

**TENTATIVE AGENDA**  
**RAYTOWN BOARD OF ALDERMEN**  
**APRIL 9, 2019**  
**REGULAR SESSION NO. 50**  
RAYTOWN CITY HALL  
10000 EAST 59<sup>TH</sup> STREET  
RAYTOWN, MISSOURI 64133  
**7:00 P.M.**

**OPENING SESSION**

Invocation/Pledge of Allegiance  
Roll Call

Public Comments  
Communication from the Mayor  
Communication from the City Administrator  
Committee Reports

**STUDY SESSION**

2017-2018 Audit Presentation  
Mize Houser & Company, P.A.

**1. CONSENT AGENDA**

All matters listed under the Consent Agenda are considered to be routine by the Board of Aldermen and will be enacted by one motion without separate discussion or debate. The Mayor or a member of the Board of Aldermen may request that any item be removed from the consent agenda. If there is no objection by the remaining members of the board, such item will be removed from the consent agenda and considered separately. If there is an objection, the item may only be removed by a motion and vote of the board.

Approval of the Regular March 19, 2019 Board of Aldermen meeting minutes.

**R-3191-19: A RESOLUTION** AUTHORIZING AND APPROVING THE APPOINTMENT OF PAUL WHITNEY AS THE WARD 1 REPRESENTATIVE TO THE SPECIAL SALES TAX REVIEW COMMITTEE. Point of Contact: Teresa Henry, City Clerk.

**REGULAR AGENDA**

**NEW BUSINESS**

2. Public Hearing: A public hearing to consider a Conditional Use Permit for property located at 9003 E. 87<sup>th</sup> Street.
  - 2a. **FIRST READING: Bill No. 6500-19, Section XIII. AN ORDINANCE** GRANTING A CONDITIONAL USE PERMIT TO REMOVE AN EXISTING MONUMENT SIGN AND CONSTRUCT A NEW MONUMENT SIGN AT THE SAME LOCATION AT THE PROPERTY LOCATED AT 9003 E 87<sup>th</sup> STREET. Point of Contact: Ray Haydaripoor, Community Development Director.
3. **R-3192-19: A RESOLUTION** AUTHORIZING AND APPROVING AN AGREEMENT WITH THE MUDD LAW FIRM FOR SPECIAL COUNSEL SERVICES AND APPROVING THE EXPENDITURE OF FUNDS WITH THE MUDD LAW FIRM IN EXCESS OF \$15,000.00 BUT WITHIN BUDGETED AMOUNTS FOR FISCAL YEAR 2018-2019. Point of Contact: Damon Hodges, City Administrator.
4. **R-3193-19: A RESOLUTION** AUTHORIZING AND APPROVING AN AGREEMENT WITH CONSOLIDATED COMMUNICATIONS FOR TELECOMMUNICATIONS/DATA SERVICES. Point of Contact: Missy Wilson, Assistant City Administrator.

5. **R-3194-19: A RESOLUTION** DECLARING CERTAIN PROPERTY OWNED BY THE CITY OF RAYTOWN AS SURPLUS AND AUTHORIZING DISPOSITION OF SUCH PROPERTY. Point of Contact: Damon Hodges, City Administrator.
6. **R-3195-19: A RESOLUTION** DECLARING CERTAIN PROPERTY OWNED BY THE CITY OF RAYTOWN AS SURPLUS AND AUTHORIZING DISPOSITION OF SUCH PROPERTY BY AUCTION. Point of Contact: Damon Hodges, City Administrator.
7. **R-3196-19: A RESOLUTION** ACCEPTING A JUSTICE ASSISTANCE GRANT FROM THE U.S. DEPARTMENT OF JUSTICE IN THE AMOUNT OF \$10,681.00 TO BE USED FOR THE PURCHASE OF POLICE EQUIPMENT AND AMENDING THE FISCAL YEAR 2018-2019 BUDGET TO REFLECT THE INCREASE IN GRANT REVENUES. Point of Contact: Randy Hudspeth, Interim Police Chief.
8. **R-3197-19: A RESOLUTION** AUTHORIZING AND APPROVING PARTICIPATION BY THE CITY IN THE YOUTH ALCOHOL ENFORCEMENT CAMPAIGN THROUGH THE MISSOURI DEPARTMENT OF TRANSPORTATION AND AN APPLICATION FOR GRANT FUNDING IN CONNECTION WITH THE MISSOURI DEPARTMENT OF TRANSPORTATION YOUTH ALCOHOL ENFORCEMENT CAMPAIGN FOR SUCH PURPOSES. Point of Contact: Randy Hudspeth, Interim Police Chief.

## **ADJOURNMENT**

**CITY OF RAYTOWN, MISSOURI**

**FINANCIAL STATEMENTS**

**Year Ended October 31, 2018**

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CITY OF RAYTOWN, MISSOURI

Financial Statements  
Year ending October 31, 2018

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CITY OF RAYTOWN, MISSOURI

Financial Statements  
Year ending October 31, 2018

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MIZE & HOUSER  
COMPANY P.A.

## INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen  
City of Raytown, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, Missouri, as of and for the year ended October 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the financial statements referred to above 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 Raytown, Missouri, as of October 31, 2018, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the TIF Fund, and the Transportation Sales Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

#### *Change in Accounting Principle*

As described in Note IV.L. to the financial statements, the City implemented GASB 75 during the current year. As a result of the implementation, a restatement was made to the net position at October 31, 2017. Our opinion is not modified with respect to this matter.

[www.mizehouser.com](http://www.mizehouser.com) ■ [mhco@mizehouser.com](mailto:mhco@mizehouser.com)

534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f

534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f

7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f

211 E Eighth Suite A ■ Lawrence, KS 66044-2771 ■ 785.842.8844 p ■ 785.842.9049 f

*Prior Period Restatement*

As described in Note IV.L to the financial statements, management determined that certain adjustments to beginning net position were necessary. Accordingly, these amounts have been restated in the October 31, 2018, financial statements. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

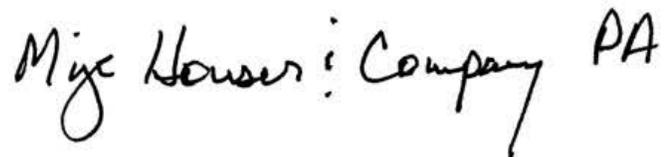
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, the schedule of changes in the City's total OPEB liability and related ratios on page 52, the schedule of the changes in net pension liability and related ratios on pages 53 and 55, the schedule of pension contributions on pages 54 and 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive, slightly slanted style.

Certified Public Accountants  
Lawrence, Kansas

March 27, 2019

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

The management team for the City of Raytown, Missouri (the City) offers our readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended October 31, 2018.

Finances for this City are multifaceted and quite complex. As such, management desires for this narrative to be informative beyond what is seen on the face of the statements and to discuss the financial activities of the City. We hope you find these comments helpful as you read through them.

**Financial Highlights**

The assets and deferred outflows for the City of Raytown, Missouri (the City) exceeded its liabilities and deferred inflows at the close of the 2018 fiscal year by \$13,899,882 (net position).

The City's total net position increased \$2,599,786 from 2017 with governmental activities totaling \$1,865,723 and business-type activities totaling \$734,063.

The City's General Fund balance increased \$1,153,484 to an ending fund balance of \$6,249,708 as of the fiscal year ended October 31, 2018.

The City's total long-term obligations decreased \$2,554,071 from 2017 with the governmental activities accounting for \$1,777,120 and business-type activities accounting for \$776,951 of the decrease as the City continues to reduce its long-term obligations.

**Overview of the Financial Statements**

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are a broad overview of the City's finances presented in a manner similar to a private business. These statements provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements report governmental activities of the City, which are principally supported by taxes and intergovernmental revenues, and business-type activities of the City, which are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities for the City include general government, parks and recreation, development and public affairs, public safety, and public works. The business-type activities for the City include the sanitary sewerage system.

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

**Fund financial statements.** Fund financial statements focus on individual parts of the City's government. These statements report the City's operations in more detail than the government-wide financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, thus it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Proprietary funds.** There are two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City currently does not use internal service funds.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, since the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the basic financial statements.** The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information that further explains and supports the information in the financial statements. This report also contains other supplementary information that provides certain combining and individual fund statements and schedules.

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

**Government-wide Financial Analysis**

The following table reflects the condensed Statement of Net Position as of October 31, 2018 and 2017:

| <b>City of Raytown</b>                              |                                |                      |                                 |                      |                      |                      |
|---|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
| <b>Condensed Statement of Net Position</b>          |                                |                      |                                 |                      |                      |                      |
|   | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Total</u>         |                      |
|   | <u>2018</u>                    | <u>2017</u>          | <u>2018</u>                     | <u>2017</u>          | <u>2018</u>          | <u>2017</u>          |
| Current assets                                      | \$ 20,250,727                  | \$ 18,790,452        | \$ 5,352,650                    | \$ 4,466,163         | \$ 25,603,377        | \$ 23,256,615        |
| Noncurrent assets                                   | 30,120,499                     | 30,562,586           | 14,099,130                      | 14,637,251           | 44,219,629           | 45,199,837           |
| Deferred outflows of resources                      | <u>3,427,633</u>               | <u>5,221,474</u>     | <u>56,732</u>                   | <u>60,757</u>        | <u>3,484,365</u>     | <u>5,282,231</u>     |
| Total assets and deferred outflows of resources     | <u>\$ 53,798,859</u>           | <u>\$ 54,574,512</u> | <u>\$ 19,508,512</u>            | <u>\$ 19,164,171</u> | <u>\$ 73,307,371</u> | <u>\$ 73,738,683</u> |
| Current liabilities                                 | \$ 14,091,871                  | \$ 16,153,131        | \$ 2,055,933                    | \$ 1,601,901         | \$ 16,147,804        | \$ 17,755,032        |
| Noncurrent liabilities                              | 33,509,024                     | 35,188,807           | 8,249,017                       | 9,106,987            | 41,758,041           | 44,295,794           |
| Deferred inflows of resources                       | <u>1,486,426</u>               | <u>386,759</u>       | <u>15,218</u>                   | <u>1,002</u>         | <u>1,501,644</u>     | <u>387,761</u>       |
| Total liabilities and deferred inflows of resources | <u>\$ 49,087,321</u>           | <u>\$ 51,728,697</u> | <u>\$ 10,320,168</u>            | <u>\$ 10,709,890</u> | <u>\$ 59,407,489</u> | <u>\$ 62,438,587</u> |
| <b>Net Position:</b>                                |                                |                      |                                 |                      |                      |                      |
| Net investment in capital assets                    | \$ 30,120,499                  | \$ 30,562,586        | \$ 5,030,257                    | \$ 4,740,531         | \$ 35,150,756        | \$ 35,303,117        |
| Restricted  | 9,875,118                      | 10,325,307           | 573,116                         | 559,232              | 10,448,234           | 10,884,539           |
| Unrestricted  | <u>[35,284,079]</u>            | <u>[38,042,078]</u>  | <u>3,584,971</u>                | <u>3,154,518</u>     | <u>[31,699,108]</u>  | <u>[34,887,560]</u>  |
| Total net position                                  | <u>\$ 4,711,538</u>            | <u>\$ 2,845,815</u>  | <u>\$ 9,188,344</u>             | <u>\$ 8,454,281</u>  | <u>\$ 13,899,882</u> | <u>\$ 11,300,096</u> |

As indicated earlier, net position may serve as a useful indicator of the City's financial position. The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$4,711,538 for the City's governmental activities and \$9,188,344 for the City's business-type activities for a total of \$13,899,882 at the close of the 2018 fiscal year.

The largest portion of the City's net position, \$35,150,756, reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure, net of related debt). The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending.

The City currently has deficit unrestricted net position related to governmental activities due to the economic development project on 350 Highway. In 2007, the City issued tax increment and sales tax revenue bonds in the amount of \$39,990,000 to fund certain development project costs. Certain debt service payments are subject to annual appropriations, but not backed by the full faith and credit of the City. This obligation has resulted in the City recording the obligation with no reportable capital asset.

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

The following table reflects the revenues and expenses from the City's activities for the years ended October 31, 2018 and 2017:

|                                    | <b>City of Raytown Changes in Net Position</b> |                     |                          |                     |                      |                      |
|------------------------------------|--|---------------------|--------------------------|---------------------|----------------------|----------------------|
|                                    | Governmental Activities                        |                     | Business-Type Activities |                     | Total                |                      |
|                                    | <u>2018</u>                                    | <u>2017</u>         | <u>2018</u>              | <u>2017</u>         | <u>2018</u>          | <u>2017</u>          |
| Revenues:                          |  |                     |                          |                     |                      |                      |
| Program revenues:                  |  |                     |                          |                     |                      |                      |
| Charges for services               | \$ 2,191,249                                   | \$ 2,157,853        | \$ 6,945,167             | \$ 6,483,337        | \$ 9,136,416         | \$ 8,641,190         |
| Operating grants and contributions | 18,387   | 56,404              | -                        | -                   | 18,387               | 56,404               |
| Capital grants and contributions   | 761,764  | -                   | -                        | -                   | 761,764              | -                    |
| General revenues:                  |  |                     |                          |                     |                      |                      |
| Property tax                       | 1,744,529                                      | 1,732,356           | -                        | -                   | 1,744,529            | 1,732,356            |
| Sales tax                          | 8,123,825                                      | 8,121,535           | -                        | -                   | 8,123,825            | 8,121,535            |
| Motor vehicle tax                  | 1,197,707                                      | 1,197,862           | -                        | -                   | 1,197,707            | 1,197,862            |
| Franchise tax                      | 3,812,717                                      | 3,728,574           | -                        | -                   | 3,812,717            | 3,728,574            |
| Intergovernmental activity tax     | 1,347,392                                      | 1,229,216           | -                        | -                   | 1,347,392            | 1,229,216            |
| Other taxes                        | 66,715   | 68,286              | -                        | -                   | 66,715               | 68,286               |
| Miscellaneous                      | 201,108  | 89,091              | -                        | -                   | 201,108              | 89,091               |
| Investment earnings                | <u>475,748</u>                                 | <u>338,950</u>      | <u>309,901</u>           | <u>289,361</u>      | <u>785,649</u>       | <u>628,311</u>       |
| Total revenues                     | <u>19,941,141</u>                              | <u>18,720,127</u>   | <u>7,255,068</u>         | <u>6,772,698</u>    | <u>27,196,209</u>    | <u>25,492,825</u>    |
| Program expenses:                  |  |                     |                          |                     |                      |                      |
| General government                 | 2,024,656                                      | 2,150,696           | -                        | -                   | 2,024,656            | 2,150,696            |
| Parks and recreation               | 1,062,475                                      | 993,331             | -                        | -                   | 1,062,475            | 993,331              |
| Community development              | 887,204  | 786,266             | -                        | -                   | 887,204              | 786,266              |
| Public safety                      | 7,281,607                                      | 8,598,824           | -                        | -                   | 7,281,607            | 8,598,824            |
| Public works                       | 5,171,963                                      | 6,010,428           | -                        | -                   | 5,171,963            | 6,010,428            |
| Interest on long term debt         | 1,647,513                                      | 1,715,961           | -                        | -                   | 1,647,513            | 1,715,961            |
| Sewer                              | <u>-</u>                                       | <u>-</u>            | <u>6,521,005</u>         | <u>5,119,305</u>    | <u>6,521,005</u>     | <u>5,119,305</u>     |
| Total expenses                     | <u>18,075,418</u>                              | <u>20,255,506</u>   | <u>6,521,005</u>         | <u>5,119,305</u>    | <u>24,596,423</u>    | <u>25,374,811</u>    |
| Transfers in [out]                 | <u>-</u>                                       | <u>1,186,107</u>    | <u>-</u>                 | <u>[1,186,107]</u>  | <u>-</u>             | <u>-</u>             |
| Change in net position             | 1,865,723                                      | [349,272]           | 734,063                  | 467,286             | 2,599,786            | 118,014              |
| Net position, beginning            | <u>2,845,815</u>                               | <u>3,195,087</u>    | <u>8,454,281</u>         | <u>7,986,995</u>    | <u>11,300,096</u>    | <u>11,182,082</u>    |
| Net position, ending               | <u>\$ 4,711,538</u>                            | <u>\$ 2,845,815</u> | <u>\$ 9,188,344</u>      | <u>\$ 8,454,281</u> | <u>\$ 13,899,882</u> | <u>\$ 11,300,096</u> |

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

**Governmental Activities**

Governmental activities increased the City's net position by \$1,865,723. Governmental fund revenues increased \$1,221,014 over 2017. The increase is primarily attributable to capital grants and contributions related to the 83<sup>rd</sup> Street Bridge and 59<sup>th</sup> Street sidewalk projects. The largest single revenue category for the City of Raytown remains sales taxes, which totaled \$8,123,825 or 40.7% of total governmental revenue. Sales tax revenues increased slightly compared to 2017. In 2018, the City changed its methodology to allocate and record certain administrative and other costs directly to the Sewer Fund in lieu of receiving a transfer in to cover those costs previously recorded in the General Fund in 2017. Accordingly, transfers in decreased by \$1,186,107 from 2017.

Governmental activities expenses decreased \$2,180,088 for the fiscal year ended October 31, 2018, compared to the prior year. Public Safety expenses decreased \$1,317,217 from 2017 as the City management made the difficult decision to reduce the public safety budget during the 2018 budgeting process. Public works expenses decreased \$838,465 primarily due the change in the methodology of allocating and recording certain costs directly to the Sewer Fund in lieu of receiving a transfer in from the Sewer Fund to cover those costs previously recorded in the General Fund in 2017.

**Business-type Activities**

The Sanitary Sewer Fund is responsible for the total business-type activities for the City. In 2018, revenues were up \$461,830 due to a 5% increase in the sewer rate structure. Business-type expenses increased \$1,401,700 from 2017 mainly due to the change in the accounting methodology which is also the reason transfers out decreased \$1,186,107 as discussed above under Governmental Activities. When combining expenses and transfers out, the net increase over 2017 is \$215,593. Increases in sewer treatment costs incurred from Little Blue Valley Sewer District and Kansas City, Missouri Water Service and repair and maintenance costs contributed to the overall increase in expenses.

**Financial Analysis of the City's Funds**

**Governmental Funds**

As of the end of the 2018 fiscal year, the City's governmental funds have a combined fund balance of \$18,567,982, which represents an increase of \$886,721 over 2017.

**General Fund**

The fund balance of the General Fund increased \$1,153,484 during the fiscal year compared to a \$795,002 decrease in 2017 and a \$795,769 decrease in 2016. The General Fund unassigned ending fund balance was \$4,730,026 or 42.4% of current year revenues and 47.3% of current year expenditures and transfers out.

The General Fund revenues were \$11,153,021 compared to \$11,057,392 in 2017 which represents an increase of \$95,629 over 2017. The most significant variances occurred with Charges for Services which increased \$358,311 over 2017 as there was a one-time write-off of uncollectible ambulance receivables in 2017 and Fines which decreased \$269,861 due to less citations in 2018 than in 2017.

General Fund expenditures, including transfers out, were \$9,999,537 compared to \$13,038,501 in 2017 which represents a decrease of \$3,038,964 or 23.3%. Public Safety expenditures decreased \$2,088,277 and Public Works decreased \$815,883 from 2017 for the same reasons discussed above under Governmental Activities.

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

**Tax Increment Finance Fund**

The TIF Fund revenues were \$2,969,250 compared to \$3,149,408 in 2017, which represents a decrease of \$180,158 primarily due to less city sales taxes available for TIF and a decrease in payments in lieu of taxes resulting from a property tax protest.

The expenditures were \$3,271,933 compared to \$3,180,763 in 2017 which represents an increase of \$91,170. This increase was due to the increases in debt service payments related to the 350 Highway TIF bonds and developer obligations.

The ending fund balance of the Tax Increment Finance (TIF) Fund was \$6,782,325 at October 31, 2018, a decrease of \$302,683 from 2017. As the debt payment schedule increases, the fund balance will be spent down unless additional development occurs to offset the escalating debt payment.

**Transportation Sales Tax Fund**

The fund balance of the Transportation Sales Tax Fund decreased \$818,692 during the fiscal year as the City incurred significant capital outlay expenditures related to the 83<sup>rd</sup> Street Bridge and 59<sup>th</sup> Street sidewalk projects. Portions of these projects were federally funded.

**Other Governmental Funds (Combined)**

Other Governmental funds represent multiple combined funds which include Park, Risk Management, Capital Improvements, Capital Sales Tax, Public Safety Sales Tax, and Stormwater funds. These funds are combined for reporting purposes only.

The other governmental funds combined revenues and transfers in 2018 were \$4,000,884 compared to \$3,811,753 in 2017 which represents an increase of \$189,131. This increase is mostly due to the change in Park and Public Safety sales tax TIF allocations.

Combined expenditures and transfers out for other Governmental Funds were \$3,146,272 compared to \$3,988,430 in 2017 which represents a decrease of \$842,158. The decrease is mainly due to a decrease in capital outlay of \$754,869 from 2017.

The combined fund balance of the other governmental funds increased \$854,612 to an ending balance of \$5,198,505 as of October 31, 2018. Of the total combined fund balance, \$822,294 is nonspendable, \$2,755,349 is restricted, and \$1,620,862 is assigned.

**Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.

The Sanitary Sewer fund operating revenues were \$6,945,167 in 2018 compared to operating revenues of \$6,483,337 in 2017. The increase of \$461,830 is related to a 5% rate increase. Expenses increased \$1,401,700 while transfers out decreased \$1,186,107 from 2017. When combining expenses and transfers out, the net increase over 2017 is \$215,593. As discussed above, additional sewer treatment costs, repair and maintenance and a change in the method of cost allocation were the primary reasons for the variances.

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

The net position of the Sanitary Sewer fund at the end of the year increased \$734,063 to an ending balance of \$9,188,344. Of the ending net position \$5,030,257 is the City's investment in capital assets net of related debt, \$573,116 is restricted for debt service and \$3,584,971 is unrestricted. The City is attempting to build unrestricted net position to provide stability in funding for needed infrastructure and maintenance in future years.

A comprehensive rate study of the sanitary sewer fund was completed focusing on long term sewer treatment, infrastructure, and maintenance. This provided a strategic plan for replacement, upgrades, and funding for our sanitary sewer projects.

**General Fund Actual to Budget Analysis**

Actual revenues and transfers in were \$285,531 greater than the final budget primarily attributable to taxes and charges for services exceeding budgeted amounts which offset the negative variance related to fines, forfeitures, and penalties resulting from less citations being issued. Actual expenditures and transfers out were \$862,923 less than the final budget. The positive variance occurred across most departments and functions primarily related to personnel costs due to some vacancies including 2 key management personnel and reductions in supplies, services and charges expenditures.

The City far exceeded City Resolution 2039-08 requiring a contingency reserve equal to 17% of the prior year expenditures.

**Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities as of October 31, 2018, amounts to \$44,219,629 compared to \$45,199,837 in 2017 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collection systems, machinery and equipment, and infrastructure. In 2018, the City completed three major capital improvement projects including complete replacement of the 83<sup>rd</sup> Street Bridge, Downtown enhancement project, School zone sidewalk installment project.

The following table reflects the capital asset activity for the years ended October 31, 2018 and 2017:

**City of Raytown Capital Assets (Net of Depreciation)**

|                            | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                            | <u>2018</u>             | <u>2017</u>         | <u>2018</u>              | <u>2017</u>         | <u>2018</u>         | <u>2017</u>         |
| Land                       | \$ 1,573,340            | \$ 1,573,340        | \$ 433,393               | \$ 433,393          | \$ 2,006,733        | \$ 2,006,733        |
| Construction in progress   | 426,607                 | 2,076,515           | -                        | -                   | 426,607             | 2,076,515           |
| Buildings and improvements | 3,235,221               | 3,332,560           | -                        | -                   | 3,235,221           | 3,332,560           |
| Equipment and vehicles     | 2,402,820               | 2,870,894           | 57,662                   | 92,860              | 2,460,482           | 2,963,754           |
| Infrastructure             | <u>22,482,511</u>       | <u>20,709,277</u>   | <u>13,608,075</u>        | <u>14,110,998</u>   | <u>36,090,586</u>   | <u>34,820,275</u>   |
| Total                      | <u>\$30,120,499</u>     | <u>\$30,562,586</u> | <u>\$14,099,130</u>      | <u>\$14,637,251</u> | <u>\$44,219,629</u> | <u>\$45,199,837</u> |

For additional information on capital assets, see Note III.F. to the basic financial statements.

CITY OF RAYTOWN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ending October 31, 2018  
Unaudited

**Debt Administration**

At the end of fiscal year 2018, the City had a total of \$44,418,660 of outstanding debt compared to \$46,972,731 in 2017. This was a decrease of \$2,554,071 from the previous year.

The following table reflects changes in the City's long-term debt for the years ended October 31, 2018 and 2017:

**City of Raytown Long-Term Debt**

|                                   | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|-----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                   | <u>2018</u>             | <u>2017</u>          | <u>2018</u>              | <u>2017</u>         | <u>2018</u>          | <u>2017</u>          |
| Tax increment and sales tax       |                         |                      |                          |                     |                      |                      |
| revenue bonds (including premium) | \$ 32,803,094           | \$ 34,173,901        | \$ -                     | \$ -                | \$ 32,803,094        | \$ 34,173,901        |
| Revenue bonds (including premium) | -                       | -                    | 9,084,794                | 9,914,410           | 9,084,794            | 9,914,410            |
| Developer obligations             | 1,622,431               | 1,771,022            | -                        | -                   | 1,622,431            | 1,771,022            |
| Compensated absences              | 463,202                 | 553,140              | 46,429                   | 5,409               | 509,631              | 558,549              |
| Net OPEB obligation               | <u>364,871</u>          | <u>532,655</u>       | <u>33,839</u>            | <u>22,194</u>       | <u>398,710</u>       | <u>554,849</u>       |
| Total                             | <u>\$ 35,253,598</u>    | <u>\$ 37,030,718</u> | <u>\$ 9,165,062</u>      | <u>\$ 9,942,013</u> | <u>\$ 44,418,660</u> | <u>\$ 46,972,731</u> |

**Requests for Information**

This financial report is designed to provide the reader with a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Finance Director, Finance Department, City of Raytown, 10000 E 59<sup>th</sup> Street, Raytown, MO 64133.

CITY OF RAYTOWN, MISSOURI

STATEMENT OF NET POSITION  
October 31, 2018

|   | Primary Government         |                             |                                |
|---|----------------------------|-----------------------------|--------------------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Primary<br>Government<br>Total |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>   |                            |                             |                                |
| Current assets:                                     |                            |                             |                                |
| Cash and cash equivalents                           | \$ 8,981,277               | \$ 3,447,847                | \$ 12,429,124                  |
| Receivables (net of allowance for uncollectibles):  |                            |                             |                                |
| Taxes   | 1,658,969                  | -                           | 1,658,969                      |
| Accounts  | 609,491                    | 1,270,085                   | 1,879,576                      |
| Fines   | 47,036                     | -                           | 47,036                         |
| Intergovernmental                                   | 263,961                    | -                           | 263,961                        |
| Loan  | 633,609                    | -                           | 633,609                        |
| Interest  | 33,415                     | 13,197                      | 46,612                         |
| Inventory   | 14,769                     | -                           | 14,769                         |
| Prepaid expenses                                    | 659,166                    | 48,405                      | 707,571                        |
| Restricted cash and cash equivalents                | 6,314,602                  | 573,116                     | 6,887,718                      |
| Land held for future use                            | 1,034,432                  | -                           | 1,034,432                      |
| Total current assets                                | <u>20,250,727</u>          | <u>5,352,650</u>            | <u>25,603,377</u>              |
| Noncurrent assets:                                  |                            |                             |                                |
| Capital assets not being depreciated:               |                            |                             |                                |
| Land  | 1,573,340                  | 433,393                     | 2,006,733                      |
| Construction in progress                            | 426,607                    | -                           | 426,607                        |
| Capital assets being depreciated                    | 82,904,122                 | 26,158,145                  | 109,062,267                    |
| Less: accumulated depreciation                      | <u>[54,783,570]</u>        | <u>[12,492,408]</u>         | <u>[67,275,978]</u>            |
| Total noncurrent assets                             | <u>30,120,499</u>          | <u>14,099,130</u>           | <u>44,219,629</u>              |
| Total assets  | <u>50,371,226</u>          | <u>19,451,780</u>           | <u>69,823,006</u>              |
| Deferred outflow of resources                       |                            |                             |                                |
| Deferred charge on refunding                        | -                          | 15,921                      | 15,921                         |
| Pension liability                                   | 3,427,633                  | 40,811                      | 3,468,444                      |
| Total deferred outflow of resources                 | <u>3,427,633</u>           | <u>56,732</u>               | <u>3,484,365</u>               |
| Total assets and deferred outflow of resources      | <u>\$ 53,798,859</u>       | <u>\$ 19,508,512</u>        | <u>\$ 73,307,371</u>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES:</b>  |                            |                             |                                |
| Liabilities:  |                            |                             |                                |
| Accounts payable                                    | \$ 878,024                 | \$ 423,835                  | \$ 1,301,859                   |
| Court bonds payable                                 | 28,543                     | -                           | 28,543                         |
| Accrued liabilities                                 | 375,727                    | 47,690                      | 423,417                        |
| Interest payable                                    | 681,830                    | 129,651                     | 811,481                        |
| Customer deposits payable                           | -                          | 473,841                     | 473,841                        |
| Net pension liability                               | 10,383,173                 | 64,871                      | 10,448,044                     |
| Other-long term liabilities:                        |                            |                             |                                |
| Due within one year                                 | 1,744,574                  | 916,045                     | 2,660,619                      |
| Due in more than one year                           | 33,509,024                 | 8,249,017                   | 41,758,041                     |
| Total liabilities                                   | <u>47,600,895</u>          | <u>10,304,950</u>           | <u>57,905,845</u>              |
| Deferred inflows of resources                       |                            |                             |                                |
| OPEB liability                                      | 16,702                     | 1,550                       | 18,252                         |
| Pension liability                                   | 1,469,724                  | 13,668                      | 1,483,392                      |
| Total deferred inflows of resources                 | <u>1,486,426</u>           | <u>15,218</u>               | <u>1,501,644</u>               |
| Total liabilities and deferred inflows of resources | <u>\$ 49,087,321</u>       | <u>\$ 10,320,168</u>        | <u>\$ 59,407,489</u>           |
| <b>NET POSITION:</b>                                |                            |                             |                                |
| Net investment in capital assets                    | \$ 30,120,499              | \$ 5,030,257                | \$ 35,150,756                  |
| Restricted:   |                            |                             |                                |
| Debt service  | 6,438,072                  | 573,116                     | 7,011,188                      |
| General government                                  | 44,760                     | -                           | 44,760                         |
| Community development                               | 344,253                    | -                           | 344,253                        |
| Public safety                                       | 1,215,774                  | -                           | 1,215,774                      |
| Public works  | 1,832,259                  | -                           | 1,832,259                      |
| Unrestricted  | <u>[35,284,079]</u>        | <u>3,584,971</u>            | <u>[31,699,108]</u>            |
| Total net position                                  | <u>\$ 4,711,538</u>        | <u>\$ 9,188,344</u>         | <u>\$ 13,899,882</u>           |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI

STATEMENT OF ACTIVITIES  
For the Year Ended October 31, 2018

|                                    | Program Revenues     |                         |  |  | Net [Expenses] Revenue<br>and Changes in Net Assets |                                |                      |
|------------------------------------|----------------------|-------------------------|--|--|---|--------------------------------|----------------------|
|                                    | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                  |                                |                      |
|                                    |                      |                         |  |  | Governmental<br>Activities                          | Business<br>Type<br>Activities | Total                |
| <b>Governmental activities:</b>    |                      |                         |  |  |   |                                |                      |
| General government                 | \$ 2,024,656         | \$ 282,154              | \$ -                                     | \$ -                                   | \$ [1,742,502]                                      | \$ -                           | \$ [1,742,502]       |
| Parks and recreation               | 1,062,475            | 99,164                  | -  | -                                      | [963,311]   | -                              | [963,311]            |
| Community development              | 887,204              | 239,892                 | -  | -                                      | [647,312]   | -                              | [647,312]            |
| Public safety                      | 7,281,607            | 1,542,607               | 18,387                                   | -                                      | [5,720,613]   | -                              | [5,720,613]          |
| Public works                       | 5,171,963            | 27,432                  | -  | 761,764                                | [4,382,767]   | -                              | [4,382,767]          |
| Interest on long-term debt         | 1,647,513            | -                       | -  | -                                      | [1,647,513]   | -                              | [1,647,513]          |
| Total governmental activities      | <u>18,075,418</u>    | <u>2,191,249</u>        | <u>18,387</u>                            | <u>761,764</u>                         | <u>[15,104,018]</u>                                 | <u>-</u>                       | <u>[15,104,018]</u>  |
| <b>Business-type activities:</b>   |                      |                         |  |  |   |                                |                      |
| Sewer                              | <u>6,521,005</u>     | <u>6,945,167</u>        | <u>-</u>                                 | <u>-</u>                               | <u>-</u>  | <u>424,162</u>                 | <u>424,162</u>       |
| Total business-type activities     | <u>6,521,005</u>     | <u>6,945,167</u>        | <u>-</u>                                 | <u>-</u>                               | <u>-</u>  | <u>424,162</u>                 | <u>424,162</u>       |
| Total primary government           | <u>\$ 24,596,423</u> | <u>\$ 9,136,416</u>     | <u>\$ 18,387</u>                         | <u>\$ 761,764</u>                      | <u>[15,104,018]</u>                                 | <u>424,162</u>                 | <u>[14,679,856]</u>  |
| <b>General Revenues:</b>           |                      |                         |  |  |   |                                |                      |
| Property taxes levied for:         |                      |                         |  |  |   |                                |                      |
| General purposes                   |                      |                         |  |  | 1,163,479   | -                              | 1,163,479            |
| Parks and recreation               |                      |                         |  |  | 581,050   | -                              | 581,050              |
| Franchise tax                      |                      |                         |  |  | 3,812,717   | -                              | 3,812,717            |
| Sales tax                          |                      |                         |  |  | 8,123,825   | -                              | 8,123,825            |
| Motor vehicle tax                  |                      |                         |  |  | 1,197,707   | -                              | 1,197,707            |
| Intergovernmental activity tax     |                      |                         |  |  | 1,347,392   | -                              | 1,347,392            |
| Other taxes                        |                      |                         |  |  | 66,715  | -                              | 66,715               |
| Investments earnings               |                      |                         |  |  | 475,748   | 309,901                        | 785,649              |
| Miscellaneous                      |                      |                         |  |  | 201,108   | -                              | 201,108              |
| Total general revenues             |                      |                         |  |  | <u>16,969,741</u>                                   | <u>309,901</u>                 | <u>17,279,642</u>    |
| Change in net position             |                      |                         |  |  | <u>1,865,723</u>                                    | <u>734,063</u>                 | <u>2,599,786</u>     |
| Net position - beginning           |                      |                         |  |  | 3,103,306   | 8,461,774                      | 11,565,080           |
| Prior period adjustment            |                      |                         |  |  | <u>[257,491]</u>                                    | <u>[7,493]</u>                 | <u>[264,984]</u>     |
| Net position - beginning, restated |                      |                         |  |  | <u>2,845,815</u>                                    | <u>8,454,281</u>               | <u>11,300,096</u>    |
| Net position - ending              |                      |                         |  |  | <u>\$ 4,711,538</u>                                 | <u>\$ 9,188,344</u>            | <u>\$ 13,899,882</u> |

