

## **BILL NO. 17-102**

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AN ORDINANCE APPROVING THE TERMS FOR THE INTERFUND LOANS FOR THE FUNDING OF THE PURCHASE OF A HANGAR, FIXTURES AND PERMANENT IMPROVEMENTS FROM TRANSPORTATION SALES TAX REVENUES, APPROVING AMENDMENT NO. 11 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2017, AS ADOPTED BY ORDINANCE NO. 7894, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTIONS AS ARE NECESSARY TO IMPLEMENT THE INTERFUND LOANS TERMS APPROVED HEREIN SUBJECT TO ANNUAL APPROPRIATIONS.

WHEREAS, the City Lee's Summit held an election in 1990, at which a one-half (1/2) cent transportation tax was approved; and,

WHEREAS, Section 94.700, RSMo, which governs the types of expenditures such sales tax may be utilized for identifies "Airport" as an approved expenditure and Airport includes its requisite parts such as runways, terminals, parking lots and hangars among others; and,

WHEREAS, the City had an opportunity to purchase a hangar, fixtures and other permanent improvements owned by DeJarnette Enterprises, Inc. (hereinafter "hangar") at a price of \$1,503,081 and such purchase was approved by the Council by passage of Ordinance No. 8010 on November 3, 2016, as well as the temporary use of the City's pooled funds to allow for a timely closing on the property in advance of the Airport identifying a particular revenue stream; and

WHEREAS, additional capital equipment such as: extension of phone and data service, modular buildings, ground power units, and tractor and implements, is needed to meet service expectations for new customers. Funding for these capital purchases is to come from the General Fund Reserve Balance to be transferred to F510-Airport Fund to be repaid as outlined in the attached financing plan, attached herein as Exhibit A; and,

WHEREAS, the Airport is generally operated as an enterprise fund and it is the desire and goal of the City to fund the Airport through operational revenue, grants and dedicated tax sources for transportation when available, and when advances or gap financing is provided for specific projects, the Airport budget may repay such advances if an appropriate funding source is identified; and

WHEREAS, since the approval of the purchase and the closing on the sale the staff has worked to identify a financing plan, attached herein as Exhibit A, that may be used to repay the temporary use of City's pooled funds for the purchase of the hangar; and

WHEREAS, the proposed financing plan contemplates that the City fund the \$1.5 million purchase price of the hangar as follows: \$1.5 million to be financed by F324 – Road and Bridge Improvement over a five year period; and

WHEREAS, the City Council is desirous of approving a long term financing plan and appropriating funds for the purpose of repaying the City's pooled funds for the purchase price as outlined herein from the Transportation Sales Tax which is available for Airport projects subject to annual appropriations; and

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WHEREAS, such repayment financing plan shall necessitate a budget adjustment by making appropriate transfers in funds identified herein, reductions and additions in the funds of the City to permit an interfund transfer for the purpose of commencing the repayment of the advance of the purchase price of the hangar to the City's pooled funds.

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

SECTION 1. The City Council hereby approves, subject to annual appropriations and sufficient receipts of Transportation Sales Tax revenue, the use and transfer of funds from the F324-Road & Bridge Improvement Fund to the F510-Airport Fund as outlined in the financing plan set out above and is set out on Exhibit A as attached hereto for the limited purpose of repayment to the City's pooled funds of the temporary advancement of the purchase price for the hangar of \$1,503,081.

SECTION 2. That the Budget for the Fiscal Year ending June 30, 2017, as adopted by Ordinance No. 7894, is hereby amended by increasing the appropriations to or reductions and expenditures of the below identified funds for the fiscal and budget year of 2016-2017, in the manner shown below.

<b>Amended Fund</b>	<b>Amended Department</b>	<b>Added/ (Reduced)</b>	<b>New Amended budget</b>
F100 General Fund	Administration	\$132,913	\$4,379,212
F324 - Road & Bridge Improvement		\$266,268	\$25,814,580

SECTION 3. All other provisions of Ordinance No. 7894 shall remain in full force and effect subject to Amendment No. 1 (Ordinance No: 7944); Amendment No. 2 (Ordinance No: 7945); Amendment No. 3 (Ordinance No: 7963); Amendment No. 4 (Ordinance No: 7993); Amendment No. 5 (Ordinance No: 7994); Amendment No. 6 (Ordinance No: 8044); Amendment No. 7 (Ordinance No: 8077); Amendment No. 8 (Ordinance No: 8097); Amendment No. 9 (Ordinance No. 8098); and Amendment No.10 (Ordinance No:\_\_\_\_\_).

SECTION 4. 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 5. 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.

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PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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Mayor *Randall L. Rhoads*

ATTEST:

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City Clerk *Denise R. Chisum*

APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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Mayor *Randall L. Rhoads*

ATTEST:

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City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management & Operations/Deputy City Attorney  
*Jackie McCormick Heanue*