and to Lessor's sole satisfaction. In addition, if Lessor experiences an interruption of existing City services relating to Lessor's use of the Property or Tower Facilities as a result of actions or omissions of the Lessee under this Lease Agreement, Lessee agrees to timely rectify any such interruption and pay all reasonable costs associated with the loss, repair and restoration of such City services.

6. REMOVAL OF SITE EQUIPMENT

Lessee has the right to remove the site Equipment at its sole expense on or before the expiration or earlier termination of this Lease Agreement, and shall repair any damage to the Leased Premises caused by such removal. Lessee shall remove the Site Equipment from the Leased Premises within 30 days of the date of termination or expiration of this Lease Agreement and shall repair any damage to the Leased Premises caused by construction, installation, operation, maintenance or removal of the Site Equipment, normal wear and tear excepted. Any property that is not removed within 60 days of the date of termination or expiration of this Lease Agreement shall become the property of the Lessor.

7. LIENS OR ENCUMBRANCES

The Lessee shall not suffer the Property, Tower Facilities, or any construction or improvements thereon to become subject to any lien, charge, or encumbrance whatsoever, and shall indemnify the Lessor against all such liens, charges, and encumbrances; it being expressly agreed that the Lessee shall have no authority, express or implied, to create any lien, charge, or encumbrance upon the Leased Premises.

8. ASSIGNMENTS

- A. The Lessee may assign this Lease Agreement to its Principal, Affiliates, Subsidiaries of its Principal or to any entity which acquires all or substantially all of Lessee's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization, with 30 days advance written notice to the Lessor, all other parties shall be considered "third parties." The Lessee may assign this Lease Agreement to third parties only with written approval from the Lessor. Such approval may not be unreasonably withheld. However, if the Lessee assigns this Lease Agreement to a third party, the Lessor has an option, within the Lessor's sole discretion, to renegotiate the terms of this Lease Agreement with the proposed assignee. Lessee may not sublease any portion of the Leased Premises.
- B. No change of stock ownership, partnership interest or control of Lessee or transfer upon partnership or corporate dissolution of Lessee shall constitute an assignment hereunder.
- C. The terms Principal, Affiliate and Subsidiary as used in this section shall have the following meanings:

"Affiliate: means, with respect to Lessee, an entity that lawfully and directly or indirectly Controls, is Controlled by, or is under common Control with Lessee (which for these purposes shall include without limitation an entity with respect to which Lessee or Lessee's parent or subsidiary is a general partner or manager or occupies a similar position of Control, regardless of ownership interest).

"Principal" means any entity serving as the general partner or manager, or in any other position of Control, regardless of ownership interest.

"Subsidiary" means any entity that is Controlled by at least a 50% or more ownership interest.

"Control" or "Controlled by" means the power (directly or indirectly) to direct the management or policies of that entity, whether through the ownership of voting securities, by contract, by agency or otherwise.

9. INSURANCE

- A. GENERAL PROVISIONS. Lessee shall file with Lessor evidence of liability insurance with an insurance company licensed to do business in Missouri. At all times while this Lease Agreement remains in effect, and in recognition of the indemnification provisions set forth herein, Lessee shall, at its own cost and expense, maintain a program of commercial general liability insurance and/or self-insurance in the amounts specified below to protect Lessee and Lessor, its officers, agents, employees, elected officials, and attorneys each in their official and individual capacities, from any liability for

bodily injury, death and property damage occasioned by the activities of Lessee, or any person acting on their behalf, under this Lease Agreement, including, but not limited to, Lessee's operations, products, services or use of automobiles or construction equipment. As proof of this compliance, Lessee shall, during the term of this Lease Agreement, keep on file with the Clerk of the City of Lee's Summit a certificate of insurance with an insurance company licensed to do business in the State of Missouri and/or affidavit of self-insurance which shall show the types and amounts of coverage. Any affidavit of self-insurance shall be signed by Lessee, or an employee or officer of Lessee who has knowledge of Lessee's self-insurance program and is authorized to make representations as to the scope of said program, and shall contain a statement making such representations.

B. LIMITS AND COVERAGE

1. Commercial General Liability: Minimum \$5,000,000 each occurrence limit for bodily injury and property damage; \$5,000,000 general aggregate; \$5,000,000 products and completed operations aggregate.
2. Automobile Liability: Minimum \$500,000 combined single limit for bodily injury and property damage; applicable to owned, non-owned and hired automobiles.
3. Workers' Compensation: As required by state statute; if exempt, must submit letter stating the exemption; employer's liability \$2,000,000 each occurrence.
4. Umbrella/Excess Liability: An umbrella or excess liability policy in the minimum amount of \$2,000,000 each occurrence and aggregate; at least as broad as the underlying general liability, automobile liability and employer's liability.

The following shall attach to the policy:

1. The policy shall cover personal injury as well as bodily injury.
2. The policy shall cover blanket contractual liability subject to the standard universal exclusions of contractual liability included in the carrier's standard endorsement as to bodily injuries, personal injuries, and property damage.
3. Lessor shall be included as an additional insured (except for auto and workers comp).
4. Standard form of cross-liability shall be afforded.
5. Upon receipt of notice from its insurer that the policy is being cancelled, Lessee will provide Lessor with thirty (30) days advance written notice of such cancellation.

C. USE OF CONTRACTORS AND SUBCONTRACTORS. Lessee shall not permit any contractors or subcontractors to commence or continue work until they shall have obtained or caused to be obtained all insurance required under this paragraph. Said insurance shall be maintained in full force and effect until the completion of the work performed, and approved thereof by Lessor.

D. WORKERS' COMPENSATION. Lessee shall ensure that all contractors or subcontractors performing work for Lessee obtain and maintain Workers' Compensation Insurance for all employees, and in case any work is sublet, Lessee shall require any subcontractors to provide Workers' Compensation insurance for all subcontractor's employees, in compliance with State laws and to fully protect Lessor from any and all claims of such employees arising out of occurrences during work performed hereunder. Lessee shall provide Lessor with a certificate of insurance indicating Workers' Compensation coverage prior to commencing construction of the Improvements.

10. INTERFERENCE AND STRUCTURAL COMPATIBILITY

Lessee agrees that the construction, installation, maintenance, operation and removal of Site Equipment shall not interfere with other communications systems currently in operation on the Tower Facilities or Property, nor interfere with Lessor's use, or anticipated use, of the Tower Facilities or Property or other tenants existing prior to this Lease Agreement. If Lessee's Site Equipment causes interference, Lessee shall take all measures reasonably necessary to correct and eliminate the interference. If the interference cannot be eliminated within 72 hours, Lessee shall immediately cease operating the Site Equipment until the interference has been eliminated (interference may be eliminated by Lessee shutting off its Site Equipment causing the interference, provided such shut down successfully eliminates the interference). If the interference cannot be eliminated within 60 days, Lessor may terminate the Lease Agreement.

Before approving the placement of the Site Equipment, Lessor may require at the Lessee's expense, any information that will insure that Lessee's use will not interfere with the rights in the Property and Tower Facilities retained by the Lessor or any prior lease. Such information may include, but is not limited to, an intermodulation study to indicate whether the proposed use will interfere with any existing communications facilities, a transition plan approved by the Lessor for continued operation of existing facilities during construction, installation, or maintenance of Lessee's Site Equipment, an engineering study of indicating that the Tower Facility can structurally support the Site Equipment, or a safety study certified by an Industrial hygienist or other equally qualified inspector to ensure that access to the Tower Facility is at all times in compliance "with any applicable safety standards. Any interference test required by the Lessor shall include frequencies provided by the Lessor, for its own exclusive anticipated use, as if they were existing uses.

Lessor agrees that antennas, related site equipment and/or frequencies, installed by other lessee's after the installation of Lessee's Site Equipment, shall not interfere with the operation of Lessee. In the event any such interference occurs, the Lessor shall have the responsibility to coordinate the termination of the interference within 72 hours, if possible. If such interference is not terminated within 72 hours, and Lessee is unable to continue its operation, Lessee shall have the right, in addition to any other rights that it may have at law or in equity, to bring action to enjoin such interference or to terminate this Lease Agreement immediately upon notice to Lessor. Lessor shall not be responsible for any interruption in Lessee's service associated with the operation and maintenance of the Site Equipment by others.

11. MAINTENANCE AND REPAIRS

The Lessee shall have the sole responsibility to keep the Site Equipment, and any other structure, appurtenance or landscaping required to meet the covenants established by this Lease Agreement, in good condition through consistent maintenance and repair. "Good Condition" shall mean that the Site Equipment, and any other structure or appurtenance shall remain in as good condition as when initially constructed and installed, normal wear and tear excepted and casualty loss excepted. All required landscaping shall be maintained in proper repair and kept free of refuse and debris at all times. Lessee's maintenance shall be exercised consistent with the interference provisions of Paragraph 10 of this Lease Agreement. In the event that Lessee's maintenance involves alteration of the Site Equipment the alteration shall be exercised consistent with the interference provisions of Paragraph 10 of this Lease Agreement and the alteration provisions of Paragraph 12 of this Lease Agreement.

Lessor, at all times during the term of this Lease Agreement, reserves the right to take any action it deems necessary to maintain, alter or improve the Property and Tower Facilities. In the event that

Lessor or any other lessee undertakes maintenance of the Property, Tower Facilities, or other communication facilities, Lessee shall take reasonable measures to protect the Site Equipment.

In the event maintenance and/or repairs to the Leased Premises require Lessee's Site Equipment to be removed, then upon request of Lessor, Lessee, at its sole cost and expense, agrees to relocate its equipment on a temporary basis to another location on the Property, approved by City, hereinafter referred to as the "Temporary Location," for the purpose of City performing maintenance, repair or similar work on the Property or on the Tower. City agrees to give Lessee at least 90 days written notice prior to requiring Lessee to relocate. Lessee's use of the Premises shall not be interrupted or diminished during the relocation and Lessee shall be allowed, if necessary, in Lessee's reasonable determination, to place a temporary installation on the Property during any such relocation, subject to the approval of Lessor, which shall not be unreasonably withheld. Upon completion of any maintenance, repair or similar work by City, Lessee shall be permitted to return to its original location.

12. ALTERATIONS

The Lessee shall not make any alteration, in the external elevation or architectural design of the Tower Facilities or the Property, or injure or remove any of the principle structural supports thereof without the consent in writing of the Lessor, which shall not be unreasonably withheld, conditioned or delayed. Lessor may require plans and specifications or other information consistent with the interference provisions of Paragraph 10 of this Lease Agreement, for any alteration of the Site Equipment deviating from the plans and specifications included in Exhibit C.

13. NEW STRUCTURES

Without prior written approval of Lessor, the Lessee shall not construct or permit to be constructed on the Property any new structures, or make or permit to be made any additions to the Tower Facilities, except in accordance with plan and specifications previously approved by the Lessor.

14. UTILITIES

Lessee shall have the right to install utilities, at Lessee expense, and to improve the present utilities on the Leased Premises as shown on the site plan attached as Exhibit B. Lessee shall, at its expense, separately meter charges for consumption of electricity and other utilities associated with its use of the Leased Premises, and shall timely pay all costs associated therewith.

15. UNLAWFUL USE

The Lessee shall not make or suffer any use or occupancy of the Leased Premises contrary to any law or ordinance now or hereafter in force.

16. TITLE AND QUIET POSSESSION

Lessor warrants that it is the owner of the Leased Premises; that it has the right to enter into this Lease Agreement; that the person signing this Lease Agreement has the authority to sign; and, that Lessee is entitled to access to the Leased Premises over areas agreed to by Lessor (described in Exhibit A and shown on Exhibit B) and to the quiet possession of the Leased Premises consistent with the terms and conditions of this Lease Agreement throughout the initial term and each renewal term unless Lessee is in default as provided in Section 19 of this Lease Agreement. Lessee agrees to quit and deliver possession of the Leased Premises to Lessor or Lessor's assigns, successors or agents, when this Lease Agreement terminates by termination, expiration, default or forfeiture, and Lessee agrees that the

Leased Premises shall be in substantially the same order and in as good condition as received, normal wear and use and damage caused by casualty excepted.

17. INDEMNIFICATION

A. GENERAL. Lessee shall indemnify, release, defend, become responsible for and forever hold harmless Lessor, its officers, agents, employees, elected officials, and attorneys, each in their official and individual capacities, subject to the provisions set forth in the Missouri Sovereign Immunity Statute, from and against all lawsuits, suits, actions, costs, claims, demands, damages, disability, losses, expenses, including reasonable attorney's fees and other defense costs or liabilities of any character and from any cause whatsoever, brought because of bodily injury or death received or sustained, or loss or damage received or sustained, by any person, persons, or property to the extent arising out of or resulting from any act, error, omission, or intentional act of Lessee or its agents, employees or subcontractors, arising out of or in any way connected with the operations expressly authorized herein, including, without limitation, the installation, operation, maintenance, repair and use of the Leased Premises and Site Improvements; provided, however, that Lessee need not save harmless Lessor from lawsuits, suits, actions, costs claims, demands, damages, disability, losses, expenses and other defense costs or liabilities to the extent arising out of the negligence or misconduct of Lessor, its employees, agents, or contractors.

B. NO LIMITATIONS OR WAIVER. The indemnity required hereunder shall survive the termination or expiration of this Lease Agreement and shall not be limited by reason of any particular insurance coverage in this Lease Agreement, or by a limitation of the amount or type of damages or compensation payable by or for Lessee under Workers' Compensation, disability or other employee benefit acts, acceptance of insurance certificates required under this Lease Agreement, or the terms applicability or limitation of any insurance held by Lessee. Lessor does not, and shall not, waive any rights against Lessee which it may have by reason of this indemnification, because of the acceptance by Lessor, or the deposit with Lessor by Lessee, of any of the insurance policies described in this Lease Agreement. Except as provided in subpart A above, this indemnification by Lessee shall apply regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages,

C. NOTIFICATION OF CLAIMS. With respect to any claims which are subject to indemnity hereunder, Lessee shall immediately notify Lessor of any and all claims' filed against Lessee or Lessee and Lessor jointly, and shall provide Lessor with a copy of the same.

D. CHALLENGES TO CONTRACT. Lessee shall indemnify, defend and hold harmless Lessor, its officers, agents, employees, elected officials, and attorneys, each in their official and individual capacities, against any and all claims or challenges brought against Lessor with respect to the validity of the terms and conditions of this Lease Agreement.

E. USE OF INDEPENDENT CONTRACTORS. The fact that Lessee carries out any activities under this Lease Agreement through independent contractors shall not constitute an avoidance of, or defense to, Lessee's duty of defense and indemnification under this section.

18. HAZARDOUS SUBSTANCES

Lessor represents that it has no knowledge of any substance, chemical or waste (collectively "substance") on the Leased Premises that is identified as hazardous, toxic or dangerous in any applicable

federal state or local law or regulation. Lessee and Lessor shall not introduce or use any such substance on the Leased Premises in violation of any applicable Law.

19. DEFAULT

Failure on the part of Lessee to pay rent within 30 days after same shall become due and if rent is not paid within 10 days after notice to Lessee of nonpayment of rent, or failure of either party to promptly and faithfully keep and perform every covenant, condition and obligation of this Lease Agreement, other than payment of rent, on the part of either party to be kept and performed for more than twenty (20) days after notice of such default shall have been given to the defaulting party, shall, at the option of the non-defaulting party, cause the forfeiture and termination of this Lease Agreement, without, however, releasing Lessee from liability, as hereinafter provided, and if such default shall not be corrected within the applicable period aforesaid, except that this Lease Agreement shall not be terminated if the default cannot reasonably be cured within such twenty (20) day period and the defaulting party has commenced to cure the default within such twenty (20) day period and diligently pursues the cure to completion, Lessor shall be entitled to and may take immediate possession of the Leased Premises, any other notice or demand being hereby waived if Lessee is in default as stated above. At time of transfer of possession of the Leased Premises, Lessee shall have sixty (60) days to remove the Site Equipment placed on the Tower Facility, and shall be subject to the holdover rental rate as set forth herein. If after sixty (60) days Lessee has not removed the Site Equipment, then pursuant to the rights and obligations of this Lease Agreement, the Site Equipment remaining on the Leased Premises shall become property of the Lessor. If Lessor is in default as stated above, Lessee may terminate the Lease Agreement without further liability, except for continuing obligations under this Lease Agreement. If Lessee terminates the Lease Agreement for Lessor's default, as stated above, Lessee must vacate the premises within 9 months in the same manner, including the obligation for payment of rent while in possession, as is provided for under section 27(b) hereunder.

20. MORTGAGE

This Lease Agreement does not create any ownership interest in the Leased Premises for the Lessee. The Lessee may not use the Leased Premises in any manner as collateral security for a mortgage or lien lease of any kind. However, Lessee may, upon notice to Landlord, mortgage or grant a security interest in this Lease Agreement and the Site Equipment, to any such mortgagees or holders of security interests including their successors or assigns. (hereinafter collectively referred to as "Mortgagees") provided Mortgagees execute an express written assumption of all responsibilities of the Lessee under this Lease Agreement, including annual rental fees. In the event Lessee mortgages or grants a security interest in this Lease Agreement and Site Equipment, Lessor shall execute such consent to leasehold financing as may reasonably be required by Mortgagees. Lessor agrees to notify Lessee and Lessee's Mortgagees simultaneously of any default by Lessee and to give Mortgagees the same right to cure any default by Lessee except that the cure period for any Mortgagee shall not be less than ten (10) days after receipt of the default notice.

21. AMENDMENT

Oral agreements are not permitted and shall be without force and effect. All amendments to this Lease Agreement shall be in writing executed by the parties or their respective successors in interest.

22. NOT A FRANCHISE AGREEMENT

Lessor and Lessee agree that this Lease Agreement shall not be considered, construed or deemed in anyway a telecommunication franchise agreement for use of public property within the City of Lee's Summit, Missouri.