CITY OF RAYTOWN, MISSOURI

BALANCE SHEET  
GOVERNMENTAL FUNDS  
October 31, 2018

|   | <u>General</u>             | <u>TIF</u>                 | <u>Transportation<br/>Sales Tax</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------------|----------------------------|-------------------------------------|---|---|
| <b>ASSETS</b>   |                            |                            |                                     |   |   |
| Cash and investments  | \$ 4,143,915               | \$ 197,708                 | \$ 250,583                          | \$ 4,389,070                            | \$ 8,981,276                            |
| Receivables:  |                            |                            |                                     |   |   |
| Taxes   | 735,705                    | 253,894                    | 194,205                             | 475,165                                 | 1,658,969                               |
| Accounts  | 252,093                    | -                          | 357,398                             | -                                       | 609,491                                 |
| Fines   | 47,036                     | -                          | -                                   | -                                       | 47,036                                  |
| Intergovernmental   | 97,042                     | 166,919                    | -                                   | -                                       | 263,961                                 |
| Loan  | -                          | -                          | -                                   | 633,609                                 | 633,609                                 |
| Interest  | 14,721                     | 2,240                      | 581                                 | 15,873                                  | 33,415                                  |
| Inventory   | 14,769                     | -                          | -                                   | -                                       | 14,769                                  |
| Prepaid expenses  | 470,481                    | -                          | -                                   | 188,685                                 | 659,166                                 |
| Restricted cash and investments   | -                          | 6,314,602                  | -                                   | -                                       | 6,314,602                               |
| Land held for future use  | 1,034,432                  | -                          | -                                   | -                                       | 1,034,432                               |
| <b>Total assets</b>   | <b><u>\$ 6,810,194</u></b> | <b><u>\$ 6,935,363</u></b> | <b><u>\$ 802,767</u></b>            | <b><u>\$ 5,702,402</u></b>              | <b><u>\$ 20,250,726</u></b>             |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>       |                            |                            |                                     |   |   |
| <b>Liabilities:</b>   |                            |                            |                                     |   |   |
| Accounts payable  | \$ 184,367                 | \$ 109,010                 | \$ 155,936                          | \$ 428,710                              | \$ 878,023                              |
| Court bonds payable   | 28,543                     | -                          | -                                   | -                                       | 28,543                                  |
| Accrued liabilities   | 300,540                    | -                          | -                                   | 75,187                                  | 375,727                                 |
| <b>Total liabilities</b>  | <b><u>513,450</u></b>      | <b><u>109,010</u></b>      | <b><u>155,936</u></b>               | <b><u>503,897</u></b>                   | <b><u>1,282,293</u></b>                 |
| <b>Deferred inflows of resources:</b>   |                            |                            |                                     |   |   |
| Unavailable revenue - other   | 47,036                     | -                          | -                                   | -                                       | 47,036                                  |
| Unavailable revenue - intergovernmental revenues                              | -                          | 44,028                     | 309,387                             | -                                       | 353,415                                 |
| <b>Total deferred inflows of resources</b>                                    | <b><u>47,036</u></b>       | <b><u>44,028</u></b>       | <b><u>309,387</u></b>               | <b><u>-</u></b>                         | <b><u>400,451</u></b>                   |
| <b>Total liabilities and deferred inflows of resources</b>                    | <b><u>560,486</u></b>      | <b><u>153,038</u></b>      | <b><u>465,323</u></b>               | <b><u>503,897</u></b>                   | <b><u>1,682,744</u></b>                 |
| <b>Fund balance:</b>  |                            |                            |                                     |   |   |
| Nonspendable  | 1,519,682                  | -                          | -                                   | 822,294                                 | 2,341,976                               |
| Restricted:   |                            |                            |                                     |   |   |
| Debt service  | -                          | 6,438,072                  | -                                   | -                                       | 6,438,072                               |
| General government  | -                          | -                          | -                                   | 44,760                                  | 44,760                                  |
| Community development   | -                          | 344,253                    | -                                   | -                                       | 344,253                                 |
| Public safety   | -                          | -                          | -                                   | 1,215,774                               | 1,215,774                               |
| Public works  | -                          | -                          | 337,444                             | 1,494,815                               | 1,832,259                               |
| Assigned:   |                            |                            |                                     |   |   |
| Parks and recreation  | -                          | -                          | -                                   | 921,172                                 | 921,172                                 |
| Public works  | -                          | -                          | -                                   | 699,690                                 | 699,690                                 |
| Unassigned  | 4,730,026                  | -                          | -                                   | -                                       | 4,730,026                               |
| <b>Total fund balance [deficit]</b>   | <b><u>6,249,708</u></b>    | <b><u>6,782,325</u></b>    | <b><u>337,444</u></b>               | <b><u>5,198,505</u></b>                 | <b><u>18,567,982</u></b>                |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b><u>\$ 6,810,194</u></b> | <b><u>\$ 6,935,363</u></b> | <b><u>\$ 802,767</u></b>            | <b><u>\$ 5,702,402</u></b>              | <b><u>\$ 20,250,726</u></b>             |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

For the Year Ended October 31, 2018

Total Governmental Fund Balances \$ 18,567,982

Amounts reported for governmental activities in the  
statement of net position are different because

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds

|                               |                     |            |
|-------------------------------|---------------------|------------|
| The cost of capital assets is | 84,904,069          |            |
| Accumulated depreciation is   | <u>[54,783,570]</u> | 30,120,499 |

Pension contributions are reported as an expense in the funds as a  
deferred outflow of resources in the governmental activities in the  
statement of net position 3,427,633

Pension fundings are reported as a revenue in the funds and as a  
deferred inflow of resources in the governmental activities in the  
statement of net position [1,469,724]

Other post-employment benefit fundings are reported as a revenue  
in the funds and as a deferred inflow of resources in the governmental  
activities in the statement of net position [16,701]

Other long-term assets are not available to pay for current-period and,  
therefore, are reported as unavailable revenue in the funds 400,451

Long-term liabilities, including bonds payable, are not due and payable in  
the current period and therefore are not reported as liabilities in the funds.  
Long term liabilities at year end consist of:

|  |                |                     |
|--|----------------|---------------------|
| Revenue bonds payable                        | 32,803,094     |                     |
| Net pension liability                        | 10,383,173     |                     |
| Net other post employment benefit obligation | 364,871        |                     |
| Developer obligations payable                | 1,622,431      |                     |
| Interest payable                             | 681,830        |                     |
| Compensated absences payable                 | <u>463,203</u> | <u>[46,318,602]</u> |

Net Position of Governmental Activities \$ 4,711,538

CITY OF RAYTOWN, MISSOURI

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended October 31, 2018

|  | General           | TIF              | Transportation<br>Sales Tax | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|------------------|-----------------------------|--------------------------------|--------------------------------|
| <b>REVENUES:</b>   |                   |                  |                             |                                |                                |
| Taxes  | \$ 7,702,356      | \$ 1,412,050     | \$ 1,171,590                | \$ 3,461,790                   | \$ 13,747,786                  |
| Intergovernmental activity taxes   | -                 | 1,303,364        | -                           | -                              | 1,303,364                      |
| Licenses and permits   | 413,067           | -                | -                           | -                              | 413,067                        |
| Intergovernmental  | 1,216,094         | -                | 452,377                     | -                              | 1,668,471                      |
| Fines, forfeitures and penalties   | 364,763           | -                | -                           | -                              | 364,763                        |
| Charges for services   | 1,317,364         | -                | -                           | 99,164                         | 1,416,528                      |
| Use of money and property  | 68,413            | 253,836          | 8,892                       | 144,608                        | 475,749                        |
| Miscellaneous  | 70,964            | -                | 1,656                       | 145,322                        | 217,942                        |
| <b>Total revenues</b>  | <b>11,153,021</b> | <b>2,969,250</b> | <b>1,634,515</b>            | <b>3,850,884</b>               | <b>19,607,670</b>              |
| <b>EXPENDITURES:</b>   |                   |                  |                             |                                |                                |
| Current:   |                   |                  |                             |                                |                                |
| General government   | 1,858,021         | -                | -                           | 39,824                         | 1,897,845                      |
| Parks and recreation   | -                 | -                | -                           | 887,187                        | 887,187                        |
| Community development  | 737,318           | 241,283          | -                           | -                              | 978,601                        |
| Public safety  | 5,434,955         | -                | -                           | 1,327,180                      | 6,762,135                      |
| Public works   | 1,819,243         | -                | -                           | 191,785                        | 2,011,028                      |
| Capital outlay   | -                 | -                | 2,453,207                   | 700,296                        | 3,153,503                      |
| Debt service   |                   |                  |                             |                                |                                |
| Principal  | -                 | 1,355,000        | -                           | -                              | 1,355,000                      |
| Interest and other charges   | -                 | 1,675,650        | -                           | -                              | 1,675,650                      |
| <b>Total expenditures</b>  | <b>9,849,537</b>  | <b>3,271,933</b> | <b>2,453,207</b>            | <b>3,146,272</b>               | <b>18,720,949</b>              |
| Excess [deficiency] of revenues<br>over [under] expenditures                                       | 1,303,484         | [302,683]        | [818,692]                   | 704,612                        | 886,721                        |
| <b>OTHER FINANCING SOURCES [USES]</b>  |                   |                  |                             |                                |                                |
| Transfers in   | -                 | -                | -                           | 150,000                        | 150,000                        |
| Transfers [out]  | [150,000]         | -                | -                           | -                              | [150,000]                      |
| <b>Total other financing sources [uses]</b>  | <b>[150,000]</b>  | <b>-</b>         | <b>-</b>                    | <b>150,000</b>                 | <b>-</b>                       |
| Excess [deficiency] of revenues<br>and other sources over [under]<br>expenditures and other [uses] | 1,153,484         | [302,683]        | [818,692]                   | 854,612                        | 886,721                        |
| Fund balance - Beginning of year   | 5,096,224         | 7,085,008        | 1,156,136                   | 4,343,893                      | 17,681,261                     |
| Fund balance - End of year   | \$ 6,249,708      | \$ 6,782,325     | \$ 337,444                  | \$ 5,198,505                   | \$ 18,567,982                  |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
For the Year Ended October 31, 2018

|   |                    |                  |
|---|--------------------|------------------|
| Total Net Change In Fund Balances - Governmental Funds  | \$                 | 886,721          |
| Amounts reported for governmental activities in the statement of activities are different because   |                    |                  |
| Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.   |                    |                  |
| Capital outlays   | 2,502,181          |                  |
| Loss on sale of assets  | [32,644]           |                  |
| Depreciation expense  | <u>[3,052,665]</u> | [583,128]        |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                    | [400,451]        |
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased. |                    | 28,137           |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.   |                    |                  |
| Compensated absences  |                    | 12,310           |
| Net other post employment benefits  |                    | 167,784          |
| Repayment of developer obligations is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.  |                    | 148,591          |
| Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.   |                    | 1,370,807        |
| Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities   |                    | <u>234,952</u>   |
| Changes In Net position of Governmental Activities  | \$                 | <u>1,865,723</u> |

## CITY OF RAYTOWN, MISSOURI

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
For the Year Ended October 31, 2018

|  | Budgeted Amounts  |                   | Actual              | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|-------------------|-------------------|---------------------|---|
|  | Original          | Final             |                     |   |
| Revenues:  |                   |                   |                     |   |
| Taxes  | \$ 7,505,855      | \$ 7,505,855      | \$ 7,702,356        | \$ 196,501  |
| Licenses and permits   | 350,950           | 350,950           | 413,067             | 62,117  |
| Intergovernmental  | 1,192,500         | 1,199,500         | 1,216,094           | 16,594  |
| Fines, forfeitures and penalties   | 629,200           | 629,200           | 364,763             | [264,437]   |
| Charges for services   | 1,089,700         | 1,089,700         | 1,317,364           | 227,664   |
| Use of money and property  | 31,000            | 31,000            | 68,413              | 37,413  |
| Miscellaneous  | 61,285            | 61,285            | 70,964              | 9,679   |
| Total Revenues   | <u>10,860,490</u> | <u>10,867,490</u> | <u>11,153,021</u>   | <u>285,531</u>  |
| Expenditures:  |                   |                   |                     |   |
| General government:  |                   |                   |                     |   |
| Governing body   | 259,313           | 259,313           | 247,606             | 11,707  |
| Administration   | 758,906           | 755,906           | 633,860             | 122,046   |
| Finance  | 501,165           | 501,165           | 453,736             | 47,429  |
| Courts   | 365,321           | 365,322           | 317,569             | 47,753  |
| Legal  | 115,240           | 118,240           | 121,780             | [3,540]   |
| City wide  | 136,067           | 136,067           | 83,470              | 52,597  |
| Total general government   | <u>2,136,012</u>  | <u>2,136,013</u>  | <u>1,858,021</u>    | <u>277,992</u>  |
| Community development  | <u>821,628</u>    | <u>821,628</u>    | <u>737,318</u>      | <u>84,310</u>   |
| Public safety:   |                   |                   |                     |   |
| EMS  | 1,242,283         | 1,246,783         | 1,171,376           | 75,407  |
| Police   | 4,351,245         | 4,363,437         | 4,263,579           | 99,858  |
| Total public safety  | <u>5,593,528</u>  | <u>5,610,220</u>  | <u>5,434,955</u>    | <u>175,265</u>  |
| Public works   | <u>2,149,099</u>  | <u>2,144,599</u>  | <u>1,819,243</u>    | <u>325,356</u>  |
| Total Expenditures   | <u>10,700,267</u> | <u>10,712,460</u> | <u>9,849,537</u>    | <u>862,923</u>  |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures                                       | <u>160,223</u>    | <u>155,030</u>    | <u>1,303,484</u>    | <u>1,148,454</u>  |
| Other Financing Sources [Uses]:  |                   |                   |                     |   |
| Transfers [out]  | <u>[150,000]</u>  | <u>[150,000]</u>  | <u>[150,000]</u>    | <u>-</u>  |
| Total Other Financing Sources [Uses]   | <u>[150,000]</u>  | <u>[150,000]</u>  | <u>[150,000]</u>    | <u>-</u>  |
| Excess [Deficiency] of Revenues<br>and Other Sources Over [Under]<br>Expenditures and Other [Uses] | <u>\$ 10,223</u>  | <u>\$ 5,030</u>   | <u>1,153,484</u>    | <u>\$ 1,148,454</u>                                     |
| Fund Balance, November 1   |                   |                   | <u>5,096,224</u>    |   |
| Fund Balance, October 31   |                   |                   | <u>\$ 6,249,708</u> |   |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI

TIF FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended October 31, 2018

|                                  | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | Variance with                                 |
|----------------------------------|-------------------------|---------------------|---------------------|---|
|                                  | <u>Original</u>         | <u>Final</u>        |                     | Final Budget<br>Positive<br><u>[Negative]</u> |
| Revenues:                        |                         |                     |                     |   |
| Taxes                            | \$ 1,500,000            | \$ 1,500,000        | \$ 1,412,050        | \$ [87,950]                                   |
| Intergovernmental activity taxes | 1,251,505               | 1,251,505           | 1,303,364           | 51,859  |
| Use of money and property        | <u>217,500</u>          | <u>217,500</u>      | <u>253,836</u>      | <u>36,336</u>                                 |
| Total Revenues                   | <u>2,969,005</u>        | <u>2,969,005</u>    | <u>2,969,250</u>    | <u>245</u>                                    |
| Expenditures:                    |                         |                     |                     |   |
| Community development            | 168,500                 | 219,000             | 241,283             | [22,283]                                      |
| Debt service                     |                         |                     |                     |   |
| Principal                        | 1,355,000               | 1,355,000           | 1,355,000           | -   |
| Interest and other charges       | <u>1,675,650</u>        | <u>1,675,650</u>    | <u>1,675,650</u>    | <u>-</u>                                      |
| Total Expenditures               | <u>3,199,150</u>        | <u>3,249,650</u>    | <u>3,271,933</u>    | <u>[22,283]</u>                               |
| Excess [Deficiency] of Revenues  |                         |                     |                     |   |
| Over [Under] Expenditures        | <u>\$ [230,145]</u>     | <u>\$ [280,645]</u> | [302,683]           | <u>\$ [22,038]</u>                            |
| Fund Balance, November 1         |                         |                     | <u>7,085,008</u>    |   |
| Fund Balance, October 31         |                         |                     | <u>\$ 6,782,325</u> |   |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI

TRANSPORTATION SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended October 31, 2018

|  | <u>Budgeted Amounts</u> |                       | <u>Actual</u>     | Variance with                                 |
|--|-------------------------|-----------------------|-------------------|---|
|  | <u>Original</u>         | <u>Final</u>          |                   | Final Budget<br>Positive<br><u>[Negative]</u> |
| Revenues:  |                         |                       |                   |   |
| Taxes  | \$ 1,215,000            | \$ 1,215,000          | \$ 1,171,590      | \$ [43,410]                                   |
| Intergovernmental  | 1,237,500               | 1,237,500             | 452,377           | [785,123]                                     |
| Miscellaneous  | -                       | -                     | 1,656             | 1,656   |
| Use of money and property  | <u>4,000</u>            | <u>4,000</u>          | <u>8,892</u>      | <u>4,892</u>                                  |
| Total Revenues   | <u>2,456,500</u>        | <u>2,456,500</u>      | <u>1,634,515</u>  | <u>[821,985]</u>                              |
| Expenditures:  |                         |                       |                   |   |
| Contractual services   | 763,000                 | 258,000               | 220,240           | 37,760  |
| Capital outlay   | <u>5,015,000</u>        | <u>3,804,294</u>      | <u>1,680,533</u>  | <u>2,123,761</u>                              |
| Total Expenditures   | <u>5,778,000</u>        | <u>4,062,294</u>      | <u>1,900,773</u>  | <u>2,161,521</u>                              |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures                                       | <u>[3,321,500]</u>      | <u>[1,605,794]</u>    | <u>[266,258]</u>  | <u>1,339,536</u>                              |
| OTHER FINANCING SOURCES [USES]   |                         |                       |                   |   |
| Bond proceeds  | <u>4,000,000</u>        | -                     | -                 | -   |
| Total other financing sources [uses]   | <u>4,000,000</u>        | -                     | -                 | -   |
| Excess [deficiency] of revenues<br>and other sources over [under]<br>expenditures and other [uses] | <u>\$ 678,500</u>       | <u>\$ [1,605,794]</u> | [266,258]         | <u>\$ 1,339,536</u>                           |
| Fund Balance, November 1   |                         |                       | <u>565,943</u>    |   |
| Fund Balance, October 31   |                         |                       | 299,685           |   |
| GAAP to Budgetary Basis Adjustment:  |                         |                       |                   |   |
| Encumbrances Outstanding   |                         |                       | <u>37,759</u>     |   |
| GAAP Basis, October 31   |                         |                       | <u>\$ 337,444</u> |   |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 October 31, 2018

|  | <u>Sewer<br/>Utility</u> |
|--|--------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>        |                          |
| Current assets:  |                          |
| Cash and investments                                     | \$ 3,447,847             |
| Receivables:   |                          |
| Accounts (net of allowance)                              | 1,270,085                |
| Interest   | 13,197                   |
| Restricted cash and investments                          | 573,116                  |
| Prepaid expenses   | <u>48,405</u>            |
| Total current assets                                     | <u>5,352,650</u>         |
| Noncurrent assets:                                       |                          |
| Capital assets not being depreciated:                    |                          |
| Land   | 433,393                  |
| Capital assets being depreciated                         | 26,158,145               |
| Less: accumulated depreciation                           | <u>[12,492,408]</u>      |
| Total noncurrent assets                                  | <u>14,099,130</u>        |
| Total assets   | <u>19,451,780</u>        |
| Deferred outflows of resources:                          |                          |
| Deferred charge on refunding                             | 15,921                   |
| Pension liability  | <u>40,811</u>            |
| Total deferred outflows of resources                     | <u>56,732</u>            |
| Total assets and deferred outflows of resources          | <u>\$ 19,508,512</u>     |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>    |                          |
| Current liabilities (payable from current assets):       |                          |
| Accounts payable   | \$ 423,835               |
| Accrued liabilities                                      | 47,690                   |
| Compensated absences                                     | 46,429                   |
| Interest payable   | 129,651                  |
| Customer deposits payable                                | 473,841                  |
| Current portion of bonds payable                         | <u>869,616</u>           |
| Total current liabilities (payable from current assets): | <u>1,991,062</u>         |
| Noncurrent liabilities:                                  |                          |
| Net other post employment benefit obligation             | 33,839                   |
| Bonds payable  | 8,215,178                |
| Net pension liability                                    | <u>64,871</u>            |
| Total noncurrent liabilities:                            | <u>8,313,888</u>         |
| Total liabilities  | <u>10,304,950</u>        |
| Deferred inflows of resources:                           |                          |
| OPEB liability   | 1,550                    |
| Pension liability  | <u>13,668</u>            |
| Total deferred inflows of resources                      | <u>15,218</u>            |
| Total liabilities and deferred inflows of resources      | <u>\$ 10,320,168</u>     |
| <b>NET POSITION:</b>                                     |                          |
| Net investment in capital assets                         | \$ 5,030,257             |
| Restricted for:  |                          |
| Debt service   | 573,116                  |
| Unrestricted   | <u>3,584,971</u>         |
| Total Net Position                                       | <u>\$ 9,188,344</u>      |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended October 31, 2018

|  | <u>Sewer<br/>Utility</u> |
|--|--------------------------|
| Operating revenues:                    |                          |
| Charges for services                   | \$ 6,875,494             |
| Other                                  | <u>69,673</u>            |
| Total operating revenues               | <u>6,945,167</u>         |
| Operating expenses:                    |                          |
| Personal services                      | 866,814                  |
| Contractual                            | 4,377,632                |
| Commodities                            | 94,193                   |
| Capital outlay                         | 204,498                  |
| Depreciation                           | <u>538,121</u>           |
| Total operating expenses               | <u>6,081,258</u>         |
| Operating income [loss]                | <u>863,909</u>           |
| Nonoperating revenues [expenses]:      |                          |
| Interest on long term debt             | [439,747]                |
| Interest income                        | <u>309,901</u>           |
| Total nonoperating revenues [expenses] | <u>[129,846]</u>         |
| Change in net position                 | <u>734,063</u>           |
| Net position, November 1               | 8,461,774                |
| Prior period adjustment                | <u>[7,493]</u>           |
| Net position, November 1, restated     | <u>8,454,281</u>         |
| Net position, October 31               | <u>\$ 9,188,344</u>      |

CITY OF RAYTOWN, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended October 31, 2018

|   | Sewer<br>Utility |
|---|------------------|
| Cash flows from operating activities                                    |                  |
| Cash received from customers  | \$ 6,971,449     |
| Cash paid to suppliers and employees                                    | [5,142,474]      |
| Net cash provided by [used in] operating activities                     | 1,828,975        |
| <br>Cash flows from capital and related financing activities            |                  |
| Principal paid on bonds, notes and loans                                | [829,616]        |
| Interest expense and fiscal charges                                     | [449,390]        |
| Net cash provided by [used in] capital and related financing activities | [1,279,006]      |
| <br>Cash flows from investing activities                                |                  |
| Interest income   | 304,560          |
| Net cash provided by [used in] investing activities                     | 304,560          |
| <br>Net increase [decrease] in cash and investments                     | 854,529          |
| <br>Cash and investments and restricted cash, November 1                | 3,166,434        |
| <br>Cash and investments and restricted cash, October 1                 | \$ 4,020,963     |
| <br>Cash and investments  | \$ 3,447,847     |
| Restricted cash and investments   | 573,116          |
| Cash and investments and restricted cash, October 1                     | \$ 4,020,963     |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI  
STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS  
For the Year Ended October 31, 2018

|   | <u>Sewer<br/>Utility</u> |
|---|--------------------------|
| Reconciliation of Operating Net Income to<br>Net Cash Provided by Operating Activities:                     |                          |
| Operating income [loss]   | \$ <u>863,909</u>        |
| Adjustments to reconcile operating income [loss] to<br>net cash provided by [used in] operating activities: |                          |
| Depreciation  | 538,121                  |
| Change in assets and liabilities:   |                          |
| [Increase] decrease in accounts receivable  | [22,486]                 |
| [Increase] decrease in prepaid expenses   | [4,131]                  |
| [Increase] decrease in pension liability deferred outflows  | 2,256                    |
| Increase [decrease] in accounts payable   | 284,210                  |
| Increase [decrease] in accrued liabilities  | 41,163                   |
| Increase [decrease] in compensated absences   | 41,046                   |
| Increase [decrease] in customer deposit payable   | 48,768                   |
| Increase [decrease] in net other post employment benefit obligation   | 11,646                   |
| Increase [decrease] in net pension liability  | 10,257                   |
| Increase [decrease] in pension liability deferred inflows   | <u>14,216</u>            |
| Total Adjustments   | <u>965,066</u>           |
| Net Cash Provided by [Used in] Operating Activities   | <u>\$ 1,828,975</u>      |

CITY OF RAYTOWN, MISSOURI  
 STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 For the Year Ended October 31, 2018

|                                    | Police<br>Pension<br>Trust | Agency<br>Funds   |
|------------------------------------|----------------------------|-------------------|
| <b>ASSETS</b>                      |                            |                   |
| Cash and investments               | \$ 10,193,388              | \$ 74,570         |
| Accounts receivable                | -                          | 33,884            |
| <b>Total assets</b>                | <b>\$ 10,193,388</b>       | <b>\$ 108,454</b> |
| <b>LIABILITIES</b>                 |                            |                   |
| Due to others                      | \$ -                       | \$ 108,454        |
| <b>Total liabilities</b>           | <b>\$ -</b>                | <b>\$ 108,454</b> |
| <b>NET POSITION</b>                |                            |                   |
| Held in trust for pension benefits | \$ 10,193,388              | \$ -              |
| <b>Total Net Position</b>          | <b>\$ 10,193,388</b>       | <b>\$ -</b>       |

The notes to the financial statements are an integral part of this statement

CITY OF RAYTOWN, MISSOURI  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended October 31, 2018

|   | Police<br>Pension<br>Trust |
|---|----------------------------|
| Additions:                                    |                            |
| Employer contributions                        | \$ 595,905                 |
| Investment earnings:                          |                            |
| Interest and dividends                        | 321,212                    |
| Net appreciation in fair value of investments | [187,369]                  |
| Investment expenses                           | <u>[56,888]</u>            |
| Total additions                               | <u>672,860</u>             |
| Deductions:                                   |                            |
| Benefits paid                                 | 1,234,435                  |
| Administrative and other expenses             | <u>44,896</u>              |
| Total deductions                              | <u>1,279,331</u>           |
| Change in net position                        | [606,471]                  |
| Net position, beginning of year               | <u>10,799,859</u>          |
| Net position, end of year                     | <u>\$ 10,193,388</u>       |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The City of Raytown, Missouri (the City), was incorporated in 1950 and covers an area of approximately ten square miles in Jackson County, Missouri. Raytown is a city of the fourth class and operates under the Mayor/Board of Aldermen form of government. The City provides services to its approximately 29,500 residents in many areas, including general government, law enforcement, paramedic services, public works, sewer services, community enrichment and development, and various social services. Fire protection services are provided by a fire district, which is a separate government entity. Primary and secondary education services are provided by the Raytown School District, also a separate governmental entity.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP).

This report includes the financial statements of the City (the primary government) and its blended component unit: the City of Raytown, Missouri, Tax Increment Financing (TIF) Commission (the Commission). The Commission is governed by an eleven-member board. Six members are appointed by the City's Board of Aldermen and the remaining five members are appointed by the respective taxing districts' boards. Although the Commission is legally separate, the Commission is reported as a blended component unit because its sole function is to use TIF as a method to finance economic development through payments in lieu of taxes (PILOT) and economic activity taxes (EATs). The Commission does not issue separate financial statements.

B. *Government-wide and Fund Financial Statements*

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

C. *Measurement Focus, Basis of Accounting and Basis of Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following are the City's major governmental funds:

The General Fund is the principal operating fund of the City and accounts for all financial transactions not accounted for in other funds. For financial reporting purposes, the City's grant fund activities are included in the General Fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

The Tax Increment Financing (TIF) Fund is used to account for resources and activities of the City's tax increment financing plans.

The Transportation Sales Tax Fund is used to account for resources and activities of the City's transportation sales tax.

The City reports the following major proprietary fund:

The Sewer Utility Fund accounts for the provision of sewer services to residents of the City. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The following are the City's fiduciary funds:

The Police Pension Trust Fund accounts for the activity of the Policemen's Retirement Plan.

The Raytown Highway 350 Transportation Development District (TDD) Fund accounts for taxes collected on behalf of the TDD.

The Ditzler CID Fund which accounts for taxes collected on behalf of the CID.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)*

Since these assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the City, these fiduciary funds are not incorporated into the government-wide statements.

D. *Assets, Liabilities, Fund Balance and Equity*

1. Deposits and Investments

The City maintains a cash pool that is available for use by all funds managed by the City. Each fund type's portion of the pool is displayed in the financial statements as "Cash and Investments." The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments (including certificates of deposit) with original maturities of three months or less from the date of acquisition.

Investments, including pension trust investments, are stated at fair market value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles, if any.

The City's property tax is levied each September 1 on the assessed value as of the prior January 1 for all real and personal property located in the City. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all real property for which taxes are unpaid. Taxes remaining unpaid for two years after that date are submitted to Jackson County for collection through foreclosure proceedings. Property taxes levied on September 1, 2018 are for the budget year ended October 31, 2019, and therefore have not been reflected in the accompanying basic financial statements.

Assessed values are established by the Jackson County Assessor, subject to review by the County's Board of Equalization. The assessed value for property, including railroad and utility properties located in the City as of January 1, 2017, on which the fiscal year ended October 31, 2018, levy was based, totaled \$323,903,371. During the year ended October 31, 2018, the City collected approximately 96.7% of the property taxes levied for that period.

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services, other than the payment of principal and interest on long-term debt, and an unlimited amount for the payment of principal and interest on long-term debt. Property tax levies per \$100 of assessed valuation for the year ended October 31, 2018, were:

|              |                    |
|--------------|--------------------|
|              | Levy<br>in Dollars |
| General Fund | \$0.3373           |
| Park Fund    | <u>0.1685</u>      |
| Total Levy   | <u>\$0.5058</u>    |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities, Fund Balance and Equity (Continued)*

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the City, are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Buildings and improvements     | 25 - 50      |
| Office equipment and furniture | 7 - 10       |
| Computer equipment             | 3 - 5        |
| Machinery and other equipment  | 7 - 15       |
| Vehicles                       | 5 - 10       |
| Infrastructure                 | 20 - 50      |

5. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts based upon length of service. In the event of termination, an employee is paid for accumulated vacation days up to the maximum accruable of 280 hours. Employees with a minimum of five (5) years of service, will be paid up to 40 hours of sick leave upon termination if in good standing.

On an annual basis, employees with a minimum of 360 accrued sick leave hours will have the option to be paid up to 96 hours of sick leave at their current rate of pay and based on the longevity chart below.

| <u>Months of Service</u> | <u>Sellback Ratio</u> |
|--------------------------|-----------------------|
| 60 - 119                 | 15%                   |
| 120 - 179                | 30%                   |
| 180 - 239                | 45%                   |
| 240+                     | 60%                   |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities, Fund Balance and Equity (Continued)*

5. Compensated Absences (Continued)

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the government fund financial statements that will pay it. Vested or accumulated vacation and sick leave of the business-type funds and government wide financial statements are recorded as an expense and liability of those funds as the benefits accrue to employees.

The General Fund and Sewer Utility Fund have been used in prior years to liquidate the liability for compensated absences.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charge on refunding, pension contributions made after the measurement date, pension changes in assumptions, pension net

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities, Fund Balance and Equity (Continued)*

9. Deferred Outflows/Inflows of Resources (Continued)

differences between projected and actual investment earnings and pension differences between expected and actual experience as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. Pension differences between expected and actual experience are reported as deferred inflows. OPEB differences between expected and actual experience and changes in assumptions are reported as deferred inflows.

10. Fund Balances

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts are considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

The General Fund balance policy (Resolution 2039-08) is to reserve 17% of the prior fiscal year's expenditures as an emergency reserve that may only be appropriated by the Board of Aldermen. At such time the emergency reserve is depleted, the City must establish a plan to restore the reserve before any new programs may be established. Compliance with the Fund Balance Classification Policy is reviewed as part of the annual budgeting process.