23. PARTIAL INVALIDITY

If any terms or conditions of this Lease Agreement or the application thereof to any person or event shall to any extent be invalid and unenforceable, the remainder of this Lease Agreement in the application of such term, covenant or condition to persons or events other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant and condition of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

24. SERVICE OF NOTICE

All notices, demands and communications as provided herein shall be in writing and shall be served by registered or certified United States mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender to the following address or to such other address(es) as Lessor and Lessee may advise each other in writing pursuant to this Paragraph.

LESSOR: City Manager
 City of Lee's Summit
 220 SE Green
 Lee's Summit, MO 64063

LESSEE: Verizon Wireless (VAW) LLC
 d/b/a Verizon Wireless
 Attention: Network Real Estate
 180 Washington Valley Road
 Bedminster, New Jersey 07921

25. MISCELLANEOUS

- a. This Lease Agreement applies to and binds the heirs, successors, executors, administrators and assigns of the Lessor and Lessee.
- b. This Lease Agreement is governed by the laws of the state of Missouri. Venue for any lawsuit arising out of this Lease Agreement will be proper in Jackson County, Missouri.
- c. Lessee shall pay all personal property taxes assessed against the Site Equipment.

26. HOLDING OVER

In the event Lessee continues to occupy the Leased Premises after the last day of the term herein created, or after the last day of any extension of said term, and the Lessor elects to accept rent thereafter, a tenancy from month to month only shall be created and not for any longer period. Holdover rent shall be at the rate of 150% of the rent immediately preceding the expiration or termination creating the tenancy from month to month.

27. TERMINATION

This Lease Agreement may be terminated by:

- a. The Lessee, upon giving 90 (ninety) days prior written notice of the intent to terminate to the Lessor and payment of a termination fee to the Lessor equal to one year's rent at the then current rate. At the end of the 90 day notice period the Lease Agreement will be effectively terminated. Upon termination, all prepaid rent shall be retained by Lessor;
- b. The Lessor, after the initial term of the Lease Agreement, upon giving 90 days prior written notice of its intention to terminate and a vacate period equal to nine (9) months. The vacate period shall run from the end of the 90 day notice period. Upon removal of Lessee's Site Equipment, Lessor shall return a pro-rated portion of the prepaid rent to Lessee equal to the time from when the Lessee's Site Equipment is removed to the time of when the next annual rent is due. At the end of the nine (9) month vacate period the Lease Agreement will be effectively terminated.
- c. The Lessor, if Lessor determines that use of the Leased Premises by Lessee is a threat to health, safety or welfare under applicable laws or regulations or would violate applicable laws or ordinances.
- d. The Lessor, in accordance with the Default provisions of this Lease Agreement.
- e. The Lessor or Lessee, in accordance with the interference provisions of this Lease Agreement.
- f. If Lessor is materially in default of its obligations under this Lease Agreement and after written notice, as provided herein, does not remedy such material default within twenty (20) days, or if the default cannot be cured within twenty (20) days and Lessor has not taken reasonable steps to cure the default, or if any governmental approval issued to Lessee is cancelled, expires, lapses or is otherwise withdrawn or terminated by governmental authority, then Lessee may terminate this Lease Agreement immediately without any termination fee.

Removal of Lessee's equipment upon termination of the Lease Agreement shall be in accordance with Section 6 of this Lease Agreement.

28. WAIVER OF LANDLORD'S LIEN.

Lessor hereby waives any and all lien rights it may have, statutory or otherwise concerning the Tenant Facilities or any portion thereof which shall be deemed personal property for the purposes of this Lease Agreement, whether or not the same is deemed real or personal property under applicable laws. Lessee may remove all or part of the Tenant Facilities in the manner provided under this Lease Agreement. A Mortgagee may do the same provided it has entered into a written assumption of this Lease Agreement in the manner described in paragraph 20 above.

29. CONSENT TO GRANT INTEREST IN THIS AGREEMENT.

While this Lease Agreement or any subsequent renewals are in effect, the Lessor must obtain written consent from Lessee prior to granting to a third party an interest in and to this Lease Agreement, with the exception of the issuance of any bonds.

30. MEMORANDUM OF AGREEMENT.

Lessor agrees to execute a Memorandum of this Lease Agreement which Lessee may record with the appropriate recording officer, at Lessee's sole expense. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or the rent payments. Upon the expiration or termination of this Lease Agreement, Lessee agrees to record a termination of the Memorandum of Lease with the appropriate recording officer, at its own expense within ten (10) days of said expiration or termination.

31. ENTIRE AGREEMENT

This Lease Agreement (including the Exhibits) constitutes the entire agreement between the parties and supersedes all prior written and verbal agreements, representations, promises or understandings between the parties.

(Signature page to follow)

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement on the date first written above.

LESSOR:

City of Lee's Summit, Missouri

By: _____

Printed Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Assistant City Attorney

LESSEE:

Verizon Wireless (VAW) LLC d/b/a Verizon Wireless

By: Reck Goldschmidt

Printed Name: RECK GOLDSCHMIDT

Title: DEPT. NETWORK MGR

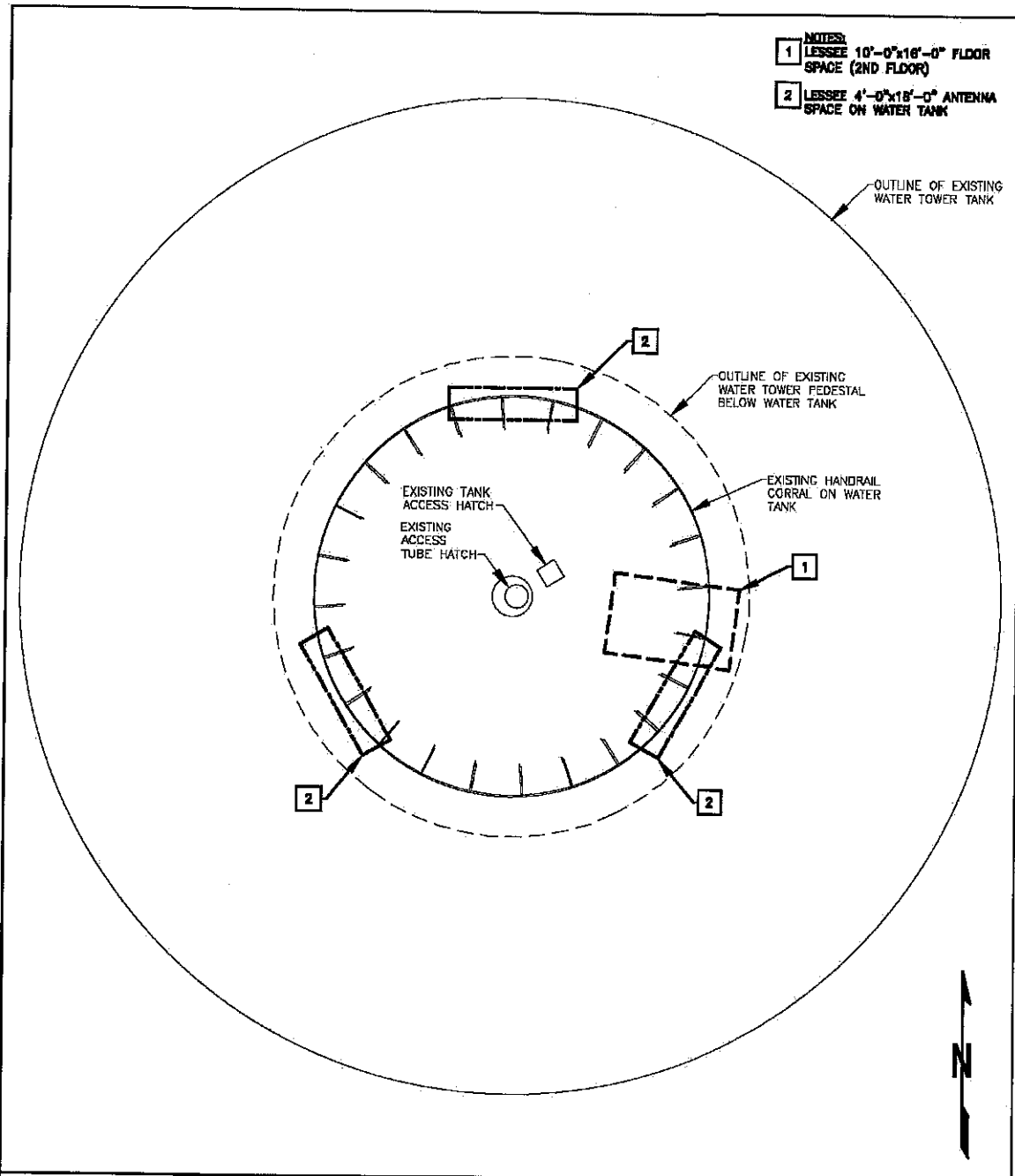
Date: 12/19/17

Exhibit A

Legal Description of Property

LOT 1, BLOCK A, OF LOT 1, HOOK RD. WATER STORAGE TANK, AN
ADDITION IN LEE'S SUMMIT, JACKSON COUNTY, MISSOURI.

Exhibit B
Site Plan
(See Attached)



- NOTES:**
- 1** LESSEE 10'-0" x 16'-0" FLOOR SPACE (2ND FLOOR)
 - 2** LESSEE 4'-0" x 16'-0" ANTENNA SPACE ON WATER TANK

LEASE EXHIBIT

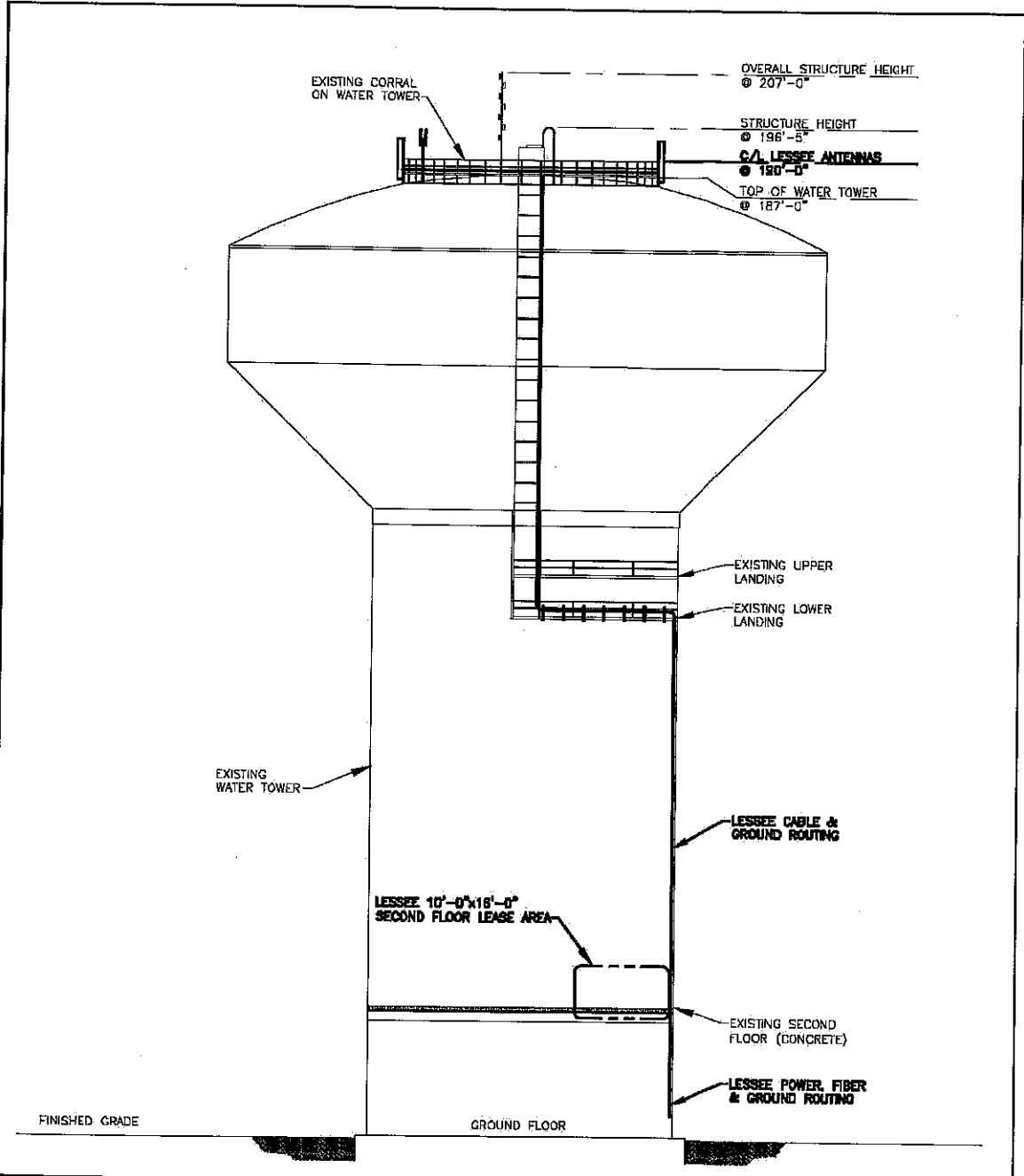
1

LESSOR		
INITIALS	DATE	
LESSOR		
LESSEE		

KCYC HORRIDGE NORTH		
801 SOUTHWEST HOOK ROAD LEE'S SUMMIT, MISSOURI 64082		
REV	DATE	DESCRIPTION
D	10/12/17	ISSUED FOR LEASE EXHIBIT
E	10/16/17	ISSUED FOR LEASE EXHIBIT



8800 West 102nd Street, Suite 900
Overland Park, Kansas 66210
Phone: 913-438-7700
Fax: 913-438-7777



LEASE EXHIBIT			1
LESSOR		KCYC HORRIDGE NORTH	
	INITIALS	DATE	
LESSOR			
LESSEE			
REV	DATE	DESCRIPTION	RKT
A	04/11/17	ISSUED FOR LEASE EXHIBIT	RKT
B	10/12/17	ISSUED FOR LEASE EXHIBIT	RKT

8900 West 109th Street, Suite 300
 Overland Park, Kansas 66210
 Phone: 913-438-7700
 Fax: 913-439-7777

Exhibit C
Equipment

- (9) Antennas
- (6) RRUs
- (3) Hybriflex cables (1-1/4")
- (3) Large Raycap Box
- (2) GPS Antennas
- (1) GPS Coaxial Cable

Exhibit D

Legal Description

PROPERTY DESCRIPTION: LESSEE NON-EXCLUSIVE ACCESS/UTILITY RIGHT OF WAY

A 20 foot wide Non-Exclusive Access/Utility Right of Way, situated Lot 1, Block A, of LOT 1 HOOK RD. WATER STORAGE TANK, part of the Northwest Quarter of Section 30, Township 47 North, Range 31 West, in Jackson County, Missouri, lying 10.00 feet on each side of the following described centerline:

COMMENCING at the Northwest Corner of said Section 30 (Found 3" Aluminum Cap with Section 30 Stamp); thence along the West line of said Section 30, South 02°18'54" West, a distance of 276.02 feet; thence leaving said West line, South 87°41'06" East, a distance of 1292.36 feet to the POINT OF BEGINNING of said centerline; thence North 24°32'32" East, a distance of 126.95 feet; thence North 01°09'41" East, a distance of 139.78 feet to the South Right of Way line of SW HOOK RD (Public Right of Way) and to the POINT OF TERMINATION.

PROPERTY DESCRIPTION: LESSEE NON-EXCLUSIVE UTILITY RIGHT OF WAY

A 15 foot wide Non-Exclusive Utility Right of Way, situated Lot 1, Block A, of LOT 1 HOOK RD. WATER STORAGE TANK, part of the Northwest Quarter of Section 30, Township 47 North, Range 31 West, in Jackson County, Missouri, lying 7.50 feet on each side of the following described centerline:

COMMENCING at the Northwest Corner of said Section 30 (Found 3" Aluminum Cap with Section 30 Stamp); thence along the West line of said Section 30, South 02°18'54" West, a distance of 276.02 feet; thence leaving said West line, South 87°41'06" East, a distance of 1292.36 feet; thence South 47°13'13" East, a distance of 19.48 feet to the POINT OF BEGINNING of said centerline; thence North 33°23'34" East, a distance of 112.80 feet; thence North 00°00'00" East, a distance of 143.44 feet to the South line of an existing 10 foot Utility Easement described in Document Number 2003I0074328 and to the POINT OF TERMINATION.

Packet Information

File #: TMP-0797, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD, AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI TO ESTABLISH A SPONSORSHIP BY LEE'S SUMMIT PARKS AND RECREATION OF THE COMMON READ PROGRAM FOR 2018-2019 AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT EVIDENCING THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Issue/Request:

Longview Community College, a school in the Junior College District of Metropolitan Kansas City, is hosting a Community Wide Common Read program in order to further lifelong learning and community participation.

The Lee's Summit Parks and Recreation Board identified sponsorship participation in lifelong learning and community involvement activities as one of its' priorities for 2017.

Because both the Lee's Summit Parks and Recreation Board, through the City, and the Junior College District of Metropolitan Kansas City, Missouri are governmental entities, an Intergovernmental Agreement has been drafted outlining the terms and conditions of sponsorship of the program. The Mayor of the City is required to sign all Intergovernmental Agreements upon adoption by the City Council.

Once approved, the \$2,500.00 sponsorship will be paid directly through the Parks Fund to Longview for the Community Wide Common Read program.

Proposed Council Motion:

I move for second reading of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD, AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI TO ESTABLISH A SPONSORSHIP BY LEE'S SUMMIT PARKS AND RECREATION OF THE COMMON READ PROGRAM FOR 2018-2019 AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT EVIDENCING THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

I move for adoption of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD, AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI TO ESTABLISH A SPONSORSHIP BY LEE'S SUMMIT PARKS AND RECREATION OF THE COMMON READ PROGRAM FOR 2018-2019 AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT EVIDENCING THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Staff recommends approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD, AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI TO ESTABLISH A SPONSORSHIP BY LEE'S SUMMIT PARKS AND RECREATION OF THE COMMON READ PROGRAM FOR 2018-2019 AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT EVIDENCING THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

BILL NO. 18-_____

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD, AND THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI TO ESTABLISH A SPONSORSHIP BY LEE'S SUMMIT PARKS AND RECREATION OF THE COMMON READ PROGRAM FOR 2018-2019 AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT EVIDENCING THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT, MISSOURI.