CITY OF RAYTOWN, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ending October 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Fund Balance and Equity (Continued)

10. Fund Balances

The following is the detail for governmental fund balance classifications in the financial statements:

|                       | Major Governmental Funds |                     |                                     |                                |                                |
|-----------------------|--------------------------|---------------------|-------------------------------------|--------------------------------|--------------------------------|
|                       | General<br>Fund          | TIF<br>Fund         | Transportation<br>Sales Tax<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
| Fund balance:         |                          |                     |                                     |                                |                                |
| Nonspendable          | \$ 1,519,682             | \$ -                | \$ -                                | \$ 822,294                     | \$ 2,341,976                   |
| Restricted:           |                          |                     |                                     |                                |                                |
| Debt service          | -                        | 6,438,072           | -                                   | -                              | 6,438,072                      |
| General government    | -                        | -                   | -                                   | 44,760                         | 44,760                         |
| Community development | -                        | 344,253             | -                                   | -                              | 344,253                        |
| Public safety         | -                        | -                   | -                                   | 1,215,774                      | 1,215,774                      |
| Public works          | -                        | -                   | 337,444                             | 1,494,815                      | 1,832,259                      |
| Assigned:             |                          |                     |                                     |                                |                                |
| Parks and recreation  | -                        | -                   | -                                   | 921,172                        | 921,172                        |
| Public works          | -                        | -                   | -                                   | 699,690                        | 699,690                        |
| Unassigned            | <u>4,730,026</u>         | <u>-</u>            | <u>-</u>                            | <u>-</u>                       | <u>4,730,026</u>               |
| Total fund balance    | <u>\$ 6,249,708</u>      | <u>\$ 6,782,325</u> | <u>\$ 337,444</u>                   | <u>\$ 5,198,505</u>            | <u>\$ 18,567,982</u>           |

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

*Budgetary Information*

The City prepares an annual operating budget on a basis consistent with GAAP. The City conducts public hearings on the proposed budget and the budget is adopted by the City pursuant to state law. The appropriated budget is prepared by fund and program. The legal level of budgetary requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City's Board of Aldermen.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At October 31, 2018, the carrying values of cash and investments are summarized as follows:

|  | Primary<br>Government | Fiduciary<br>Funds   | Total                |
|--|-----------------------|----------------------|----------------------|
| Cash and cash equivalents:                     |                       |                      |                      |
| Deposits                                       | \$ 6,211,204          | \$ 180,790           | \$ 6,391,994         |
| Certificates of deposit                        | 3,177,000             | -                    | 3,177,000            |
| Petty cash                                     | 3,535                 | -                    | 3,535                |
| Total cash and cash equivalents                | <u>9,391,739</u>      | <u>180,790</u>       | <u>9,572,529</u>     |
| Investments:                                   |                       |                      |                      |
| Short-term investments held in trust           | 6,887,718             | -                    | 6,887,718            |
| Missouri securities investment program (MOSIP) | 3,037,385             | -                    | 3,037,385            |
| Pension trust investments                      | -                     | 10,087,168           | 10,087,168           |
| Total investments                              | <u>9,925,103</u>      | <u>10,087,168</u>    | <u>20,012,271</u>    |
| Total cash and investments                     | <u>\$ 19,316,842</u>  | <u>\$ 10,267,958</u> | <u>\$ 29,584,800</u> |

Deposits and investments are reflected in the financial statements as follows:

|                                 | Government<br>Wide<br>Statement of<br>Net Position | Fiduciary<br>Funds<br>Statement<br>of Net<br>Position | Total                |
|---------------------------------|--|---|----------------------|
| Cash and investments            | \$ 12,429,124                                      | \$ 10,267,958   | \$ 22,697,082        |
| Restricted cash and investments | <u>6,887,718</u>                                   | <u>-</u>  | <u>6,887,718</u>     |
| Total cash and investments      | <u>\$ 19,316,842</u>                               | <u>\$ 10,267,958</u>                                  | <u>\$ 29,584,800</u> |

*Investment policy.* Missouri state statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, obligations of the U.S. government or U.S. government agencies, and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less Federal Deposit Insurance Corporation (FDIC) amounts. Collateral securities must be held by the City or a third-party and must meet certain requirements listed in Missouri statutes.

The City maintains a cash and investment pool. Interest earned is allocated to the funds based on the average monthly cash and investment balances. Certain restricted assets, related to bond issuances, are held in escrow by a financial institution's trust department.

The investments of the Police Officer's Retirement Fund Pension Plan are held separately from the City's other funds and are restricted to any investment not prohibited under the laws of the State of Missouri. The Board of Trustees, the plan custodian and investment managers chosen by the Trustees have discretionary authority concerning purchases of investments in the pension plan, subject to the overall investment policy guidelines as approved by the Board of Trustees and adopted by the Board of Aldermen. The investment policy follows RSMo 86.590 and 105.588 regarding constraints on the deposit and investment of the plan assets. The value of the investments is recorded at fair value.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

The plan's investment policy permits investments in high-quality, domestic, fixed income securities, domestic equity securities, and international equities. Under the policy, the investment manager may select fixed income securities in domestic markets, including corporate debt securities and obligations of the U.S. government or its agencies. The investment manager may select domestic equity securities or equity securities mutual funds traded on major U.S. exchanges.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following summarizes the City's and the Police Officer's Retirement Fund Pension Plan investments at October 31, 2018:

| <u>Investments by fair value level</u>                       | <u>10/31/2018</u>    | <u>Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Rating</u> | <u>Maturity</u>      |
|--|----------------------|--|---------------|----------------------|
| U.S. Treasuries  | \$ 285,031           | \$ 285,031   | Moody's Aaa   | 11/30/18 to 2/15/27  |
| Federal Agency Issues:                                       |                      |  |               |                      |
| Federal Home Loan Bank                                       | 3,880,188            | 3,880,188  | Moody's Aaa   | 11/30/17 to 11/30/18 |
| Federal National Mortgage Association                        | 43,385               | 43,385   | Moody's Aaa   | 3/30/26 to 4/1/36    |
| Federal Home Loan Mortgage Corporation                       | 37,101               | 37,101   | Moody's Aaa   | 2/1/37 to 1/1/2048   |
| Corporate bonds, stocks and notes                            | <u>6,343,760</u>     | <u>6,343,760</u>   |               |                      |
| Total investments by fair value level                        | <u>10,589,465</u>    | <u>\$ 10,589,465</u>   |               |                      |
| <br><u>Investments measured by the net asset value (NAV)</u> |                      |  |               |                      |
| Missouri Securities Investment                               |                      |  |               |                      |
| Program (MOSIP) Liquid Series                                | 3,037,385            |  |               |                      |
| Fidelity Treasury Fund Class III                             | 3,007,530            |  |               |                      |
| Midcap SPDR Trust Series I                                   | 498,226              |  |               |                      |
| Schwab US Large-Cap Index ETF                                | 318,720              |  |               |                      |
| Eaton Vance Floating Rate Institutional                      | 194,715              |  |               |                      |
| Palmer Square Income Plus                                    | 114,789              |  |               |                      |
| Guggenheim Investments Macro Opportunities Inst              | 202,515              |  |               |                      |
| Vanguard Group High Yield Corp Admiral                       | 149,208              |  |               |                      |
| Northern Funds Institutional Government                      | 69,070               |  |               |                      |
| DFA Funds US Small Cap Fund                                  | 519,692              |  |               |                      |
| Lazard Funds US Corp Income Portfolio Instl                  | 7,797                |  |               |                      |
| T. Rowe Price Mutual Funds Mid Cap Growth                    | 206,962              |  |               |                      |
| MFS International Value R6                                   | 46,592               |  |               |                      |
| DFA Funds Emerging Mkts Core Equity                          | 215,979              |  |               |                      |
| DFA Funds Intl Small Cap Value                               | 276,769              |  |               |                      |
| Oppenheimer Mutual Funds Developing Markets CL Y             | 313,757              |  |               |                      |
| Vanguard Group REIT Index Fund                               | <u>243,100</u>       |  |               |                      |
| Total investments measured by the net asset value (NAV)      | <u>9,422,806</u>     |  |               |                      |
| Total investments  | <u>\$ 20,012,271</u> |  |               |                      |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. *Deposits and Investments (Continued)*

Several of the above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

*Credit risk.* The credit risk for deposits and investments is the possibility that the issuer to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to certificates of deposits and bonds or other obligations of the U.S. government.

Credit risk is associated with the credit quality or rating of debt instrument investments. The Police Officer's Retirement Fund Pension Plan investment policy specifies that the plan may invest in money market mutual funds, U.S. treasuries and government agency securities, asset-backed securities rated A or better, and corporate obligations rated BBB or better.

*Custodial credit risk.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits or investments may not be returned to it. The City's deposit policy for custodial credit risk requires that depository banks will maintain 100% security in the form of Federal Deposit Insurance Corporation (FDIC) coverage and pledged collateral. At October 31, 2018, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held in the City's name by their financial institution's agent. The City's securities were registered and held by the City's financial institution in the City's name.

*Interest rate risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

B. *Receivables*

Receivables at year end are as follows:

|                   | Governmental<br>Activities |                   |                   |                     | Business-type<br>Activities |
|-------------------|----------------------------|-------------------|-------------------|---------------------|-----------------------------|
|                   | General<br>Fund            | TIF<br>Fund       | Sales Tax<br>Fund | Nonmajor<br>Funds   | Sewer<br>Fund               |
| Receivables:      |                            |                   |                   |                     |                             |
| Taxes             | \$ 735,705                 | \$ 253,894        | \$ 194,205        | \$ 475,165          | \$ -                        |
| Accounts          | 252,093                    | -                 | 357,398           | -                   | 1,270,085                   |
| Fines             | 47,036                     | -                 | -                 | -                   | -                           |
| Intergovernmental | 97,042                     | 166,919           | -                 | -                   | -                           |
| Loan              | -                          | -                 | -                 | 633,609             | -                           |
| Interest          | 14,721                     | 2,240             | 581               | 15,873              | 13,197                      |
| Total receivables | <u>\$ 1,146,597</u>        | <u>\$ 423,053</u> | <u>\$ 552,184</u> | <u>\$ 1,124,647</u> | <u>\$ 1,283,282</u>         |

The City has entered into a development agreement with Gregory Square Partners, LLC and the Ditzler Community Improvement District (CID). Under the agreement, the City provided funding totaling \$850,000 to be used to finance a portion of the development cost of the project and development of certain real property located at the intersection of Gregory Boulevard and Ditzler Avenue. Under the terms of the agreement, the City is scheduled to be reimbursed for the \$850,000 in funding over a period not to exceed

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS  
Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. *Receivables (Continued)*

20 years, including interest at 6.5%, from CID sales taxes generated from taxable sales within the CID district. The outstanding balance under the agreement is \$633,609 as of October 31, 2018.

C. *Land Held for Redevelopment*

The City has acquired title to certain land that is not used in the City's continuing operations but is instead held by the City for future redevelopment projects. At October 31, 2018, the valuation of the land was \$1,034,432.

D. *Restricted Assets*

The City's bond indentures require the City to establish certain special trust funds in the City's name. Assets of these special funds consist of cash and investments stated at fair value and are reported as Restricted Cash and Investments for the year ended October 31, 2018 as follows:

|  | <u>TIF Fund</u>     | <u>Sewer Fund</u> | <u>Total</u>        |
|--|---------------------|-------------------|---------------------|
| Project/Construction funds                     | \$ 344,253          | \$ -              | \$ 344,253          |
| Rebate funds                                   | -                   | 169,053           | 169,053             |
| Debt service and<br>debt service reserve funds | <u>5,970,349</u>    | <u>404,063</u>    | <u>6,374,412</u>    |
|  | <u>\$ 6,314,602</u> | <u>\$ 573,116</u> | <u>\$ 6,887,718</u> |

E. *Interfund Transactions*

Interfund transfers for the year ended October 31, 2018, are as follows:

| <u>From</u>  | <u>To</u>        | <u>Amount</u>     |
|--------------|------------------|-------------------|
| General Fund | Storm Water Fund | <u>\$ 150,000</u> |

Transfers were used to provide additional funding for stormwater repairs and maintenance.

CITY OF RAYTOWN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. *Capital Assets*

Capital asset activity for the year ended October 31, 2018, was as follows:

|  | <u>Balance</u><br><u>10/31/17</u> | <u>Additions</u>    | <u>Retirements</u>  | <u>Balance</u><br><u>10/31/18</u> |
|--|-----------------------------------|---------------------|---------------------|-----------------------------------|
| City governmental activities:                |                                   |                     |                     |                                   |
| Capital assets, not being depreciated        |                                   |                     |                     |                                   |
| Land   | \$ 1,573,340                      | \$ -                | \$ -                | \$ 1,573,340                      |
| Construction in progress                     | 2,076,515                         | 2,313,504           | 3,963,412           | 426,607                           |
| Capital assets, being depreciated            |                                   |                     |                     |                                   |
| Buildings and improvements                   | 7,211,398                         | 149,142             | -                   | 7,360,540                         |
| Vehicles and equipment                       | 9,714,257                         | 258,146             | 141,041             | 9,831,362                         |
| Infrastructure                               | <u>61,826,378</u>                 | <u>3,885,842</u>    | <u>-</u>            | <u>65,712,220</u>                 |
| Total capital assets                         | <u>82,401,888</u>                 | <u>6,606,634</u>    | <u>4,104,453</u>    | <u>84,904,069</u>                 |
| Less accumulated depreciation for:           |                                   |                     |                     |                                   |
| Buildings and improvements                   | 3,878,838                         | 246,481             | -                   | 4,125,319                         |
| Vehicles and equipment                       | 6,843,363                         | 693,603             | 108,424             | 7,428,542                         |
| Infrastructure                               | <u>41,117,101</u>                 | <u>2,112,608</u>    | <u>-</u>            | <u>43,229,709</u>                 |
| Total accumulated depreciation               | <u>51,839,302</u>                 | <u>3,052,692</u>    | <u>108,424</u>      | <u>54,783,570</u>                 |
| Governmental activities capital assets, net  | <u>\$ 30,562,586</u>              | <u>\$ 3,553,942</u> | <u>\$ 3,996,029</u> | <u>\$ 30,120,499</u>              |
| Business-type activities:                    |                                   |                     |                     |                                   |
| Capital assets, not being depreciated        |                                   |                     |                     |                                   |
| Land   | \$ 433,393                        | \$ -                | \$ -                | \$ 433,393                        |
| Capital assets, being depreciated            |                                   |                     |                     |                                   |
| Vehicles and equipment                       | 672,249                           | -                   | -                   | 672,249                           |
| Infrastructure                               | <u>25,485,896</u>                 | <u>-</u>            | <u>-</u>            | <u>25,485,896</u>                 |
| Total capital assets                         | <u>26,591,538</u>                 | <u>-</u>            | <u>-</u>            | <u>26,591,538</u>                 |
| Less accumulated depreciation for:           |                                   |                     |                     |                                   |
| Vehicles and equipment                       | 579,389                           | 35,198              | -                   | 614,587                           |
| Infrastructure                               | <u>11,374,898</u>                 | <u>502,923</u>      | <u>-</u>            | <u>11,877,821</u>                 |
| Total accumulated depreciation               | <u>11,954,287</u>                 | <u>538,121</u>      | <u>-</u>            | <u>12,492,408</u>                 |
| Business-type activities capital assets, net | <u>\$ 14,637,251</u>              | <u>\$ [538,121]</u> | <u>\$ -</u>         | <u>\$ 14,099,130</u>              |

CITY OF RAYTOWN, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. *Capital Assets (Continued)*

The City's depreciation expense was charged as follows:

|                            |                     |
|----------------------------|---------------------|
| Governmental activities:   |                     |
| General government         | \$ 48,923           |
| Parks and recreation       | 146,097             |
| Community development      | 15,651              |
| Public safety              | 261,521             |
| Public works               | <u>2,580,500</u>    |
| <br>                       |                     |
| Total depreciation expense | <u>\$ 3,052,692</u> |
| <br>                       |                     |
| Business-type activities:  |                     |
| Sewer utility              | <u>\$ 538,121</u>   |
| <br>                       |                     |
| Total depreciation expense | <u>\$ 538,121</u>   |

G. *Long-term Debt*

During the year ended December 31, 2018, the following changes occurred in long term liabilities:

|                               | Balance<br>November 1, 2017 | Additions         | Retirements         | Balance<br>October 31, 2018 | Current<br>Portion  |
|-------------------------------|-----------------------------|-------------------|---------------------|-----------------------------|---------------------|
| City governmental activities: |                             |                   |                     |                             |                     |
| Revenue bonds                 | \$ 33,950,000               | \$ -              | \$ 1,355,000        | \$ 32,595,000               | \$ 1,355,000        |
| Bond premiums                 | <u>223,901</u>              | <u>-</u>          | <u>15,807</u>       | <u>208,094</u>              | <u>15,805</u>       |
| Revenue bonds, net            | 34,173,901                  | -                 | 1,370,807           | 32,803,094                  | 1,370,805           |
| Developer obligations         | 1,771,022                   | -                 | 148,591             | 1,622,431                   | 38,069              |
| Compensated absences          | 553,140                     | 623,602           | 713,540             | 463,202                     | 335,700             |
| Net OPEB obligation           | <u>532,655</u>              | <u>-</u>          | <u>167,784</u>      | <u>364,871</u>              | <u>-</u>            |
|                               | <u>\$ 37,030,718</u>        | <u>\$ 623,602</u> | <u>\$ 2,400,722</u> | <u>\$ 35,253,598</u>        | <u>\$ 1,744,574</u> |
| <br>                          |                             |                   |                     |                             |                     |
| Business-type activities:     |                             |                   |                     |                             |                     |
| Revenue bonds                 | \$ 9,785,000                | \$ -              | \$ 815,000          | \$ 8,970,000                | \$ 855,000          |
| Bond premiums                 | <u>129,410</u>              | <u>-</u>          | <u>14,616</u>       | <u>114,794</u>              | <u>14,616</u>       |
| Revenue bonds, net            | 9,914,410                   | -                 | 829,616             | 9,084,794                   | 869,616             |
| Compensated absences          | 5,409                       | 89,391            | 48,371              | 46,429                      | 46,429              |
| Net OPEB obligation           | <u>22,194</u>               | <u>11,645</u>     | <u>-</u>            | <u>33,839</u>               | <u>-</u>            |
|                               | <u>\$ 9,942,013</u>         | <u>\$ 101,036</u> | <u>\$ 877,987</u>   | <u>\$ 9,165,062</u>         | <u>\$ 916,045</u>   |

Compensated absences and the Net OPEB obligation are primarily liquidated in the General, Park and Sewer funds.

*Revenue bonds.* The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. Revenue bonds have been issued for both governmental and business-type activities.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. *Long-term Debt (Continued)*

The City, other taxing districts and governmental entities have pledged a portion of future incremental property tax and sales tax revenues (TIF revenues) to repay the tax increment and sales tax revenue bonds described above. TIF revenues were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Should the normal TIF revenues (50% of incremental activity taxes) including those of other taxing districts and governmental entities not be sufficient to meet the required debt service obligations, the City, subject to annual appropriation, further covenants to appropriate the City's remaining 50% portion (effectively 100%) of the economic activity taxes generated by the project and other legally available funds of the City in an amount equal to the principal and interest of the bonds due in the next fiscal year. Incremental taxes are pledged to make payments on these obligations for a period not to exceed 23 years.

For the current year, the City made debt service payments on the tax increment and sales tax revenue bonds totaling \$3,030,650. The incremental tax revenues generated by the 350 Highway TIF plan began in October 2009. For the year ended October 31, 2018, the City's incremental tax revenues totaled \$1,412,050. The remaining funds necessary to meet the current year debt service requirements were derived from incremental activity tax revenues from other taxing districts and governmental entities, and interest income totaling \$1,557,200.

The City has entered into a developer agreement whereby the developer financed project costs that have been certified by the City are eligible to be reimbursed from payments in lieu of taxes (PILOTs) attributable to the project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount including interest from incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. PILOTs were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of PILOTs received attributable to the project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the Commission or of the City. For the current year, debt service on the obligation totaled \$50,488 in interest and principal payments. These payments were funded by PILOTs attributable to the City as well as from other taxing districts and governmental entities. The remaining balance at October 31, 2018 is \$38,069.

The City has entered into a developer agreement whereby the developer financed project costs that have been certified by the City as eligible to be reimbursed related to Phase 2 of the 350 Highway TIF Project. These obligations are to be paid from Phase 2 Economic Activity Taxes (EATs) revenues in excess of 125% of the debt service payments of the related tax increment and sales tax revenue bonds. For the current year, debt service on the obligation totaled \$105,786 in principal payments. The remaining balance as of October 31, 2018 is \$1,584,362.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-term Debt (Continued)

Revenue bonds payable at October 31, 2018 are comprised of the following:

|   | <u>Date of Issuance</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Original Amount</u> | <u>Current Amount</u> |
|---|-------------------------|-------------------------|----------------------|------------------------|-----------------------|
| City governmental activities:                         |                         |                         |                      |                        |                       |
| Series 2007 tax increment and sales tax revenue bonds | 6/12/2007               | 12/1/2031               | 4.75 to 5.125%       | \$ 39,990,000          | \$ 32,595,000         |
|   |                         |                         |                      | <u>39,990,000</u>      | <u>32,595,000</u>     |
| Business-type activities:                             |                         |                         |                      |                        |                       |
| Series 2006-A refunding and improvement revenue bonds | 4/27/2006               | 7/1/2026                | 4.00 to 5.25%        | 7,590,000              | 3,985,000             |
| Series 2007-A refunding and improvement revenue bonds | 1/1/2008                | 1/1/2028                | 4.00 to 4.375%       | 5,495,000              | 3,310,000             |
| Series 2013 refunding revenue bonds                   | 8/27/2013               | 7/1/2027                | .85 to 4.15%         | <u>2,310,000</u>       | <u>1,675,000</u>      |
|   |                         |                         |                      | <u>15,395,000</u>      | <u>8,970,000</u>      |
|   |                         |                         |                      | <u>\$ 55,385,000</u>   | <u>\$ 41,565,000</u>  |

Annual debt service requirements to maturity for the revenue bonds are as follows:

| Year Ending<br><u>October 31,</u> | <u>Governmental activities</u> |                      | <u>Business-type activities</u> |                     | <u>Total</u>         |
|-----------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|
|                                   | <u>Principal</u>               | <u>Interest</u>      | <u>Principal</u>                | <u>Interest</u>     |                      |
| 2019                              | \$ 1,355,000                   | \$ 1,607,900         | \$ 855,000                      | \$ 385,677          | \$ 4,203,577         |
| 2020                              | 1,425,000                      | 1,538,400            | 895,000                         | 348,575             | 4,206,975            |
| 2021                              | 1,555,000                      | 1,463,900            | 935,000                         | 310,437             | 4,264,337            |
| 2022                              | 1,675,000                      | 1,383,150            | 960,000                         | 272,485             | 4,290,635            |
| 2023                              | 1,815,000                      | 1,295,900            | 1,010,000                       | 229,859             | 4,350,759            |
| 2024 - 2028                       | 11,375,000                     | 4,898,384            | 4,315,000                       | 452,180             | 21,040,564           |
| 2029 - 2032                       | <u>13,395,000</u>              | <u>1,533,272</u>     | -                               | -                   | <u>14,928,272</u>    |
|                                   | <u>\$ 32,595,000</u>           | <u>\$ 13,720,906</u> | <u>\$ 8,970,000</u>             | <u>\$ 1,999,213</u> | <u>\$ 57,285,119</u> |

On November 2, 2004, City of Raytown voters approved the issuance of up to \$18,500,000 for sanitary sewer revenue bonds and to appropriately raise the sewer rates to retire this debt. The City subsequently issued bonds in the amount of \$7,590,000 in 2006, \$5,495,000 in 2008 and \$2,310,000 in 2013. The City is authorized to issue debt for the remaining \$3,105,000; however, the City does not intend to issue any additional bonds in the upcoming fiscal year.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION

A. *Risk Management*

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss including related lost revenue. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

B. *Contingent Liabilities*

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of additional expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. *Defined Benefit Pension Plan*

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan description.* The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, state-wide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the Missouri General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

*Benefits provided.* LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

C. *Defined Benefit Pension Plan (Continued)*

|                      |                                     |
|----------------------|-------------------------------------|
|                      | <u>2018 Valuation</u>               |
| Benefit Multiplier   | 1.25% for life, plus .75% to age 65 |
| Final Average Salary | 5 years                             |
| Member Contributions | Noncontributory for employees       |

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

*Employees covered by benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

|  |               |
|--|---------------|
|  | <u>LAGERS</u> |
| Inactive employees or beneficiaries currently receiving benefits | 37            |
| Inactive employees entitled to but not yet receiving benefits    | 102           |
| Active employees   | <u>107</u>    |
| Total  | <u>246</u>    |

*Contributions.* The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. Employer contribution rates are 13.7% (General) and 9.7% (Police) of annual covered payroll.

*Net pension liability.* The City's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

*Actuarial assumptions.* The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 3.25% wage inflation; 2.5% price inflation |
| Salary increase           | 3.25% to 6.55% including wage inflation    |
| Investment rate of return | 7.25%, net of investment expenses          |

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality tables for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018, valuation was based on the results of an actuarial experience study for the period of March 1, 2012 through February 28, 2017.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

C. *Defined Benefit Pension Plan (Continued)*

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term expected real rate of return</u> |
|--------------------|--------------------------|---|
| Equity             | 43.00%                   | 5.16%   |
| Fixed Income       | 26.00%                   | 2.86%   |
| Real Assets        | 21.00%                   | 3.23%   |
| Strategic Assets   | 10.00%                   | 5.59%   |

*Discount rate.* The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

*Changes in the net pension liability.*

|   | <u>Increase [Decrease]</u>         |  |  |
|---|------------------------------------|--|--|
|   | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability (a) - (b)</u> |
| Balances at 10/31/2017                            | <u>\$ 17,706,141</u>               | <u>\$ 12,762,541</u>                   | <u>\$ 4,943,600</u>                    |
| Changes for the year:                             |                                    |  |  |
| Service cost                                      | 656,159                            | -                                      | 656,159                                |
| Interest  | 1,289,245                          | -                                      | 1,289,245                              |
| Difference between expected and actual experience | [460,643]                          | -                                      | [460,643]                              |
| Contributions - employer                          | -                                  | 727,010                                | [727,010]                              |
| Contributions - employee                          | -                                  | 258,512                                | [258,512]                              |
| Net investment income                             | -                                  | 1,627,298                              | [1,627,298]                            |
| Benefit payments, including refunds               | [500,347]                          | [500,347]                              | -                                      |
| Administrative expense                            | -                                  | [17,249]                               | 17,249                                 |
| Other changes                                     | -                                  | 6,240                                  | [6,240]                                |
| Net changes                                       | <u>984,414</u>                     | <u>2,101,464</u>                       | <u>[1,117,050]</u>                     |
| Balances at 10/31/2018                            | <u>\$ 18,690,555</u>               | <u>\$ 14,864,005</u>                   | <u>\$ 3,826,550</u>                    |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS  
Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

C. *Defined Benefit Pension Plan (Continued)*

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.25%, as well as what the City's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

|                                     | 1% Decrease<br>6.25% | Current<br>Single Discount<br>Rate Assumption<br>7.25% | 1% Increase<br>8.25% |
|-------------------------------------|----------------------|--|----------------------|
| Total Pension Liability (TPL)       | \$ 21,827,205        | \$ 18,690,555  | \$ 16,128,695        |
| Plan Fiduciary Net Position         | 14,864,005           | 14,864,005   | 14,864,005           |
| Net Pension Liability/(Asset) (NPL) | <u>\$ 6,963,200</u>  | <u>\$ 3,826,550</u>                                    | <u>\$ 1,264,690</u>  |

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.* For the year ended October 31, 2018, the City recognized pension expense of \$1,343,217. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                  | \$ 2,660,131                         | \$ [651,642]                        |
| Changes in assumptions  | 306,966                              | -                                   |
| Net difference between projected and actual earnings on investment plan investments | -                                    | [462,757]                           |
| Total   | <u>\$ 2,967,097</u>                  | <u>\$ [1,114,399]</u>               |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>October 31, |                    |
|----------------------------|--------------------|
| 2019                       | \$ 587,489         |
| 2020                       | 483,302            |
| 2021                       | 314,441            |
| 2022                       | 139,224            |
| 2022                       | 76,295             |
| Thereafter                 | 251,947            |
| Total                      | <u>\$1,852,698</u> |

\$213,586 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended October 31, 2019.

*Payable to the pension plan.* At October 31, 2018, the City reported a payable of \$53,467 for the outstanding amount of contributions to the pension plan.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

D. *Deferred Compensation Plan*

Beginning on January 1, 2013, the City offers all employees not governed by a collective bargaining agreement a deferred compensation plan created in accordance with the Internal Revenue Code Section 401(a). Under the plan, the City matches 50% of employee contributions, up to 2% of the employee's annual salary deferrals to the plan. The payroll for the employees covered by the plan was \$3,747,361 during the year. Total gross payroll was \$6,873,895. For the year ended October 31, 2018, the City contributed \$66,928 to the plan.

E. *Police Officers' Retirement Plan (Frozen)*

*Plan description.* Commissioned officers of the Police Department hired before December 31, 2013 are members of the Police Officer's Retirement Fund Pension Plan. The plan is a single-employer plan administered by the City. Benefit Trust Company Inc. acts as the investment advisor and custodian for the plan. The financial statements of this plan are included in the Pension Trust Fund in the accompanying basic financial statements of the City.

The plan was amended and restated effective December 31, 2013. Under the amendment and restated plan, benefits were frozen as of December 31, 2013, no new participants are allowed to enter the plan, and all active participants as of December 31, 2013 are 100% vested. The plan does not issue a separate financial statement.

*Benefits provided.* The City's Police Officer's Retirement Fund Pension Plan provides retirement, disability and death benefits to plan members and beneficiaries. Officers who retire at age 55 with 20 or more years of service are entitled to an allowance for life based on the benefit program information provided below.

|                      | <u>2018 Valuation</u>                                     |
|----------------------|---|
| Benefit Multiplier   | 2.5% up to 20 years of service plus 1% of next 10 years   |
| Final Average Salary | 5 highest calendar years of compensation of last 10 years |
| Member Contributions | Noncontributory for employees                             |

*Employees covered by benefit terms.* At January 1, 2018, the following employees were covered by the benefit terms:

|  |           |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 39        |
| Inactive employees entitled to but not yet receiving benefits    | 22        |
| Active employees   | <u>25</u> |
| Total  | <u>86</u> |

*Contributions.* The City's contributions are determined by the City's Board of Aldermen, as recommended by the plan's actuaries. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Employees do not contribute to the pension plan.

*Net pension liability.* The City's net pension liability was measured as of January 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

E. *Police Officers' Retirement Plan (Frozen) (Continued)*

*Actuarial assumptions.* The total pension liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods including the measurement:

|                           |  |
|---------------------------|--|
| Salary increase           | 4.0% (plan is frozen, scale is for death benefits only)    |
| Investment rate of return | 7.5%, net of investment expenses, 2.5% inflation component |

Mortality rates were based on the RP-2014 Blue Collar tables with generational projections.

The actuarial assumptions used in the January 1, 2018, valuation were based on past experience of the plan.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term expected real rate of return</u> |
|--------------------|--------------------------|---|
| Equity             | 65.00%                   | 9.00%   |
| Fixed Income       | 35.00%                   | 3.50%   |

*Discount rate.* The discount rate used to measure the total pension liability is 7.5%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

E. Police Officers' Retirement Plan (Frozen) (Continued)

Changes in the net pension liability.

|   | Increase [Decrease]            |                                    |                                    |
|---|--------------------------------|------------------------------------|------------------------------------|
|   | Total Pension<br>Liability (a) | Plan Fiduciary<br>Net Position (b) | Net Pension<br>Liability (a) - (b) |
| Balances at beginning of year                     | \$ 17,763,413                  | \$ 10,110,193                      | \$ 7,653,220                       |
| Changes for the year:                             |                                |                                    |                                    |
| Service cost                                      | 15,509                         | -                                  | 15,509                             |
| Interest  | 1,291,090                      | -                                  | 1,291,090                          |
| Difference between expected and actual experience | [100,898]                      | -                                  | (100,898)                          |
| Contributions - employer                          | -                              | 608,134                            | [608,134]                          |
| Net investment income                             | -                              | 1,373,429                          | [1,373,429]                        |
| Benefit payments, including refunds               | [1,107,281]                    | [1,107,281]                        | -                                  |
| Changes of assumptions                            | [277,355]                      | -                                  | [277,355]                          |
| Administrative expense                            | -                              | [21,491]                           | 21,491                             |
| Net changes                                       | [178,935]                      | 852,791                            | [1,031,726]                        |
| Balances at end of year                           | \$ 17,584,478                  | \$ 10,962,984                      | \$ 6,621,494                       |

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.5%, as well as what the City's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

|                                     | Current<br>Single Discount |                          |                      |
|-------------------------------------|----------------------------|--------------------------|----------------------|
|                                     | 1% Decrease<br>6.50%       | Rate Assumption<br>7.50% | 1% Increase<br>8.50% |
| Total Pension Liability (TPL)       | \$ 19,395,949              | \$ 17,584,478            | \$ 16,061,573        |
| Plan Fiduciary Net Position         | 10,962,984                 | 10,962,984               | 10,962,984           |
| Net Pension Liability/(Asset) (NPL) | \$ 8,432,965               | \$ 6,621,494             | \$ 5,098,589         |

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.* For the year ended October 31, 2018, the City recognized pension expense of \$718,204. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                  | \$ 209,822                           | \$ 117,500                          |
| Changes in assumptions  | 77,939                               | 213,740                             |
| Net difference between projected and actual earnings on investment plan investments | -                                    | 37,753                              |
| Total   | \$ 287,761                           | \$ 368,993                          |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

E. *Police Officers' Retirement Plan (Frozen) (Continued)*

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br><u>October 31,</u> |                    |
|-----------------------------------|--------------------|
| 2019                              | \$ 128,853         |
| 2020                              | 98,526             |
| 2021                              | [150,446]          |
| 2022                              | [158,165]          |
| 2022                              | -                  |
| Thereafter                        | -                  |
| Total                             | <u>\$ [81,232]</u> |

*Payable to the pension plan.* At October 31, 2018, the City reported a payable of \$49,455 for the outstanding amount of contributions to the pension plan for the year ended October 31, 2018.