WHEREAS, the City of Lee's Summit is a constitutional charter City, organized and existing under the laws of the State of Missouri (hereinafter "City"); and,

WHEREAS, the Lee's Summit Parks and Recreation Board has identified as a board objective to participate through sponsorships in community events and activities that foster lifelong learning and community participation; and,

WHEREAS, in the furtherance of that objective, the Lee's Summit Parks and Recreation Board wishes to provide financial support in the form of a sponsorship to the Community Wide Common Read program being coordinated by the Junior College District of Metropolitan Kansas City at Longview Community College; and,

WHEREAS, the City and the Junior College District of Metropolitan Kansas City, MO wish to enter into an Intergovernmental Agreement to outline the terms and conditions associated with the provision of the aforementioned sponsorship funds; and,

WHEREAS, a copy of the Intergovernmental Agreement referenced herein is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Intergovernmental Agreement by and between the City of Lee's Summit, Missouri through the Lee's Summit Parks and Recreation Board and the Junior College District of Metropolitan Kansas City, MO for the support of the Community Wide Common Read program, a true and accurate copy of the same being attached hereto as Exhibit A and incorporated herein by reference be and the same is hereby approved, and the Mayor is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

BILL NO. 18-_____

PASSED by the City Council of the City of Lee's Summit, Missouri this _____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED by the Mayor of said City this _____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED AS TO FORM:

*Chief Counsel of Public Safety
Beth Murano*

**INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN
THE CITY OF LEE’S SUMMIT, MISSOURI, THROUGH THE LEE’S SUMMIT PARKS AND
RECREATION BOARD
AND
THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY, MISSOURI**

THIS AGREEMENT, made and entered into this ____ day of _____, 2018, by and between The City of Lee’s Summit, Missouri through the Lee’s Summit Parks and Recreation Board (hereinafter referred to as “LSPR”) and the Junior College District of Metropolitan Kansas City, Missouri (hereinafter referred to as “Longview”).

WITNESSETH:

WHEREAS, Longview is promoting a “Community Wide Common Read” program to enhance the quality of life and community in the Lee’s Summit area and surrounding region; and,

WHEREAS, LSPR has determined that it is in the best interest of LSPR and important to the promotion of lifelong learning and community participation to support the “Community Wide Common Read” program; and,

WHEREAS, Longview has proposed a sponsorship program whereby, in exchange for a monetary contribution, LSPR will receive certain benefits; and,

WHEREAS, LSPR wishes to enter into an agreement which would establish LSPR as a sponsor of Longview’s “Community Wide Common Read.”

NOW, THEREFORE, in consideration of the mutual undertakings and mutual benefits from the services set forth herein, the parties agree as follows:

1. **Sponsorship Payment.** LSPR agrees to provide monetary payment to Longview in the total amount of \$2,500.00 which shall constitute a Laker Blue Silver level sponsorship of the “Common Read” program, as evidenced by the invoice attached hereto as Exhibit A and incorporated herein as though fully set forth.
2. **Sponsorship Benefits.** In exchange for the Sponsorship Payment referenced above, Longview shall provide to LSPR the following benefits:
 - a. Preferred logo recognition on all “Common Read” event materials;
 - b. 2 tickets to private reception with keynote speaker of “Common Read” program;
 - c. VIP seating at the Spring convocation; and,
 - d. Sponsor’s Table during the Spring convocation.
3. **Term and Time of Performance.** The term of this Agreement shall be from the date and year first above written to June 30, 2018.
4. **Subcontracts.** The parties hereby agree that this Agreement shall not be assigned, transferred, conveyed or otherwise disposed of without the prior consent of the other party to this Agreement.
5. **Non-Discrimination Provisions.** The parties agree not to discriminate against any employee or applicant for employment because of race, color, religion, age, sex, disability, national origin, veteran status or any other status protected by applicable law. The parties also agree to abide by the requirements of 41 CFR §60-300.5(a) and 41 CFR §60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

6. **Compliance with the Law.** All parties shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.
7. **Interest of Local Public Office/Political Activity.** No member of the City Council of the City, the Lee's Summit Parks and Recreation Board, or any officer, employee or agent of the City who exercises any functions or responsibilities in connection with review or approval of the work to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement or the proceeds thereof except as permitted by the laws of the State of Missouri. Longview shall refrain from direct participation or funding of any political activity that does not support the purpose of this Agreement. Should Longview participate in political activity, LSPR will determine whether such participation is a violation of this section.
8. **Independent Contractor.** Longview is not authorized or empowered to make any commitments or incur any obligation on behalf of LSPR, but merely to provide the services provided for herein as an Independent Contractor.
9. **Cancellation, Termination or Suspension.** This Agreement may be terminated at any time by written, mutual agreement of the parties, provided all applicable laws and regulations are complied with. LSPR shall have the right at its' option to terminate this Agreement and be free of the obligations hereunder in the event that Longview is in default or violation of the terms, conditions, assurances or certifications of this Agreement. Non-appropriation of funds by LSPR shall not be considered a violation or default of this Agreement.
10. **Notice.** Any notice required by this Agreement is deemed to be given if it is mailed by United States certified mail, postage prepaid, and is addressed as hereafter specified:

If to LSPR:

City Manager
 City of Lee's Summit
 220 SE Green Street
 Lee's Summit, Missouri 64063

If to Longview:

Junior College District of Metro KC
 3200 Broadway
 Kansas City, Missouri 64111

11. **Amendments.** In order to provide necessary flexibility for the most effective execution of this Agreement, whenever both LSPR and Longview mutually agree, changes to this Agreement may be effected by placing them in written form and incorporating them into this Agreement as an Amendment.
12. **Severability.** It is mutually agreed that in case any provision of this Agreement is determined by a court of law to be unconstitutional, illegal or unenforceable, the intention of the parties that all the other provisions of this Agreement shall remain in full force and effect.
13. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its' subject matter and any prior agreements, understandings or other matters whether oral or written, are hereby merged into and made part hereof, and are not of further force or effect.
14. **Execution.** This Agreement may be executed in counterparts, which together constitute one and the same Agreement. If a party sends a signed copy of this Agreement via digital transmission, such party will, upon request by the other party, provide an originally signed copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

CITY OF LEE'S SUMMIT, MISSOURI
LEE'S SUMMIT PARKS AND RECREATION BOARD

Mayor Randall L. Rhoads

Approved as to Form:

Chief Counsel of Public Safety
Beth Ann Murano

JUNIOR COLLEGE DISTRICT OF
METROPOLITAN KANSAS CITY,
MO (LONGVIEW)

Chancellor
Mark James

Packet Information

File #: 2018-1809, **Version:** 1

Presentation on all Active Tax Increment Financing Districts

Issue/Request:

Presentation on all Active Tax Increment Financing Districts

Key Issues:

Presentation of Status of Projects and Revenue Generation for all Active Tax Increment Financing Districts

Proposed Committee Motion:

N/A

Background:

Section 99.865 RSMo. requires an annual report be filed with the Department of Revenue each year to update the status of each active Tax Increment Financing Plan. That section also requires the municipal entity that approved the Tax Increment Financing Plan to review the status of each Tax Increment Financing Plan at least once each five years to determine the status of the projects and determine the progress of the Development versus the TIF Plan. The City has adopted a review of the TIF Plans on an annual basis to ensure the five year requirement will be met. This presentation is designed to provide a review of the progress in each TIF District in fulfilling the relevant TIF Plan projects and financial goals.

Impact/Analysis:

The City currently has eight active Tax Increment Financing Plans. Since the last review the City has terminated one TIF Plan, Chapel Ridge, and has approved two TIF Plans, I-470 and View High (Paragon Star) and Village at View High. In addition, several of the TIF Plans have been amended, including Longview Farm, and I-470 Business and Technology TIF Plans due to changes in the status of the previously approved projects and additional items that were to be completed under the TIF Plans.

During this time frame, there has been additional construction activity on the East U.S. 50 Highway Corridor TIF Plan, both in Project Area 1 and Project Area 4, with improvements nearing completion in project area 1 and having been completed in project area 4. The additions to the TIF has added to the Revenues of the TIF from PILOTs and EATs. The Chapel Ridge TIF improvements included projects paid from proceeds of The Strother Interchange TDD, Series 2007, and, during the year those bonds were redeemed in full by the Trustee, and, the City Council approved the termination of the TIF.

The Developer for the I-470 Business & Technology TIF completed additional projects, both private and public reimbursable, and requested certification of additional costs. The additional private project improvements has increased both the PILOTs and EATs being generated in the TIF District.

The Lee's Summit East (Summit Fair) Developer completed additional improvements in the Summit Fair shopping Center, which will increase the PILOTs and EATS being generated by the development, and, has

issued additional TIF bonds that have paid the remaining certified costs allowed as reimbursable TIF expenditures under the TIF contract.

The amendment to the Longview Farm TIF Plan, finalized the active projects for the TIF Plan, and, deleted the undeveloped property from the TIF Plan. It also changed the TIF budget for rehabilitation of the structures located at the former Longview Farm to a maximum of \$3,650,000. Revenues from the existing TIF Project Areas will pay the costs incurred for the rehabilitation work being done. The Developer has started rehabilitation work on the structures, and, the rehabilitation work is ongoing. The New Longview TIF Plan was approved, and, the Developer has begun work on some of the private improvements. It is anticipated PILOTs will begin to be generated during Fiscal Year 2018 in the New Longview TIF area.

The Developer has completed construction of the final project in the Ritter Plaza TIF. It is anticipated the completion of that project will add to the amount of PILOTs and EATs being generated in the TIF Area.

Both the I-470 and View High (Paragon Star) and the Village at View High TIF Plans have been approved. The Developers of the projects are beginning work on the projects, however, neither TIF generated PILOTs or EATs during Fiscal Year 2017.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

None.

Presenter: Conrad E. Lamb

Recommendation: None

Committee Recommendation: None

PRESENTATION

Presentation on all Active
Tax Increment Financing Districts

City of Lee's Summit TIF Districts

Description	Approved Amended	Total Cost (million)	Reimbursable Amount (million)	Expected End Date
East 50 Highway (Todd George /Blackwell)	12-13-2007	\$45.26	\$45.26	2030
	1 st 4-4-2013 2 nd 12-19-2013	Project 1 \$19.99 N/A Project 2	\$ 2.63 N/A	2036
Chapel Ridge (Ralph Powell Rd Strother Interchange)	12-7-2000 1 st 7-27-2006	\$108.69 194.39	\$24.6 32.3	2022
I-470 Business & Technology	7-27-2006	\$70.87	\$8.07	2029
	1 st 2-3-2015 2 nd 9-7-2017	\$66.15	\$4.10	

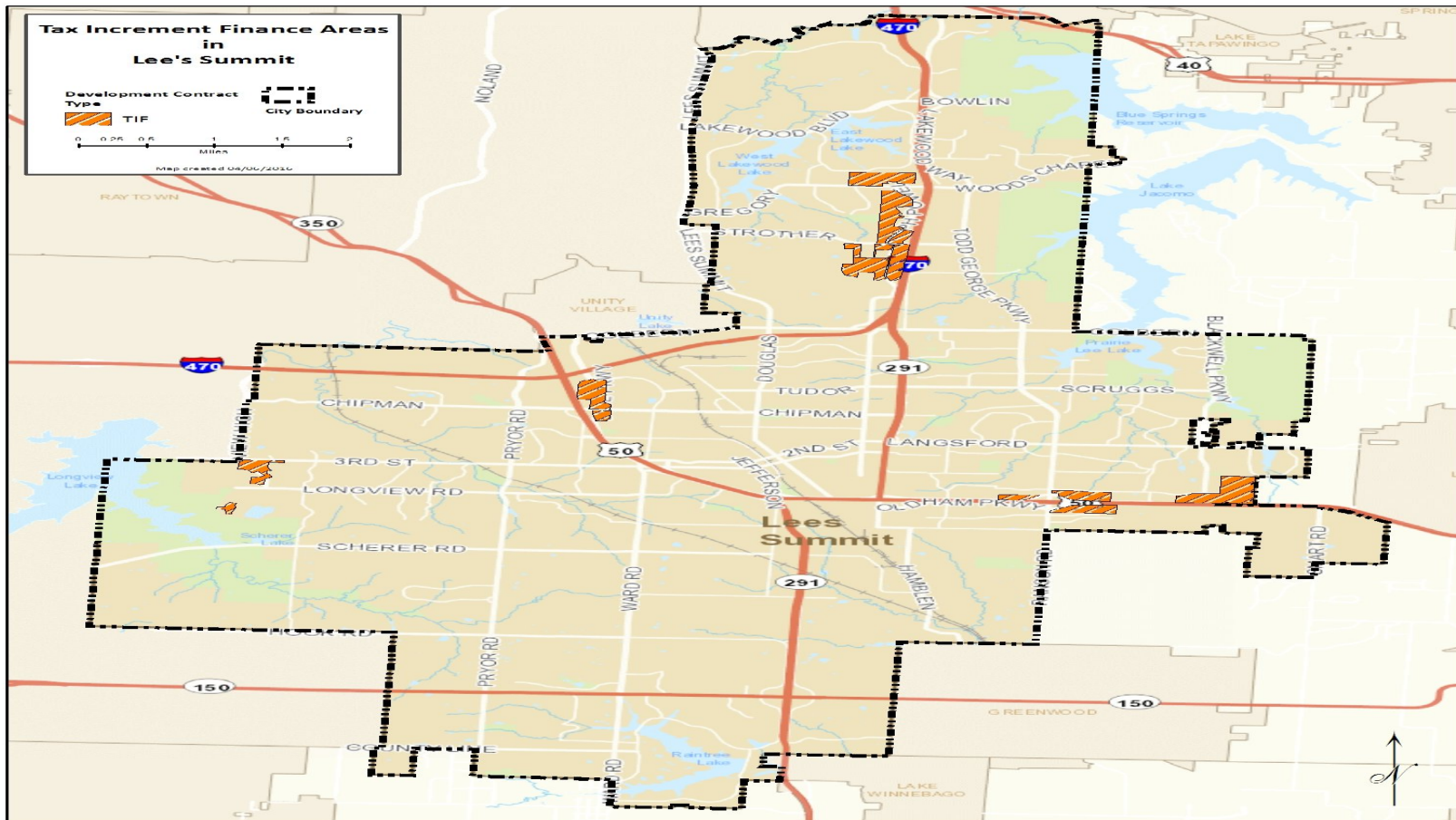
City of Lee's Summit TIF Districts

Description	Approved Amended	Total Cost (million)	Reimbursable Amount (million)	Expected End Date
Lee's Summit East (Summit Fair/Place)	2-24-2006	\$144.43	\$28.86	2028
	4-17-2008 1st 5-15-14	\$160.84 \$233.66	\$31.99 \$43.74	2036
Longview Farm	3-21-2002	\$200.66	\$13.38	2025
	10-16-2003 1st 1-19-2012 2nd 12-17-2015	\$ 26.87 Adjusted Project 5 \$ 3.65	\$13.54 \$3.65	2038
New Longview	12-17-2015	\$81.80	\$16.94	2038
Ritter Plaza (M-291 @ Swann Rd)	11-15-2007	\$13.32	\$3.33	2030

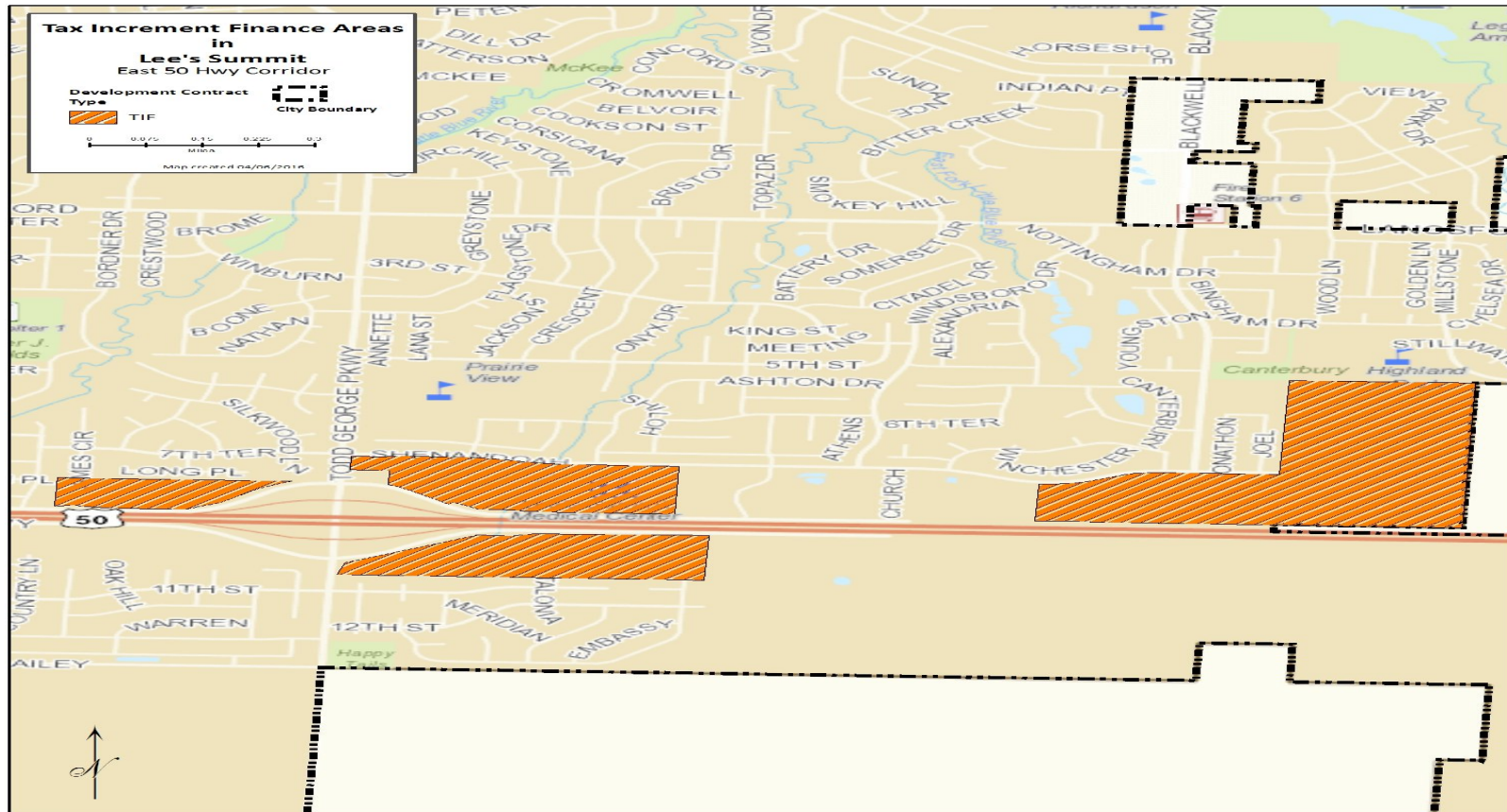
City of Lee's Summit TIF Districts

Description	Approved Amended	Total Cost (million)	Reimbursable Amount (million)	Expected End Date
I-470 and View High (Paragon Star)	3-10-2016	\$211.74	\$13.14	2039
Village at View High	8-24-2017	\$68.98	\$7.97	2040

City of Lee's Summit TIF Districts



EAST U.S. 50 Highway Corridor Improvement TIF Plan



EAST U.S. 50 Highway Corridor Improvement TIF Plan

- Project Area 1 (LS Medical Center) **active**
 - Plan, as amended, to be constructed in **3 phases**
 - Phase 1 has been ***completed***
 - ***Phases 2 and 3 have not commenced***
- Project Area 4 (Todd George shopping center) **active**
 - Construction of Private and Public Improvements have been completed
- ***Project Areas 2 and 3 not activated***

East U. S. 50 Highway Corridor Improvement TIF Plan

- Project Area 1 projects:
- New Blackwell Road Interchange \$17,103,134
- Todd George Road Interchange \$18,087,042
- Outer Road Construction \$10,079,057
- Blackwell is under construction.