F. *Frozen Pension Plan*

Prior to participating in LAGERS and the Police Officers' Retirement Fund, the City offered two defined benefit pension plans for its employees. Upon entering into LAGERS and the Police Officers' Retirement Fund, the City transferred the obligation for all future benefit payments under the plans to an outside insurance company. The City has no future obligation to contribute any additional amounts to these plans, and no amounts were paid during the year ended October 31, 2018. Accordingly, no provisions for the related assets have been made in the accompanying financial statements. Benefits paid from these plans during the year ended October 31, 2018, totaled \$53,641.

G. *Tax Abatements*

Tax abatements are granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, Tax Increment Financing program described under Section 99.800 RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. For each of these programs, property taxes are abated by reducing the assessed valuation of the associated properties. For the fiscal year ended October 31, 2018, taxes abated for the City in connection with the Chapter 353, and Tax Increment Financing program were estimated at \$11,862, and \$25,935, respectively.

H. *Postemployment Healthcare Plan*

*Plan description.* The City provides for a continuation of medical, pharmacy, dental and vision insurance benefits to eligible early retirees and their spouses. The plan is administered by Midwest Public Risk (MPR) and is an agent multiple-employer plan. No separate financial report is issued for the plan.

*Funding policy.* The City requires the retirees to pay 125% of the premiums charged to active employees. Retirees and spouses have the same benefits as active employees. Effective July 1, 2018, retirees are charged 135% of plan premiums. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. The City contributed \$26,000 to the plan during fiscal year 2018.

CITY OF RAYTOWN, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

H. *Postemployment Healthcare Plan (Continued)*

At October 31, 2018, the following employees were covered by the benefit terms:

|                              |            |
|------------------------------|------------|
| Active employees             | 216        |
| Retirees and covered spouses | <u>20</u>  |
| Total                        | <u>236</u> |

*Actuarial Assumptions.* The City's total OPEB liability of \$398,710 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

The total OPEB liability in the July 1, 2017, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

|                             |   |              |
|-----------------------------|---|--------------|
| Valuation date              |   | July 1, 2017 |
| Actuarial cost method       | Entry age normal as a level percentage of payroll   |              |
| Inflation                   |   | 2.50%        |
| Salary increases            |   | 3.00%        |
| Discount rate               |   | 3.93%        |
| Healthcare cost trend rates | Medical & Pharmacy: 7.5% for 2018, decreasing<br>0.50% per year to an ultimate rate of 5.0% for<br>2025 and later years |              |

The discount rate was based on an index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality Tables with Scale MP-2017 Full Generational Improvement.

Changes in the total OPEB liability are as follows:

|                                   |                   |
|-----------------------------------|-------------------|
|                                   | Total OPEB        |
|                                   | <u>Liability</u>  |
| Balance 11/1/2017                 | \$ 554,849        |
| Service cost                      | 29,277            |
| Interest                          | 19,533            |
| Changes in benefit terms          | [158,872]         |
| Changes in assumptions and inputs | [20,077]          |
| Benefit paid                      | <u>[26,000]</u>   |
| Balance 10/31/2018                | <u>\$ 398,710</u> |

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS

Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

H. *Postemployment Healthcare Plan (Continued)*

*Sensitivity of the City's OPEB liability to changes in the discount rates.* The following presents the total OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate:

|                    | 1% Decrease<br><u>(2.93%)</u> | Discount Rate<br><u>3.93%</u> | 1% increase<br><u>(4.93%)</u> |
|--------------------|-------------------------------|-------------------------------|-------------------------------|
| Net OPEB Liability | \$ 443,349                    | \$ 398,710                    | \$ 359,721                    |

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

|                    | 1% Decrease<br><u>348,085</u> | Healthcare Cost<br>Trend Rates<br><u>398,710</u> | 1% increase<br><u>459,775</u> |
|--------------------|-------------------------------|--|-------------------------------|
| Net OPEB Liability | \$ 348,085                    | \$ 398,710                                       | \$ 459,775                    |

*OPEB.* For the year ended October 31, 2018, the City recognized OPEB expense/( income) of (\$111,887).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At October 31, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

|                        | Deferred inflows<br>of resources |
|------------------------|----------------------------------|
| Changes in assumptions | \$ <u>18,252</u>                 |

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

| Year ended<br>October 31, | Deferred<br>Inflows<br>Amount |
|---------------------------|-------------------------------|
| 2019                      | \$ [1,825]                    |
| 2020                      | [1,825]                       |
| 2021                      | [1,825]                       |
| 2022                      | [1,825]                       |
| 2023                      | [1,825]                       |
| 2024 & After              | <u>[9,127]</u>                |
| Total                     | \$ <u>[18,252]</u>            |

At October 31, 2018, the City did not report deferred outflows of resources related to OPEB.

CITY OF RAYTOWN, MISSOURI

NOTES TO THE FINANCIAL STATEMENTS  
Year ending October 31, 2018

IV. OTHER INFORMATION (Continued)

I. *Contingencies*

The City is involved in lawsuits arising in the ordinary course of activities. While these cases may have future financial effect, management, based on the advice of legal counsel, believes that their ultimate outcome will not be material to the basic financial statements.

J. *Material Contractual Agreements*

On September 25, 2018, the City entered into an agreement with the Raytown Fire Protection District. This agreement calls for the City to transfer emergency medical services (EMS) responsibilities to the District as of November 17, 2018. The agreement transfers all assets of the City's EMS department to the Fire District and calls for the City to pay the District \$1,350,000 in equal bi-monthly payments. The agreement runs through October 31, 2019.

K. *Encumbrances*

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executor contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At October 31, 2018, the City's recorded encumbrances in governmental funds were as follows:

| <u>Fund</u>                   | Encumbrance<br><u>Amount</u> |
|-------------------------------|------------------------------|
| Transportation Sales Tax Fund | \$ 37,759                    |
| Capital Improvement Sales Tax | 402,307                      |
| Capital Improvements Fund     | 392,292                      |
| Sanitary Sewer Fund           | <u>672</u>                   |
|                               | <u>\$ 833,030</u>            |

L. *Prior Period Adjustment*

The City implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the year ended October 31, 2018. In addition, management determined that certain adjustments to beginning net position related to changes in the City's sick leave policies were necessary. The effects of these two items caused a restatement of net position as follows:

|                                    | Governmental<br><u>Activities</u> | Sewer<br>Utility<br><u>Fund</u> |
|------------------------------------|-----------------------------------|---------------------------------|
| Net position - beginning           | \$ 3,103,306                      | \$ 8,461,774                    |
| Prior period adjustment            |                                   |                                 |
| Implementation of GASB 75          | [179,864]                         | [7,493]                         |
| Compensated absence adjustment     | <u>[77,627]</u>                   | <u>-</u>                        |
| Net position - beginning, restated | <u>\$ 2,845,815</u>               | <u>\$ 8,454,281</u>             |

CITY OF RAYTOWN, MISSOURI  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Year ending October 31, 2018

OTHER POST-EMPLOYMENT BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
 Last Ten Fiscal Years\*

|  | <u>2018</u>         |
|--|---------------------|
| Total OPEB liability   |                     |
| Service cost   | \$ 29,277           |
| Interest   | 19,533              |
| Benefit paid   | [26,000]            |
| Changes in benefit terms   | [158,872]           |
| Changes in assumptions and inputs                                | <u>[20,077]</u>     |
| Net change in total OPEB liability                               | [156,139]           |
| Total OPEB liability - beginning                                 | <u>554,849</u>      |
| Total OPEB liability - ending                                    | <u>\$ 398,710</u>   |
| <br>   |                     |
| Covered-employee payroll   | <u>\$ 6,804,388</u> |
| <br>   |                     |
| Total OPEB liability as a percentage of covered-employee payroll | 5.86%               |
| <br>   |                     |
| Actuarially determined contribution                              | <u>\$ 26,000</u>    |
| <br>   |                     |
| Actual contribution  | <u>\$ 26,000</u>    |
| <br>   |                     |
| Contributions as a percentage of covered payroll                 | 0.38%               |

\* - Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

CITY OF RAYTOWN, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year ending October 31, 2018

LAGERS PENSION PLAN

Schedule of Changes in Net Pension Liability and Related Ratios, Last Ten Fiscal Years\* - LAGERS

|  | For the Year Ended   |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | October 31,          |                      |                      |                      |
|  | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          |
| Total pension liability  |                      |                      |                      |                      |
| Service cost   | \$ 656,159           | \$ 558,483           | \$ 533,362           | \$ 560,833           |
| Interest on the total pension liability  | 1,289,245            | 1,057,979            | 922,257              | 877,580              |
| Differences between expected and actual experience                                 | [460,643]            | 3,722,090            | 152,189              | [505,106]            |
| Changes of assumptions   | -                    | -                    | 591,243              | -                    |
| Changes of benefit terms   | -                    | [1,773,928]          | -                    | -                    |
| Benefit payments and refunds   | [500,347]            | [347,807]            | [331,216]            | [276,894]            |
| Net change in total pension liability  | <u>984,414</u>       | <u>3,216,817</u>     | <u>1,867,835</u>     | <u>656,413</u>       |
| Total pension liability, beginning   | <u>17,706,141</u>    | <u>14,489,324</u>    | <u>12,621,489</u>    | <u>11,965,076</u>    |
| Total pension liability, ending  | <u>\$ 18,690,555</u> | <u>\$ 17,706,141</u> | <u>\$ 14,489,324</u> | <u>\$ 12,621,489</u> |
| Plan fiduciary net position  |                      |                      |                      |                      |
| Contributions - employer   | \$ 727,010           | \$ 800,985           | \$ 822,633           | \$ 823,197           |
| Contributions - employee   | 258,512              | 181,359              | -                    | -                    |
| Pension plan net investment income   | 1,627,298            | 1,364,033            | [27,096]             | 188,721              |
| Benefit payments and refunds   | [500,347]            | [347,807]            | [331,216]            | [276,894]            |
| Pension plan administrative expenses   | [17,249]             | [17,199]             | [17,003]             | [18,549]             |
| Other changes  | 6,240                | [1,977]              | [1,534]              | 180,399              |
| Net change in plan fiduciary net position  | <u>2,101,464</u>     | <u>1,979,394</u>     | <u>445,784</u>       | <u>896,874</u>       |
| Plan fiduciary net position, beginning   | <u>12,762,541</u>    | <u>10,783,147</u>    | <u>10,337,363</u>    | <u>9,440,489</u>     |
| Plan fiduciary net position, ending  | <u>\$ 14,864,005</u> | <u>\$ 12,762,541</u> | <u>\$ 10,783,147</u> | <u>\$ 10,337,363</u> |
| Employer net pension liability/(asset)   | <u>\$ 3,826,550</u>  | <u>\$ 4,943,600</u>  | <u>\$ 3,706,177</u>  | <u>\$ 2,284,126</u>  |
| Plan fiduciary net position as a percentage of the total pension liability/asset   | 79.53%               | 72.08%               | 74.42%               | 81.90%               |
| Covered employee payroll   | \$ 6,106,704         | \$ 6,973,652         | \$ 7,456,923         | \$ 6,988,224         |
| Employer's net pension liability/asset as a percentage of covered employee payroll | 62.66%               | 70.89%               | 49.70%               | 32.69%               |

\*Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

CITY OF RAYTOWN, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year ending October 31, 2018

Schedule of Pension Contributions, Last Ten Fiscal Years - LAGERS

| Year Ended<br>June 30, | Actuarially<br>Determined<br>Pension<br>Contribution | Contribution<br>in<br>Relation | Contribution<br>Deficiency | Covered<br>Employee<br>Payroll | Contribution<br>as<br>Percentage |
|------------------------|--|--------------------------------|----------------------------|--------------------------------|----------------------------------|
| 2018                   | \$ 711,445   | \$ 711,445                     | \$ -                       | \$ 6,080,862                   | 11.70%                           |
| 2017                   | 758,396  | 758,396                        | -                          | 7,306,482                      | 10.38%                           |
| 2016                   | 806,116  | 806,116                        | -                          | 7,437,737                      | 10.84%                           |
| 2015                   | 1,108,659  | 1,108,659                      | -                          | 9,964,066                      | 11.13%                           |
| 2014                   | 485,224  | 485,224                        | -                          | 4,219,336                      | 11.50%                           |
| 2013                   | 508,424  | 508,424                        | -                          | 4,236,865                      | 12.00%                           |
| 2012                   | 501,652  | 501,652                        | -                          | 4,215,565                      | 11.90%                           |
| 2011                   | 523,449  | 523,449                        | -                          | 4,326,023                      | 12.10%                           |
| 2010                   | 489,302  | 489,302                        | -                          | 4,292,123                      | 11.40%                           |
| 2009                   | 473,388  | 473,388                        | -                          | 4,152,526                      | 11.40%                           |

Notes to the Schedule - LAGERS

Actuarially determined contribution rates are calculated as of February 28, 2018.

Methods and Assumptions Used to Determine Contribution Rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry Age Normal and Modified Terminal Funding   |
| Amortization method           | Level Percentage of Payroll, Closed  |
| Remaining amortization period | Multiple bases from 12 to 18 years   |
| Asset valuation method        | 5 year smoothed market; 20% corridor   |
| Inflation                     | 3.25% wage inflation; 2.5% price inflation   |
| Salary increases              | 3.25% to 6.55% including wage inflation  |
| Investment rate of return     | 7.25%, net of investment expense   |
| Retirement age                | Experience-based table of rates that are specific to the type of eligibility condition   |
| Mortality                     | The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality tables for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality tables for males and females. |

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF RAYTOWN, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year ending October 31, 2018

Schedule of Changes in Net Pension Liability and Related Ratios, Last Ten Fiscal Years\* - Police Pension

|   | For the Year Ended<br>October 31, |               |               |               |
|---|-----------------------------------|---------------|---------------|---------------|
|   | 2018                              | 2017          | 2016          | 2015          |
| Total pension liability   |                                   |               |               |               |
| Service cost  | \$ 15,509                         | \$ 15,526     | \$ 12,633     | \$ 12,663     |
| Interest on the total pension liability   | 1,291,090                         | 1,255,628     | 1,211,255     | 1,193,469     |
| Differences between expected and actual experience                                    | [100,898]                         | 263,758       | 148,107       | [167,956]     |
| Changes of assumptions  | [277,355]                         | -             | 207,116       | -             |
| Benefit payments, including refunds   | [1,107,281]                       | [1,008,095]   | [974,294]     | [960,970]     |
| Net change in total pension liability   | [178,935]                         | 526,817       | 604,817       | 77,206        |
| Total pension liability, beginning  | 17,763,413                        | 17,236,596    | 16,631,779    | 16,493,351    |
| Total pension liability, ending   | \$ 17,584,478                     | \$ 17,763,413 | \$ 17,236,596 | \$ 16,570,557 |
| Plan fiduciary net position   |                                   |               |               |               |
| Contributions - employer  | \$ 608,134                        | \$ 562,862    | \$ 510,320    | \$ 513,291    |
| Pension plan net investment income  | 1,373,429                         | 633,761       | [157,302]     | 219,080       |
| Benefit payments, including refunds   | [1,107,281]                       | [1,008,095]   | [974,294]     | [960,970]     |
| Pension plan administrative expenses  | [21,491]                          | [12,748]      | [14,400]      | [99,319]      |
| Net change in plan fiduciary net position   | 852,791                           | 175,780       | [635,676]     | [327,918]     |
| Plan fiduciary net position, beginning  | 10,110,193                        | 9,934,413     | 10,570,089    | 10,546,501    |
| Plan fiduciary net position, ending   | \$ 10,962,984                     | \$ 10,110,193 | \$ 9,934,413  | \$ 10,218,583 |
| Employer net pension liability/(asset)  | \$ 6,621,494                      | \$ 7,653,220  | \$ 7,302,183  | \$ 6,351,974  |
| Plan fiduciary net position as a percentage<br>of the total pension liability/asset   | 62.34%                            | 56.92%        | 57.64%        | 61.67%        |
| Covered employee payroll  | \$ -                              | \$ -          | \$ -          | \$ -          |
| Employer's net pension liability/asset as a percentage<br>of covered employee payroll | 0.00%                             | 0.00%         | 0.00%         | 0.00%         |

\*Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

CITY OF RAYTOWN, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year ending October 31, 2018

Schedule of Pension Contributions, Last Ten Fiscal Years - Police Pension

| Year Ended<br>October 31, | Actuarially<br>Determined<br>Pension<br>Contribution | Contribution<br>in<br>Relation | Contribution<br>Deficiency | Covered<br>Employee<br>Payroll | Contribution<br>as<br>Percentage |
|---------------------------|--|--------------------------------|----------------------------|--------------------------------|----------------------------------|
| 2018                      | \$ 608,134   | \$ 608,134                     | \$ -                       | \$ -                           | 0.00%                            |
| 2017                      | 562,862  | 562,862                        | -                          | -                              | 0.00%                            |
| 2016                      | 513,291  | 510,320                        | 2,971                      | -                              | 0.00%                            |
| 2015                      | 508,285  | 509,880                        | [1,595]                    | -                              | 0.00%                            |
| 2014                      | 660,842  | 660,842                        | -                          | 3,122,522                      | 21.16%                           |
| 2013                      | 678,787  | 686,270                        | [7,483]                    | 3,065,002                      | 22.39%                           |
| 2012                      | 616,618  | 645,818                        | [29,200]                   | 2,978,208                      | 21.68%                           |
| 2011                      | 865,591  | 721,033                        | 144,558                    | 2,987,634                      | 24.13%                           |
| 2010                      | 685,030  | 278,854                        | 406,176                    | 2,780,497                      | 10.03%                           |
| 2009                      | 501,472  | 1,115,415                      | [613,943]                  | 2,686,169                      | 41.52%                           |

Notes to the Schedule - Police Pension

Actuarially determined contribution rates are calculated as of January 1, 2018.

Methods and Assumptions Used to Determine Contribution Rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Unit Credit                             |
| Amortization method           | Closed                                  |
| Remaining amortization period | 26 years                                |
| Asset valuation method        | 5 year smoothing                        |
| Inflation                     | 4.0%                                    |
| Salary increases              | 4.0% prior to plan freeze               |
| Investment rate of return     | 7.5%                                    |
| Retirement age                | Age 55                                  |
| Mortality                     | RP-2014 Blue Collar generational tables |

CITY OF RAYTOWN, MISSOURI  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 October 31, 2018

|  | Park                | Risk Management   | Capital Sales Tax   | Public Safety Sales Tax | Capital Improvements | Storm Water       | Total Other Governmental Funds |
|--|---------------------|-------------------|---------------------|-------------------------|----------------------|-------------------|--------------------------------|
| <b>ASSETS</b>                              |                     |                   |                     |                         |                      |                   |                                |
| Cash and investments                       | \$ 928,098          | \$ 49,113         | \$ 1,472,077        | \$ 1,021,533            | \$ 728,511           | \$ 189,738        | \$ 4,389,070                   |
| Receivables:                               |                     |                   |                     |                         |                      |                   |                                |
| Taxes                                      | 50,562              | -                 | 164,687             | 246,192                 | -                    | 13,724            | 475,165                        |
| Loan                                       | -                   | -                 | -                   | -                       | 633,609              | -                 | 633,609                        |
| Interest                                   | 3,553               | 178               | 5,339               | 3,546                   | 2,583                | 674               | 15,873                         |
| Prepaid expenses                           | 21,615              | 167,070           | -                   | -                       | -                    | -                 | 188,685                        |
| <b>Total assets</b>                        | <b>\$ 1,003,828</b> | <b>\$ 216,361</b> | <b>\$ 1,642,103</b> | <b>\$ 1,271,271</b>     | <b>\$ 1,364,703</b>  | <b>\$ 204,136</b> | <b>\$ 5,702,402</b>            |
| <b>LIABILITIES AND FUND BALANCES</b>       |                     |                   |                     |                         |                      |                   |                                |
| Liabilities:                               |                     |                   |                     |                         |                      |                   |                                |
| Accounts payable                           | \$ 39,455           | \$ 4,531          | \$ 298,915          | \$ 1,896                | \$ 31,404            | \$ 52,509         | \$ 428,710                     |
| Accrued liabilities                        | 21,586              | -                 | -                   | 53,601                  | -                    | -                 | 75,187                         |
| <b>Total liabilities</b>                   | <b>61,041</b>       | <b>4,531</b>      | <b>298,915</b>      | <b>55,497</b>           | <b>31,404</b>        | <b>52,509</b>     | <b>503,897</b>                 |
| Fund balance:                              |                     |                   |                     |                         |                      |                   |                                |
| Nonspendable                               | 21,615              | 167,070           | -                   | -                       | 633,609              | -                 | 822,294                        |
| Restricted:                                |                     |                   |                     |                         |                      |                   |                                |
| General government                         | -                   | 44,760            | -                   | -                       | -                    | -                 | 44,760                         |
| Public safety                              | -                   | -                 | -                   | 1,215,774               | -                    | -                 | 1,215,774                      |
| Public works                               | -                   | -                 | 1,343,188           | -                       | -                    | 151,627           | 1,494,815                      |
| Assigned:                                  |                     |                   |                     |                         |                      |                   |                                |
| Parks and recreation                       | 921,172             | -                 | -                   | -                       | -                    | -                 | 921,172                        |
| Public works                               | -                   | -                 | -                   | -                       | 699,690              | -                 | 699,690                        |
| <b>Total fund balance [deficit]</b>        | <b>942,787</b>      | <b>211,830</b>    | <b>1,343,188</b>    | <b>1,215,774</b>        | <b>1,333,299</b>     | <b>151,627</b>    | <b>5,198,505</b>               |
| <b>Total liabilities and fund balances</b> | <b>\$ 1,003,828</b> | <b>\$ 216,361</b> | <b>\$ 1,642,103</b> | <b>\$ 1,271,271</b>     | <b>\$ 1,364,703</b>  | <b>\$ 204,136</b> | <b>\$ 5,702,402</b>            |

CITY OF RAYTOWN, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended October 31, 2018

|  | Park             | Risk Management | Capital Sales Tax | Public Safety Sales Tax | Capital Improvements | Storm Water    | Total Other Governmental Funds |
|--|------------------|-----------------|-------------------|-------------------------|----------------------|----------------|--------------------------------|
| <b>REVENUES:</b>   |                  |                 |                   |                         |                      |                |                                |
| Taxes  | \$ 865,500       | \$ -            | \$ 996,106        | \$ 1,517,076            | \$ -                 | \$ 83,108      | \$ 3,461,790                   |
| Charges for services   | 99,164           | -               | -                 | -                       | -                    | -              | 99,164                         |
| Miscellaneous  | 46,052           | 77,970          | 21,300            | -                       | -                    | -              | 145,322                        |
| Use of money and property  | 18,285           | 472             | 22,875            | 16,357                  | 83,170               | 3,449          | 144,608                        |
| <b>Total revenues</b>  | <b>1,029,001</b> | <b>78,442</b>   | <b>1,040,281</b>  | <b>1,533,433</b>        | <b>83,170</b>        | <b>86,557</b>  | <b>3,850,884</b>               |
| <b>EXPENDITURES:</b>   |                  |                 |                   |                         |                      |                |                                |
| Current:   |                  |                 |                   |                         |                      |                |                                |
| General government   | -                | 39,824          | -                 | -                       | -                    | -              | 39,824                         |
| Parks and recreation   | 887,187          | -               | -                 | -                       | -                    | -              | 887,187                        |
| Public safety  | -                | -               | -                 | 1,327,180               | -                    | -              | 1,327,180                      |
| Public works   | -                | -               | -                 | -                       | -                    | 191,785        | 191,785                        |
| Capital outlay   | -                | -               | 645,955           | -                       | 34,761               | 19,580         | 700,296                        |
| <b>Total expenditures</b>  | <b>887,187</b>   | <b>39,824</b>   | <b>645,955</b>    | <b>1,327,180</b>        | <b>34,761</b>        | <b>211,365</b> | <b>3,146,272</b>               |
| Excess [deficiency] of revenues over [under] expenditures                                    | 141,814          | 38,618          | 394,326           | 206,253                 | 48,409               | [124,808]      | 704,612                        |
| <b>OTHER FINANCING SOURCES [USES]</b>  |                  |                 |                   |                         |                      |                |                                |
| Transfers in   | -                | -               | -                 | -                       | -                    | 150,000        | 150,000                        |
| Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses] | 141,814          | 38,618          | 394,326           | 206,253                 | 48,409               | 25,192         | 854,612                        |
| Fund balance - Beginning of year   | 800,973          | 173,212         | 948,862           | 1,009,521               | 1,284,890            | 126,435        | 4,343,893                      |
| Fund balance - End of year   | \$ 942,787       | \$ 211,830      | \$ 1,343,188      | \$ 1,215,774            | \$ 1,333,299         | \$ 151,627     | \$ 5,198,505                   |

CITY OF RAYTOWN, MISSOURI

PARK FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
For the Year Ended October 31, 2018

|  | Budgeted Amounts   |                     | Actual            | Variance with                          |
|--|--------------------|---------------------|-------------------|--|
|  | Original           | Final               |                   | Final Budget<br>Positive<br>[Negative] |
| Revenues:  |                    |                     |                   |  |
| Taxes  | \$ 824,000         | \$ 824,000          | \$ 865,500        | \$ 41,500                              |
| Charges for services   | 115,250            | 105,250             | 99,164            | [6,086]                                |
| Miscellaneous  | 7,600              | 45,600              | 46,052            | 452                                    |
| Use of money and property                                    | 7,000              | 7,000               | 18,285            | 11,285                                 |
| Total Revenues   | <u>953,850</u>     | <u>981,850</u>      | <u>1,029,001</u>  | <u>47,151</u>                          |
| Expenditures:  |                    |                     |                   |  |
| Parks and recreation   | 1,049,159          | 1,109,503           | 854,843           | 254,660                                |
| Total Expenditures   | <u>1,049,159</u>   | <u>1,109,503</u>    | <u>854,843</u>    | <u>254,660</u>                         |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures | <u>\$ [95,309]</u> | <u>\$ [127,653]</u> | 174,158           | <u>\$ 301,811</u>                      |
| Fund Balance, November 1                                     |                    |                     | <u>768,629</u>    |  |
| Fund Balance, October 31                                     |                    |                     | <u>\$ 942,787</u> |  |

CITY OF RAYTOWN, MISSOURI

RISK MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended October 31, 2018

|  | Budgeted Amounts   |                    | Actual            | Variance with                          |
|--|--------------------|--------------------|-------------------|--|
|  | Original           | Final              |                   | Final Budget<br>Positive<br>[Negative] |
| Revenues:  |                    |                    |                   |  |
| Miscellaneous  | \$ 65,000          | \$ 65,000          | \$ 77,970         | \$ 12,970                              |
| Use of money and property                                    | 800                | 800                | 472               | [328]                                  |
| Total Revenues   | <u>65,800</u>      | <u>65,800</u>      | <u>78,442</u>     | <u>12,642</u>                          |
| Expenditures:  |                    |                    |                   |  |
| General government   | 113,300            | 113,300            | 39,824            | 73,476                                 |
| Total Expenditures   | <u>113,300</u>     | <u>113,300</u>     | <u>39,824</u>     | <u>73,476</u>                          |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures | <u>\$ [47,500]</u> | <u>\$ [47,500]</u> | 38,618            | <u>\$ 86,118</u>                       |
| Fund Balance, November 1                                     |                    |                    | <u>173,212</u>    |  |
| Fund Balance, October 31                                     |                    |                    | <u>\$ 211,830</u> |  |

CITY OF RAYTOWN, MISSOURI

CAPITAL SALES TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended October 31, 2018

|  | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | Variance with<br>Final Budget<br>Positive<br><u>[Negative]</u> |
|--|-------------------------|---------------------|---------------------|--|
|  | <u>Original</u>         | <u>Final</u>        |                     |  |
| Revenues:  |                         |                     |                     |  |
| Taxes  | \$ 997,000              | \$ 997,000          | \$ 996,106          | \$ [894]   |
| Miscellaneous  | 15,000                  | 15,000              | 21,300              | 6,300  |
| Use of money and property                                    | <u>7,500</u>            | <u>7,500</u>        | <u>22,875</u>       | <u>15,375</u>  |
| Total Revenues   | <u>1,019,500</u>        | <u>1,019,500</u>    | <u>1,040,281</u>    | <u>20,781</u>  |
| Expenditures:  |                         |                     |                     |  |
| Contractual services   | 2,700                   | 2,700               | 2,220               | 480  |
| Capital outlay   | <u>1,100,424</u>        | <u>1,922,821</u>    | <u>983,322</u>      | <u>939,499</u>   |
| Total Expenditures   | <u>1,103,124</u>        | <u>1,925,521</u>    | <u>985,542</u>      | <u>939,979</u>   |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures | <u>\$ [83,624]</u>      | <u>\$ [906,021]</u> | 54,739              | <u>\$ 960,760</u>  |
| Fund Balance, November 1                                     |                         |                     | <u>886,142</u>      |  |
| Fund Balance, October 31                                     |                         |                     | 940,881             |  |
| GAAP to Budgetary Basis Adjustment:                          |                         |                     |                     |  |
| Encumbrances Outstanding                                     |                         |                     | <u>402,307</u>      |  |
| GAAP Basis, October 31                                       |                         |                     | <u>\$ 1,343,188</u> |  |

CITY OF RAYTOWN, MISSOURI

PUBLIC SAFETY SALES TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended October 31, 2018

|  | Budgeted Amounts |                  | Actual              | Variance with                          |
|--|------------------|------------------|---------------------|--|
|  | Original         | Final            |                     | Final Budget<br>Positive<br>[Negative] |
| Revenues:  |                  |                  |                     |  |
| Taxes  | \$ 1,354,380     | \$ 1,354,380     | \$ 1,517,076        | \$ 162,696                             |
| Use of money and property                                    | 6,800            | 6,800            | 16,357              | 9,557                                  |
| Total Revenues   | <u>1,361,180</u> | <u>1,361,180</u> | <u>1,533,433</u>    | <u>172,253</u>                         |
| Expenditures:  |                  |                  |                     |  |
| Public safety  | 1,344,886        | 1,344,886        | 1,327,180           | 17,706                                 |
| Total Expenditures   | <u>1,344,886</u> | <u>1,344,886</u> | <u>1,327,180</u>    | <u>17,706</u>                          |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures | <u>\$ 16,294</u> | <u>\$ 16,294</u> | 206,253             | <u>\$ 189,959</u>                      |
| Fund Balance, November 1                                     |                  |                  | <u>1,009,521</u>    |  |
| Fund Balance, October 31                                     |                  |                  | <u>\$ 1,215,774</u> |  |

CITY OF RAYTOWN, MISSOURI

CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended October 31, 2018

|  | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|-------------------------|---------------------|---------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                     |   |
| Revenues:  |                         |                     |                     |   |
| Use of money and property                                    | \$ 74,800               | \$ 88,415           | \$ 83,170           | \$ [5,245]  |
| Total Revenues   | <u>74,800</u>           | <u>88,415</u>       | <u>83,170</u>       | <u>[5,245]</u>  |
| Expenditures:  |                         |                     |                     |   |
| Capital outlay   | <u>24,000</u>           | <u>429,907</u>      | <u>427,053</u>      | <u>2,854</u>  |
| Total Expenditures   | <u>24,000</u>           | <u>429,907</u>      | <u>427,053</u>      | <u>2,854</u>  |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures | <u>\$ 50,800</u>        | <u>\$ [341,492]</u> | <u>[343,883]</u>    | <u>\$ [2,391]</u>                                       |
| Fund Balance, November 1                                     |                         |                     | <u>1,284,890</u>    |   |
| Fund Balance, October 31                                     |                         |                     | 941,007             |   |
| GAAP to Budgetary Basis Adjustment:                          |                         |                     |                     |   |
| Encumbrances Outstanding                                     |                         |                     | <u>392,292</u>      |   |
| GAAP Basis, October 31                                       |                         |                     | <u>\$ 1,333,299</u> |   |

CITY OF RAYTOWN, MISSOURI

STORM WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - ACTUAL AND BUDGET  
For the Year Ended October 31, 2018

|  | Budgeted Amounts |                    | Actual            | Variance with<br>Final Budget<br>Positive<br>[Negative] |
|--|------------------|--------------------|-------------------|---|
|  | Original         | Final              |                   |   |
| Revenues:  |                  |                    |                   |   |
| Taxes  | \$ 88,375        | \$ 88,375          | \$ 83,108         | \$ [5,267]  |
| Use of money and property  | -                | -                  | 3,449             | 3,449   |
| Total Revenues   | <u>88,375</u>    | <u>88,375</u>      | <u>86,557</u>     | <u>[1,818]</u>  |
| Expenditures:  |                  |                    |                   |   |
| Public works   | 232,100          | 232,100            | 161,679           | 70,421  |
| Capital outlay   | -                | 30,106             | 19,580            | 10,526  |
| Total Expenditures   | <u>232,100</u>   | <u>262,206</u>     | <u>181,259</u>    | <u>80,947</u>   |
| Excess [Deficiency] of Revenues<br>Over [Under] Expenditures                                       | <u>[143,725]</u> | <u>[173,831]</u>   | <u>[94,702]</u>   | <u>79,129</u>   |
| Other Financing Sources [Uses]:  |                  |                    |                   |   |
| Transfers in   | <u>150,000</u>   | <u>150,000</u>     | <u>150,000</u>    | <u>-</u>  |
| Total Other Financing Sources [Uses]   | <u>150,000</u>   | <u>150,000</u>     | <u>150,000</u>    | <u>-</u>  |
| Excess [Deficiency] of Revenues<br>and Other Sources Over [Under]<br>Expenditures and Other [Uses] | <u>\$ 6,275</u>  | <u>\$ [23,831]</u> | <u>55,298</u>     | <u>\$ 79,129</u>  |
| Fund Balance, November 1   |                  |                    | <u>96,329</u>     |   |
| Fund Balance, October 31   |                  |                    | <u>\$ 151,627</u> |   |