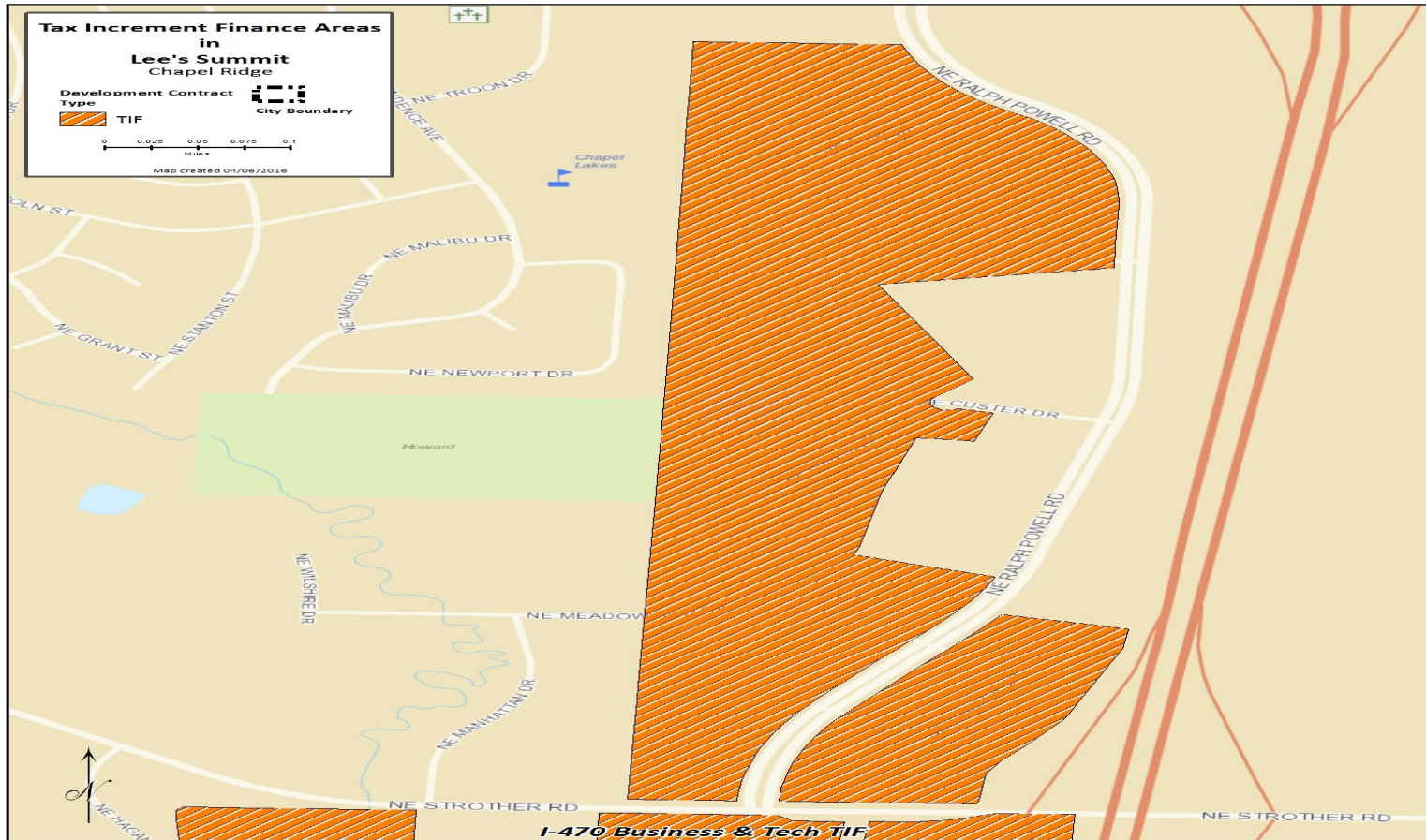
East U. S. 50 Highway Corridor Improvement TIF Plan

Project Area 1	Inception to Date (in Millions)	Fiscal Year 2017
Projected PILOTs	\$12.72	\$1,698,129
Actual PILOTs	\$ 9.20	\$ 936,807
Projected EATS	\$0	\$0
Actual EATS	\$0	\$0

East U. S. 50 Highway Corridor Improvement TIF Plan

Project Area 4	Inception to Date (In Millions)	Fiscal Year 2017
Projected PILOTs	\$0.82	\$ 222,698
Actual PILOTs	\$0.27	\$265,198
Projected EATS	\$2.31	\$624,563
Actual EATS	\$0.61	\$464,298

First Amended and Restated Chapel Ridge TIF Plan



First Amended and Restated Chapel Ridge TIF Plan

- Redevelopment Area 1 **Terminated**

(Office and Retail, golf course and hotel)

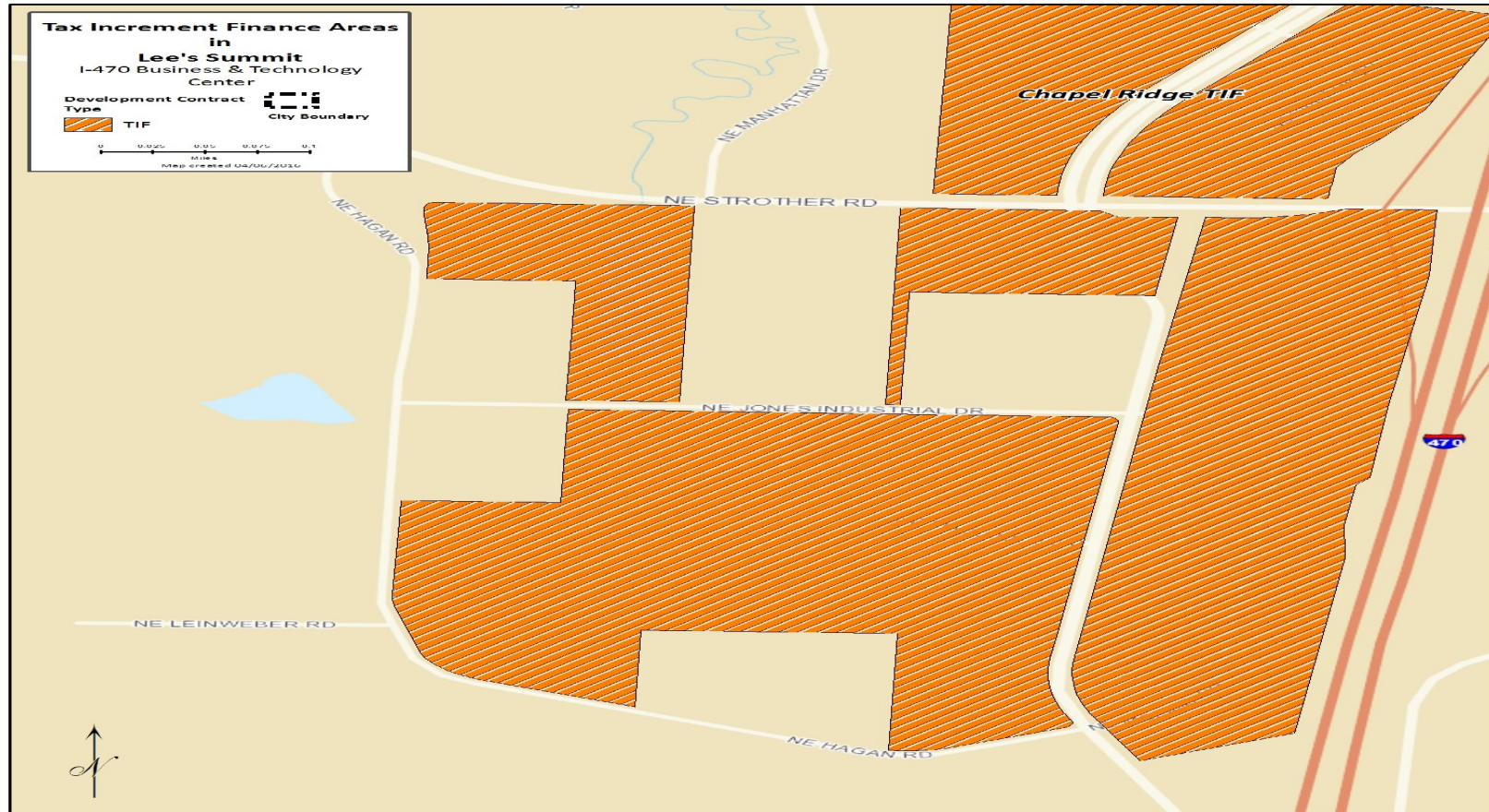
Redevelopment Area 1 completed

- Redevelopment Area 2 **Terminated**

(Office and Retail, single family and multi-family units)

Redevelopment Area 2 still under construction

I-470 Business & Technology TIF Plan, as amended



I-470 Business & Technology TIF Plan, as amended

- The I-470 TIF Plan **active**
(Office, Warehouse, Retail and a hotel)
- Construction of Project is ongoing.

I-470 Business & Technology TIF Plan, as amended

- **Reimbursable Projects**

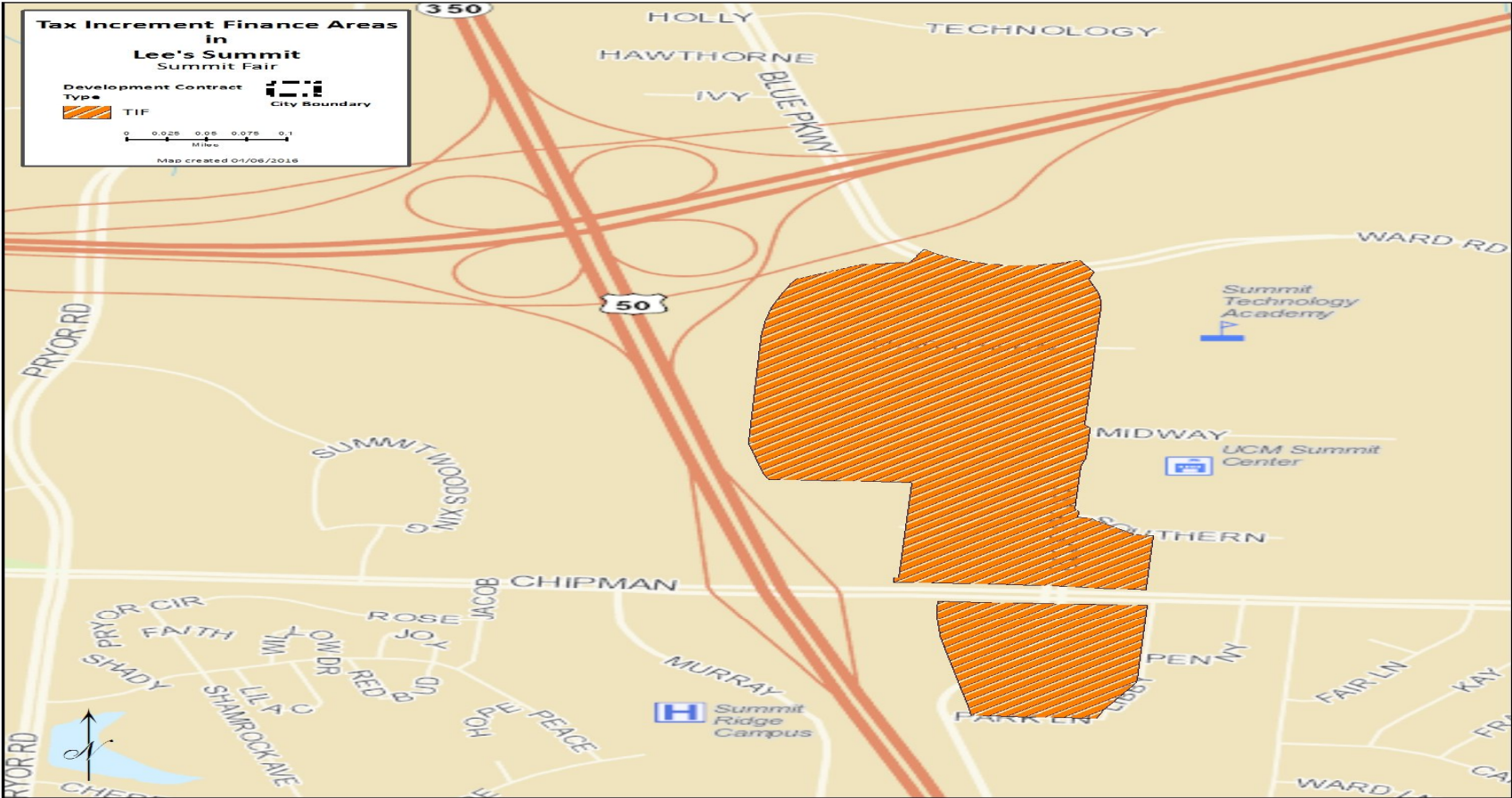
(Storm Water, Wetlands Mitigation, Internal Roads, and contribution to Strother Interchange)

- Construction of Reimbursable Projects is ongoing.

I-470 Business & Technology TIF Plan, as amended

Original TIF	Inception to Date (In Millions)	Fiscal Year 2017
Projected PILOTs	\$ 2.83	\$500,156
Actual PILOTs	\$3.40	\$519,537
Projected EATS	\$0.85	\$285,492
Actual EATS	\$1.14	\$367,070

Lee's Summit East Amended and Restated TIF Plan



Lee's Summit East Amended and Restated TIF Plan

- Project Area 1 (shopping center) **active**
- Project Area 2 (shopping center) **inactive**
- Project Area 3 **removed**
- Project Area 4 **removed**
- Project Area 5 **active**

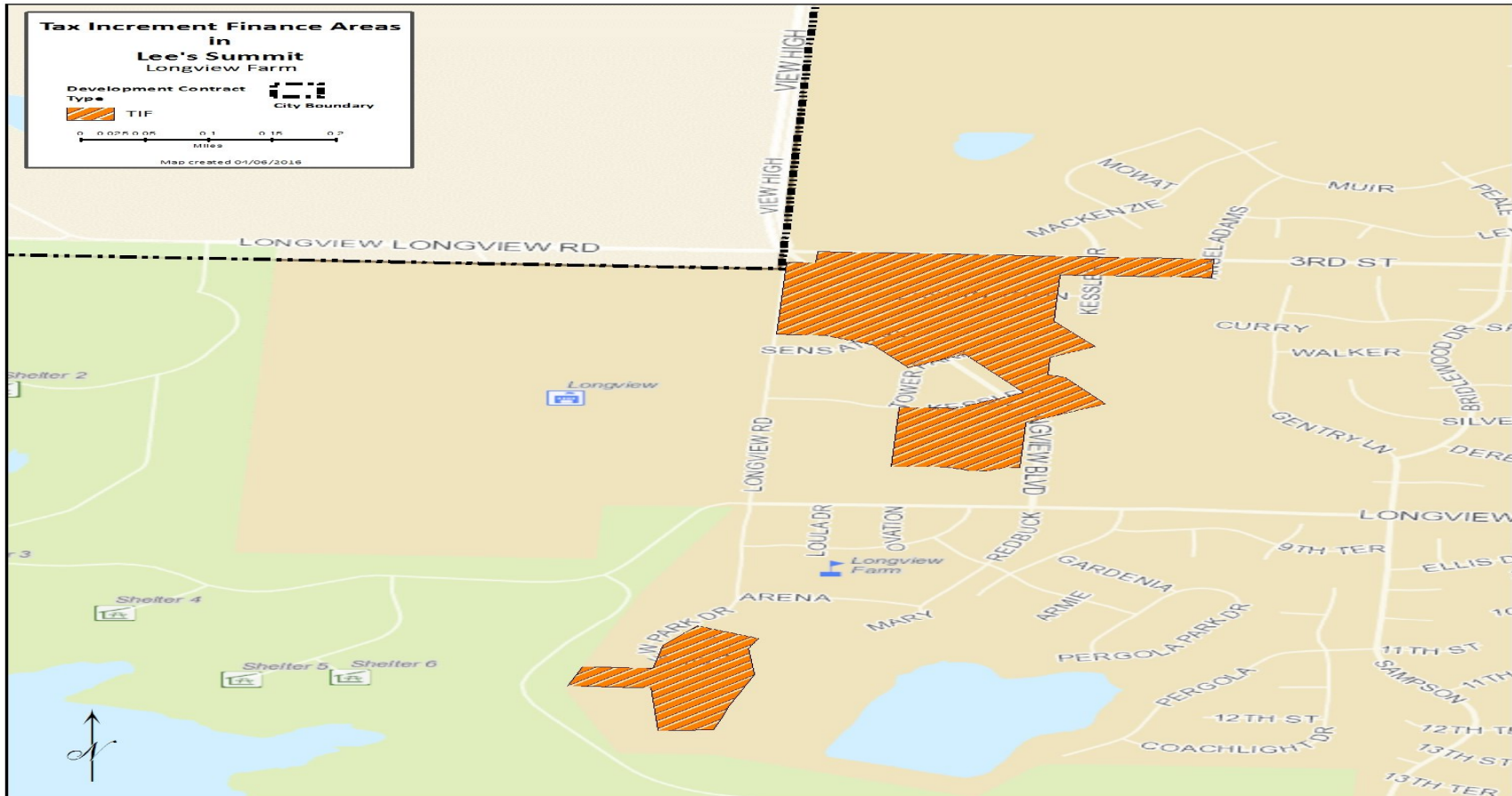
Lee's Summit East Amended and Restated TIF Plan

- Project Area 1 construction ongoing
- Project Area 2a and 2b inactive
- Project Area 5 construction completed
- Project Area 1, Reimbursable Projects completed
- Project Area 2, Reimbursable Projects inactive
- Project Area 5, Reimbursable Projects completed

Lee's Summit East Amended and Restated TIF Plan

Project Areas 1 and 5	Inception to Date (In Millions)	Fiscal Year 2017
Projected PILOTs	\$10.47	\$1,713,146
Actual PILOTs	\$9.07	\$1,392,964
Projected EATS	\$15.14	\$2,433,403
Actual EATS	\$9.08	\$1,413,207

Longview Farm First Amended and Restated TIF Plan



Longview Farm First Amended and Restated TIF Plan

- Longview Project Areas 1B, 2C, 3, and 6 **active**
(Retail, Office)
- Balance of Project Areas can not be activated.
- Active Project Areas support restoration of historic buildings.
- Historic Restoration of Buildings is ongoing.
- Private Development is completed.

Longview Farm First Amended and Restated TIF Plan

Amended TIF Plan	Amendment to Date (in Millions)	Fiscal Year 2017
Projected PILOTs	\$ 0.46	\$234,732
Actual PILOTs	\$0.46	\$229,033
Projected EATS	\$0.18	\$93,191
Actual EATS	\$0.20	\$106,656

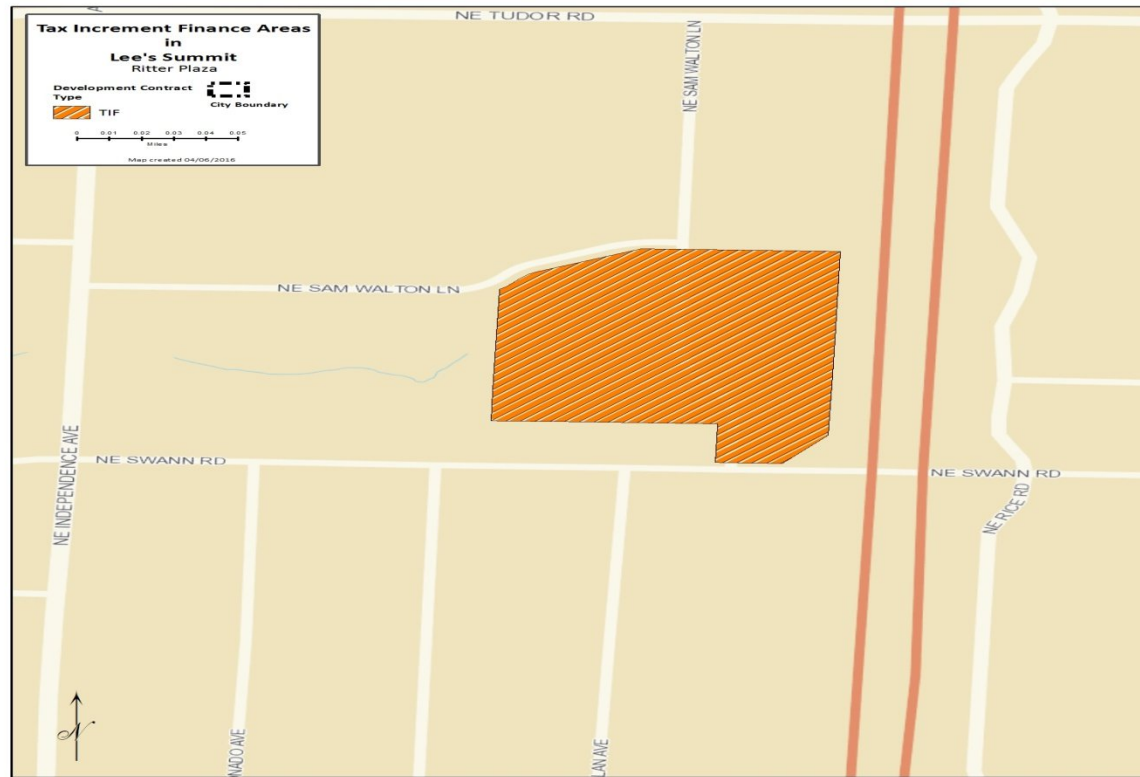
New Longview TIF Plan

- Balance of Project Areas not previously activated in Longview Farm TIF.
 - 15 projects
- Project A has been approved and construction has commenced
- Project N has been approved and construction has been completed

New Longview TIF Plan

Original TIF Plan	Inception to Date (in Millions)	Fiscal Year 2017
Projected PILOTs	\$0.00	\$0.00
Actual PILOTs	\$0.00	\$0.00
Projected EATS	\$0.00	\$0.00
Actual EATS	\$0.00	\$0.00

Ritter Plaza Amended TIF Plan



Ritter Plaza Amended TIF Plan

- The Ritter Plaza TIF Plan is **active**
(retail and a bank)
- All private development has been completed.
- Reimbursable Projects have been completed.
(street improvements, traffic light, wetlands mitigation)

Ritter Plaza Amended TIF Plan

Original TIF	Inception to Date (in Millions)	Fiscal Year 2017
Projected PILOTs	\$1.17	\$155,545
Actual PILOTs	\$0.28	\$59,486
Projected EATS	\$1.92	\$235,982
Actual EATS	\$0.14	\$34,755

I-470 and View High (Paragon Star)

- The I-470 and View High TIF Plan is **active**
- Development Contract has been signed.

I-470 and View High (Paragon Star)

Original TIF	Inception to Date (in Millions)	Fiscal Year 2017
Projected PILOTs	\$1.43	\$1,432,415
Actual PILOTs	\$0.00	\$0.00
Projected EATS	\$0.00	\$0.00
Actual EATS	\$0.00	\$0.00

Village at View High

- The Village at View High TIF Plan is **active**

Packet Information

File #: 2018-1811, **Version:** 1

Tax Incentive Projects GASB 77 Abatement Information

Issue/Request:

Tax Incentive Projects GASB 77 Abatement Information

Key Issues:

Presentation of GASB 77 Abatement Information on Tax Incentive Projects

Proposed Committee Motion:

I move to recommend to City Council None

Background:

The Government Accounting Standards Board, the governing body that determines the requirements for Government Entity auditing standards, has added statement number 77, that requires government entities to report in a financial statement footnote, the amount of taxes the jurisdiction has not received due to abatements granted to other entities by either the government entity or other governmental entities. The effective date for the application of the statement for the City of Lee's Summit was June 30, 2017. The information presented to the committee is contained in the city's CAFR for the fiscal year ended June 30, 2017.

Impact/Analysis:

GASB 77 Abatement Information is required to be disclosed for all tax amounts that have been abated by either the city or another governmental authority that affects the taxes received by the city. The information is to show the effect of tax abatements for the current year's revenues, and, does not include amounts either before or after the current fiscal year. The information is required to be identified by the type of incentive program that resulted in the abatement of taxes. For the City the four categories are TIFs, Section 353, Section 100, and LCRA tax abatements. The GASB 77 abatement amounts included in the slides indicates all the taxing jurisdictions had a gross abatement of \$12,622,750, from which PILOT payments were deducted leaving a net abatement of \$10,802,860. The TIF abatement percentage was 47.1% resulting in a net abatement amount of \$6,945,090. The City's portion of the gross tax abatement was \$2,075,703, less the city's portion of the PILOTs received (17.376%) resulted in a net tax abatement of city taxes of \$1,714,508.13. The majority of tax abatement in the other jurisdictions was incurred by the Lee's Summit R-7 School District.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

None

File #: 2018-1811, **Version:** 1

Presenter: Conrad E. Lamb

Recommendation: [Enter Recommendation Here]

Committee Recommendation: [Enter Committee Recommendation text Here]

**TAX INCENTIVE PROJECTS
GASB 77 ABATEMENT
INFORMATION**

Governmental Accounting Standards Board (GASB) Statement 77

- Statement 77 is effective for City's FY 2017
- Requires the City to disclose information about tax abatement agreements
- Requires an identifiable agreement between the City and an individual or entity to reduce taxes
- Tax abatement requires a promise to reduce taxes and a promise of entity to perform certain beneficial actions.

Government Accounting Standards Board (GASB) Statement 77

- Taxes can be abated by the City or by other governmental entities
- The statement requires disclosure from the date of the agreement until the agreement's expiration
- Required disclosure is of Annual Abatement amounts

Government Accounting Standards Board (GASB) Statement 77

- Tax Abatement as defined applies to:
- Section 100 Projects
- Section 353 Projects
- LCRA Projects
- TIF Agreements based type of improvements being funded

Section 100 Projects

- City owned property results in 100% property tax abatement
- Disclosure under GASB 77 required for FY 2017
- The City negotiates PILOT amounts for Section 100, Section 353 and LCRA
- TIF PILOTs are based on increases in Assessed Valuation of Project

GASB 77 Abatement Amounts

Program	TIF	Section 353	Section 100	LCRA	Total Abatement
City Taxes Abated	\$1,275,389	\$3,664	\$783,642	\$13,008	\$2,075,703
Other Taxing Jurisdictions Abated Taxes	\$6,020,889	\$20,724	\$4,431,868	\$73,566	\$10,547,047
Total Abatement	\$7,296,278	\$24,388	\$5,215,510	\$86,574	\$12,622,750
Less Receipts	\$0	\$12,194	\$1,807,696	\$0	\$1,819,890
Net Taxes Abated	\$7,296,278	\$12,194	\$3,407,814	\$86,574	\$10,802,860
Abatement %	47.12%	100.0%	100.0%	100.0%	
Amount Abated	\$3,438,510	\$12,194	\$3,407,814	\$86,573	\$6,945,091

Packet Information

File #: TMP-0796, **Version:** 1

AN ORDINANCE APPROVING AMENDMENT NO. 10 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED EXPENDITURES FOR THE CITY OF LEE'S SUMMIT

Issue/Request:

AN ORDINANCE APPROVING AMENDMENT NO. 10 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED EXPENDITURES FOR THE CITY OF LEE'S SUMMIT

Key Issues:

Before the start of a new fiscal year, City departments will project the final anticipated revenues and expenditures, in the current fiscal year, for their prospective fund or department. The year-end projections are developed to help identify a more accurate financial condition. In some instances, budget amounts are calculated 6 to 12 months before the start of the fiscal year. The process of calculating year-end projections helps refine anticipated revenue and expenditures, and cost savings.

Since the adoption of the original budget on June 1, 2017, and subsequent budget amendments, the following departments have projected incurring additional costs that would exceed budgeted amounts:

1. Finance (\$921,117): As a result of the policy to recover 50% of EMS related expenses, the fees charged for EMS service has increased since FY16. As a result, the insurance adjustment cost has increased commensurate with the increase in fees. The reimbursements from Medicare and Medicaid are only a fraction of what is necessary to cover EMS-related costs as outlined in the cost recovery policy.
2. Fire (\$253,098): This budget amendment is for increased overtime to maintain minimum staffing levels.
3. Parks & Recreation Fund (\$510,000): The Park Board approved the transfer to Park Construction Fund for the Amphitheater project.
4. Road & Bridge Fund (\$3,367,000): The \$3,367,000 is two separate transfers to F321 Airport Construction to fund the local match portion of federal grants.
5. F410 Park COP Debt (\$4,025,000): This consists of two transfers: One transfer in the amount of \$2,100,000 to Parks Construction Fund for construction projects. This was approved by the Park Board for FY17, but was not processed by Finance. The second transfer is in the amount of \$1,925,000 to Parks Construction Fund for construction projects. This was approved for FY18 on May 24, 2017, which was too late to be apart of the original adopted budget by City Council.

Additionally, ITS and Administration have reallocated expenditures and has identified funding for additional FTEs without exceeding the authorized level of expenditure. ITS has outlined a plan to change a part-time Help Desk person to full-time to compensate for a recent vacancy. Administration has identified funding in the current fiscal year for the Compensation and Benefit Specialist in Human Resources, a position approved by City Council with the passage of Ordinance No. 8286.

Proposed Committee Motion:

I move to recommend to City Council AN ORDINANCE APPROVING AMENDMENT NO. 10 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED EXPENDITURES FOR THE CITY OF LEE'S SUMMIT

Presenter: Jack Feldman, Management Analyst

Recommendation: Staff recommends approval of AN ORDINANCE APPROVING AMENDMENT NO. 10 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED EXPENDITURES FOR THE CITY OF LEE'S SUMMIT

Committee Recommendation:

BILL NO.**ORDINANCE NO.**

AN ORDINANCE APPROVING AMENDMENT NO. 10 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED EXPENDITURES FOR THE CITY OF LEE'S SUMMIT

WHEREAS, Ordinance No. 8162, passed by the City Council on June 1, 2017, adopted the City's Budget for the Fiscal Year ending June 30, 2018; and,

WHEREAS, The annual budget planning process includes a period for reviewing and revising anticipated expenditures for the current fiscal year; and,

WHEREAS, Administration has identified funding within the authorized level of budget expenditures to fund the Compensation and Benefit Specialist, a position authorized by City Council via Ordinance No. 8286, for the remainder of the fiscal year; and,

WHEREAS, Information Technology Services has identified funding within the authorized level of budget expenditures to hire a ITS Help Desk Support Specialist, a position authorized by City Council via Ordinance No. 8162, for the remainder of the fiscal year; and,

WHEREAS, the Park Board has approved three transfers to the Parks Construction Fund on May 25, 2016; May 24, 2017; and January 24, 2018.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the authorized expenditures for the Fiscal Year 2017-2018 of the City of Lee's Summit, Missouri, are amended in the manner shown in Exhibit A.

SECTION 2. All other provisions of Ordinance No. 8162 shall remain in full force and effect, subject to Amendment No. 1 (Ordinance No. 8203), Amendment No. 2 (Ordinance No. 8240), and Amendment No. 3 (Ordinance No. 8244), Amendment No. 4 (Ordinance No. 8254), Amendment No. 5 (Ordinance No. 8284), Amendment No. 6 (Ordinance No. 8286), Amendment No. 8 (Ordinance No. 8285), and Ordinance No. 9 (Ordinance No. ____).

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 4. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

BILL NO.

ORDINANCE NO.

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

Deputy City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said city this ____ day of _____, 2018.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

Chief Counsel of Management and Operations Jackie McCormick Heanue

BILL NO.

ORDINANCE NO.