CITY OF RAYTOWN, MISSOURI

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 October 31, 2018

| <u>JACKSON COUNTY TAX FUND</u> |  | Balance           |                   |                   | Balance           |
|--------------------------------|--|-------------------|-------------------|-------------------|-------------------|
| ASSETS                         |  | October 31,       | <u>Additions</u>  | <u>Deductions</u> | October 31,       |
|                                |  | 2017              |                   |                   | 2018              |
| Cash and investments           |  | \$ 10             | \$ -              | \$ 10             | \$ -              |
| Total assets                   |  | <u>\$ 10</u>      | <u>\$ -</u>       | <u>\$ 10</u>      | <u>\$ -</u>       |
| LIABILITIES                    |  |                   |                   |                   |                   |
| Due to others                  |  | \$ 10             | \$ -              | \$ 10             | \$ -              |
| Total liabilities              |  | <u>\$ 10</u>      | <u>\$ -</u>       | <u>\$ 10</u>      | <u>\$ -</u>       |
| <u>RAYTOWN HIGHWAY 350 TDD</u> |  | Balance           |                   |                   | Balance           |
| ASSETS                         |  | October 31,       | <u>Additions</u>  | <u>Deductions</u> | October 31,       |
|                                |  | 2017              |                   |                   | 2018              |
| Cash and investments           |  | \$ 74,280         | \$ 80,639         | \$ 80,349         | \$ 74,570         |
| Taxes receivable               |  | 14,683            | 79,142            | 80,639            | 13,186            |
| Total assets                   |  | <u>\$ 88,963</u>  | <u>\$ 159,781</u> | <u>\$ 160,988</u> | <u>\$ 87,756</u>  |
| LIABILITIES                    |  |                   |                   |                   |                   |
| Due to others                  |  | \$ 88,963         | \$ 159,781        | \$ 160,988        | \$ 87,756         |
| Total liabilities              |  | <u>\$ 88,963</u>  | <u>\$ 159,781</u> | <u>\$ 160,988</u> | <u>\$ 87,756</u>  |
| <u>DITZLER CID</u>             |  | Balance           |                   |                   | Balance           |
| ASSETS                         |  | October 31,       | <u>Additions</u>  | <u>Deductions</u> | October 31,       |
|                                |  | 2017              |                   |                   | 2018              |
| Cash and investments           |  | \$ -              | \$ 124,330        | \$ 124,330        | \$ -              |
| Taxes receivable               |  | 16,683            | 128,345           | 124,330           | 20,698            |
| Total assets                   |  | <u>\$ 16,683</u>  | <u>\$ 252,675</u> | <u>\$ 248,660</u> | <u>\$ 20,698</u>  |
| LIABILITIES                    |  |                   |                   |                   |                   |
| Due to others                  |  | \$ 16,683         | \$ 252,675        | \$ 248,660        | \$ 20,698         |
| Total liabilities              |  | <u>\$ 16,683</u>  | <u>\$ 252,675</u> | <u>\$ 248,660</u> | <u>\$ 20,698</u>  |
| <u>TOTAL</u>                   |  | Balance           |                   |                   | Balance           |
| ASSETS                         |  | October 31,       | <u>Additions</u>  | <u>Deductions</u> | October 31,       |
|                                |  | 2017              |                   |                   | 2018              |
| Cash and investments           |  | \$ 74,290         | \$ 204,969        | \$ 204,689        | \$ 74,570         |
| Taxes receivable               |  | 31,366            | 207,487           | 204,969           | 33,884            |
| Total assets                   |  | <u>\$ 105,656</u> | <u>\$ 412,456</u> | <u>\$ 409,658</u> | <u>\$ 108,454</u> |
| LIABILITIES                    |  |                   |                   |                   |                   |
| Due to others                  |  | \$ 105,656        | \$ 412,456        | \$ 409,658        | \$ 108,454        |
| Total liabilities              |  | <u>\$ 105,656</u> | <u>\$ 412,456</u> | <u>\$ 409,658</u> | <u>\$ 108,454</u> |

See independent auditor's report on the financial statements

CITY OF RAYTOWN, MISSOURI

Schedule of Expenditures of Federal Awards  
For the Year Ended October 31, 2018

| Federal Grantor/Pass-Through<br>Grantor/Program Title | Federal<br>CFDA<br>Number | Expenditures      |
|---|---------------------------|-------------------|
| <u>U.S. Department of Transportation</u>              |                           |                   |
| Passed Through State Department of Transportation:    |                           |                   |
| Highway Planning and Construction Cluster:            |                           |                   |
| Highway Planning and Construction                     | 20.205                    | \$ 760,000        |
| Total Highway Planning and Construction Cluster:      |                           | <u>760,000</u>    |
| Highway Safety Cluster:                               |                           |                   |
| State and Community Highway Safety                    | 20.600                    | 2,225             |
| National Priority Safety Programs                     | 20.616                    | <u>1,591</u>      |
| Total Highway Safety Cluster:                         |                           | <u>3,816</u>      |
| Alcohol Open Container Requirements                   | 20.607                    | <u>778</u>        |
| Total U.S. Department of Transportation               |                           | <u>764,594</u>    |
| <u>U.S. Department of Homeland Security</u>           |                           |                   |
| Emergency Management Performance Grants               | 97.042                    | <u>11,523</u>     |
| Total U.S. Department of Homeland Security            |                           | <u>11,523</u>     |
| Total Expenditures of Federal Awards                  |                           | <u>\$ 776,117</u> |

See independent auditor's report on the financial statements and notes to the schedule of expenditures of federal awards.

CITY OF RAYTOWN, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended October 31, 2018

1. Organization

The City of Raytown, Missouri (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies, as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activities of the City and is presented using the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from those amounts presented in, or used in the presentation of, the financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in disallowed costs that would be material to the City's financial position at October 31, 2018.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants at October 31, 2018.

6. Pass Through Entity Numbers

Pass Through Grantors have not assigned passthrough numbers to the passthrough grants noted in the schedule of expenditures of federal awards.

CITY OF RAYTOWN, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
 Year Ended October 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?        Yes   X   No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 20.205                | Highway Planning and Construction         |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?        Yes   X   No

CITY OF RAYTOWN, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
October 31, 2018

Section II – Financial Statement Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

None Noted



MIZE & HOUSER  
COMPANY P.A.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Mayor and Board of Aldermen  
City of Raytown, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raytown, Missouri, (the City) as of and for the year ended October 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

[www.mizehouser.com](http://www.mizehouser.com) ■ mhco@mizehouser.com

534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f

534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f

7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f

211 E Eighth Suite A ■ Lawrence, KS 66044-2771 ■ 785.842.8844 p ■ 785.842.9049 f

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Houser: Company PA

Certified Public Accountants  
Lawrence, Kansas

March 27, 2019



MIZE & HOUSER  
COMPANY P.A.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Mayor and Board of Aldermen  
City of Raytown, Missouri

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Raytown, Missouri, (the City) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended October 31, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2018.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mike Houser: Company PA*

Certified Public Accountants  
Lawrence, Kansas

March 27, 2019

**DRAFT  
MINUTES**

**AMENDED**  
**ADDITION OF A CLOSED SESSION PERTAINING TO 610.021 (1 )(2) (3) (13)**

**TENTATIVE AGENDA**  
**RAYTOWN BOARD OF ALDERMEN**  
**MARCH 19, 2019**  
**REGULAR SESSION NO. 48**  
RAYTOWN CITY HALL  
10000 EAST 59<sup>TH</sup> STREET  
RAYTOWN, MISSOURI 64133  
**7:00 P.M.**

**OPENING SESSION**

Mayor Michael McDonough called the March 19, 2019 Board of Aldermen meeting to order at 7:01 p.m. and Tim Mabbott of Faiths of Raytown provided the invocation and led the pledge of allegiance.

**Roll Call**

Present: Alderman Karen Black, Alderman Frank Hunt, Alderman Jim Aziere, Alderman Jason Greene, Alderman Ryan Myers, Alderman Mark Moore, Alderman Steve Meyers, Alderman Bill Van Buskirk, Alderman Derek Ward

Absent: Alderman Bonnaye Mims

Alderman Mims joined the meeting at 7:15 p.m.

**Public Comments**

Tony Jacob, Raytown, MO, spoke regarding items on the March 5, 2019 meeting agenda, the current meeting agenda, a Public Works program, and an upcoming community event.

Brian Waters, 8708 E 81 Terrace, spoke regarding a Community Development matter.

**Communication from the Mayor**

None

**Communication from the City Administrator**

Damon Hodges, City Administrator, provided an update on the City's current projects and plans.

**Committee Reports**

Alderman Ward spoke regarding the March 18, 2019 Park Board meeting.

Alderman Mims spoke regarding the upcoming informational town hall meeting on March 20, 2019.

Alderman Hunt spoke regarding the upcoming Council on Aging meeting, Senior Expo and storm debris clean-up.

Alderman Van Buskirk spoke regarding the March 6, 2019 Police Pension Board meeting, the clean-up coupon system and the upcoming election.

Alderman Meyers spoke regarding the clean-up coupon program.

## 1. **CONSENT AGENDA**

All matters listed under the Consent Agenda are considered to be routine by the Board of Aldermen and will be enacted by one motion without separate discussion or debate. The Mayor or a member of the Board of Aldermen may request that any item be removed from the consent agenda. If there is no objection by the remaining members of the board, such item will be removed from the consent agenda and considered separately. If there is an objection, the item may only be removed by a motion and vote of the board.

Approval of the Regular March 5, 2019 Board of Aldermen meeting minutes.

**R-3187-19: A RESOLUTION AUTHORIZING AND APPROVING THE APPOINTMENT OF BRENT HUGH TO THE RAYTOWN PARK BOARD.** Point of Contact: Teresa Henry, City Clerk.

Alderman Mims, seconded by Alderman Myers, made a motion to adopt. The motion as approved by a vote of 10-0.

Ayes: Aldermen Mims, Myers, Ward, Hunt, Van Buskirk, Meyers, Moore, Greene, Aziere, Black  
Nays: None

Alderman Mims, seconded by Alderman Greene, made a motion to adjourn the Open Session and reconvene in Closed Session. The motion was approved by a vote of 10-0.

Ayes: Aldermen Mims, Greene, Hunt, Moore, Van Buskirk, Ward, Black, Aziere, Myers, Meyers  
Nays: None

## **CLOSED SESSION**

**Notice is hereby given that the Mayor and Board of Aldermen may conduct a closed session, pursuant to the following statutory provisions:**

- 610.021(1) Legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys;
- 610.021 (2) Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore;
- 610.021(3) Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information relating to the performance or merit of an individual employee is discussed or recorded; and/or
- 610.021(13) Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment.

Alderman Greene, seconded by Alderman Black, made a motion to adjourn the Closed Session and reconvene in Open Session. The motion was approved unanimously.

Mayor McDonough reconvened the Open Session at 8:00 p.m.

## **REGULAR AGENDA**

### **NEW BUSINESS**

2. **R-3188-19: A RESOLUTION** AUTHORIZING AND APPROVING AN ORGANIZATION RESOLUTION AND AGREEMENT BY AND BETWEEN THE CITY OF RAYTOWN, MISSOURI AND UMB BANK, N.A. Point of Contact: Teresa Henry, City Clerk

The resolution was read by title only by Teresa Henry, City Clerk.

Teresa Henry, City Clerk, remained available for any discussion.

Alderman Myers, seconded by Alderman Moore, made a motion to adopt. The motion was approved by a vote of 10-0.

Ayes: Aldermen Myers, Moore, Aziere, Mims, Greene, Meyers, Black, Ward, Hunt, Van Buskirk  
Nays: None

3. **R-3189-19: A RESOLUTION** AUTHORIZING AND APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF RAYTOWN AND RING LLC. Point of Contact: Randy Hudspeth, Interim Police Chief

The resolution was read by title only by Teresa Henry, City Clerk.

Randy Hudspeth, Interim Police Chief, remained available for any discussion.

The resolution was discussed.

Alderman Mims, seconded by Alderman Black, made a motion to adopt.

Discussion continued.

The motion was approved by a vote of 10-0.

Ayes: Aldermen Mims, Black, Van Buskirk, Hunt, Ward, Greene, Moore, Aziere, Meyers, Myers  
Nay: None

4. **R-3190-19: A RESOLUTION** AUTHORIZING AND APPROVING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF RAYTOWN, MISSOURI AND THE KANSAS CITY BRANCH OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE. Point of Contact: Joe Willerth, Special Counsel.

The resolution was read by title only by Teresa Henry, City Clerk.

Joe Willerth, Special Council, presented the MOU and remained available for any discussion.

Bill Whitcomb of the Kansas City Branch of the NAACP spoke regarding the MOU.

Rita Valenciano of the Department of Justice spoke regarding the MOU.

The resolution was discussed.

Alderman Mims, seconded by Alderman Myers, made a motion to adopt the resolution as presented.

Discussion continued.

The motion was approved by a vote of 9-1.

Ayes: Aldermen Mims, Myers, Hunt, Ward, Greene, Moore, Aziere, Black, Meyers  
Nays: Alderman Van Buskirk

## **DISCUSSION ITEM**

### 5. Medical Marijuana-Alderman Derek Ward

Alderman Ward presented the item.

The item was discussed.

Alderman Myers, seconded by Alderman Mims, made a motion to adjourn. The motion as approved by a vote of 10-0.

Ayes: Aldermen Myers, Mims, Hunt, Ward, Moore, Greene, Van Buskirk, Black, Aziere, Meyers

Nays: None

## **ADJOURNMENT**

The meeting adjourned at 8:40 p.m.

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Teresa M. Henry, MRCC  
City Clerk

**CITY OF RAYTOWN**  
**Request for Board Action**

**Date:** April 4, 2019  
**To:** Mayor and Board of Aldermen  
**From:** Teresa Henry, City Clerk

**Resolution No.** R-3191-19

**Department Head Approval:** \_\_\_\_\_

**City Administrator Approval:** \_\_\_\_\_

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**Action Requested:** Appointment of Special Sales Tax Review Committee member to represent Ward 1.

**Recommendation:** None.

**Analysis:** The Special Sales Tax Review Committee was originally established in 2002 to provide guidance and oversight on how money from the Transportation Sales Tax, Capital Improvement Sales Tax and Public Safety Sales Taxes approved by the voters is spent. In doing so, the Committee is required to meet at least once each quarter to monitor the plan.

The Committee is comprised of one citizen member from each of the five Wards selected by mutual agreement of the Aldermen elected to represent the Ward and the appointment of two additional citizen members by the Mayor. If the two Aldermen representing that Ward cannot agree on a citizen member, then each of the two Aldermen nominate a citizen member and the Board of Aldermen select the committee member by majority vote.

There is currently a vacancy on the Committee from Ward 1 and the Aldermen from Ward 1 have reached a consensus and recommend Paul Whitney be appointed to fill the vacant position.

To be qualified for appointment a citizen must meet the following criteria:

1. current resident
2. at least 21 years of age
3. citizen of US
4. resident of the City for at least one year prior to appointment.

**A RESOLUTION AUTHORIZING AND APPROVING THE APPOINTMENT OF PAUL WHITNEY AS THE WARD I REPRESENTATIVE TO THE SPECIAL SALES TAX REVIEW COMMITTEE**

**WHEREAS**, Resolution 1312-02 provides for appointment of a Special Sales Tax Review Committee; and

**WHEREAS**, such Special Sales Tax Review Committee is comprised of one citizen from each of the five Wards appointed by the Aldermen who represent that Ward and two citizens appointed at-large by the Mayor; and

**WHEREAS**, in the event the Aldermen representing the Ward are unable to agree on an individual to appoint to the Committee, each Alderman nominates a representative to serve on the Committee and the representative for the Ward is selected by a vote of the Board of Aldermen; and

**WHEREAS**, a vacancy exists in Ward 1 on the Special Sales Tax Review Committee and the Aldermen from Ward 1 recommend the appointment of Paul Whitney to be the Ward 1 representative to the Special Sales Tax Review Committee.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** Paul Whitney, 6020 Elm Avenue, Raytown, MO is hereby appointed as the Ward 1 member of the Special Sales Tax Review Committee, to fill the remainder of an unexpired term ending November 1, 2021, or until a successor is duly appointed;

**FURTHER THAT** this resolution shall be in full force and effect from and after the date of its passage and approval.

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

Approved as to Form:

\_\_\_\_\_  
Jennifer M. Baird, City Attorney



City of Raytown

Boards and Commissions Application

Thank you for your interest in serving on one of the City of Raytown Boards and Commissions. Volunteers like you are essential to ensuring that your city government is responsive to the needs of the community.

Please help us place you in the most appropriate Board/Commission by completing this questionnaire.

Date: 4/4/2019

Name: Whitney, Paul Winston

Last First Middle

Address: 6020 Elm Ave, Raytown MO 64133
Street City Zip Code

Contact Information:

816-313-6330 816-674-7947 orson@comcast.net
Phone: Day Evening Cell Fax E-Mail Address

I want to serve on the Special Sales Tax Review Committee Board/Commission

Because: to contribute to my community

My strength(s) on this Board/Commission will be:

pragmatism

Education: Raytown Raytown MO 1952-1957
High School City/State Date

Iowa State, UCM, William Jewell 1957-1961
Trade/College/University Degree Date

Post Graduate: College/University Degree Date

Employment (Maximum 10 years):

Current: Retired

| Employer | Address | Position |
|----------|---------|----------|
|----------|---------|----------|

| Past: <u>American Airlines</u> | <u>Rosemount, IL</u> | <u>Sales</u> | <u>2001-2004</u> |
|--------------------------------|----------------------|--------------|------------------|
| Employer                       | Address              | Position     | Dates            |

| Past: <u>Transworld Airlines</u> | <u>Kansas City, MO</u> | <u>Various</u> | <u>1965-2001</u> |
|----------------------------------|------------------------|----------------|------------------|
| Employer                         | Address                | Position       | Dates            |

Community Involvement:

| Organization                                       | Leadership Position(s)      | Membership Date(s)    |
|--|-----------------------------|-----------------------|
| 1. <u>Raytown Historical Society</u>               | <u>President, VP, Board</u> | <u>1997 - Present</u> |
| 2. <u>Raytown Kiwanis</u>                          |                             | <u>2008-Present</u>   |
| 3. <u>Elected Officials Compensation Committee</u> |                             | <u>2018 - Present</u> |
| 4. _____   |                             |                       |
| 5. _____   |                             |                       |

Do you have business or property interests that might place you in a conflict of interest situation should you be appointed to this Board/Commission? If so, please explain.

No

Do you anticipate that there will be times when you will not be able to attend the Board/Commission meeting? If yes, how often do you anticipate this would occur?

No

Mail to: Mayor's Office, 10000 East 59<sup>th</sup> Street, Raytown, MO 64133; or FAX: 816-737-6097.

**CITY OF RAYTOWN**  
**Request for Board Action**

**Date:** April 4, 2019

**Bill No.:** 6500-19

**To:** Mayor and Board of Aldermen

**Section No.:** XIII

**From:** Ray Haydaripoor, Director of Community Development

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding requested)

**City Administrator Approval:** \_\_\_\_\_

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**Action Requested:** Requesting consideration and approval of the Conditional Use Permit application to allow the replacement of the existing monument sign with a new sign in an R-1 residential zoned district.

**Recommendation:** On March 7, 2019, the Planning & Zoning Commission recommended approval of the Conditional Use Permit application by a vote of 5 in favor and 0 against.

**Analysis:** Jerry Applegate, the pastor of Lane Avenue Baptist Church, is requesting Conditional Use Permit (CUP) approval of a monument sign in an R-1 zoning district. Per Raytown's sign regulations, the monument sign type is only conditionally approved in this zoning district. The new monument sign will be located at the same location as the current one. The replacement of the existing sign with a new one will void the legal nonconformity hence the need for a CUP.

Lane Avenue Baptist Church has been located at this location since 1975, originally operating as 1<sup>st</sup> General Baptist Church of Kansas City. The church was the first and has been the only use for the building since it was constructed in 1975.

**Alternatives:** Alternatives to the recommendation of the Planning & Zoning Commission would be to either deny the request or refer the application back to the Planning & Zoning Commission for revisions and/or further review.

**Budgetary Impact:** This application does not require the city to provide any funding.

Not Applicable

**Additional Reports Attached:**

- Staff Report from March 7, 2019, Planning & Zoning Commission meeting
- Minutes from March 7, 2019, Planning & Zoning Commission meeting

**AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO REMOVE AN EXISTING MONUMENT SIGN AND CONSTRUCT A NEW MONUMENT SIGN AT THE SAME LOCATION AT THE PROPERTY LOCATED AT 9003 E 87<sup>th</sup> STREET**

**WHEREAS**, Application No. PZ-2019-02, submitted by Jerry Applegate, the pastor of Lane Avenue Baptist Church, is requesting Conditional Use Permit (CUP) approval of a monument sign in an R-1 zoning district, on the property located at 9003 E 87<sup>th</sup> Street.

**WHEREAS**, after due public notice in the manner prescribed by law, the Planning & Zoning Commission held a public hearing on March 7, 2019 and by a vote of 5 in favor and 0 against recommends approval and rendered a report to the Board of Aldermen containing findings of fact and a recommendation that the Conditional Use Permit be approved; and

**WHEREAS**, after due public notice in the manner prescribed by law, the Board of Aldermen held a public hearing on April 9, 2019 and on April 16, 2019, and rendered a decision to grant said Conditional Use Permit;

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**SECTION 1 – GRANT OF CONDITIONAL USE PERMIT.** That pursuant to City Code Chapter 50, of the Zoning Ordinance of the City of Raytown, Missouri, a Conditional Use Permit is hereby granted to allow a monument sign to be replaced at 9003 E 87<sup>th</sup> Street.

**SECTION 2 – FAILURE TO COMPLY.** That failure to comply with all of the provisions contained in this ordinance shall constitute violation of this ordinance and the City’s Comprehensive Zoning Regulations.

**SECTION 3 – SEVERABILITY CLAUSE.** The provisions of this ordinance are severable and if any provision hereof is declared, invalid, unconstitutional, or unenforceable, such determination shall not affect the validity of the remainder of this ordinance.

**SECTION 4 – EFFECTIVE DATE.** This ordinance shall be in full force and effect from and after the date of its passage and approval.

**BE IT REMEMBERED** that the above was read two times by heading only, **PASSED AND ADOPTED** by a majority of the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Jackson County, Missouri, this \_\_\_\_ day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

\_\_\_\_\_  
Jennifer M. Baird, City Attorney



# Staff Report

Community Development  
Planning and Development Services

## PZ 2019-02

To: City of Raytown Planning and Zoning Commission  
From: Ray Haydaripoor, Director of Community Development  
Date: March 7, 2019  
Re: Application for Conditional Use Permit

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### CONDITIONAL USE PERMIT APPLICATION SUMMARY

Applicant: Jerry Applegate  
Property Owner: First General Baptist Church  
Property Location: 9003 E. 87<sup>th</sup> Street  
Request: To install a monument sign in a R-1 zoning district

Jerry Applegate, the pastor of Lane Avenue Baptist Church, is requesting Conditional Use Permit (CUP) approval of a monument sign in an R-1 zoning district. Per Raytown's sign regulations, the monument sign type is only conditionally approved in this zoning district. The new monument sign will be located at the same location as the current one shown in Figure 1. The replacement of the existing sign with a new one will void the legal nonconformity hence the need for a CUP.

In addition to this CUP request, the proposed sign will also have a hearing in front of the Board of Zoning Adjustment (BZA) in April. Two variances will be requested – the first being a variance to allow for illuminated sign in a R-1 zoning district and the other being variance for total sign height.



Figure 1 – Street view of Lane Avenue Baptist Church and current monument sign

## BACKGROUND

|                                  |  |
|----------------------------------|--|
| Property's Zoning Classification | Low Density Residential (R-1)                  |
| Surrounding Properties' Zoning   | Low and High Density Residential (R-1 and R-3) |
| Surrounding Overlay              | N/A  |
| Surrounding Land Use             | Single-Family and Multi-Family Homes           |
| Designated Future Land Use       | Single Family Residential                      |
| Ward                             | Ward 5   |
| Approximate Land Area            | 0.56 acres                                     |
| Roadway Classification           | Primary Arterial                               |

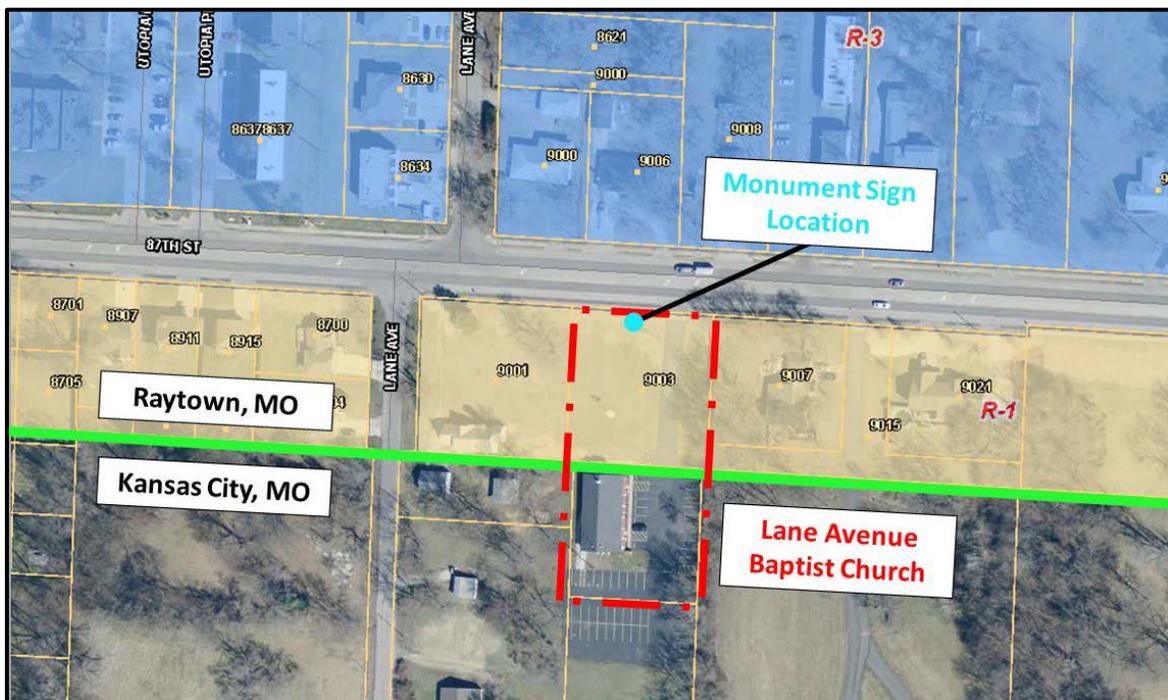


Figure 2 – Aerial view of Lane Avenue Baptist Church site, sign location, and surrounding zoning

### SITE DESCRIPTION AND PRESENT USE

The Lane Avenue Baptist Church site straddles the Raytown-Kansas City border. The portion of the property that is within Raytown city limits is completely vacant except for the current monument sign, a driveway and a flag pole. The church itself is located in the back half of the parcel, which is in Kansas City city limits.

### SURROUNDING PROPERTIES AND NEIGHBORHOOD

The church faces 87th Street, which is designated as a Primary Arterial road by the City of Raytown. On the East side of the church, single-family homes face both sides of 87th Street. To the West of the church, there are single-family homes on the South of the street and some multi-family apartments and duplexes on the North side of the street.



# Staff Report

Community Development  
Planning and Development Services

## HISTORY

Lane Avenue Baptist Church has been located at this location since 1975, originally operating as 1<sup>st</sup> General Baptist Church of Kansas City. The church was the first and has been the only use for the building since it was constructed in 1975.

## PUBLIC COMMENTS

The public notice was published in *The Daily Record* on February 19, 2019. Public notice letters were sent to property owners within 185 feet of the property by the applicant. The Neighborhood Information Meeting was held on February 18, 2019. To date, the Community Development Department has received no letters/calls regarding this application.

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## ANALYSIS

In considering and making a decision on an application for a conditional use permit, consideration is required to be given by the city to the health, safety, morals, comfort and general welfare of the inhabitants of the city, including but not limited to, the following factors.

NOTE: The Conditional Use Permit (CUP) being applied for here is unique in that it is for a sign. The typical CUP application is for a land use that is not permitted outright in a specific zoning district. Similarly to the typical CUP application, the proposed sign type of a Monument Sign is not permitted outright in the R-1 zoning district that the church is in.

### 1. Stability and integrity of the various zoning districts

The parcel and all adjacent lots are zoned either Low-Density Residential (R-1) or High-Density Residential (R-3). The uses of surrounding properties are more specifically described below:

- North: Single and Multi-Family Homes
- East: Single-Family Homes
- South: Single-Family Homes
- West: Single-Family Homes

### 2. Conservation of property values

No change to neighboring property values is expected. There is already an existing legal nonconforming monument sign on the church lot. The new sign will simply replace the existing one, which should not change anything for neighboring properties.

### 3. Protection against fire and casualties

The existing sign already has electrical running to it and will be used for the new sign. Staff has no concern of fire and/or casualties regarding this project.

### 4. Observation of general police regulations

The proposed sign will not violate any general police regulations.

### 5. Prevention of traffic congestion

The proposed sign will not increase traffic congestion coming to or from the church.



**6. Promotion of traffic safety and the orderly parking of motor vehicles**

The proposed sign will not affect traffic safety nor the orderly parking of motor vehicles.

**7. Promotion of the safety of individuals and property**

The proposed sign will not affect the safety of individuals or property.

**8. Provision for adequate light and air**

The proposed sign will not affect the air quality of the area. The proposed sign will have an electric change copy message board that applicant, Jerry Applegate, has said will be dimmed during the night time and will only change once every 24 hours (per city code).

**9. Prevention of overcrowding and excessive intensity of land uses**

The proposed sign will not affect the intensity of land uses in the area.

**10. Provision for public utilities and schools**

The proposed sign will not affect any public utilities or schools.

**11. Invasion by inappropriate uses**

Staff does not view the monument sign as an inappropriate use at this location.

**12. Value, type and character of existing or authorized improvements and land uses**

The property on which the proposed sign would be located is developed and does not necessitate any building improvements.

**13. Encouragement of improvements and land uses in keeping with overall planning**

Staff has no concerns regarding the proposed sign adhering to overall planning principles.

**14. Provision for orderly and proper renewal, development and growth**

The proposed sign will not affect the orderly and proper renewal, development or growth of the city.

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## RECOMMENDATION

Staff recommends approval of Case No. PZ 2019-02 – Conditional Use Permit for a monument sign to be located at 9003 E. 87<sup>th</sup> Street.

**CITY OF RAYTOWN**  
**PLANNING & ZONING COMMISSION**  
**MINUTES**

**March 7, 2019**  
**7:00 pm**

**Raytown City Hall**  
**Board of Aldermen Chambers**  
**10000 East 59<sup>th</sup> Street**  
**Raytown, Missouri 64133**

**1. Welcome by Chairperson**

**2. Call meeting to order and Roll Call**

|         |         |           |         |          |         |
|---------|---------|-----------|---------|----------|---------|
| Wilson: | Present | Meyers:   | Present | Emerson: | Absent  |
| Bettis: | Absent  | Robinson: | Absent  | Frazier: | Present |
| Stock:  | Absent  | Dwight:   | Present | Cochran: | Present |

**3. Approval of January 3, 2019 Meeting Minutes**

- a) Revisions – N/A
- b) Motion to approve – Mr. Meyers
- c) Second – Mrs. Dwight
- d) Additional Board Discussion – N/A
- e) Vote – Approve (4-0) – Mr. Wilson abstained due to being absent from the meeting

**4. Old Business - None**

**5. New Business**

**A. Case No.: PZ-2019-02**

**Applicant: Jerry Applegate**

**Reason: Conditional Use Permit for a Monument Sign in a R-1 zoning district**

**1. Introduction of Application by Chair (Mr. Wilson)**

**2. Explanation of any exparte' communication from Commission members regarding the application**

Mr. Frazier says was a former member of Lane Avenue Baptist Church but it will not affect the hearing

**3. Enter Additional Relevant City Exhibits into the Record:**

- a. Staff report
- b. Conditional Use Permit Application
- c. Application Supporting Documents
- d. Application Permit and Receipt

- e. Public Notice Guide
- f. Neighborhood meeting invite, summary and sign-in sheet
- g. Applicant's site plan and supporting plan documents

**4. Introduction of Application by Staff**

Mr. Haydaripoor introduces the case to the commission. The applicant is requesting conditional use permit approval of a monument sign in an R-1 zoning district. Per Raytown's sign regulations, the monument sign type is only conditionally approved in this zoning district. The new monument sign will be located at the same location as the current one shown in Figure 1. The replacement of the existing sign with a new one will void the legal nonconformity hence the need for a conditional use permit.

**5. Presentation of Application by Applicant**

Jennifer Baird, City Attorney, swears applicant Jerry Applegate, Alderman Bonnaye Mims and Mrs. Carol Hinesley in to the public hearing.

Mr. Applegate states that the church is asking to place a new monument sign exactly where the existing one is now. The existing sign was placed in its spot in 1991. Mr. Applegate states that the reason he wants to change the sign is to upgrade it to a computerized version so he would not have to change the message by hand each time. Mr. Applegate states that the sign will have an automatic dimmer on it so that it will not shine too bright during the night time.

Alderman Mims states that she is in support of the sign due to the positive impact of the church on the community. She tells the commissioners that she would be appreciative of their support of the church's proposal.

Mrs. Hinesley, who attends Lane Avenue Baptist Church states that she has been on the fundraising committee for the sign for the past two years. She asks the commissioners to consider allowing them to replace this sign. Mrs. Hinesley states that the church offers many different events, free of charge to the community, that occur several times a year. The proposed monument sign will allow them to advertise these events to the community.

**6. Additional Staff Comments and Recommendation**

Mr. Haydaripoor states that the monument sign has been there for a long time and that the improvement the Church is planning will be a good one for both the Church and the neighborhood. He states that Staff recommends approval of Case No. PZ 2019-02 – Conditional Use Permit for a monument sign to be located at 9003 E. 87th Street.

**7. Board Discussion**

No discussion.

**8. Board Decision to Approve, Conditionally Approve or Deny the Application**

- a. Motion – Mr. Frazier
- b. Second – Mrs. Cochran
- c. Additional Board Discussion – Mrs. Dwight says she likes the daisies that will be placed below the sign.
- d. Vote – Yes (5-0)

**6. Other Business- None**

**8. Set Future Meeting Date - Thursday, April 4, 2019 at 7:00 PM**

**9. Adjourn**

**CITY OF RAYTOWN  
Request for Board Action**

**Date:** April 4, 2019  
**To:** Mayor and Board of Aldermen  
**From:** Damon Hodges, City Administrator

**Resolution No.:** R-3192-19

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding is requested)

**City Administrator Approval:** \_\_\_\_\_



**Action Requested:** Staff is requesting permission to spend more than \$15,000.00 with a single vendor per the purchasing policy.

**Analysis:** Special Counsel is needed to represent the City of Raytown.

**Alternative:** Seek other legal services for Special Counsel.

**Budgetary Impact:**

- Not Applicable
- Budgeted item with available funds
- Non-Budgeted item with available funds through prioritization
- Non-Budgeted item with additional funds requested

**Additional Reports Attached:** Engagement Letter

**A RESOLUTION AUTHORIZING AND APPROVING AN AGREEMENT WITH THE MUDD LAW FIRM FOR SPECIAL COUNSEL SERVICES AND APPROVING THE EXPENDITURE OF FUNDS WITH THE MUDD LAW FIRM IN EXCESS OF \$15,000.00 BUT WITHIN BUDGETED AMOUNTS FOR FISCAL YEAR 2018-2019**

**WHEREAS**, pursuant to Section 79.230 RSMo. the Board of Aldermen may employ counsel to represent the City as Special Counsel to the City; and

**WHEREAS**, the Board of Aldermen find it is in the best interest of the citizens of the City of Raytown to authorize and approve an agreement for Special Counsel services as set forth in Exhibit "A" with The Mudd Law Firm and approve the expenditure of funds to The Mudd Law Firm in excess of \$15,000.00 but within budgeted amounts for fiscal year 2018-2019;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** it is in the best interest of the citizens of the City of Raytown to authorize and approve an agreement for Special Counsel services as set forth in Exhibit "A" with The Mudd Law Firm and the expenditure of funds to The Mudd Law Firm in excess of \$15,000.00 but within budgeted amounts for fiscal year 2018-2019 is hereby authorized and approved; and

**FURTHER THAT**, the City Administrator is hereby authorized to execute all agreements or documents necessary to approve the purchase of goods and services contemplated herein and the City Clerk is authorized to attest thereto.

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

\_\_\_\_\_  
Jennifer M. Baird, City Attorney

**Attorney Tim Mudd  
The Mudd Law Firm  
1600 Baltimore, Suite 200B  
Kansas City, Missouri 64108**

**LAWYER-CLIENT FEE AGREEMENT**

**Attorney Tim Mudd** ("Lawyer") will provide legal services to the City of Raytown, Missouri ("Client"), on the terms set forth below.

**1. CONDITIONS.** This Agreement will not take effect, and Lawyer will have no obligation to provide legal services, until Client approves and returns a signed copy of this Agreement.

**2. SCOPE OF SERVICES.** Client is hiring Lawyer to investigate the facts surrounding the damage to and degradation of a roadway in Raytown, Jackson County, Missouri, and to pursue possible claims against any third party[ies] who may have caused or contributed to cause that damage/degradation.

In the event litigation is necessary to pursue any such claims involving a roadway in Raytown, Jackson County, Missouri, Lawyer will represent Client until a settlement or judgment is obtained by way of negotiations, arbitration or trial. In the event litigation is commenced by Client to pursue such claims, Lawyer will oppose any motion for a new trial or any other post-trial motions filed by any opposing party, or will make any appropriate post-trial motions on Client's behalf. After judgment is entered, Lawyer will not represent Client on any appeal, or in any proceedings designed to execute on the judgment, without such additional compensation as may be agreed upon in a separate, written Agreement.

**3. CLIENT.** Lawyer is representing only the City of Raytown, Missouri in this matter. It is understood by Client that lawyer's duty is to act in the best interest of the Client and that Lawyer cannot share information about Client's matters with anyone other than Client without express permission from the client to do otherwise.

**4. RESPONSIBILITIES OF THE PARTIES.** Lawyer will provide those legal services reasonably required to pursue Client's potential claims referenced in paragraph 2 above. Client agrees to have one or more designated representatives appear at all legal proceedings (including depositions, hearings, and all court proceedings - including but not limited to trial) when Lawyer deems it necessary. Client City of Raytown, Missouri further agrees to generally cooperate fully with Lawyer in all matters related to the preparation and presentation of Client's defense (including but not limited to interrogation, trial preparation, client interviews). Further, while it is impossible to predict the course of a representation, it may be important for Lawyer to contact Client immediately, or upon short notice, to confer with Client regarding the status of Client's matters. An inability to do so may result in Client's potential claims being prejudiced and detrimentally affected. Accordingly, it is agreed that the City Clerk is hereby designated as the routine point of contact between the City of Raytown, Missouri and Lawyer.

**5. LEGAL FEES AND BILLING PRACTICES.** Lawyer will be compensated for legal services rendered at a rate of \$190.00 per hour for attorney time, and \$75.00 per hour for paralegal time, with all entries billed to the nearest tenth of an hour. Lawyer will regularly provide Client with a written statement setting forth the legal services performed for client, as well as costs and expenses incurred by Lawyer on Client's behalf.

**6. COSTS AND EXPENSES.** It is understood and agreed that Lawyer may likely incur various costs and expenses in performing services under this Agreement. Client agrees to pay for all costs and expenses paid or owed by Client in connection with this matter, or which have been advanced by Lawyer on Client's behalf and which have not been previously paid or reimbursed to Lawyer. Costs and expenses commonly include witness fees, expert fees, service of process charges, deposition costs, investigation expenses and other similar items. Except for the items listed below, costs and expenses will be charged at cost.

|                            |           |
|----------------------------|-----------|
| In-Office photocopying     | 0¢/page   |
| Facsimile charges          | 0¢/page   |
| Out-of-town Mileage        | 48¢/ mile |
| Extraordinary photocopying | At cost   |

**7. BILLING STATEMENTS.** Lawyer will send Client periodic billing statements for attorney fees, costs and expenses incurred in connection with this matter. Each such statement is to be paid in full by Client within ten (10) days after the date of such statement.

**8. DISCHARGE AND WITHDRAWAL.** Client may discharge Lawyer at any time, upon written notice to Lawyer. Lawyer may withdraw from representation of Client (a) with Client’s consent (b) upon court approval, or (c) for good cause and upon reasonable notice to Client. Good cause includes any Client’s breach of this contract, Client’s refusal to cooperate with Lawyer, Client refusing to follow Lawyers’ advice on a material matter, Client’s refusal to pay Lawyer for his services, costs or expenses, or any other fact or circumstance that would render Lawyer’s continuing representation unlawful or unethical. Notwithstanding Lawyer’s withdrawal or Client’s notice of discharge, and without regard to the reasons for the withdrawal or discharge, it is agreed Client will remain obligated to pay Lawyer for all costs incurred prior to the termination.

It is agreed that Lawyer will maintain Client’s file for five (5) years after this matter is concluded. Client may request its file from Lawyer at any time during, upon conclusion of, or after conclusion of this matter. It is agreed that as of five years after the conclusion of this matter, the Lawyer at his discretion may cause the file to be destroyed without further notice to Client.

**9. DISCLAIMER OF GUARANTEE AND ESTIMATES.** Nothing in this Agreement and nothing in any Lawyer's statements to any Client will be construed as a promise or guarantee about the outcome of this matter. Lawyer makes no such promises or guarantees. There can be no assurance about the outcome of this matter. Any comments by Lawyer about the potential outcome of this matter are expressions of opinion only. Client acknowledges that Lawyer have made no promise or guarantees about the outcome of this matter.

**10. NEGOTIABILITY OF FEES.** The rates set forth in this agreement are not set by law, but have been negotiated and agreed to between Lawyer and Client.

**11. APPROVAL NECESSARY FOR SETTLEMENT.** Lawyer will not make any settlement agreement regarding any potential claims without Client’s prior approval. Pursuant to Missouri law, Client has the absolute right to accept or reject any settlement proposal.

**12. CONCLUSION OF SERVICES.** When Lawyer’s services conclude, all attorney fees, cost and expenses will immediately become due and payable. After Lawyer’s services conclude, upon request, Client’s file and property will be delivered to Client.

**13. ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this Agreement will be binding on the parties.

**14. SEVERABILITY IN EVENT OF PARTIAL INVALIDITY.** If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

**15. MODIFICATION BY SUBSEQUENT AGREEMENT.** This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by Lawyers and the Client.

**16. EFFECTIVE DATE.** This Agreement will govern all legal services performed by Lawyer on behalf of Client, commencing with the date Lawyer first performed any services on behalf of Client – including but not limited the initial investigative steps performed by Lawyer on Client’s behalf.

Signature of Authorized Representative of the City of Raytown\_\_\_\_\_

DATE \_\_\_\_\_

Address \_\_\_\_\_

Telephone: \_\_\_\_\_

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Tim Mudd, Esq.

**CITY OF RAYTOWN**  
**Request for Board Action**

**Date:** April 4, 2019

**Resolution No.:** R-3193-19

**To:** Mayor and Board of Aldermen

**From:** Missy Wilson, Assistant City Administrator

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding is requested)

**City Administrator Approval:** \_\_\_\_\_

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**Action Requested:** Permit the City of Raytown to enter into a 36-month agreement with Consolidated Communications for telecommunications/data service for City Hall and Police Department

**Recommendation:** Approve the agreement.

**Analysis:** For the last nine years, the City has had its telecommunications and Internet service provided by Consolidated Communications. The contract for telecommunications and Internet service expires in mid-June. Staff has been reviewing different bandwidth, fiber-optic options for the City Hall building, to allow for Email, online business transactions, offsite cloud data storage for business continuity and disaster recovery. The best options are to decrease the annual telecommunications/data costs and increase the existing 10Mbps fiber-optic connection to 100Mbps. To that end multiple vendors (AT&T, Sprint, Consolidated Communications) were contacted and asked to review our system needs and submit a bid for service. Staff's review has led to a recommendation that we contract with Consolidated Communications for telecommunications/data service.

Currently, the City is spending about \$1,800.00 per month to provide digital phone and Internet service to City Hall. Under the Consolidated Communications proposal, that cost would decrease to about \$1,650.00 per month. The annual cost savings will amount to \$1,500.00 per year. To make this change there will be a need to upgrade the on-site network router owned by the City. The upgrade cost will be included as part of the contract agreement. Additionally, as an incentive, Consolidated Communications is providing the City with three months of free telecommunications and Internet service. Based on these incentives, the 36-month contract cost savings will be \$9,500.00.

This change will not impact our current phone numbers and will be done in a manner to minimize any possible service interruptions. The change will not impact 911 services.

Service to our remote sites will not initially be converted to fiber optic and those buildings will be maintained for the next year via a contract with another Internet Provider. That will allow time to research telecommunications and Internet options for those sites. Staff will also be reviewing the ability to attach remote sites to the fiber optics network with the hope that we can eliminate certain phone and Internet charges and further reduce the cost of telecommunications/data services.

In order to make this cost savings change, there is a need to enter into the contract with Consolidated Communications in a timely manner. To accomplish that requirement, staff is requesting the Board approve the contract with Consolidated Communications.

**Alternatives:** This represents the best alternative. The option is to not enter into a contract agreement for telecommunications/data pricing, increased bandwidth, IP networking and incur the loss of the three-month free service for Consolidated Communications telecommunications/data services and to be charged at a non-contract rate. This will reduce the annual savings described above

**Budgetary Impact:**

Budgeted item with available funds and costs coming in less than estimated – savings of \$9500

**Additional:** Proposal from Consolidated Communications and IT staff narrative on conversion process and bid results – that item recaps the other proposals

**A RESOLUTION AUTHORIZING AND APPROVING AN AGREEMENT WITH  
CONSOLIDATED COMMUNICATIONS FOR TELECOMMUNICATIONS/DATA SERVICES**

**WHEREAS**, the City desires to engage the services of Consolidated Communications for telecommunication and Internet services; and

**WHEREAS**, the Board of Aldermen find that it is in the best interest of the citizens of the City of Raytown that the City enter into an agreement with Consolidated Communications for such services.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE  
CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** the Agreement by and between the City of Raytown, Missouri and Consolidated Communications for telecommunication and Internet services is hereby authorized and approved; and

**FURTHER THAT** the City Administrator is hereby authorized to execute any and all other documents necessary and the City Clerk is authorized to attest thereto.

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

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Michael McDonough, Mayor

ATTEST:

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Teresa M. Henry, City Clerk

Approved as to Form:

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Jennifer M. Baird, City Attorney

## BUSINESS SERVICES AGREEMENT

This Business Services Agreement (“**Agreement**”) is made by and between the Consolidated Communications, Inc. company identified below (“**CCI**”), and City of Raytown (“**Customer**”), a(n) Missouri company, and the Consolidated Communications company identified below (“**CCI**”).

The CCI company that is the party to this Agreement is identified by the state where services will be provided and the specific services sought by Customer, are listed in **Addendum 1** of this agreement.

This Agreement is primarily for the sale of local, intrastate and interstate telecommunications services for businesses, and/or for Internet and IP-based services. This Agreement also may include the purchase or lease of telecommunications or other equipment and/or facilities, where identified below and on any attached exhibits. Central office collocation may be covered by this Agreement but requires a separate addendum. Business cable television services require a separate addendum and may be delivered through a separate entity authorized to provide cable service. Some hosted and other services will require additional attachments with service-specific terms. Long distance and some other services may be provided by an affiliate or a non-affiliate. Data center space and related services must be procured under a different agreement and are not covered by this Agreement.

In consideration of the promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CCI and Customer agree as follows:

**1. Services and Location.** The services and any related equipment (together, the “**Services**”) being obtained by Customer from CCI are listed on **Attachment 1**. If Customer seeks additional Services at a later date, they will be added pursuant to a written amendment to this Agreement that is signed by both parties. The location(s) at which the Services (including any specific equipment) will be provided is/are also set out in **Attachment 1**.

**2. Term.** This Agreement is binding on Customer when Customer signs it (the “**Effective Date**”), except that commitments for regulated Services that require prior regulatory approval or filing will become effective only when the mandatory regulatory precondition(s) are met. The parties may establish an earlier Effective Date in appropriate circumstances by mutual written agreement. Subject to annual appropriation, the initial term (“**Term**”) for each Service set out in **Attachment 1** is **36 Months**, and will begin on the date that the Service is first made available to Customer for use. Subject to annual appropriation, the Term (and this Agreement) shall then continue for the number of months set out above, subject to the **General Terms and Conditions**, which are set out in **Attachment 2** and incorporated by reference as a part of this Agreement. (If no initial Term is filled in on this Agreement, the initial Term for each Service set out in Attachment 1 is twelve (12) months (or the term in the most recent sales quote, if longer).) The initial Term for this Agreement will continue until the latest expiration date of any Service Term. The Term for each Service will be extended as provided in the **General Term and Conditions**. This Agreement will continue for so long as a Service is being provided.

Customer acknowledges that the rates quoted for the Services are based in significant part on Customer’s Term commitment. If Customer terminates a Service earlier than the end of the then-applicable Term period for any reason not permitted by this Agreement, or if CCI terminates a Service for Customer breach, Customer agrees that it will be subject to an early termination charge based on the number of full or partial months left in the Term period for the terminated Service(s), as explained in the **General Terms and Conditions**, and will pay such charge on demand. If Customer terminates this Agreement or cancels a Service for any reason prior to the date that the Service is initially made available to it, Customer is not responsible for the early termination charge, but agrees to pay a cancellation charge as set out in the **General Terms and Conditions**.

**3. Charges and Fees.** The following reflect the charges and fees applicable to the Services ordered:

- (a) **Total base monthly recurring charge(s) (“Monthly Recurring Charge(s)”, or “MRC(s)”)** (the total of the base amounts payable each month for all Services (taxes and other charges are extra): \$ 1,650.00.
- (b) **(If applicable): One-time hardware** and related license purchases: \$ 0.00.
- (c) **Installation fee** (a one-time, non-recurring charge, which may be paid over the number of months stated in (d)): \$ 0.00.
- (d) **(If applicable):** Number of months over which the installation fee is to be paid (not more than 4 months) .

Customer agrees that the amount set out in (a), above, represents the total of the base recurring charges initially payable by Customer each month for the Services that Customer has ordered as of the Effective Date and that are listed on **Attachment 1**, taking into account all discounts and credits.

Any and all taxes, fees, universal service and similar public policy assessments, whether directly assessed on a Service or allocated and flowed through by CCI to customers, including any allowed administrative fees, are in addition to the amounts set out above, and are also payable by Customer. A nonbinding estimate of taxes, fees and surcharges applicable to the MRC (and where applicable, one or more illustrative usage levels) is available on request. Customer acknowledges that the total installation fee and other fees set out in (b) and (c) also may be subject to taxes, fees and similar assessments, and that these, too, are payable by Customer. If a tariff governs a Service and applicable law so requires, the terms of the tariff will take precedence over this Agreement.

If there is an installation fee, it will be billed in a lump sum that is payable on the due date. The installation fee may be paid by Customer in up to four (4) installments if arranged in advance and noted above in (d). Any expedite fee set out in (c) is payable by Customer only if Customer and CCI agree that Service(s) will be installed and made available in a time shorter than CCI’s standard installation interval, and the Service(s) are made available to Customer by the agreed date. If the expedited installation date is not met, Customer is not responsible for the expedite fee, unless the failure was caused in whole or part by Customer, including failure to procure needed access to its service location.

**4. Customer’s Commitment; Authorizations and Relative Responsibilities During Service Transfer.** Customer agrees that what is set out above reflects its order for Service and agrees to pay for the Service(s) as provided herein. If Customer is procuring telecommunications services from CCI that require presubscription or third party agreements, Customer authorizes CCI to act on its behalf to order any necessary circuits and connections, to procure any services from others that are contemplated by an attachment or exhibit, or for other rights needed to deliver a CCI service to Customer, and to change presubscribed carriers to CCI or an identified CCI affiliate. Customer agrees to execute documentation at the request of CCI. CCI is not responsible to cancel services with Customer’s prior or existing service providers. It is Customer’s sole responsibility to coordinate the transfer of

service and cancel services with other providers. Customer is solely responsible for any charges claimed to be due by any previous or other provider. Customer understands that CCI does not transfer or port telephone numbers across state lines.

**5. Service Level Agreement.** If a service level agreement applies to any Service referenced in **Attachment 1**, the service levels will be covered in a separate document attached to this Agreement. A service level agreement is not an independent agreement and the term is used solely for convenience.

**6. Trouble Reporting, Escalation and Maintenance Scheduling.** Information set out on **Attachment 3, Trouble Reporting and Scheduling**, is made available for reporting service problems, making requests for repair status, escalating individual circuit problems and scheduling maintenance. The information may be changed at any time by CCI.

**7. Additional Disclosures and Information.** From time to time, CCI may provide Customer with additional disclosures and/or other information related to the Services being provided. These materials may be provided for various reasons, such as to assist in the use of individual Services, to provide technical or other useful information, to comply with regulatory or other similar requirements, or to update Customer on special concerns or issues, such as the nature of broadband phone services or issues related to special services, such as 911 services. These materials will not become part of this Agreement unless it is stated on the materials, and if so, they will be effective only prospectively.

**8. Regulatory Filings; Confidentiality.** If a filing related to this Agreement is required by any regulatory agency or commission, Customer authorizes CCI to prepare a document reflecting the parties' agreement in connection with the Services for which a filing is required, and to make the required filing. The requirement for a filing in connection with any individual Service(s) does not affect the obligations of Customer with respect to any other Service(s), or with respect to Customer's payment obligations for all Services used. This Agreement is subject at all times to such changes and modifications as may be required by a regulatory agency or commission in the exercise of its lawful jurisdiction. Customer requests that its identity be kept confidential and not disclosed by CCI or any regulatory agency or commission unless required by applicable law or regulation.

**The identified Consolidated Communications provider (CCI):**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature Date: \_\_\_\_\_

**City of Raytown  
(Customer):**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature Date: \_\_\_\_\_ ("Effective Date")

**Confirmation of Key Customer Information:**

FCC Carrier ID, if applicable: \_\_\_\_\_

Customer Tax ID Number: \_\_\_\_\_

**Customer Contact Information:**

Name: Dan Berry  
Address: 10000 E. 59th  
Raytown, MO 64133  
Telephone: 816-737-6070  
Email Address: [dberry@raytown.mo.us](mailto:dberry@raytown.mo.us)

The obligation of either party under this Agreement is not effective until it is signed by an authorized representative for each party.

**ADDENDUM 1  
CCI AFFILIATE LIST**

|   |  |
|---|--|
| <p><b>If in California:</b></p> <p><b>Consolidated Communications of California Company</b>, a California corporation, with business offices at 211 Lincoln St., Roseville, CA 95678, when Customer seeks only incumbent local telephone company (“ILEC”) services in this company’s California telephone service area.</p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with California business offices at the same address, and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any other services anywhere in the state of California and/or Consolidated Communications of California Company determines the services will be provided in an area best served by this affiliate.</p>   | <p><b>If in Illinois:</b></p> <p><b>Consolidated Communications of Illinois Company</b>, an Illinois corporation, with business offices at 121 South 17<sup>th</sup> St., Mattoon, IL 61938, when Customer seeks only incumbent local telephone company services in this company’s Illinois telephone service area.</p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with Illinois business offices at the same address and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any other services anywhere in the state of Illinois and/or Consolidated Communications of Illinois Company determines the services will be provided in an area best served by this affiliate.</p>   |
| <p><b>If in Iowa:</b></p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with business offices at 2859 99<sup>th</sup> St., Urbandale, IA 50322, and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any other services anywhere in the state of Iowa.</p>  | <p><b>If in Kansas or Missouri:</b></p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with business offices at 14859 W. 95<sup>th</sup> St., Lenexa, Kansas 66215 and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any services anywhere in the state of Kansas or Missouri.</p>   |
| <p><b>If in Minnesota:</b></p> <p><b>Consolidated Communications of Minnesota Company</b>, a Minnesota corporation, with business offices at 221 E. Hickory St., Mankato, MN 56001, when Customer seeks only incumbent local telephone company (“ILEC”) services in this company’s Minnesota telephone service area.</p> <p><b>Consolidated Communications of Mid-Comm. Company</b>, a Minnesota corporation, with business offices at 221 E. Hickory St., Mankato, MN 56001, when Customer seeks only incumbent local telephone company (“ILEC”) services in this company’s Minnesota telephone service area.</p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with Minnesota business offices at the same address, and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any other services anywhere in the state of Minnesota.</p> | <p><b>If in North Dakota:</b></p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with business offices at 3312 42<sup>nd</sup> St. S., Fargo, ND 58104 and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any services anywhere in the state of North Dakota.</p> <p><b>If in South Dakota or Wisconsin:</b></p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with business offices at 221 E. Hickory St., Mankato, MN 56001 and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks services anywhere in the state of South Dakota or Wisconsin.</p>   |
| <p><b>If in Pennsylvania:</b></p> <p><b>Consolidated Communications of Pennsylvania Company, LLC</b>, a Delaware limited liability company, with business offices at 4008 Gibsonia Rd, Gibsonia PA 15044, when Customer seeks only incumbent local telephone company services in this company’s Pennsylvania telephone service area.</p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with Pennsylvania business offices at the same address, and an additional main mailing address at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any other services anywhere in the state of Pennsylvania.</p>   | <p><b>If in Texas:</b></p> <p><b>Consolidated Communications of Texas Company</b>, a Texas corporation, with business offices at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks only incumbent local telephone company services in this company’s Texas telephone service area.</p> <p><b>Consolidated Communications of Fort Bend Company</b>, a Texas corporation, with business offices at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks only incumbent local telephone company services in this company’s Texas telephone service area.</p> <p><b>Consolidated Communications Enterprise Services, Inc.</b>, a Delaware corporation, with Texas business offices at the same address, and main business offices at 350 S. Loop 336 W., Conroe, TX 77304, when Customer seeks any other services anywhere in the state of Texas.</p> |

**ATTACHMENT 1  
SERVICE ORDER**

**I. SERVICES REQUESTED:** The Service(s) requested by Customer to be provided by CCI under the Agreement are as follows:

10000 E 59th St  
Raytown, MO 64133-3915

| (a)<br>Quantity<br>Ordered | (b)<br>Service<br>(Equipment may be listed here<br>or on an extra page) | Features                          | (d)<br>Non-Recurring<br>Charge(s) ("NRCs")<br>(if any) | (e)<br>Unit Price or Base<br>Monthly Recurring<br>Charge per Unit<br>(Base Monthly<br>Rate) | (f)<br>Total of Monthly<br>Recurring Charges<br>("MRC(s)") by<br>Service |
|----------------------------|---|-----------------------------------|--|---|--|
| 1                          | Dedicated Internet  | 100M;Standard                     | 0.00   | 674.00  | 674.00   |
| 1                          | Standard Static IP  |                                   | 0.00   | 0.00  | 0.00   |
| 1                          | Dedicated Internet  | 100M;Standard                     | 0.00   | 674.00  | 674.00   |
| 1                          | Static IP Subnet  | Static IPv4 - /28 (13 usable IPs) | 0.00   | 52.00   | 52.00  |
| 1                          | Optional Calling Plans (OCPs)   | 1000 LD w/Toll Free               | 0.00   | 30.00   | 30.00  |
| 1                          | Optional Calling Plans (OCPs)   | 1000 LD w/Toll Free               | 0.00   | (30.00)   | (30.00)  |
| 1                          | VoIP Trunks   |                                   | 0.00   | 0.00  | 0.00   |
| 24                         | IP PRI Trunks   |                                   | 0.00   | 10.41   | 250.00   |
| 2                          | DIDs  | On Net;100                        | 0.00   | 0.00  | 0.00   |

10000 E 59th St Site Total:

Site MRC: \$ 1,650.00  
Site NRC: \$ 0.00

Total MRC: \$ 1,650.00  
Total NRC: \$ 0.00

**Free Months**

An offer of **three (3) months free** has been applied to qualifying products on this contract for a monthly savings of **\$1,650.00** for the first three months.

This offer excludes hardware, video, Business Access Lines, TDM Voice Circuits, and voice features. Customer is responsible for surcharges, taxes, fees, and overages on eligible products. Free months are offered on the express condition that Customer meets the obligations under this Agreement for the Term.

| Site Name       | Site Notes |
|-----------------|------------|
| 10000 E 59th St |            |

NOTE: In column (b), some services are provided only under tariffs or fixed price schedules. If such a service is being provided under this Agreement, the tariff or price schedule prices must be entered on this form. .NOTE: All pricing is exclusive of (i) any non-recurring charges incurred that are not reflected above (e.g., with service modifications or changes), (ii) any usage or variable charges, (iii) all taxes and fees, and (iv) all charges incurred in connection with governmental or quasi-governmental assessments, subsidies, public policy programs and administration costs, each of which is payable by Customer. NOTE: Any long distance package pricing excludes charges related to all international calls, which will be payable as incurred according to then-applicable rates. Customer is responsible for all individually-charged calls, whether domestic or international, and whether through hosted services or otherwise, including charges that are unauthorized or fraudulently incurred.

Costs for in-building or other site work beyond the demarcation point, including but not limited to installation of risers, ports, jacks, data drops or inside wiring, are additional. Rates are available upon request if Customer is interested in CCI performing installation of jacks, data drops, inside wiring or other items on Customer’s premises.

**II. TERM OF SERVICES COVERED BY SERVICE ORDER.** Each of the Services will be provided for the Term period set out above and/or in the Agreement, but not less than a Term of twelve (12) months from the Service availability date except where applicable law provides otherwise.

**III. BASIC AGREEMENT.** This Service Order and accompanying Service Level Agreement are hereby incorporated as part of the Agreement between the parties.

**IV. SPECIFIC TERMS RELATED TO BROADBAND PHONE SERVICE.** If Customer is procuring broadband telephone service, sometimes known as IP voice, Customer acknowledges that this Service is currently treated as an “information service” with telecommunications attributes under applicable law, and that CCI may establish additional terms and conditions during the Term to address its evolving status.

**V. REGULATORY JURISDICTION ATTESTATION.** Per Federal Communications Commission rules, customers must indicate whether traffic on their circuit(s) is interstate or intrastate in nature. The traffic is considered Interstate if 10% or more of it does not originate or terminate in the same state where the circuit is located. It is considered Intrastate only if more than 90% originates and terminates in the same state in which the circuit is located. Customers are required to designate the jurisdictional nature of traffic on circuits having end-points within the same state. Please specify the circuits ordered as either jurisdictionally interstate or intrastate. Interstate service is subject to a recurring Federal Universal Service Charge (FUSC).

**Please indicate jurisdiction:**

- Interstate**
- Intrastate**

**The identified Consolidated Communications provider (CCI):**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature Date: \_\_\_\_\_  
 00019250

**City of Raytown  
 (Customer):**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature Date: \_\_\_\_\_

The obligations of either party under this Agreement are not effective until it is signed by an authorized representative for each party.

## ATTACHMENT 2 GENERAL TERMS AND CONDITIONS

**1. SERVICES.** Customer (“you”) agrees to execute such reasonable additional forms and authorizations as CCI (“we” or “us”) requires of you to install, provision and/or provide the Services ordered, and to secure payment. You acknowledge that we may elect to perform under this Agreement through one or more CCI affiliates or other entities.

**2. RATES.** You may be quoted a final price for a Service, or a standard or regular price against which an agreed discount may be applied. The pricing set out in or established by this Agreement controls over any other quote or pricing estimate or statement, whether given orally or in writing. You should check to assure that the pricing set out here conforms with any sales quote given to you. If specific rates are not set out here, those set out in the most recent sales quote are incorporated by reference. Unless a tariff, service guide or similar price and/or term schedule requires otherwise, the pricing in this Agreement is binding. Any installation or other fee that is waived is waived on the express condition that you meet your obligations under this Agreement for the Term.

If a Service is tariffed or provided under another regulatory framework, the terms and conditions there will be applied in accord with applicable law. Those terms and conditions will control over any inconsistent term and condition to the extent required or otherwise provided by law, regulation or order. A change in terms and conditions for a tariffed Service (or a Service controlled by another mandatory format) will apply prospectively.

**3. CANCELLATION CHARGE; EARLY TERMINATION CHARGE.** If you cancel this Agreement or any Service after the Effective Date but before the date that the Service is first made available to you, or installation fails because of your action or inaction, and is not later completed, you agree to pay to CCI a cancellation charge equal to four (4) months of Monthly Recurring Charge, plus all costs incurred by CCI in connection with the extension of facilities to your location and for installation, including both CCI and third party costs.

If you terminate any Service after the Service is first made available to you and before the end of the applicable Term for any reason not permitted by this Agreement, or if we terminate any Service or this Agreement for your breach, an early termination charge will become immediately due and payable by you to us for the Service(s) involved as follows:

- You are responsible for 100% of the Monthly Recurring Charges for each affected Service for each of the first twelve (12) months remaining in the Term;
- You are responsible for 75% of the Monthly Recurring Charges for each month remaining in the next twelve (12) months of the Term, if any; and
- You are responsible for 50% of the Monthly Recurring Charges for any remaining period after the twenty-fourth (24<sup>th</sup>) month of the Term, if any.

You are also responsible for: (i) any recurring Service charges that are due or that become due and that are unpaid as of termination, (ii) any non-recurring charges that are due or that become due and that are unpaid as of termination, (iii) any unrecovered costs of installation, (iv) all costs incurred by CCI, including costs with a third party, for any service, equipment or access rights procured in order to install a Service and/or to serve you, and (v) all taxes, fees and assessments. You agree that the early termination charge provision is a fair estimate of the damages to CCI in connection with your early termination and is not a penalty. The early termination charge shall be paid to CCI not later than the later of any due date identified on the invoice or thirty (30) days after the date Service is terminated. If CCI or an affiliate has provided any equipment to you, the equipment must be returned to CCI in good condition. You authorize CCI to enter your premises peaceably to recover equipment during normal business hours or other reasonable times, and to charge you for its cost if we cannot recover the equipment in good condition. When you pay the charges set out above, you will have no further financial obligation under this Agreement. Notice of any Service termination must be submitted in writing to CCI.

**4. EXTENSION.** After the initial Term, this Agreement and the Term for each Service will automatically be extended for a twelve (12) month period, unless either party provides at least thirty (30) days written notice of termination to the other. At any time after the initial Term period, CCI may modify any terms and conditions, including applicable rates and charges for any Service(s), on thirty (30) days’ written notice; provided, however, that any modifications will apply only prospectively. Terms for cable television service may be modified at any time on thirty (30) days’ written notice. If the new terms and conditions are unacceptable to you, you may terminate the affected Service(s) within sixty (60) days of the effective date of the modification, on thirty (30) days written notice to CCI, paying for the Service(s) through the date of actual termination only at the rates in effect immediately before the change.