EXHIBIT A:

Amended Fund	Amended Department	Added/ (Reduced)	New Amended budget
F100 General Fund	Finance	\$921,117	\$9,524,972
F100 General Fund	Fire	\$253,098	\$18,036,680
F200 Parks & Recreation		\$510,000	\$3,850,025
F324 Road & Bridge		\$3,367,000	\$4,268,475
F410 Park COP Debt		\$4,025,000	\$6,749,405

Job Titles	FY18 Budget	FY18 Budget 10	Difference
Asst. City Mgr, Dev Svcs/Comm	0.33	0.33	0.00
Asst. City Mgr, Operations	0.76	0.76	0.00
Benefits Specialist	1.00	1.00	0.00
City Clerk	1.00	1.00	0.00
City Councilmember	8.00	8.00	0.00
City Manager	1.00	1.00	0.00
Compensation and Benefit Specialist	0.00	1.00	1.00
Creative Services Manager	1.00	1.00	0.00
Creative Services Specialist	1.00	1.00	0.00
Cultural Arts Manager	1.00	1.00	0.00
Deputy City Clerk	1.00	1.00	0.00
Director of Administration	0.88	0.88	0.00
Director of Human Resources	1.00	1.00	0.00
Executive Assistant	2.00	2.00	0.00
Human Resources Assistant	1.00	1.00	0.00
Human Resources Generalist	1.00	1.00	0.00
Management Analyst - Admin	1.00	1.00	0.00
Marketing Specialist	1.00	1.00	0.00
Mayor	1.00	1.00	0.00
Media Services Supervisor	1.00	1.00	0.00
Payroll Support	0.01	0.01	0.00
Public Communications Coordinator	1.00	1.00	0.00
Risk Management Officer	1.00	1.00	0.00
	27.98	28.98	1.00

Job Title	FY18 Budget	FY18 Budget 10	Difference
Administrative Assistant	1.00	1.00	0.00
Applications Administrator	5.00	5.00	0.00
Applications Analyst	1.00	1.00	0.00
Asst. Direcotr, App Mgmt Svcs.	1.00	1.00	0.00
Audio Visual Evening	0.14	0.14	0.00
Chief Technology Officer	1.00	1.00	0.00
Communications Systems Admin	1.00	1.00	0.00
Database Administrator	1.00	1.00	0.00
Director of Administration	0.12	0.12	0.00
GIS Coordinator	1.00	1.00	0.00
GIS Technician	1.35	1.35	0.00
IT Operations Supervisor	1.00	1.00	0.00
ITS Help Desk Support Specialist	1.00	2.00	1.00
ITS Project Manager	1.00	1.00	0.00
ITS Support PTT	1.44	0.72	-0.72
ITS Support Services Supvr.	1.00	1.00	0.00
Manager, Entprs. Tech Svcs.	1.00	1.00	0.00
Network Administrator	1.00	1.00	0.00
Senior GIS Technician	1.00	1.00	0.00
System Support Analyst	1.00	1.00	0.00
System Support Specialist	1.00	1.00	0.00
Systems Analyst	1.00	1.00	0.00
Technical Services Specialist	1.00	1.00	0.00
Web Administrator	1.00	1.00	0.00
Web Specialist	1.00	1.00	0.00
	28.05	28.33	0.28

Packet Information

File #: 2018-1816, **Version:** 1

PRESENTATION OF THE YEAR-END BUDGET PROJECTIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Issue/Request:

PRESENTATION OF THE YEAR-END BUDGET PROJECTIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Key Issues:

Before the start of a new fiscal year, City departments will project, or estimate, the final anticipated revenues and expenditures. The year-end projections are developed to identify an updated financial condition. In some instances, budgeted amounts are calculated 6 to 12 months before the start of the fiscal year. The process of calculating year-end projections helps refine anticipated revenue and expenditure budget amounts by factoring real-time trend information, unanticipated revenues or expenditures, and cost-savings.

Proposed Committee Motion:

N/A

Background:

Each year, as part of the budget process, City departments project their year-end revenue and expenses. This is an important step to help identify new trends and any unexpected changes that might have occurred during the fiscal year. The updated information is then used to identify an updated net income or loss.

Presenter: Jack Feldman, Management Analyst

Recommendation: N/A

Committee Recommendation: N/A

FY18 Projections

Finance & Budget Committee

February 5, 2018

Outline

- Revenue Projections
- Expense Projections
- General Fund Departments
- Five-Year Model
- Budget Amendment No. 10

Revenue

Budget vs. Actual YTD

Revenue Type	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Property Tax	\$18,445,536	\$18,726,340	\$280,804	1.52%
Sales Tax	\$10,016,183	\$10,093,130	\$76,947	0.77%
EATs*	(\$316,078)	(\$328,238)	\$12,160	-3.85%
Franchise Tax*	\$6,741,958	\$6,793,256	\$51,298	0.76%
Motor Vehicle Taxes	\$2,162,627	\$2,183,796	\$21,169	0.98%
Other Taxes	\$207,919	\$207,747	(\$172)	-0.08%
Fines & Forfeitures*	\$702,919	\$550,819	(\$152,100)	-21.64%
Licenses and Permits	\$1,293,422	\$1,388,442	\$95,020	7.35%
Intergovernmental	\$504,034	\$333,214	(\$170,820)	-33.89%
Charges for Service*	\$3,487,889	\$3,720,723	\$232,834	6.68%
Investment Earnings	\$34,446	\$82,425	\$47,979	139.29%
Other	\$819,934	\$436,222	(\$383,712)	-46.80%
Total	\$44,100,789	\$44,187,876	\$87,087	0.20%

*Budget to actual calculation through December; info for Jan. not yet available

Revenue

Annual Budget vs. Projected

Revenue Type	Budget	Projected	Variance (\$)	Variance (%)
Property Tax	\$20,508,192	\$20,745,963	\$237,771	1.16%
Sales Tax	\$16,197,424	\$16,148,100	(\$49,324)	-0.30%
Franchise Tax	\$13,037,427	\$13,059,149	\$21,722	0.17%
Motor Vehicle Taxes	\$3,671,162	\$3,671,162	\$0	0.00%
Other Taxes	\$324,597	\$331,569	\$6,972	2.15%
Fines & Forfeitures	\$1,405,838	\$1,215,355	(\$190,483)	-13.55%
Licenses and Permits	\$2,411,880	\$2,411,880	\$0	0.00%
Intergovernmental	\$1,008,067	\$1,008,067	\$0	0.00%
Charges for Service	\$7,570,459	\$7,612,020	\$41,561	0.55%
Investment Earnings	\$56,845	\$72,240	\$15,395	27.08%
Other	\$1,659,600	\$1,982,244	\$322,644	19.44%
Sale of Property	\$0	\$108,233	\$108,233	100.00%
Transfers In	\$1,004,515	\$1,004,515	\$0	0.00%
Total	\$68,856,006	\$69,370,496	\$514,490	0.75%

Expenses, Account View

Annual Budget vs Projected

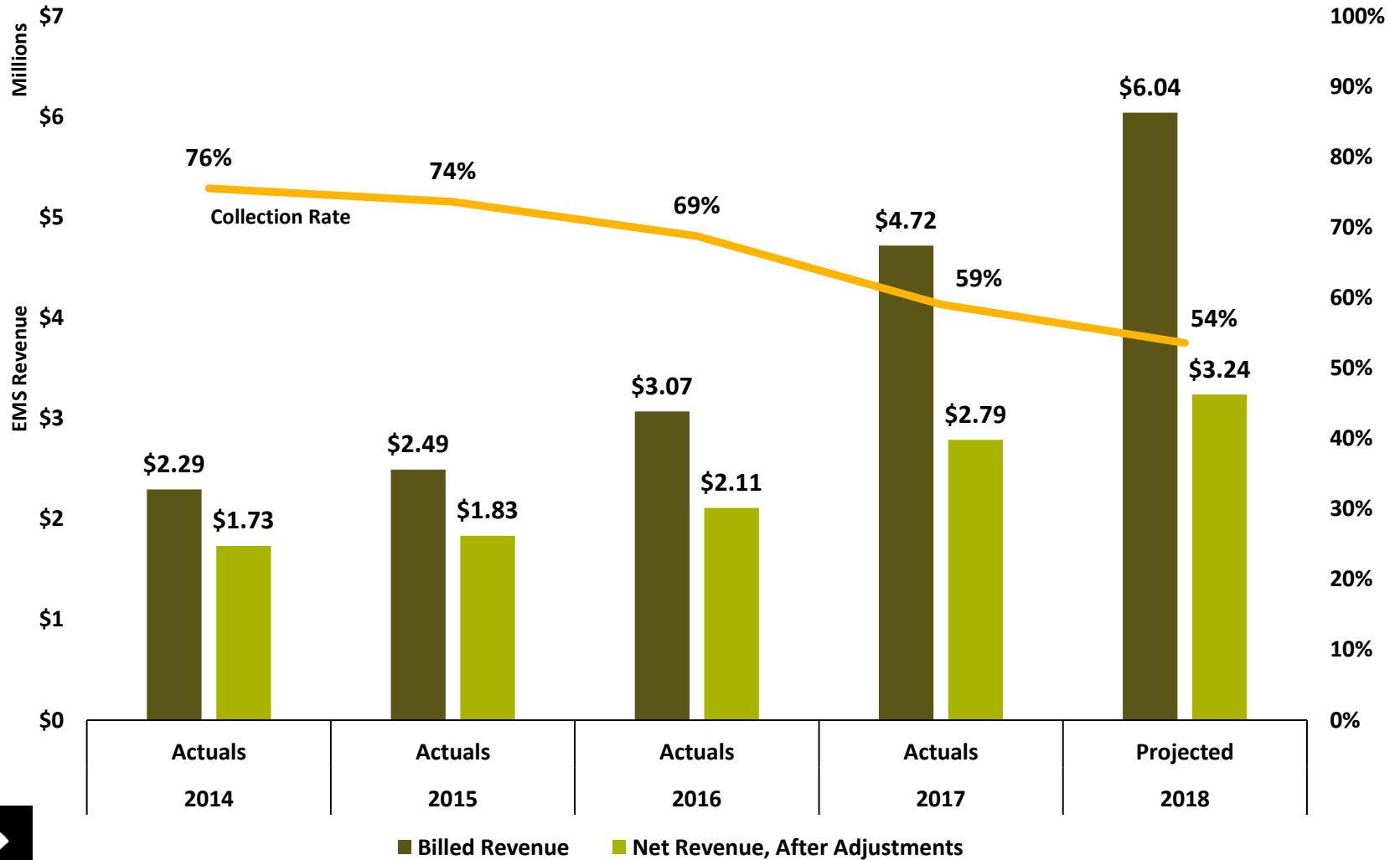
Account Type	Budget #8	FY18 Proj	Variance (\$)	Variance (%)
Personal Services	\$46,131,944	\$45,736,682	(\$395,263)	-0.86%
Supplies for Resale	\$245,000	\$245,000	\$0	0.00%
Other Supplies & Services	\$10,184,399	\$10,988,298	\$803,898	7.89%
Repairs & Maintenance	\$1,485,895	\$1,498,957	\$13,062	0.88%
Utilities	\$1,734,766	\$1,717,634	(\$17,132)	-0.99%
Fuel & Lubricants	\$556,097	\$550,520	(\$5,577)	-1.00%
Miscellaneous	\$206,412	\$103,376	(\$103,036)	-49.92%
Capital Outlay	\$54,902	\$0	(\$54,902)	-100.00%
Interdepartment Charges	\$6,314,969	\$6,328,725	\$13,756	0.22%
Transfers Out	\$2,046,894	\$2,046,894	\$0	0.00%
Total	\$68,961,278	\$69,216,085	\$254,807	0.37%

Expenses, Dept. View

Annual Budget vs. Projected

Department	Budget #8	Projected	Variance (\$)	Variance (%)
Administration	\$5,359,838	\$5,145,081	(\$214,756)	-4.01%
Public Works Engineering	\$5,633,602	\$5,373,393	(\$260,209)	-4.62%
Law Enforcement	\$20,071,060	\$19,869,531	(\$201,529)	-1.00%
Fire Department	\$17,783,582	\$18,036,680	\$253,098	1.42%
Finance	\$8,603,855	\$9,524,972	\$921,117	10.71%
Legal Services	\$1,412,271	\$1,332,064	(\$80,207)	-5.68%
Municipal Court	\$882,403	\$795,537	(\$86,866)	-9.84%
Public Works Operations	\$4,944,563	\$4,943,723	(\$840)	-0.02%
Development Services	\$3,630,057	\$3,630,056	(\$1)	0.00%
Planning & Special Projects	\$640,048	\$565,048	(\$75,000)	-11.72%
Total	\$68,961,278	\$69,216,085	\$254,807	0.37%

EMS Revenue and Collection Rate



General Fund Net Income

	Original Budget	Budget #8	Projected YE
Total Revenues	\$68,856,006	\$68,856,006	\$69,370,496
Total Expenses	\$67,190,458	\$68,961,278	\$69,216,085
Net Income (incl. one time)	\$1,665,546	(\$5,272)	\$154,412
Operating Net Income (excl. one time)	\$2,175,913	\$1,978,028	\$1,639,717

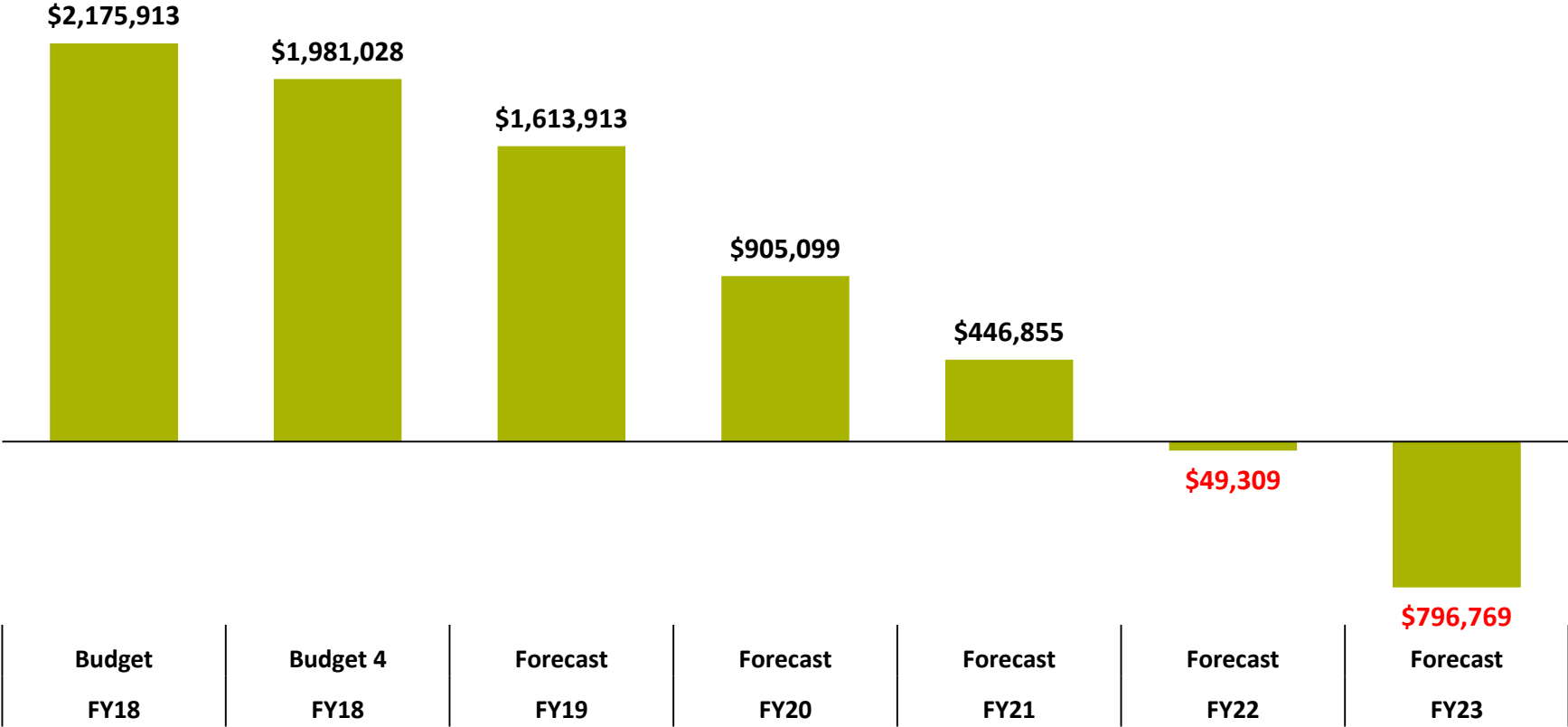
One-time expenses/revenue:

- Amendment #1 (Health Ins.): -\$1,410,378
- Amendment #4 (Recycling): -\$62,555
- ITS software projects: -\$305,465
- UDO recodification: ~~-\$150,000~~ -\$75,000 (Proj.)
- Sale of City-owned property: \$108,233 (Proj.)
- LSR7 Reimbursement: \$259,860 (Proj.)

General Fund Five Year Model

General Fund Net Operating Surplus/Deficit*

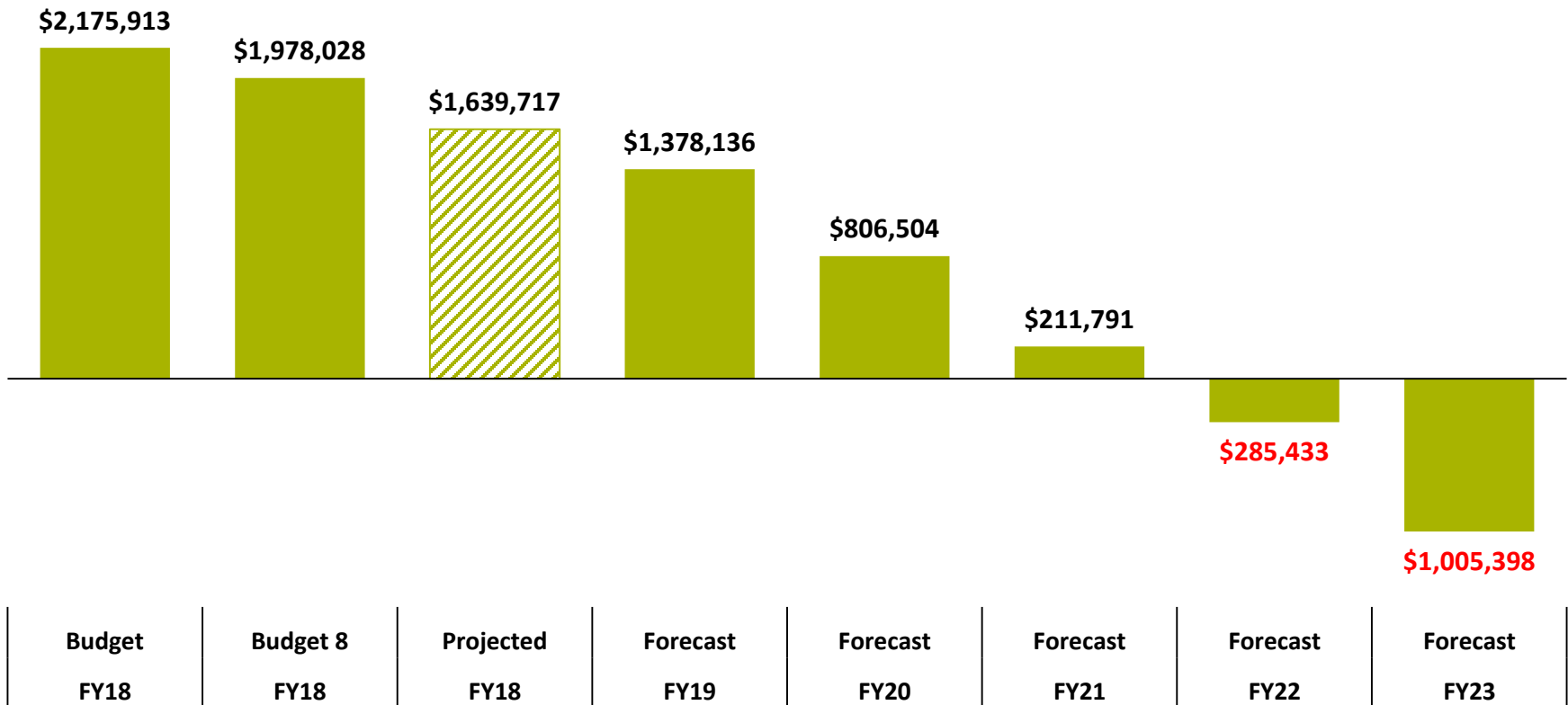
Slide from Jan. 11 Financial Condition Presentation