**5. ACCS/DEMARICATION POINT.** You agree to provide CCI with reasonable access to the location(s) where Service will be installed and/or provided, and to cooperate with CCI during installation and other work related to the provision of Service. If you are not the location owner, you agree to obtain from the owner, manager or landlord, at your expense, all authority required for CCI to place the equipment and facilities necessary to provide Services to you. If you do not secure such authority in time for us to meet the requested service date, either party may terminate this Agreement on written notice to the other without any early termination charge, but you will be responsible for the cancellation charge, for all costs incurred by CCI and for all costs incurred with third parties to extend facilities to the Service location to serve you. If CCI is required to pay for access to serve you, whether on a one-time or recurring basis, you will be notified of the costs, and those

costs will be passed on to you. If you decline to pay such costs, we may elect to terminate all or part of the Agreement. If we do so, you will be responsible for the cancellation charge plus all costs incurred by CCI. If Service is to be connected to your facilities or to the facilities of another entity, CCI will deliver Service to a demarcation point established in accordance with applicable law and/or regulation, or in lieu thereof, established by CCI at or near the Service location. Our responsibilities to deliver and maintain Service end at the demarcation point. We are not responsible to configure Customer equipment or to coordinate installation with other telecommunications, data, equipment or IT, or vendors, or to maintain wiring.

If access rights are terminated during the Term by any third party, or if the terms and conditions for access are materially changed by any third party (including new or increased access fees or other charges), regardless of whether this occurs for breach, for convenience or otherwise, CCI may elect to terminate this Agreement on written notice to you unless you procure new access rights or you assume responsibility in connection with any new terms and conditions, including any new or increased fees or charges. In this instance, you will not be responsible for any cancellation or early termination charges.

**6. COMPLIANCE WITH LAWS; OTHER REQUIREMENTS.** Each party agrees to comply with all Federal, state and local laws, rules, regulations and ordinances applicable to the Services or their use. We reserve the right to suspend a Service if we determine that the use being made of that Service is or is likely to be in violation of applicable law or regulation. You recognize that if we do this, it may involve a Service interruption.

If you procure Internet Service, you agree to have an Acceptable Use Policy (“AUP”) in place for Service users that is generally consistent with our AUP. Our AUP establishes policies and procedures that are primarily related to security, reliability, harmful or unlawful uses, disputed content, copyright issues and the impact of your use on others. Even if you have an AUP, our AUP will continue to bind you in these important identified areas. Our current AUP is on line at <https://www.consolidated.com/Support/Terms-Policies/Internet-Terms-Policies/Internet-Terms-Conditions-and-Acceptable-Use-Policy>. Our AUP is dynamic and may be modified prospectively from time to time without separate notice to you to address issues relevant to the broader customer base. In the event of a conflict between the AUP and this Agreement, the Agreement will control. Even if you have your own AUP in place, a material violation of our AUP may result in suspension or termination of Service.

**7. PAYMENT.** You agree to pay for all Services on time and at the applicable rates and charges, plus all applicable taxes, fees and assessments, without any deduction or setoff.

You agree to pay all amounts stated on the invoice by the due date, or if there is no date stated, within thirty (30) days of the date of our invoice to you (the “Due Date”). If you do not timely pay your bill, you will be responsible to pay interest on the unpaid amount at our then-prevailing rate, or to pay our prevailing late charge applied to the amount unpaid, or both, but not more than that permitted by applicable law. All such generally applicable charges may be modified by us from time to time to promote timely payment. You may contact us at any time to obtain our then-current charges applicable to late payment. If your check is returned unpaid, or your payment does not clear, you will be billed our then-applicable fee for such occurrence. If you do not pay all undisputed amounts by the Due Date, we may elect to suspend or to disconnect any Service(s) until your account is brought current, including late fees and charges. A reactivation fee will apply.

**8. BILL DISPUTES.** If you dispute the amount stated on an invoice, you are required to notify us in writing by the Due Date, i.e., the date that payment is due for the invoice. All bill disputes must be made in good faith. Your dispute notice must identify the charge(s) that you dispute and provide a reasonable explanation of the basis for the dispute. You also must timely pay all amounts not in dispute. If you do not timely raise a bill dispute, the bill will become final and not subject to further dispute for any purpose unless we later determine it is in error. You agree to pay all charges by the Due Date that are not disputed as required by this section, and to cooperate with us as we seek to resolve the dispute. We will seek to resolve any bill dispute promptly. You will receive full credit for claims where you prevail.

**9. USE OF SERVICES; OTHER CHARGES.** You must independently assess your need for backup Services or redundancy, and procure such additional services and equipment as you deem necessary. You control the access of individuals to your Service, so you are responsible to pay for their use, including others’ use of your Services and/or use of your equipment. This responsibility extends to payment to any other service provider or contractor, such as a long distance company, that charges us or you for usage or for individual installation or connection charges in connection with your Services. We encourage you to investigate and implement available call blocking options to protect yourself from fraud.

**10. UPGRADES.** If you upgrade a Service before the end of the then-current Term period, you may avoid an early termination charge for it. Normally, you must purchase the upgrade for a new period that is not less than the remaining Term period for the Service it replaces, and that will not involve new costs to serve you that we deem unreasonable. If you terminate the new Service early, an early termination penalty may apply to the new Service. Consult your sales representative if you desire to use this option.

**11. BREACH AND TERMINATION.** You will be in breach of this Agreement: (i) if you fail to timely pay any undisputed amount due to CCI under this Agreement within ten (10) days of the date that it is due, or (ii) if you fail to perform any other obligation under this Agreement, and such failure continues for more than ten (10) days after written notice from CCI; or (iii) if you cancel or repudiate this Agreement or any Service commitment; or (iv) if you are subject to voluntary or involuntary bankruptcy proceedings, make an assignment for

the benefit of creditors, cease to operate as a going business, become insolvent or seek protection from creditors (each of the foregoing in (iii), "Bankrupt"), and in any Bankrupt case fail to deliver to CCI within ten (10) days a court order providing for adequate assurance of continued payment for all Services provided under this Agreement and that includes a provision for payment of all sums previously billed and all services used but not yet billed, and a deposit of not less than two (2) months of the MRC for all Services, plus applicable taxes and fees. In the event of a breach that is not timely cured, CCI may elect to suspend or terminate any Services and/or this Agreement on written notice to you. CCI retains all remedies available to it by law. If CCI takes action to collect amounts due, or to address any other breach, the prevailing party (with a court judgment) is entitled to reasonable attorneys' fees and costs.

You can terminate this Agreement and/or a Service at any time on written notice to CCI, so long as you pay the applicable cancellation or early termination charge, and all other charges due to CCI. If we fail to perform a material obligation under this Agreement and fail to cure within twenty (20) days after written notice from you or such longer period as may be necessary to do so, or if we are Bankrupt and fail to provide a Service to you, you may terminate this Agreement or the affected Service on thirty (30) days written notice to us, without payment of a cancellation or early termination charge, but you remain responsible for all Service charges, including taxes and fees, until the date Services are actually terminated.

**12. EQUIPMENT AND WIRING.** We may agree with you to lease or otherwise provide you with equipment and/or inside wiring. The equipment will be identified and listed on a schedule or attachment. CCI is not responsible for equipment procured from any third party, even if procured through a CCI contact or referral. Any equipment provided by CCI remains the property of CCI, and you agree you have no property rights in it, unless you have entered into a written agreement to buy it and you make full payment of the stated price. Any wiring we install for you remains CCI property until law or regulation requires transfer to you, unless CCI otherwise elects in writing to transfer it. We retain title for cost recovery purposes; Customer is responsible for all wiring maintenance on its side of the demarcation point. You may not move any CCI equipment without our written consent. You may not mortgage, encumber, or give any person any rights of any kind in any CCI facilities, equipment or wiring. You agree not to modify, alter, damage or misuse CCI equipment, and to return it to CCI when Service is terminated, in the same condition as when installed, reasonable wear and tear excepted, and consistent with any requirement of law. If there is a separate written agreement for equipment purchase or lease, your rights will also be governed by such document

**13. REMEDIES; LIMITS ON LIABILITY.** Your remedies for any failure, interruption, degradation, outage, non-delivery or non-performance of any Services, including related equipment and facilities, and any loss of data, or for any breach by CCI or a CCI affiliate of this Agreement, are limited to the following: (i) repair of the Service, facilities, equipment or wiring; (ii) re-performance of work, where that can be done; (iii) cancellation or termination of any Service not remedied by repair or re-performance, with no cancellation or early termination charge; (iv) an adjustment or credit to your bill; (v) a credit for certain qualifying outages; and (vi) in an appropriate case, injunctive relief related to confidentiality provisions. Unless otherwise provided by tariff, price guide or this Agreement, if you have an outage that is not your responsibility and give us prompt notice of such event, and the outage extends for more than two (2) hours, you will become entitled to a credit for the affected Service in an amount that reflects the proportion of the Service month that is affected by the outage.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOUR LIABILITY TO CCI, AND THE COMBINED LIABILITY OF CCI AND ANY CCI AFFILIATE TO YOU FOR DAMAGES RESULTING FROM ANY DEATH, BODILY INJURY OR DAMAGE TO REAL OR TANGIBLE PROPERTY, SHALL BE LIMITED TO PROVEN DIRECT DAMAGES. FOR DAMAGES OTHER THAN THOSE RESULTING FROM DEATH, BODILY INJURY OR DAMAGE TO REAL OR TANGIBLE PROPERTY (EXCEPT FOR AMOUNTS YOU OWE FOR SERVICES), YOUR LIABILITY TO CCI AND THE COMBINED LIABILITY OF CCI AND ANY CCI AFFILIATE TO YOU SHALL BE LIMITED TO PROVEN DIRECT DAMAGES, NOT TO EXCEED THE TOTAL YOU HAVE PAID FOR ALL SERVICES FOR THE TWELVE (12) MONTH PERIOD PRIOR TO THE TRIGGERING EVENT.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER YOU NOR CCI AND ANY CCI AFFILIATE SHALL BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING ANY LOSS OF BUSINESS, REVENUE OR PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOSS, AND WITHOUT REGARD TO THE THEORY OF RECOVERY.

Under no circumstances will CCI, any CCI affiliate, or any person or entity utilized by CCI, be liable for any of the following: (1) any information or content that CCI or an affiliate transports or provides, and any and all claims related to such information or content; (2) any unauthorized access to or use of your Services or equipment, or of any equipment or facilities related to such Services; (3) any access, alteration, theft, damage, destruction or loss of any of your records, data or other information; (4) any claims for damage for which you are responsible, whether in whole or in part, whether through action or inaction, and regardless of degree; and (5) claims against you by any person or entity not a party to this Agreement.

Each of the foregoing is a material assumption taken into account in establishing pricing.

**14. WARRANTIES.** We will perform all installation and other work at the location where Service is provided in a competent manner, and any damage to such location will be promptly repaired or corrected. WE SPECIFICALLY DISCLAIM ANY AND ALL OTHER

WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. WE DO NOT WARRANT UNINTERRUPTED AND/OR ERROR-FREE OPERATION OF ANY FACILITY, EQUIPMENT OR SERVICE UNLESS THAT IS UNAMBIGUOUSLY DESCRIBED AS SUCH IN THIS AGREEMENT. WE DO NOT WARRANT OR GUARANTEE SPECIFIC INTERNET UPLOAD OR DOWNLOAD SPEEDS OR DATA QUALITY. WE COMPLY WITH APPLICABLE RELATED RULES, BUT SPEEDS ARE SUBJECT TO FACTORS OUTSIDE OF OUR CONTROL.

**15. RESCHEDULED OR MISSED INSTALLATION DATE.** If you reschedule an installation date, we reserve the right to assess a rescheduling charge, particularly if we have committed resources to the job. If we set a firm installation date and cannot meet it, and such failure is not caused in whole or part by you, you will not be responsible for any associated installation fee. If we cannot deliver a Service within thirty (30) days of the requested Service date, you may terminate your order for that Service on written notice to us, unless the failure is caused by circumstances beyond our reasonable control, including but not limited to such things as severe weather, the inability of third party providers to deliver required services and/or facilities, and equipment back orders.

**16. CREDIT/DEPOSIT.** All Services are provided subject to verification of good credit before installation, your timely payment and your continued good credit. If your credit is not good, or we have a concern about your creditworthiness, or if we conclude during the Term that there is a material adverse change in your creditworthiness, we may: (1) require a deposit or an increase in an existing deposit; (2) deny or conditionally grant requests for additional Services; (3) suspend any existing Service on notice if we perceive a present inability to pay for it; and/or (4) elect to terminate any existing Service(s) and/or this Agreement without further notice. If you fail to timely pay for Services, we reserve all of our other remedies.

**17. TRANSFER AND ASSIGNMENT.** Neither party may assign or transfer this Agreement, any Service or any of your rights or obligations under this Agreement without prior written consent of the other party, which will not be unreasonably withheld or denied. Notwithstanding this provision, you may assign or transfer this Agreement and all Services to an entity that you own, that is owned by you or that is under common control with you, or that is your successor by way of merger, consolidation or sale of all or substantially all of your assets, in each case on written notice to us, and if the successor entity agrees in writing to perform all terms and conditions applicable to this Agreement and the Services, and is reasonably capable of doing so. An assignment or transfer in violation of this section shall be void.

**18. FORCE MAJEURE.** We are not responsible for performance if we are delayed or hindered by any action, inaction or event that is outside of our reasonable control (a force majeure event). This includes, but is not limited to fire, flood, other severe weather event, riot or civil unrest, terrorist or similar acts, any strike or labor stoppage, war, action or inaction by another person or entity, or any act of God. If the Service is unavailable for more than two (2) full days, or for the time stated in an applicable tariff or rule, if shorter, and it is not due in any way to your action or inaction, your obligation to pay will be suspended until the Service is again available. We will use reasonable care to minimize the impact of the force majeure event, and to restore performance (or provide an alternative) as soon as practicable. We will resume performance when the force majeure event ends. If the force majeure event is not caused by you and lasts for more than thirty (30) days, you may terminate the affected Service without any early termination charge.

**19. NOTICE REGARDING PRIVACY AND CONFIDENTIALITY OF CERTAIN INFORMATION.** In the course of providing Service to you, we will obtain, generate and/or possess information about you, your Services, and your use of the Services. Federal and state law and regulation may establish requirements and standards concerning the protection of privacy or the confidentiality of information. We may provide you with periodic notices about your privacy rights and our compliance with applicable law and regulation. From time to time, we may be required to divulge information pursuant to court orders, subpoenas, or as otherwise required by law, and in some cases we may be required to do this without notification to you or your consent.

**20. NOTICES.** All notices to you will be sent to the address set out on the first page of the Agreement or on the latest Sales Quote, to the attention of the person signing the Agreement or to any officer. Notices will be effective on personal delivery, or as stated on any certified mail receipt, or as stated on an Express Mail, FedEx or equivalent delivery confirmation. Notices to CCI shall be addressed as follows:

All legal notices:  
CCI, a Consolidated Communications Company  
Attn: Vice President – Regulatory  
Sent to the CCI address set out on the first page

Either party can change the notice address on written notice to the other.

**21. GENERAL.** The person signing this Agreement for you represents and warrants that he/she is authorized to contract on your behalf and to execute this Agreement.

The failure of either party to insist on strict performance of any provision of this Agreement is not a general waiver of that provision or of any future performance.

This Agreement with all attachments and exhibits constitutes the entire agreement of the parties. No prior or contemporaneous statements, representations, promises or agreements, oral or written, shall be effective unless specifically incorporated herein. This Agreement may only be modified or amended by a writing executed by both parties.

This Agreement is governed by Federal communications law and the law of the state where the Service is provided, without regard to choice of law principles.

If you are obtaining any Service that is not powered from within the CCI network, you acknowledge receipt of disclosure that there are possible limits on access to 911 Service, that you, and not CCI, must provide electrical power for any customer premises equipment and for connections to the underlying CCI network, and that outages may affect 911 access, 711 access and access to other services for users. You also acknowledge that you may be required to affix stickers or labels related to 911 limits or to otherwise provide notice of such limitations to users. You also acknowledge that location-based 911 Service is available, if at all, only at the location where the related CCI Service is actually installed by us. You may be provided with additional disclosures. It is your sole responsibility to determine if a Service is compatible with any security, alarm or monitoring service and/or system you use.

You are advised that many Services are not subject to the same regulatory and tax treatment as traditional circuit-switched telephone Service, and your remedies may be different and more limited. To the extent that you operate or use a private network or multiline telephone system, you are solely responsible to maintain timely and correct specific location information in the 911 or other relevant emergency database of all your telephone units and associated numbers, so that the appropriate emergency agency will be contacted, and the responder will be able to determine the actual location from which an emergency call is made. You are solely responsible for any failure to comply with this provision and any related requirements of law. You give consent to CCI to (i) share information with affiliates and others where sharing can assist in initiating, providing, billing and collecting for Services, establishing and managing billing records, responding to Service issues and resolving payment questions, and (ii) provide information on other CCI Services.

**ATTACHMENT 3**  
**COMMERCIAL TROUBLE REPORTING AND MAINTENANCE SCHEDULING**

This information is made available to Customers for reporting service problems, checking status on existing repair tickets, escalating individual circuit problems and scheduling maintenance. *Any maintenance notices to Customers will be provided in accord with prevailing CCI state practices.*

**1. Consolidated Communications' Standard Escalation Timeline**

This standard timeline prevails for most customers, but may be different with some explicit service level agreements (SLAs)

|                         |  |
|-------------------------|--|
| First Level Escalation  | Active Trouble Ticket has been open for at least 2 hours       |
| Second Level Escalation | Active Trouble Ticket and First Level Escalation, plus 1 hour  |
| Third Level Escalation  | Active Trouble Ticket and Second Level Escalation, plus 1 hour |

**2. Calls Related to Service Issues**

|  |                     |
|--|---------------------|
| Commercial service issue 7x24:         | <b>844-968-7224</b> |
| First Escalation (ask for supervisor): | <b>844-968-7224</b> |
| Second Level Escalation – Dawn Frost:  | <b>217-234-5961</b> |

**3. Consolidated NOC Maintenance  
(Used to schedule all maintenance events with CCI)**

|   |  |
|---|--|
| 7 x 24 x 365 Network Operations Center: | <b>Toll Free #: 888-608-7822 opt 2</b>   |
| Send emails to:                         | <a href="mailto:noc@consolidated.com">noc@consolidated.com</a> or <a href="mailto:chris.hopper@consolidated.com">chris.hopper@consolidated.com</a> |
| Assistance with Maintenance:            | <b>Chris Hopper: (936) 521-7780</b><br><a href="mailto:chris.hopper@consolidated.com">chris.hopper@consolidated.com</a>                            |

## EXHIBIT A PERFORMANCE SPECIFICATIONS

### Dedicated Internet Services

#### Interconnection Specifications

Internet service will be delivered using American National Standards Institute (ANSI) specifications. The signal characteristics and supported MAC Layers at the Network Interface (NI) will be as specified in the ANSI standards. The Physical NI will be dependent on the physical data rate contracted.

#### Performance Standards: General

Internet availability standards apply on a one-way basis between the Internet Service point of demarcation (DEMARC) and Provider's ingress/egress Internet uplinks. Internet service performance standards apply on a one-way basis between Provider's edge router and Provider's ingress/egress Internet uplinks. Internet service standards exclude nonperformance due to force majeure or planned interruptions for necessary maintenance purposes. The actual availability and performance of Internet service may be affected by the Customer provided equipment, dependent upon the type and quality of Customer equipment used.

#### Latency and Packet Loss

Performance is noted in terms of latency and packet loss. Latency is defined as the average time it takes a packet to travel round trip from Provider's edge routers and the Internet ingress/egress points over a given measurement interval. Packet Loss Ratio is defined as percentage of in-profile Internet frames not reliably delivered between Provider's edge routers and the Internet ingress/egress points over a given measurement interval. The Latency and Packet Loss Ratio standards for Internet service are:

| Specification     | Monthly Average   |
|-------------------|-------------------|
| Latency           | No more than 30ms |
| Packet Loss Ratio | No more than 0.5% |

#### Availability Objective

Availability is a percentage of total time that service is operative when measured over a 30 consecutive day (720 hour) period. The end-to-end availability standards for Internet service are:

| Specification              | Availability |
|----------------------------|--------------|
| With Single Cable Entrance | 99.90%       |
| With Dual Cable Entrance   | 99.99%       |

#### Inoperability

Internet service is considered inoperative when there has been a loss of signal, or a packet loss ratio greater than 0.5%.

#### Repair and Scheduled Maintenance

Repair efforts will be undertaken upon notification of trouble by internal network surveillance and performance systems or by notification of trouble and release of Internet service by the customer for testing. Customer will be notified a minimum of five (5) business days in advance of any scheduled maintenance. Scheduled maintenance will be performed in a manner that minimizes any system interruption. Performance and availability standards shall not apply during scheduled maintenance periods.

## EXHIBIT A PERFORMANCE SPECIFICATIONS

### Long Distance Services

#### Domestic Outbound 1+ Calling

Long Distance Calls originated by Customer dialing 1+ AC + 7 digit number to locations throughout North America (including all 50 states), Puerto Rico, Guam, Saipan, and US Virgin Islands. Rates include transport and call termination.

#### Domestic Inbound 1+ Calling (Toll Free Services)

Long Distance calls terminated to Customer without charge to the originating caller for calls made from locations throughout the continental United States (lower 48 states). Rates include call origination and transport of calls.

#### Services Provided:

Customer has access to Provider's LD Service 7 days per week, 24 hours per day and may transmit video, data and other communications of their choice to intrastate (within the state) or interstate (outside the state) destinations.

Where Customer contracts with Provider for Long Distance services, Provider will restrict international toll, utilizing 011+ dialing pattern, and off-shore domestic toll to non-U.S. countries, utilizing 1+ dialing pattern. Such restriction may be removed by the Provider if requested in writing by the Customer. Customer is responsible for its network security management and agrees to safeguard against unauthorized access to the long distance network, and to assume financial liability if such security fails. In the event such unauthorized access occurs that stimulates toll usage billing, the customer is responsible to pay for all toll traffic switch expenses incurred caused by the unauthorized access. Customer hereby agrees to indemnify and defend Provider from and against any claims or charges made against or incurred by Provider resulting from all authorized or unauthorized toll and long distance charges.

#### Additional Provisions for Long Distance Services

Customer will be billed for domestic long distance service on a usage basis in six (6) second increments with a six (6) second increment minimum. Customer will be billed for international long distance service on a usage basis in sixty (60) second increments with a sixty (60) second increment minimum.

Rates for services are dependent upon the Customer's service commitment in agreement with Company.

**Optional Calling Plans** are available in bundled minutes.

Optional Calling Plans are applied at the billing account level. The minutes of use for all phone numbers under the billing account can be eligible under the Optional Calling Plan depending on call type and jurisdiction. Operator Assistance, Directory Assistance and international calls outside the US and Canada are not included in minutes of an Optional Calling Plan. All Optional Calling Plan minutes are applied to calls on a "first in" basis by billing cycle for the entire billing account. International calls will be billed at Provider's current international rates published on [www.consolidated.com/ldrates](http://www.consolidated.com/ldrates).

#### Limitation of Company's Liability

Without limiting the general terms of the Agreement, the Customer assumes all risks other than those resulting from gross negligence or willful misconduct associated with the provision of long distance Services and delivery of messages, and the liability of Provider for damages resulting in whole or in part from mistakes, omissions, interruptions, delays, errors or other defects in the long distance Services provided shall not exceed its billed charges for the defective call or calls.

**CITY OF RAYTOWN  
Request for Board Action**

**Date:** April 4, 2019  
**To:** Mayor and Board of Aldermen  
**From:** Damon Hodges, City Administrator

**Resolution No.:** R-3194-19

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding requested)

**City Administrator Approval:** \_\_\_\_\_

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**Action Requested:** Authorize and approve the donation of a surplus ambulance vehicle from the Street Department lot to the Herndon Career Center.

**Recommendation:** Approve the request as submitted.

**Analysis:** The City retains possession of a 2009 GMC/Taylor Made remount ambulance, VIN 1GDKG316591161035 which it has been unable to sell since it was removed from service in 2013. It has been stationary at the Street Department lot since then and is non-operational at present.

The Herndon Career Center has expressed interest in the vehicle. HCC has vocational programs covering diesel mechanics, electrical, automotive painting, and other aspects of vehicle restoration whose students would benefit from the proposed donation, as well as an EMT program which would love to have use of the restored vehicle for training purposes.

The Raytown Purchasing Manual, §8.8.2 specifies that “[t]he Board of Aldermen may by resolution, in appropriate cases, authorize the transfer of any obsolete or unusable property to any other governmental agency without compensation, regardless of the property’s original acquisition cost.”

**Alternatives:** Not approve the request.

**Budgetary Impact:**

Not Applicable

**Additional Reports Attached:** None

**A RESOLUTION DECLARING CERTAIN PROPERTY OWNED BY THE CITY OF RAYTOWN AS SURPLUS AND AUTHORIZING DISPOSITION OF SUCH PROPERTY**

**WHEREAS**, the City of Raytown owns the property set forth in Exhibit "A" attached hereto, which is no longer required for the provision of services to the citizens of the City and is hereby found to be surplus property; and

**WHEREAS**, the City's purchasing policy provides for the disposition of surplus and obsolete property by trade, auction, sealed bid, salvage, scrapping or transfer; and

**WHEREAS**, the Board of Aldermen find that disposition of the property contained in the attached Exhibit "A" by auction is in the best interest of the City;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** the items set forth in Exhibit "A" attached hereto and made a part hereof by reference are hereby declared as surplus property of the City; and

**FURTHER THAT** the City Administrator is hereby authorized to dispose of such property as allowed under the City's purchasing policy by auction, sealed bid, salvage, scrapping or transfer.

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

Approved as to Form:

\_\_\_\_\_  
Jennifer M. Baird, City Attorney

2009 GMC/Taylor Made, VIN 1GDKG316591161035

Photo 1



Photo 2



**CITY OF RAYTOWN**  
**Request for Board Action**

**Date:** April 4, 2019  
**To:** Mayor and Board of Aldermen  
**From:** Damon Hodges, City Administrator

**Resolution No.:** R-3195-19

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding requested)

**City Administrator Approval:** \_\_\_\_\_



**Action Requested:** Authorize and approve the disposal of surplus ambulance cots (see appended list) from the former EMS Department.

**Recommendation:** Approve the request as submitted.

**Analysis:** The City retains possession of three FERNO brand ambulance cots, which were removed from service in 2014 and 2015, having reached the end of their service life. At those times, they were replaced with the Stryker units currently in service with the Raytown Fire Protection District. The original purchase price of the FERNO units was greater than \$5000 each (\$7000, and \$7100); thus, Board of Aldermen approval is needed to dispose of them. Upon approval, requests for bids will be made, and we will proceed according to the Raytown Purchasing Manual, §8.5.

**Alternatives:** Not approve the request, in which case, staff recommends these items be dismantled, and their components appropriately recycled.

**Budgetary Impact:**

Not Applicable

**Additional Reports Attached:** Description of property to be disposed of.

**A RESOLUTION DECLARING CERTAIN PROPERTY OWNED BY THE CITY OF RAYTOWN AS SURPLUS AND AUTHORIZING DISPOSITION OF SUCH PROPERTY BY AUCTION**

**WHEREAS**, the City of Raytown owns the property set forth in Exhibit "A" attached hereto, which is no longer required for the provision of services to the citizens of the City and is hereby found to be surplus property; and

**WHEREAS**, the City's purchasing policy provides for the disposition of surplus and obsolete property by trade, auction, sealed bid, salvage or scrapping; and

**WHEREAS**, the Board of Aldermen find that disposition of the property contained in the attached Exhibit "A" by auction is in the best interest of the City;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** the items set forth in Exhibit "A" attached hereto and made a part hereof by reference are hereby declared as surplus property of the City; and

**FURTHER THAT** the City Administrator is hereby authorized to dispose of such property as allowed under the City's purchasing policy by auction, sealed bid, salvage or scrapping.

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

Approved as to Form:

\_\_\_\_\_  
Jennifer M. Baird, City Attorney

Exhibits to Accompany RBA R-3195-19

FERNO PowerFlexx Serial Number 06 003594 Manufactured February 2006



FERNO PowerFlexx Serial Number 07 064078 Manufactured November 2007



FERNO PowerFlexx Serial Number 08 700201, Manufactured February 2008



**CITY OF RAYTOWN  
Request for Board Action**

**Date:** April 4, 2019  
**To:** Mayor and Board of Aldermen  
**From:** Captain Candice Schwarz

**Resolution No.:** R-3196-19

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding is requested)

**City Administrator Approval:** \_\_\_\_\_



**Action Requested:** Acceptance of a reimbursable grant in the amount up to \$10,681.00 through the 2018 Byrne Justice Assistance Grant (JAG) Program and amend the fiscal year 2018-2019 budget.

**Recommendation:** Approve the resolution.

**Analysis:** The U.S. Department of Justice, Bureau of Justice Assistance, Office of Justice Programs, FY2018 Byrne Justice Assistance Grant (JAG) awarded the City of Kansas City, Missouri grant funding in the amount of \$573,440.00. The city of Kansas City, Missouri was charged with the administration and distribution of the grant funding to subrecipients. The Raytown Police Department was awarded funding in the amount of \$10,681.00.

One of the permissible uses of 2018 JAG funds is for Police equipment. At the time of the grant application submission, the Raytown Police Department provided a grant proposal for the purchase and programming of three Motorola APX4500 Mobile Radios.

The City of Kansas City, Missouri provided the Raytown Police Department with a copy of the grant award letter, a copy of the Kansas City, Missouri ordinance that appropriated the grant funding in their budget and outlined the distribution of the grant funding. The City of Raytown will seek reimbursement for expenditures associated with the purchase of three mobile radios through Kansas City, Missouri in accordance with the Cooperative Agreement and their City Ordinance.

**Alternatives:** Not accept the grant funding and the Police Department will be responsible for covering the cost of the radios and programming.

**Budgetary Impact:**

X Not Applicable

**Revenue:**

Account: 101-72-00-751-43050  
Amount: \$10681.00  
Fund: General

**Expense:**

Account: 101-32-00-100-53500  
Amount: \$10681.00  
Department: Police- Equipment  
Fund: General

**Additional Reports Attached:**

Proposal for purchase of radios, Kansas City, Missouri Ordinance 180872, Grant Award Letter, Cooperative Agreement.

**A RESOLUTION ACCEPTING A JUSTICE ASSISTANCE GRANT FROM THE U.S. DEPARTMENT OF JUSTICE IN THE AMOUNT OF \$10,681.00 TO BE USED FOR THE PURCHASE OF POLICE EQUIPMENT AND AMENDING THE FISCAL YEAR 2018-2019 BUDGET TO REFLECT THE INCREASE IN GRANT REVENUES**

**WHEREAS**, the Raytown Police Department currently utilizes specialized equipment to enhance security for both City employees and the general public; and

**WHEREAS**, the U.S. Department of Justice has made grant funds available for such equipment and has awarded the City of Raytown a grant in the amount of \$10,681.00 to purchase said equipment; and

**WHEREAS**, the City desires to accept this grant and amend the fiscal year 2018-2019 budget to reflect the increase in grant revenues.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** the City of Raytown hereby accepts the Justice Assistance Grant from the U.S. Department of Justice in the amount of \$10,681.00 to be used for the purpose of purchasing specialized equipment to enhance security and safety measures;

**FURTHER THAT** the fiscal year 2018-2019 Budget approved by Resolution R-3134-18, is hereby amended as follows:

|                     |                     |
|---------------------|---------------------|
| <b>From:</b>        | <b>To:</b>          |
| 101.72.00.751.43050 | 101.32.00.100.53500 |
| \$10,681.00         | \$10,681.00         |

**FURTHER THAT** the City Administrator is hereby authorized to execute all documents necessary to accept the grant and the City Clerk is authorized to attest thereto;

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

\_\_\_\_\_  
Jennifer M. Baird, City Attorney

**JAG SUBMISSION  
RAYTOWN, MO. POLICE DEPARTMENT  
August 2018**

**PROJECT NAME:** Police Department Program Enhancements

**DEPARTMENT HEAD:** Chief of Police James B. Lynch

**PROJECT CONTACT:** Capt. Candice Schwarz

Phone: 816-737-6105

Fax: 816-737-6025

Email: [schwarzc@raytownpolice.org](mailto:schwarzc@raytownpolice.org)

**PROBLEM:**

The Raytown Police Department has been slow, or in some cases unable, to procure important Officer safety related equipment due to budget constraints. A project of significant importance to the Raytown Police Department is the purchase of new mobile APX 4500 radios for our 800 MHz system. Our current mobile radios are the Motorola XTL 2500 that will no longer be serviced by Motorola beginning December 2020. At that time, the Department's current radios will no longer meet compliance standards set forth by the Metropolitan Area Regional Radio System (MARRS). The Department will be replacing all the mobile units in our fleet with radios that promote communications interoperability that allows separate emergency management, responders and their affiliated organizations to communicate via radio in times of a critical incident.

The aforementioned mobile radios have been identified as important Department needs and appropriate for use of the JAG funding.

**PROPOSAL:**

The Raytown Police Department intends to utilize funds from the JAG grant to procure three necessary mobile dash mounted radios to move the Department closer to fulfilling our need to replace all the mobile radios in our fleet. The current radios will be replaced with Motorola APX 4500 Mobile Radios. These radios satisfy the requirements set forth by the Metropolitan Area Regional Radio System, which complies with APCO Project 25 standards and Inter Sub-system Switch Interoperability (ISSI) standards. This would allow emergency equipment interoperability to communicate between different agencies and jurisdictions in real time, upgrade radio infrastructure and promote officer safety through reliable communications.