*Before future wage adjustments

General Fund Net Operating Surplus/Deficit*

Updated with FY18 Year End Projections



*Before future wage adjustments

FY18 Budget Amendment No. 10

FY18 Budget Amendment No. 10

Amended Fund	Amended Department	Added/ (Reduced)	New Amended budget
F100 General Fund	Finance	\$921,117	\$9,524,972
F100 General Fund	Fire	\$253,098	\$18,036,680
F200 Parks & Recreation		\$510,000	\$3,850,025
F324 Road & Bridge		\$3,367,000	\$4,268,475
F410 Park COP Debt		\$4,025,000	\$6,749,405

General Fund: 5-Year Revenue/Expense Model

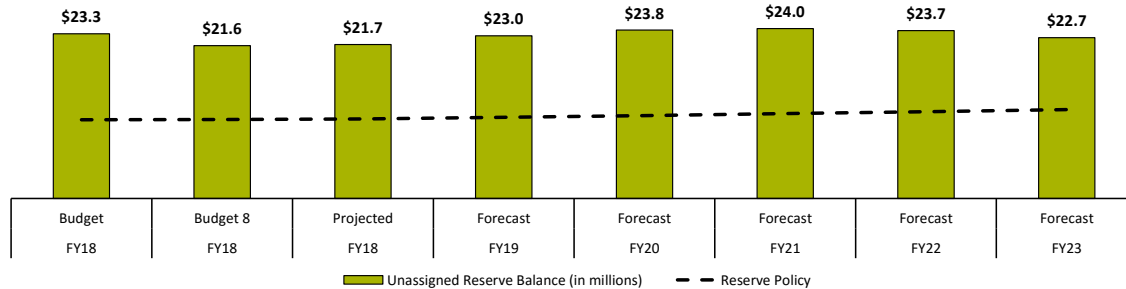
	FY18 Budget	FY18 Budget 8	FY18 Projected	FY19 Forecast	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
Revenues:								
Property Tax	20,508,192	20,508,192	20,745,963	21,274,581	21,813,772	22,363,746	22,924,720	23,383,215
Sales Tax	16,825,437	16,825,437	16,825,437	17,330,200	17,850,106	18,385,609	18,937,178	19,410,607
EATS	(628,013)	(628,013)	(677,337)	(697,658)	(890,371)	(1,075,448)	(1,127,942)	(1,154,902)
Franchise Tax	13,037,427	13,037,427	13,059,149	12,797,966	12,542,007	12,291,167	12,045,343	11,804,436
Motor Vehicle Tax	3,671,162	3,671,162	3,671,162	3,762,941	3,857,015	3,953,440	4,052,276	4,153,583
Other Taxes	324,597	324,597	331,569	328,253	324,971	321,721	318,504	315,319
Fines and forfeitures	1,405,838	1,405,838	1,215,355	1,221,432	1,227,539	1,233,677	1,239,845	1,246,044
Licenses and permits	2,411,880	2,411,880	2,411,880	2,472,177	2,533,981	2,597,331	2,662,264	2,728,821
Intergovernmental	1,008,067	1,008,067	1,008,067	1,028,228	1,048,793	1,069,769	1,091,164	1,112,987
Charges for services	7,570,459	7,570,459	7,612,020	7,764,260	7,919,546	8,077,937	8,239,495	8,404,285
Investment Earnings	56,845	56,845	72,240	72,782	73,328	73,878	74,432	74,990
Other	1,659,600	1,659,600	1,722,384	1,730,996	1,739,651	1,748,350	1,757,091	1,765,877
Transfers in	1,004,515	1,004,515	1,004,515	1,009,538	1,014,585	1,019,658	1,024,756	1,029,880
Total operating revenues	68,856,006	68,856,006	69,002,404	70,095,697	71,054,922	72,060,833	73,239,127	74,275,142
Percent Change	2.96%	2.96%	3.18%	1.58%	1.37%	1.42%	1.64%	1.41%

	FY18 Budget	FY18 Budget 8	FY18 Projected	FY19 Forecast	FY20 Forecast	FY21 Forecast	FY22 Forecast	FY23 Forecast
Expenditures:								
Salaries	33,259,040	33,261,810	32,558,522	33,927,046	34,605,587	35,297,699	36,003,653	36,723,726
Vacancy (2.36%)	(788,559)	(788,559)		(800,678)	(816,692)	(833,026)	(849,686)	(866,680)
Benefits calc on Salary	5,908,152	5,973,210	5,774,045	5,831,785	5,890,103	5,949,004	6,008,494	6,068,579
Health/Dental	6,273,194	6,273,194	6,075,927	6,622,760	7,218,809	7,868,502	8,576,667	9,348,567
Other Benefits	1,154,818	1,089,759	1,105,657	977,770	997,326	1,017,272	1,037,617	1,058,370
Supplies for Resale	245,000	245,000	245,000	249,900	254,898	259,996	265,196	270,500
Other Supplies, Service, & Charges	10,031,400	10,034,399	10,913,298	11,022,431	11,132,655	11,243,982	11,356,422	11,469,986
Repairs and Maintenance	1,485,895	1,485,895	1,498,957	1,513,947	1,529,086	1,544,377	1,559,821	1,575,419
Utilities	1,734,766	1,734,766	1,717,634	1,734,810	1,752,158	1,769,680	1,787,377	1,805,251
Fuel & Lubricants	556,097	556,097	550,520	556,025	561,585	567,201	572,873	578,602
Miscellaneous & Interest	236,825	206,412	103,376	104,410	105,454	106,508	107,573	108,649
Interdepartmental Charges	6,314,969	6,314,969	6,328,725	6,360,369	6,392,170	6,424,131	6,456,252	6,488,533
Transfers out	268,496	268,496	268,496	269,838	271,188	272,544	273,906	275,276
FY18 Budget Amendment 3 (COLA)		222,530	222,530	347,147	354,090	361,172	368,395	375,763
Total operating expenditures	66,680,093	66,877,978	67,362,687	68,717,561	70,248,418	71,849,042	73,524,560	75,280,540
Percent Change	4.05%	4.35%	5.11%	2.75%	2.23%	2.28%	2.33%	2.39%

Net Operating Rev - Exp	\$ 2,175,913	\$ 1,978,028	\$ 1,639,717	\$ 1,378,136	\$ 806,504	\$ 211,791	\$ (285,433)	\$ (1,005,398)
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One-Time:								
Sale of City Owned Property			108,233					
LSR7 Reimbursement			259,860					
PW Vehicle Expansion	(54,902)	(54,902)	-					
UDO Recodification	(150,000)	(150,000)	(75,000)					
ITS Software Projects	(305,465)	(305,465)	(305,465)					
FY18 Amendment 1 (Health Ins)		(1,410,378)	(1,410,378)					
FY18 Amendment 4 (Recycling)		(62,555)	(62,555)					
Rev - Exp (after one-time)	\$ 1,665,546	\$ (5,272)	\$ 154,412	\$ 1,378,136	\$ 806,504	\$ 211,791	\$ (285,433)	\$ (1,005,398)
Exp (with one-time)	\$ 67,190,460	\$ 68,861,278	\$ 68,847,992	\$ 68,717,561	\$ 70,248,418	\$ 71,849,042	\$ 73,524,560	\$ 75,280,540

Net change in fund balance including one-time								
Fund balance—beg.	\$ 21,591,323	\$ 21,591,323	\$ 21,591,323	\$ 21,586,051	\$ 22,964,187	\$ 23,770,691	\$ 23,982,483	\$ 23,697,049
Fund balance—end.	\$ 23,256,869	\$ 21,586,051	\$ 21,745,735	\$ 22,964,187	\$ 23,770,691	\$ 23,982,483	\$ 23,697,049	\$ 22,691,651
GF Reserve Balance Fund Policy Ending fund balance as a % of expenditures (exc one-time)	34.88%	32.28%	32.28%	33.42%	33.84%	33.38%	32.23%	30.14%



Packet Information

File #: 2018-1819, **Version:** 1

UPDATE ON PRIORITY BASED BUDGETING

Issue/Request:

UPDATE ON PRIORITY BASED BUDGETING

Key Issues:

Attached in the packet are responses to the questions from the last Priority Based Budgeting discussion on December 4, 2017.

Proposed Committee Motion:

I move to direct staff to include funding for the implementation of Priority Based Budgeting in the FY2019 budget.

Presenter: Jack Feldman, Management Analyst

Recommendation: N/A

Committee Recommendation:

Proposed Priority Based Budgeting Implementation Timeline

1. February 2018: Finance & Budget Committee directs staff to include funding for Priority Based Budgeting in the FY19 Budget
2. February – June 2018: Work through the procurement process for Priority Based Budgeting Software
3. July 2018: Begin software implementation shortly after the new fiscal year. Three month process, timeline attached.
4. October 2018: Kick off FY20 Budget Process.

Biennial Budget Cycle

Alternative Calendar for FY2021 implementation of biennial budget planning cycles attached in Packet

Preliminary Costs

ResourceX, a consultant and vendor of priority based budgeting software, has previously quoted a \$30,000 implementation cost, and a \$20,000 annual subscription cost in subsequent years. Cost is subject to change as staff works through the procurement process and finalize a contract. The quoted implementation cost includes training for “super users” (answering a question from Councilmember Faith).

	July 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	March 2019	April 2019	May 2019	June 2019
FY20 Budget Planning (Transition Year)	1			Kickoff Mtg.								
	3	PBB Planning and Infrastructure										
	4				Dept YE Proj Preparation							
	5						YE Proj.					
	6					Internal Service numbers						
	7							Schedule of Fees				
	8						Dept. Budget Planning					
	9							Expansions				
	10							Budget revenue forecast				
	11								Present Rev			
	12							Budget meetings with CM				
	13								Creation of CM budget			
	14								Council Process/PH			
	15										Adoption	
	16										FY21 Strategic Planning	

	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	March 2020	April 2020	May 2020	June 2020
FY21 Budget Planning (Year 1)	1	FY21 Strategic Planning										
	2		Admin/MT Budget Planning									
	3			Schedule of Fees								
	4			Dept. Budget Planning								
	5						Present Rev					
	6						Budget mtgs with CM					
	7						Creation of CM Budget					
	8							Council Process/PH				
	9								Adoption			

	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	March 2021	April 2021	May 2021	June 2021	
FY22 Budget Planning (Year 2)	1	Program Analysis											
	2			Forecast Updates and Revisions									
	3							Budget Adj.					
	4							Council Process/PH					
	5								Adoption				
	6										FY23 Strategic Planning		

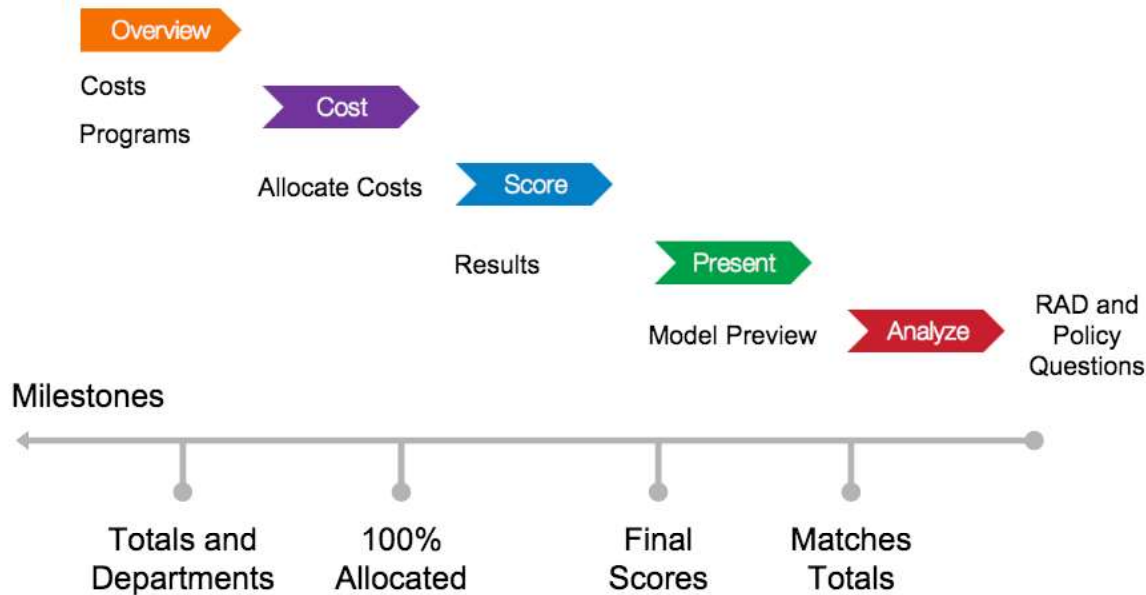
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Annual Current FY Budget Monitoring Activities	1		Cleanup									
	2		Previous FY Financial Audit									
	3			Performance			Performance			Performance		
	4			General Fund Budget Dashboard Presentations to Committee								
	5					Rollover						
	6				Dept YE Proj Preparation							
	7						YE Proj.					
	8								Prepare Budget Book			
	9			Budget Monitoring								

V. Appendix B: Detailed Implementation Overview

Overview, Program Inventory and Costs

Approach to Implementation, Scope and Timeline

Your implementation process is built around 5 major steps, each with clear milestones along the way.



Project Kick-off and Program Inventory Training "Workshop"

Webinar Training: 1-1.5 hours

ResourceX Role and Workload:

To launch your implementation, ResourceX will provide an initial webinar together with your team, consisting of an overview of the implementation process, in addition to the following key project planning points:

- establish a project timeline
- review the key data we'll collect from your financial system, as well as your personnel system
- clarify the roles and workload of your organization, as well as our role in providing set-up support services

ResourceX provides a "starter program inventory" for the departments to work from and a training on how to identify "programs" at a level most effective for PBB. The "starter program inventory" is built from the PBB Database of over 70,000 programs, customized to match with their department, and significantly easing the workload for departments to complete this first task.

Super User (PBB Data Officer): One of the key objectives of our first meeting will be to identify the “Super User(s)” in your organization who will be the primary resource to coordinate with our team for the management of the project. The Super User(s) will gain the benefit of being trained on all aspects of the OnlinePBB software, and achieve mastery of Priority Based Budgeting concepts, sufficient to lead the process in future years.



Organization Role and Workload:

City staff will be relied upon to help set up the presentation logistics (audio and visual), and to distribute the Program Inventory Template (to each department), presentation slides and the recorded webinar.

Departments Refine Program Inventories

Departments Given: 1-2 Weeks

ResourceX Role and Workload: ResourceX provides individualized support to the departments as they work on their program inventories. Often times, departments may request a conference call with ResourceX, or exchange email with ResourceX to help address specific questions.

Organization Role and Workload: Each department will be responsible for refining and completing their Program Inventory and submitting this to ResourceX. Departments are given 1-2 weeks to complete this task, even though the workload anticipated is between 8-16 hours (departments are given extra time, in order to fit this effort in among their normal job duties).

Program Costing

Program Costing Workshop

Webinar: 45 mins - 1 hour

ResourceX Role and Workload: ResourceX will provide a Program Costing training session to staff who will be responsible for filling in the data into the Program Costing Template. ResourceX will provide customized Program Costing templates for each of the City's departments (or divisions), as well as a recorded version of the webinar the City can refer to.

Organization Role and Workload: City staff will be relied upon to help set up the webinar logistics (audio and visual), and to distribute the Program Costing Template (to each department), presentation slides and the recorded webinar. Those who participate in this webinar should allow for 45 minutes to 1 hour for the training.

Departments Develop Program Costs

Departments Given: 1-3 Weeks

ResourceX Role and Workload: ResourceX will be available during to assist staff during the process of developing program costs. Typically, departments will email ResourceX with questions, or schedule conference calls with ResourceX in order to strategize about the Program Costing template, and the easiest way to fill it out.

Organization Role and Workload: Those who are involved in the task of completing Program Costing are given anywhere from 1 to 3 weeks to complete this task. Typically staff from the budget office are involved in the task of developing "fully loaded personnel costs" while the departments are responsible for allocating staff to programs.

Program Scoring

Priorities Identification Workshop

Online, via web-workshop: 1-2 hours

ResourceX Role and Workload: ResourceX works with the organization's elected officials and/or staff to identify, or to validate "Results" that the organization has already established. Priorities establish the foundation for Priority Based Budgeting.

Organization Role and Workload: The City's elected officials will be asked to participate in this exercise. No more than 1-2 hours is required of elected officials to participate in this exercise. City staff may be asked to print the exercise (if administered "live"), or email the exercise (if administered "electronically").

Priorities Definition Workshop

Online, via web-workshop: 1-2 hours

ResourceX Role and Workload: ResourceX launches an online exercise typically through a web-based workshop with staff (usually department heads and key staff, up to around 30 participants is best) to begin to identify all the ways the organization "achieves" each of the stated Priorities. ResourceX leads the workshop, addressing each Result, one-by-one, soliciting feedback from the participants which form the basis for the creation of Results Definitions. Staff are given several weeks after the launch of the exercise to contribute responses, that ResourceX ultimately synthesizes for use in Results Definitions.

Organization Role and Workload: Department heads, and key City staff who participate in the Results Definition Workshop should anticipate spending 1-2 hours of their time, over the course of several weeks as the exercise is openly available on-line, to complete this exercise.

Department Program Scoring Workshop

Webinar: 1-1.5 hours

ResourceX Role and Workload: ResourceX will provide a Program Scoring training session to those participating in scoring, instructing departments how to assign appropriate scores. ResourceX will provide customized "Program Scorecards" for each department, including the department's program inventory, and the appropriate scoring criteria. ResourceX will also provide the recorded webinar.

Organization Role and Workload: City staff will be relied upon to help set up the webinar logistics (audio and visual), and to distribute the Program Scorecard Template (to each department), presentation slides and the recorded webinar. Those who participate in this webinar should allow for 1-1.5 hours for the training.

Departments Participate in Program Scoring Process

Departments Given: 2-3 Weeks

ResourceX Role and Workload: As departments engage in the process of scoring their programs, ResourceX provides coaching and guidance along the way, helping the departments with questions about how to assign their scores. Typically, departments email ResourceX or schedule conference calls to strategize about the most appropriate way to assign scores.

Organization Role and Workload: Departments are given 2-3 weeks to complete their Program Scorecards, and they are encouraged to involve staff leadership at all levels in this process. While they are given several weeks, the actual workload anticipated should be anywhere from 16-32 hours total time, depending on how involved they choose to make their own staff.

Peer Review Workshop

Webinar: 1-1.5 hours

ResourceX Role and Workload: ResourceX will provide a Peer Review training session for those who are participating on Peer Review teams. ResourceX will help the City identify who the most effective Peer Review team members could be, and then train each team as to how to evaluate scores from other departments (this will include: how to ask departments for more info, and how to complete the Peer Review template).

Organization Role and Workload: City staff will be relied upon to help set up the webinar logistics (audio and visual), and to distribute the Program Review Template (to each department), presentation slides and the recorded webinar. Those who participate in this webinar should allow for 1-1.5 hours for the training.

Peer Review Teams Participate in Peer Review Process

Departments Given: 2-3 Weeks

ResourceX Role and Workload: As Peer Review team members complete the Peer Review process, ResourceX is available to each team to help them through the process of evaluating the scores of other departments. Typically, ResourceX exchanges in email correspondence and phone calls to assist the work of the Peer Review teams.

Organization Role and Workload: For those staff participating in Peer Review, they will learn how to structure their time around a recommended 3-5 meeting process, where each meeting should last about 1-2 hours (and no meeting lasting longer than 3 hours). Therefore, at most, participants should plan on 15 hours of meeting time devoted to Peer Review (and at least about 6-9 hours).

Determine Final Program Scores, Quartile Rankings

ResourceX Given: 1-2 Days

ResourceX Role and Workload: ResourceX applies it's scoring methodology to calculate final program scores for each of the City's programs, and performs an analysis on each of the programs to determine final "Quartile Rankings." ResourceX will begin the process of loading this information into the City's final Resource Alignment Diagnostic Tool (the final deliverable of implementation).

Organization Role and Workload: City staff will have minimal involvement here. ResourceX may reach out to staff to ask questions where data is missing or in question.

Present (Model Preview)

Create PBB Model: Resource Alignment Diagnostic Tool

ResourceX Given: 1-2 Days

ResourceX Role and Workload: ResourceX will create a customized Resource Alignment Diagnostic Tool for the City, that will include each of the City's programs, program costs, quartile ranking, and scoring criteria. This dynamic model is explained in greater detail in the scope of services.

Organization Role and Workload: City staff will have minimal involvement here. ResourceX may reach out to staff to ask questions where data is missing or in question.

Provide Model "Preview" to Executive Team

Webinar 1-1.5 hours

ResourceX Role and Workload: As soon as the Resource Alignment Diagnostic Tool is completed, ResourceX will provide a presentation to City staff in order to demonstrate the results of the City's work, as well as the functionality of the Tool, before presenting it to The City Council. Typically this gives the City staff first opportunity to review the data and ensure it's appropriate for presenting the information further.

Organization Role and Workload: City staff will be asked to reflect on the presentation of the initial Resource Alignment Diagnostic Tool, and provide feedback to ResourceX where any data is in question or in need of revision, prior to presenting the Tool further.

Present Final Model to Staff and/or Elected Officials

Webinar 1-1.5 hours

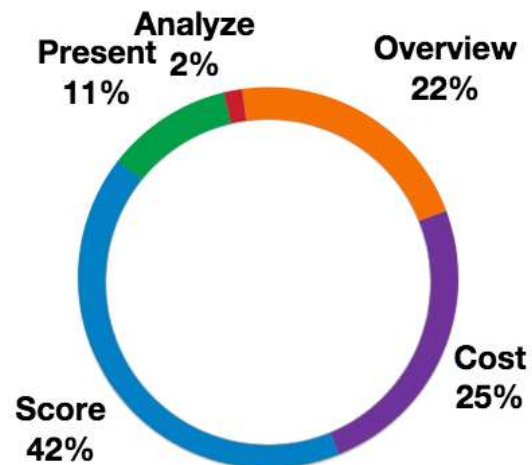
ResourceX Role and Workload: There are various options open to the City in terms of presenting the final Resource Alignment Diagnostic Tool to elected officials. ResourceX can provide an on-site (or webinar) presentation to elected officials to coach them as to their role in effectively using the Tool, and helping portray the power and use of the information that has been created through the implementation process.

Organization Role and Workload: City staff will be asked to strategize with ResourceX as to how best to present the City's Resource Alignment Diagnostic Tool to elected officials and/or a larger staff audience. City staff will also receive training on the use of the Tool, how to incorporate the information into the City's budget process, and how to communicate the data to the public/community (if desired).

Project Timeline Summary

**Your organization's timeline for implementation is in your control. ResourceX will help you design your timeline to meet the needs of the organization. Overall, the PBB process can be completed in a 3-month period, from beginning to end.. If you have a more pressing need to implement PBB in less time, please let us know and our team will help design a path that will accommodate your schedule.*

Milestone	Days
Overview	14
Cost	16
Score	27
Present	7
Analyze	1



Packet Information

File #: 2018-1822, **Version:** 1

Committee Discussion: Funding for wage enhancements

Issue/Request:

Committee Discussion: Funding for wage enhancements

Key Issues:

Following the special Finance and Budget Committee meeting on January 24, 2018, this item was added for continued planning purposes.

Packet Information

File #: 2018-1802, **Version:** 1

PRESENTATION OF THE NOVEMBER GENERAL FUND FINANCIAL DASHBOARD

Issue/Request:

PRESENTATION OF THE NOVEMBER GENERAL FUND FINANCIAL DASHBOARD

Key Issues:

The FY18 Monthly Financial Report for November is the YTD budget performance of the General Fund as of November 30. Preliminary unaudited total revenues are \$21,097,282. This is \$790,477 (+3.9%) above budgeted total revenue, which is primarily a result of expected transactions posting earlier than budgeted. Preliminary total expenditure for November YTD is \$29,572,618.

Background:

Revenue Details:

Intergovernmental: This revenue category primarily is in the form of grants reimbursing the City for overtime costs in the Police Department. If this category is under budget, that means we have not incurred the cost or have yet to be paid.

Other: The Capital Projects reimbursement for the first quarter is yet to post. When it does, it is expected to be within budgeted amounts.

Expenditure Details:

Total Expenditure of the General Fund through November 30, 2017, is \$29,572,618. Preliminary total expenditures are currently 0.9% over budgeted amounts YTD. The Worker's Compensation premium to the City's self-funded insurance occurred in variance to the spread, but at the annual budgeted amount. This will even out as the year progresses. Other Supplies and Services is currently running over budget as a result of the EMS Insurance Adjustment. This is an item staff will further examine at projections.

Presenter: Jack Feldman, Management Analyst

Recommention: N/A

FY18 Monthly Financial Report - November

GENERAL FUND REVENUES FOR FY2018

Revenue Type	*Actual YTD	Budget YTD	Variance Actual to Budget		Prior Year YTD	Variance Actual to Prior Year	
			\$	%		\$	%
Property Tax	\$1,557,510	\$0	\$1,557,510	0.0%	\$1,827,424	(\$269,914)	-14.8%
Net Sales Tax	\$6,622,673	\$6,589,089	\$33,584	0.5%	\$6,244,710	\$377,963	6.1%
Sales Tax	\$6,899,754	\$6,839,540	\$60,214	0.9%	\$6,574,066	\$325,688	5.0%
EATs	(\$277,080)	(\$250,452)	(\$26,628)	10.6%	(\$329,356)	\$52,276	-15.9%
Franchise Tax							
Natural Gas	\$513,361	\$495,222	\$18,139	3.7%	\$459,129	\$54,232	11.8%
Telephone	\$910,123	\$1,000,668	(\$90,545)	-9.0%	\$1,124,277	(\$214,154)	-19.0%
Electric	\$3,798,776	\$3,738,869	\$59,907	1.6%	\$3,799,637	(\$861)	0.0%
Cable TV	\$677,754	\$678,566	(\$812)	-0.1%	\$668,341	\$9,413	1.4%
Motor Vehicle Taxes	\$1,579,468	\$1,557,647	\$21,821	1.4%	\$1,546,358	\$33,110	2.1%
Other Taxes	\$128,582	\$132,130	(\$3,548)	-2.7%	\$135,398	(\$6,816)	-5.0%
Fines & Forfeitures	\$454,736	\$585,766	(\$131,030)	-22.4%	\$526,594	(\$71,858)	-13.6%
Licenses, Permits & Fees	\$1,088,740	\$1,031,161	\$57,579	5.6%	\$1,221,439	(\$132,699)	-10.9%
Intergovernmental	\$273,870	\$252,017	\$21,853	8.7%	\$448,423	(\$174,553)	-38.9%
Charges for Service	\$2,746,257	\$2,800,482	(\$54,225)	-1.9%	\$2,249,555	\$496,702	22.1%
Investment Earnings	\$82,425	\$26,258	\$56,167	213.9%	\$29,745	\$52,680	177.1%
Other	\$226,959	\$414,415	(\$187,456)	-45.2%	\$415,546	(\$188,587)	-45.4%
Transfers In	\$436,048	\$1,004,515	(\$568,467)	-56.6%	\$449,381	(\$13,333)	-3.0%
Total	\$21,097,282	\$20,306,805	\$790,477	3.9%	\$21,145,957	(\$48,675)	-0.2%

GENERAL FUND EXPENDITURES FOR FY2018

Expenditure Type	*Actual YTD	Budget YTD	Variance Actual to Budget		Prior Year YTD	Variance Actual to Prior Year	
			\$	%		\$	%
Personal Services	\$19,601,683	\$19,222,096	\$379,587	1.9%	\$18,810,647	\$791,036	4.2%
Supplies for Resale	\$124,214	\$110,000	\$14,214	12.9%	\$97,398	\$26,816	27.5%
Other Supplies & Services	\$3,751,833	\$3,563,961	\$187,872	5.3%	\$3,118,968	\$632,865	20.3%
Repairs & Maintenance	\$662,433	\$677,742	(\$15,309)	-2.3%	\$645,480	\$16,953	2.6%
Utilities	\$578,475	\$734,486	(\$156,011)	-21.2%	\$567,059	\$11,416	2.0%
Fuels & Lubricants	\$154,287	\$231,707	(\$77,420)	-33.4%	\$156,049	(\$1,762)	-1.1%
Miscellaneous	\$13,076	\$75,984	(\$62,908)	-82.8%	\$8,291	\$4,785	57.7%
Interest	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Capital Outlay	\$293	\$22,878	(\$22,585)	-98.7%	\$0	\$293	0.0%
Interdepartment Charges	\$2,639,430	\$2,631,237	\$8,193	0.3%	\$2,458,080	\$181,350	7.4%
Transfers	\$2,046,894	\$2,046,894	\$0	0.0%	\$818,210	\$1,228,684	150.2%
Total	\$29,572,618	\$29,316,985	\$255,633	0.9%	\$26,680,182	\$2,892,436	10.8%

Revenue Over/Under Exp: (\$8,475,336) (\$9,010,180) (\$5,534,225)

*As of January 22, 2018

Packet Information

File #: 2018-1803, **Version:** 1

PRESENTATION OF THE DECEMBER GENERAL FUND FINANCIAL DASHBOARD

Issue/Request:

PRESENTATION OF THE DECEMBER GENERAL FUND FINANCIAL DASHBOARD

Key Issues:

The FY18 Monthly Financial Report for December is the YTD budget performance of the General Fund as of December 31. Preliminary unaudited total revenues are \$25,853,213. This is \$560,362 (-2.1%) below budgeted total revenue, which is primarily a result of expected transactions not posted as of yet. Preliminary total expenditure for December YTD is \$34,705,669.

Background:

Revenue Details:

Intergovernmental: This revenue category primarily is in the form of grants reimbursing the City for overtime costs in the Police Department. If this category is under budget, that means we have not incurred the cost or have yet to be paid.

Other: The Capital Projects reimbursement for the first quarter is yet to post. When it does, it is expected to be within budgeted amounts.

Expenditure Details:

Total Expenditure of the General Fund through December 31, 2017, is \$34,705,669. Preliminary total expenditures are currently 4.5% below budgeted amounts YTD. The Worker's Compensation premium to the City's self-funded insurance occurred in variance to the spread, but at the annual budgeted amount. This will even out as the year progresses in Personal Services. Other Supplies and Services is currently running below budget as a result of the PILOT Disbursement not posted as of yet.

Presenter: Jack Feldman, Management Analyst

Recommention: N/A

FY18 Monthly Financial Report - December

GENERAL FUND REVENUES FOR FY2018

Revenue Type	*Actual YTD	Budget YTD	Variance Actual to Budget		Prior Year YTD	Variance Actual to Prior Year	
			\$	%		\$	%
Property Tax	\$1,583,394	\$1,790,468	(\$207,074)	-11.6%	\$1,827,424	(\$244,030)	-13.4%
Net Sales Tax	\$8,627,755	\$8,194,227	\$433,528	5.3%	\$7,646,218	\$981,537	12.8%
Sales Tax	\$8,906,350	\$8,510,306	\$396,044	4.7%	\$8,076,518	\$829,832	10.3%
EATs	(\$278,595)	(\$316,079)	\$37,484	-11.9%	(\$430,300)	\$151,705	-35.3%
Franchise Tax							
Natural Gas	\$715,116	\$646,152	\$68,964	10.7%	\$572,916	\$142,200	24.8%
Telephone	\$1,113,710	\$1,234,403	(\$120,693)	-9.8%	\$1,344,463	(\$230,753)	-17.2%
Electric	\$4,286,675	\$4,182,837	\$103,838	2.5%	\$4,248,054	\$38,621	0.9%
Cable TV	\$677,754	\$678,566	(\$812)	-0.1%	\$668,341	\$9,413	1.4%
Motor Vehicle Taxes	\$1,881,087	\$1,863,909	\$17,178	0.9%	\$1,846,637	\$34,450	1.9%
Other Taxes	\$185,978	\$156,306	\$29,672	19.0%	\$164,528	\$21,450	13.0%
Fines & Forfeitures	\$550,819	\$702,919	(\$152,100)	-21.6%	\$625,409	(\$74,590)	-11.9%
Licenses, Permits & Fees	\$1,306,875	\$1,141,575	\$165,300	14.5%	\$1,342,347	(\$35,472)	-2.6%
Intergovernmental	\$333,214	\$504,034	(\$170,820)	-33.9%	\$529,095	(\$195,881)	-37.0%
Charges for Service	\$3,720,723	\$3,487,899	\$232,824	6.7%	\$2,858,507	\$862,216	30.2%
Investment Earnings	\$82,425	\$28,422	\$54,003	190.0%	-\$38,291	\$120,716	-315.3%
Other	\$270,430	\$797,343	(\$526,913)	-66.1%	\$818,129	(\$547,699)	-66.9%
Transfers In	\$517,258	\$1,004,515	(\$487,257)	-48.5%	\$527,258	(\$10,000)	-1.9%
Total	\$25,853,213	\$26,413,575	(\$560,362)	-2.1%	\$24,981,035	\$872,178	3.5%

GENERAL FUND EXPENDITURES FOR FY2018

Expenditure Type	*Actual YTD	Budget YTD	Variance Actual to Budget		Prior Year YTD	Variance Actual to Prior Year	
			\$	%		\$	%
Personal Services	\$23,342,325	\$23,021,571	\$320,754	1.4%	\$22,645,926	\$696,399	3.1%
Supplies for Resale	\$130,324	\$110,000	\$20,324	18.5%	\$110,042	\$20,282	18.4%
Other Supplies & Services	\$4,386,601	\$5,923,319	(\$1,536,718)	-25.9%	\$3,814,743	\$571,858	15.0%
Repairs & Maintenance	\$743,078	\$805,105	(\$62,027)	-7.7%	\$766,194	(\$23,116)	-3.0%
Utilities	\$720,318	\$877,383	(\$157,065)	-17.9%	\$703,826	\$16,492	2.3%
Fuels & Lubricants	\$154,723	\$278,048	(\$123,325)	-44.4%	\$198,787	(\$44,064)	-22.2%
Miscellaneous	\$13,797	\$91,181	(\$77,384)	-84.9%	\$34,150	(\$20,353)	-59.6%
Interest	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Capital Outlay	\$293	\$27,451	(\$27,158)	-98.9%	\$19,319	(\$19,026)	0.0%
Interdepartment Charges	\$3,167,316	\$3,157,484	\$9,832	0.3%	\$2,949,696	\$217,620	7.4%
Transfers	\$2,046,894	\$2,046,894	\$0	0.0%	\$818,210	\$1,228,684	150.2%
Total	\$34,705,669	\$36,338,436	(\$1,632,767)	-4.5%	\$32,060,893	\$2,644,776	8.2%

Revenue Over/Under Exp: (\$8,852,456) (\$9,924,861) (\$7,079,858)

*As of January 22, 2018