This capability will directly assist with the management of critical incidents, not only in our jurisdiction, but wide-spread multi-jurisdictional incidents.

|                                   |                     |
|-----------------------------------|---------------------|
| 3 Motorola APX 4500 Mobile Radios | \$ 10,366.92        |
| Radio programming for 3 radios    | <u>\$ 135.00</u>    |
| <b>TOTAL</b>                      | <b>\$ 10,501.92</b> |

ORDINANCE NO. 180872

Accepting funds allocated by the U.S. Department of Justice, Bureau of Justice Assistance, Office of Justice Programs, FY 2018 Byrne Justice Assistance Grant (JAG) in the amount of \$573,440.00; estimating and appropriating \$573,440.00 in the Justice Assistance Grant Fund; transferring \$90,000.00 to the Police Department's KCPDU accounting unit; authorizing cooperative agreements with the Board of Police Commissioners (\$90,000.00), the Jackson County Prosecutor's Office (\$256,101.00), the City of Raytown (\$10,681.00) and the City of Independence (\$40,104.00); designating requisitioning authorities; and directing the City Clerk to file certain documents with the appropriate offices.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Mayor and Council acknowledge and accept the funds allocated by the U.S. Department of Justice, Bureau of Justice Assistance provided under an agreement with the Jackson County Prosecutor's Office, from the 2018 Justice Assistance Grant in the amount of \$573,440.00.

Section 2. That the revenue in the following account of the 2018 Justice Assistance Grant Fund is hereby estimated in the following amount:

|                                |                          |              |
|--------------------------------|--------------------------|--------------|
| 19-2410-570001-476045-G57JAG18 | Justice Assistance Grant | \$573,440.00 |
|--------------------------------|--------------------------|--------------|

Section 3. That \$573,440.00 is appropriated from the Unappropriated Fund Balance of the Justice Assistance Grant Fund to the following accounts:

|                           |                          |                  |
|---------------------------|--------------------------|------------------|
| 19-2410-575301-A-G57JAG18 | Justice Assistance Grant | \$398,207.00     |
| 19-2410-575301-C-G57JAG18 | Justice Assistance Grant | 85,233.00        |
| 19-2410-129997-X G57JAG18 | Transfer to KCPDU        | <u>90,000.00</u> |
|                           | TOTAL                    | \$573,440.00     |

Section 4. That the revenue in the following account in the KCPDU Justice Assistance Grant Fund is estimated in the following additional amount:

|                             |                     |              |
|-----------------------------|---------------------|--------------|
| KCPDU-19-2410-210001-599900 | Transfer from KCMBU | \$ 90,000.00 |
|-----------------------------|---------------------|--------------|

Section 5. That \$90,000.00 is appropriated from the Unappropriated Fund Balance of the Justice Assistance Grant Fund to the following account:

|                        |                          |              |
|------------------------|--------------------------|--------------|
| KCPDU-19-2410-212642-B | Justice Assistance Grant | \$ 90,000.00 |
|------------------------|--------------------------|--------------|

ORDINANCE NO. 180872

Section 6. That the Director of Neighborhoods and Housing Services is authorized to execute, on behalf of the City, a Cooperative Agreement with the Board of Police Commissioners in the amount of \$90,000.00. The agreement is approved, in substantial form, as that on file with the City Clerk.

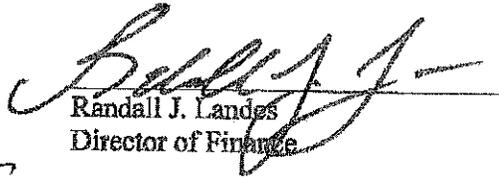
Section 7. That the Director of Neighborhoods and Housing Services is authorized to execute, on behalf of the City, a Cooperative Agreement with the Jackson County Prosecutor's Office in the amount of \$256,101.00. The agreement is approved in substantial form, as that on file with the City Clerk.

Section 8. That the Director of Neighborhoods and Housing Services is authorized to execute, on behalf of the City, a Cooperative Agreement with the City of Independence, in the amount of \$40,104.00. The agreement is approved in substantial form, as that on file with the City Clerk.

Section 9. That the Director of Neighborhoods and Housing Services is authorized to execute, on behalf of the City, a Cooperative Agreement with the City of Raytown, in the amount of \$10,681.00. The agreement is approved in substantial form, as that on file with the City Clerk.

Section 10. That the Director of Finance is designated as requisitioning authority for Account No. 19-2410-129997, Director of Neighborhoods and Housing Services is designated as requisitioning authority for Account No. 19-2410-575301 and the Board of Police Commissioners is designated as requisitioning authority for Account No. 19-2410-212642.

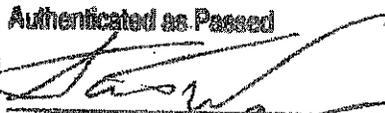
I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

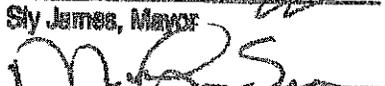
  
Randall J. Landes  
Director of Finance

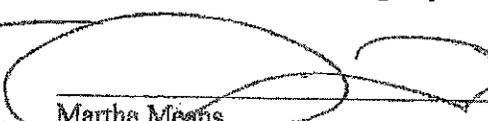
Approved as to form and legality:



Authenticated as Passed

  
City James, Mayor

  
Marilyn Sanders, City Clerk

  
Martha Means  
Assistant City Attorney

DEC 06 2018

Date Passed



U.S. Department of Justice  
Office of Justice Programs  
Bureau of Justice Assistance

Grant

PAGE 1 OF 23

|   |  |  |                      |
|---|--|--|----------------------|
| 1. RECIPIENT NAME AND ADDRESS (Including Zip Code)<br>City of Kansas City<br>414 E. 12th Street<br>Kansas City, MO 64106  |  | 4. AWARD NUMBER: 2018-DJ-BX-0180   |                      |
|   |  | 5. PROJECT PERIOD: FROM 10/01/2017 TO 09/30/2021<br>BUDGET PERIOD: FROM 10/01/2017 TO 09/30/2021 |                      |
| 2a. GRANTEE IRS/VENDOR NO.<br>446000201   |  | 6. AWARD DATE 10/01/2018   | 7. ACTION<br>Initial |
| 2b. GRANTEE DUNS NO.<br>073134231   |  | 8. SUPPLEMENT NUMBER<br>00   |                      |
| 3. PROJECT TITLE<br>Greater Kansas City Crime Prevention Initiatives  |  | 9. PREVIOUS AWARD AMOUNT \$ 0  |                      |
|   |  | 10. AMOUNT OF THIS AWARD \$ 573,440  |                      |
|   |  | 11. TOTAL AWARD \$ 573,440   |                      |
| 12. SPECIAL CONDITIONS<br>THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS ARE SET FORTH ON THE ATTACHED PAGE(S).   |  |  |                      |
| 13. STATUTORY AUTHORITY FOR GRANT<br>This project is supported under FY18(BJA - JAG State & JAG Local) Title I of Pub. L. No. 90-351 (generally codified at 34 U.S.C. 10101 - 10726), including subpart I of part E (codified at 34 U.S.C. 10151 - 10158); see also 28 U.S.C. 530C(e) |  |  |                      |
| 14. CATALOG OF DOMESTIC FEDERAL ASSISTANCE (CFDA Number)<br>16.738 - Edward Byrne Memorial Justice Assistance Grant Program   |  |  |                      |
| 15. METHOD OF PAYMENT<br>GPRS   |  |  |                      |
| AGENCY APPROVAL   |  | GRANTEE ACCEPTANCE   |                      |
| 16. TYPED NAME AND TITLE OF APPROVING OFFICIAL<br>Matt Dummermuth<br>Principal Deputy Assistant Attorney General  |  | 18. TYPED NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL<br>Troy Schulte<br>City Manager          |                      |
| 17. SIGNATURE OF APPROVING OFFICIAL<br>   |  | 19. SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL<br>   | 19A. DATE<br>12/4/18 |
| AGENCY USE ONLY   |  |  |                      |
| 20. ACCOUNTING CLASSIFICATION CODES<br>FISCAL FUND BUD. DIV.<br>YEAR CODE ACT. OFC. REG. SUB. POMS AMOUNT<br>X B DJ 80 00 00 573440   |  | 21. TDJUGT0458   |                      |

OJP FORM 4000/2 (REV. 5-87) PREVIOUS EDITIONS ARE OBSOLETE.

OJP FORM 4000/2 (REV. 4-88)

GMS APPLICATION NUMBER: 2018-H3843-MO-DJ

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF KANSAS CITY, MISSOURI AND  
THE COUNTY OF JACKSON, MISSOURI  
THE CITY OF INDEPENDENCE, MISSOURI  
THE CITY OF RAYTOWN, MISSOURI**

**2018 BYRNE JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD  
Grant Cycle October 1, 2017-September 30, 2021**

This Agreement is made and entered into this 7<sup>th</sup> day of August, 2018, by and between the CITY of Kansas City, Missouri, the COUNTY of Jackson (COUNTY), the CITY of Independence (CITY1), and the City of Raytown (CITY2).

**WHEREAS**, the U.S. Department of Justice, Office of Justice Programs has collectively allotted \$573,440 to the above-named units of government for state and local law enforcement related initiatives; and

**WHEREAS**, each governing body agrees that the CITY of Kansas City shall serve as the fiscal agent for the funds; and

**WHEREAS**, each governing body finds that the performance of this AGREEMENT is in the best interest of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services of functions under this agreement; and

**WHEREAS**, the CITY OF KANSAS CITY agrees to provide the COUNTY \$256,101 from the JAG award for salaries and benefits of staff for the Jackson County Prosecutor's Office; and

**WHEREAS**, the CITY OF KANSAS CITY agrees to provide CITY1 \$40,104 from the JAG award to purchase Law Enforcement related equipment for public safety and software; and

**WHEREAS**, the CITY OF KANSAS CITY agrees to provide CITY2 \$10,681 from the JAG award to purchase Law Enforcement related equipment for public safety and software; and

**WHEREAS**, the CITY OF KANSAS CITY agrees to \$266,554 from the JAG award for Neighborhoods and Housing Services, Kansas City Police Department and the Kansas City Metropolitan Crime Commission; and

**WHEREAS**, the CITY OF KANSAS CITY, COUNTY of Jackson, CITY1 and CITY2 believes it to be in their best interests to reallocate JAG funds.

**GMS APPLICATION NUMBER: 2018-H3843-MO-DJ**

**Section 1.**

CITY OF KANSAS CITY agrees to pay COUNTY \$256,101 of JAG funds.

COUNTY agrees to use the \$256,101 for salaries and benefits of staff of the Jackson County Prosecutor's Office.

**Section 2.**

CITY OF KANSAS CITY agrees to pay CITY1 a total of \$40,104 of JAG funds.

CITY1 agrees to use \$40,104 to purchase Law Enforcement Equipment and software.

**Section 3.**

CITY OF KANSAS CITY agrees to pay CITY2 a total of \$10,681 of JAG funds.

CITY1 agrees to use \$10,681 to purchase Law Enforcement Equipment and software.

**Section 4.**

CITY OF KANSAS CITY agrees to receive a total of \$266,554 of JAG funds.

CITY OF KANSAS CITY agrees to use the \$266,554 for Neighborhoods and Housing Services, Kansas City Police Department and the Kansas City Metropolitan Crime Commission.

**Section 5.**

Nothing in the performance of this Agreement shall impose any liability for claims against all participating CITIES under this Memorandum of Understanding.

**Section 6.**

Nothing in the performance of this Agreement shall impose any liability for claims against the COUNTY.

**Section 7.**

Each party to this agreement shall be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by one or more of the other parties.

**Section 8.**

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this agreement.

**Section 9.**

By entering into this Agreement, the parties do not intend to create any obligations express or implies other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

**COUNTY OF JACKSON COUNTY, MISSOURI**

By: Jean Peters Baker  
Jean Peters Baker  
Jackson County Prosecutor

By: [Signature]  
Frank White, Jr.  
County Executive

**CITY OF KANSAS CITY, MISSOURI**

By: Troy Schulte  
Troy Schulte  
City Manager

**CITY OF INDEPENDENCE, MISSOURI**

By: Zachary Walker  
Zachary Walker  
City Manager

**CITY OF RAYTOWN, MISSOURI**

By: Chief Jim Lynch  
Jim Lynch  
Chief, Raytown Police Department

By: [Signature]  
Mike McDonough

~~Mayor~~ MAYOR

**CITY OF RAYTOWN**  
**Request for Board Action**

**Date:** April 9, 2019  
**To:** Mayor and Board of Aldermen  
**From:** Sergeant Gary Davis #1155

**Resolution No.:** R-3197-19

**Department Head Approval:** \_\_\_\_\_

**Finance Director Approval:** \_\_\_\_\_ (only if funding is requested)

**City Administrator Approval:** \_\_\_\_\_



**Action Requested:** Approval of the resolution for the fiscal year 2018-2019 MoDOT Youth Alcohol Enforcement Campaign Grant Application.

**Recommendation:** Approval of the resolution.

**Analysis:** Resolution approving the 2019 Youth Alcohol Enforcement Campaign from the Missouri Department of Transportation Highway Safety Division for the 2019 Fiscal Year. If awarded, the billed hours worked by officers of the Raytown, Missouri Police Department will be reimbursed at the rate of 100%. The Raytown Police Department intends to utilize these funds to locate, apprehend and deter the consumption of alcohol by youth within the Raytown city limits. With the extra officers designated to participate in this grant, the effects of hazardous driving related offenses related to youth alcohol consumption within the Raytown city limits will be decreased as well.

The grant, if awarded, allows for \$400.00 dollars to be used for overtime assignments, and will be reimbursed at 100% to the City. There is no match required by the City for this grant.

**Alternatives:** The City/Board of Aldermen could choose not to approve the resolution for the application of grant funding, in which case existing Police resources would be used to attempt to achieve similar results regarding hazardous moving violation enforcement and crash abatement.

**Budgetary Impact:**

Not Applicable

**Additional Reports Attached:** 2019 MoDOT Youth Alcohol Enforcement Campaign Grant Application

**A RESOLUTION AUTHORIZING AND APPROVING PARTICIPATION BY THE CITY IN THE YOUTH ALCOHOL ENFORCEMENT CAMPAIGN THROUGH THE MISSOURI DEPARTMENT OF TRANSPORTATION AND AN APPLICATION FOR GRANT FUNDING IN CONNECTION WITH THE MISSOURI DEPARTMENT OF TRANSPORTATION YOUTH ALCOHOL ENFORCEMENT CAMPAIGN FOR SUCH PURPOSES**

**WHEREAS**, the City of Raytown (the "City") would like to participate in the Missouri Department of Transportation's Youth Alcohol Enforcement Campaign; and

**WHEREAS**, grant funding is available from the State of Missouri for such purposes and the City desires to submit an application for such funding to enhance its Police Department operations; and

**WHEREAS**, the Board of Aldermen find it is in the best interests of the City to approve participation in the Missouri Department of Transportation Youth Alcohol Enforcement Campaign;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF RAYTOWN, MISSOURI, AS FOLLOWS:**

**THAT** participation in the Missouri Department of Transportation Youth Alcohol Enforcement Campaign is hereby approved; and

**FURTHER THAT** an Application for a Youth Alcohol Enforcement Campaign Grant in the amount of \$400.00 is hereby authorized and approved; and

**FURTHER THAT** the City Administrator is hereby authorized to execute the application along with any and all other documents necessary or incidental thereto and to take any and all actions necessary to effectuate the terms of the grant application and program participation.

**PASSED AND ADOPTED** by the Board of Aldermen and **APPROVED** by the Mayor of the City of Raytown, Missouri, the 9<sup>th</sup> day of April, 2019.

\_\_\_\_\_  
Michael McDonough, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa M. Henry, City Clerk

\_\_\_\_\_  
Jennifer M. Baird, City Attorney

## PROBLEM IDENTIFICATION

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Alcohol and drug abuse contribute significantly to traffic crashes on Missouri roads, particularly those resulting in death or serious injury. During the years 2015-2016, 76,885 personal injury crashes occurred in Missouri. In this same 2-year period, a total of 1,817 people were killed (870 in 2015 and 947 in 2016), while another 9,315 suffered serious injuries. Although, preliminary data for 2017 does show a decrease in traffic crash fatalities there are still too many crashes and senseless deaths happening every year on Missouri roadways. Of the total number of people killed during 2015-2016, there were a total of 449 that were reported as having alcohol or drugs as a contributing factor in the traffic crash

Substance-impaired drivers contributed to 27 percent of Missouri's traffic crash fatalities during the past five years. Alcohol remains the primary contributor to substance-impaired driving crashes; however, the number of persons under the influence of prescription medications and/or illicit drugs continues to increase. Male drivers were more likely than females to be involved in substance-impaired driving crashes. During the past five years, males were responsible for 82 percent of substance-impaired driving fatalities. Ten percent of the children less than 15 years of age who were killed in motor vehicle crashes over the last five years, were riding with a substance-impaired driver. (2018 Missouri Highway Safety Plan)

According to Missouri's Blueprint, A Partnership Toward Zero Deaths 2016-2020, "Substance-impaired drivers contributed to 28 percent of Missouri's traffic crash fatalities during the past three years. Alcohol remains the primary contributor to substance-impaired driving crashes; however, the number of persons under the influence of prescription medications and/or illicit drugs continues to increase. Male drivers were more likely than females to be involved in substance-impaired crashes. During the past three years, males were responsible for 83 percent of substance-impaired driving fatalities. Fourteen percent of the children less than 15 years of age who were killed in motor vehicle crashes over the last three years, were riding with a substance-impaired driver."

According to NHTSA Countermeasures That Work 8th Edition 2015, "Like publicized sobriety checkpoint programs, the primary purpose of publicized saturation patrol programs is to deter driving after drinking by increasing the perceived risk of arrest. To do this, saturation patrols should be publicized extensively and conducted regularly, as part of an ongoing saturation patrol program. A demonstration program in Michigan, where sobriety checkpoints are prohibited by State law, revealed that saturation patrols can be effective in reducing alcohol-related fatal crashes when accompanied by extensive publicity (Fell, Langston, Lacey, & Tippetts, 2008).

Some of the most effective campaigns have been the national law enforcement mobilization efforts such as "Click It or Ticket" and "Drive Sober or Get Pulled Over." People heard about the mobilizations in the media, and drivers were aware that the risk of apprehension was high. These campaigns have proven their ability to not only heighten awareness, but also to ultimately make positive behavioral changes. (2018 Missouri Highway Safety Plan)

A need exists to assist Missouri's Highway Safety and Traffic Division (HSTD) to encourage increased law enforcement participation in DWI enforcement and specialized mobilization efforts. Within Missouri's Blueprint, A Partnership Toward Zero Deaths 2016-2020 there exists a key substance-impaired driver strategy for law enforcement:

- Increase law enforcement participation in substance-impaired driving enforcement and specialized mobilization efforts;
- Encourage multi-agency initiatives and task forces to identify target locations, times, etc. for enforcement efforts;
- Encourage law enforcement to participate in the youth impaired driving mobilizations.

Attachment 2 - Contract between the Missouri Highways and Transportation Commission & University of Central Missouri, Missouri Safety Center

## GOALS/OBJECTIVES

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**Goal:**

Encourage increased participation from law enforcement partners in the State's DWI enforcement and special mobilization campaigns to effectively deter, identify, arrest and adjudicate alcohol and other substance-impaired drivers.

**Objective:**

Through management of the DWI overtime enforcement campaigns, provide targeted law enforcement agencies with the resources to fund full, part-time and reserve officer overtime pay for their DWI enforcement and special mobilization efforts. These resources will be in the form of sub-award grants to law enforcement agencies identified by Missouri's HSTD.

## PROJECT DESCRIPTION

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The Missouri Safety Center (MSC) will encourage law enforcement agencies to participate in the State's DWI enforcement and special mobilization efforts. This will be through sub-award grants to law enforcement agencies, selected by Missouri's HSTD making available overtime funds. Additional agencies may be added or removed based on available funds and guidance from the HSTD. These overtime funds will be used to encourage law enforcement agencies to increase their DWI enforcement efforts during the following campaigns:

- Holiday DWI Enforcement (December, 2018),
- St. Patrick's Day DWI Enforcement (March, 2019),
- Youth Alcohol Enforcement (May, 2019),
- Independence Day DWI Enforcement (July, 2019), and
- Drive Sober or Get Pulled Over Enforcement (August - September, 2019)

### Personnel:

MSC will provide two full-time support staff personnel to perform the duties of this grant as part of or in total of their overall duties for the MSC. See detailed budget, attached.

Upon receipt of the HSTD enforcement database which includes the identified law enforcement agencies and their individual funding amounts, (MSC is to receive HSTD Enforcement Database and Pre/Post press releases 6 weeks prior to the start date of the campaign), the Missouri Safety Center will:

- E-mail invitations and sub-award grant contracts to all designated agencies,
- Either by phone or electronically make a minimum of two contacts to those agencies that did not respond by the established deadline and determine their participation status, and inform HSTD representative,
- E-mail the participation and informational documents to law enforcement agencies upon receipt of their signed contracts indicating their desire to participate,
- Receive, upon completion of the enforcement effort, the agency Manpower Report Form indicating the number of officers and hours worked for reimbursement,
- Receive, upon completion of the enforcement effort, departmental documentation for verification of officer(s) overtime payment,
- Make, as needed, additional contacts to those agencies that have not submitted their Manpower Report Form by the established deadline,
- Verify the participating agency has submitted their Enforcement Statistics Reports via the HSTD Online Mobilization Reporting system,
- Verify the Manpower Report Form and requested reimbursement amounts are accurate and within the contract specifications, approve, and process for payment,
- Submit a report and reimbursement voucher to the HSTD upon completion of the enforcement effort,
- Submit back to HSTD an updated database.

\*Salary and fringe benefit totals are based on a projected 3% salary increase and a 3% benefits increase. Because UCM does not announce or implement COLA and/or benefit increases until July 1, each fiscal year, an additional salary/benefits increase is calculated to account for any possible increases.

\*\* In affect the Drive Sober Enforcement grant is five individual enforcement campaigns in one , each taking approximately the same amount of time as a single enforcement campaign.

**SUPPLEMENTAL INFORMATION**

| <u>Question</u>  | <u>Answer</u> |
|--|---------------|
| 1 Does your agency have and enforce a safety belt use policy?  | Yes           |
| 2 If NO, please explain.   |               |
| 3 Does your agency have and enforce a policy restricting cell phone use while driving?   | Yes           |
| 4 If NO, please explain.   |               |
| 5 What type of agency do you represent (e.g. state government, local government, not for profit, for profit)?<br>State Government - University of Central Missouri   |               |
| 6 Will this project have an impact statewide, regionally, or locally?<br>Statewide   |               |
| 7 What target group will this project impact (e.g. young, older, impaired)?<br>Impaired Drivers  |               |
| 8 What age group does your project focus on?<br>All Drivers  |               |
| 9 Does your agency have adequate manpower to fully expend the funds requested in this application?   | Yes           |
| 10 If NO, please explain.  |               |
| 11 Have any significant changes occurred with your agency within the last year that would affect performance, including personnel or system changes?   | No            |
| 12 If YES, please explain.   |               |
| 13 Are you aware of any fraud, waste or abuse on grant projects in your office/agency within the last 5 years?   | No            |
| 14 If YES, please explain.   |               |
| 15 If your agency received Highway Safety grant funding in the last three (3) fiscal years and there were unexpended balances, please explain why.<br>Total officer overtime and fringe amounts are established by the Highway Safety & Traffic Division, at time increasing our initial application amounts. The use of funds depends greatly on agency and officer participation and, in general, participation does not match projected expectations. However, it should be noted that steady increases have occurred in participation. |               |
| 16 Did your political entity receive more than 80% of its annual gross revenues in Federal Awards in your preceding fiscal year?   | No            |
| 17 Did your political entity receive \$25,000,000 or more in Federal Awards in your preceding fiscal year?   | No            |

18 If you answered NO to either question 16 and 17, DO NOT answer this question. If you answered YES to both question 16 and 17, and the public does not have access to this information, list the names and compensation amounts of the five most highly compensated employees in your business or organization (the legal entity to which the DUNS number it provided belongs).

19 Does this project employ proven best practices or would it be considered a pilot project?

Yes - Proven Best Practices

## PROJECT EVALUATION

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The MHTC will administratively evaluate this project. Evaluation will be based, at a minimum, upon the following:

1. Timely submission of monthly reimbursement vouchers and appropriate documentation to support reimbursement for expenditures (i.e., personal services, equipment, materials)
2. Timely submission of periodic reports (i.e., monthly, quarterly, semi-annual) as required
3. Timely submission of the Year End Report of activity (due within 30 days after contract completion date)
4. Attaining the Goals set forth in this contract\*
5. Accomplishing the Objectives\* established to meet the project Goals, such as:
  - Programs (number and success of programs held compared to planned programs, evaluations if available)
  - Training (actual vs. anticipated enrollment, student evaluations of the class, student test scores on course examinations, location of classes, class cancellation information)
  - Equipment purchases (timely purchase of equipment utilized to support and enhance the traffic safety effort; documentation of equipment use and frequency of use)
  - Public awareness activities (media releases, promotion events, incentive items or education materials produced or purchased)
  - Other (any other information or material that supports the Objectives)
6. The project will be evaluated by the Highway Safety and Traffic Division through annual crash analysis.

Evaluation results will be used to determine:

- The success of this type of activity in general and this particular project specifically;
- Whether similar activities should be supported in the future; and
- Whether grantee will receive funding for future projects.

\*Evaluation and requests to fund future projects will not be based solely on attaining Goals and/or Objectives if satisfactory justification is provided.

This project will be evaluated after the completion of each of the five substance-impaired driving enforcement and specialized mobilization efforts throughout FY 2019 by Highway Safety staff.

University of Central Missouri  
Subaward Agreement  
**Youth Alcohol Enforcement Campaign**

|  |                         |  |
|--|-------------------------|--|
| <b>Pass-Through Entity (PTE):</b><br>University of Central Missouri – Missouri Safety Center   |                         | <b>Subrecipient:</b><br>Raytown Police Dept  |
| <b>PTE Principal Investigator: Joanne Kurt-Hilditch</b><br>Director, Missouri Safety Center    |                         | <b>Subrecipient Principal Investigator (PI):</b><br>Raytown Police Dept                |
| <b>PTE DUNS Number:</b> 79-559-7124  |                         | <b>Subrecipient DUNS Number:</b> 030714448   |
| <b>PTE FEIN:</b> 44-6000293  |                         | <b>Subrecipient FEIN:</b> 44-6005511   |
| <b>Subaward Number:</b> SAF110-0280  | <b>CFDA No.:</b> 20.607 | <b>State Awarding Agency:</b><br>MO Dept. of Transportation – Highway Safety & Traffic |
| <b>PTE State Award No:</b> 19-154-AL-019   |                         | <b>Federal Awarding Agency:</b><br>US Department of Transportation                     |
| <b>Project Title: Youth Alcohol Enforcement Campaign</b>                                       |                         |  |
| <b>Subaward Period of Performance:</b><br>Award Start: May 02, 2019<br>Award End: May 13, 2019 |                         | <b>Subaward Type:</b> Reimbursable   |
|  |                         | <b>Subaward Value:</b> \$400   |

**Terms and Conditions:**

The parties to this contract do mutually agree to the following terms and conditions as outlined in this documents and corresponding attachments.

Reporting and Monitoring Requirements:

All invoicing and reporting will follow the guidelines and restrictions as set out in the attached statement of work. All payments shall be considered provisional and subject to adjustment within the total estimated cost in the event such adjustment is necessary as a result of an adverse audit finding against the Agency.

The Agency shall permit monitoring by the State or appropriate federal agency representatives, and comply with such reporting procedures as may be established by the State. The Agency shall maintain all related records for three years following the end date of this contract. Record retention is required for purposes of Federal examination and audit. All invoicing and reporting will follow the guidelines and restrictions as set out in the attached statement of work and contract. By signing this form, Agency agrees to abide by the terms set forth in the statement of work.

Non-Supplanting Certification:

The agency affirms that the federal funds will not be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Applicants may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt of federal funds. Only eligible officer overtime will be reimbursable through this contract.

Revisions and Amendments:

Matters concerning the technical performance of this agreement, not cost extensions, a request or negotiation of any changes in terms, conditions, or amounts should be directed to the UCM principal investigator, as noted in this contract. Any changes made to this agreement require the written approval of each party's Authorized Official.

Indemnification:

Each party shall be responsible for damages resulting from the wrongful or negligent acts or omissions of each respective party's employees, agents, and/or representatives for risks, losses, and circumstances occurring during or arising out of the scope of work in this agreement. University of Central Missouri does not waive its sovereign immunity as provided by RSMo Section 537.600, nor did any of the protections afford it as a quasi-public body of the State of Missouri. The University agrees to be responsible hereunder only to the extent that it would otherwise be liable under the provision of RSMo Section 537.600.

Project Description & Total Amount of Federal Pass-Through to PTE:

Through management of the DWI overtime enforcement campaigns, provide targeted law enforcement agencies with the resources to fund full, part-time and reserve officer overtime pay for their DWI enforcement and special mobilization efforts. These resources will be in the form of sub-award grants to law enforcement agencies identified by Missouri's HSTD. The total amount of the Federal pass-through funding to PTE is \$421,846.17.

Termination of Agreement for cause:

Either party may terminate this agreement with thirty (30) days written notice to the appropriate party's principal investigator. If applicable, the University shall pay Agency for termination costs as allowable under OMB 2 CFR Parts 200 and 1201.

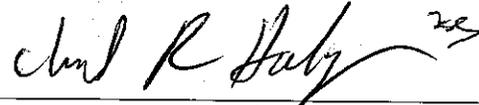
Governing law: This Agreement shall be interpreted under and governed by the laws of the State of Missouri.

Reimbursable Award: The University of Central Missouri (UCM) hereby awards a cost reimbursable contract of up to **\$400** to the **Raytown Police Dept** to support officer overtime on the **Youth Alcohol Enforcement Campaign**. In its performance of work under the terms of this agreement, Agency shall be an independent entity and not an employee or agent of UCM.

Attachments:

**Attachment A:** Statement of Work and Notice of Eligibility

**Attachment B:** Contract between the Missouri Highways and Transportation Commission & University of Central Missouri/Missouri Safety Center

|   |  |
|---|--|
| Signature of Authorized Official of PTE (UCM):<br>   | <b>Signature</b> of Authorized Official of Subrecipient (Agency):<br>  |
| Printed Name: Sarah Craig<br>Date: 10/01/2018   | Printed Name: Randy Hudspeth<br>Date: 04/01/19   |
| Title: Director, Sponsored Programs   | Title: Chief of Police   |
| UCM Project Address:<br>Missouri Safety Center<br>Attn: Mindy Sergeant<br>Humphrey Building, Suite 200<br>Warrensburg, MO 64093<br><br>Phone: 660-543-4392 Fax: 660-543-4482<br><br>Email: <a href="mailto:sergent@ucmo.edu">sergent@ucmo.edu</a><br><br>Subaward Number: SAF110-0280 | <b>Signature</b> of Enforcement Administrator of Subrecipient:<br><br>Printed Name: Sgt. Gary Davis<br>Date: 04/01/19<br>Agency Address: 10000 E. 59th Street<br>Raytown, MO 64133<br>Agency Phone: 816-737-6020<br>Agency Email: <a href="mailto:davisg@raytownpolice.org">davisg@raytownpolice.org</a> |



## Attachment A: Statement of Work and Notice of Eligibility Youth Alcohol Enforcement Campaign

The Highway Safety & Traffic Division – Missouri Department of Transportation (MoDOT) has identified **Raytown Police Dept** as eligible to participate in the **Youth Alcohol Enforcement Campaign**. Those officers conducting Standardized Field Sobriety Testing **MUST** have 24 hours of SFST training to participate in Grant Funded Enforcement efforts. Full-time, part-time and reserve officers are eligible to participate in overtime enforcement campaigns. Part-time and reserve officers must have the same authority as a full-time permanent officer.

Through the University of Central Missouri Subaward Agreement (here after referred to as Subaward Agreement), a maximum reimbursable amount of **\$400** has been designated for actual officer overtime salary and fringe benefits dedicated to enforcement activities during this enforcement campaign.

Participation in **Youth Alcohol Enforcement Campaign** requires your agency to:

1. Complete the sections of the University of Central Missouri Subaward Agreement:
  - **TWO DIFFERENT** (required) signatures. These are typically the Chief, Sheriff or Authorized Official **AND** the Enforcement Administrator for your agency.
  - Agency Contact Information to include: Address, Phone and Email
2. The **TWO** signatures on the submitted Subaward Agreement must match the two required signatures on the Overtime Enforcement Manpower Report Form. If the signatures are different a memo must be included with the Overtime Enforcement Manpower Report Form explaining the reason for the difference.
  - Therefore, if the person who signed as the Authorizing Official on the Subaward Agreement also works the enforcement campaign a different authorizing official would need to sign the Overtime Enforcement Manpower Report Form then a memo must be submitted explaining the reason for the difference in signatures between the Subaward Agreement and the Overtime Enforcement Manpower Report Form. The Authorizing Official cannot certify/approve **THEIR-OWN** hours worked.
3. **Return the signed Subaward Agreement no later than May 02, 2019 to *Mindy Sergent*:**
  - Scan then Email to: [sergent@ucmo.edu](mailto:sergent@ucmo.edu) or
  - Fax to: 660-543-4482 or 660-543-4078
4. Upon receipt of the completed Subaward Agreement, your agency will receive an **email message** from ***Mindy Sergent*** which will include the following enforcement documents:
  - Pre and Post News Release Examples
  - Overtime Enforcement Manpower Report Form
  - Enforcement Reimbursement Check List
  - Highway Safety Campaign Letter to include the On-Line Mobilization Reporting Instructions
5. Upon campaign completion below items must be completed and submitted to the Missouri Safety Center **NO LATER THAN June 28, 2019**. Reports submitted after **June 28, 2019** may not be reimbursed:
  - Missouri Safety Center - Overtime Enforcement Manpower Report Form
  - Signatures on Subaward Agreement **MATCH** signatures on Manpower Report, if not, a memo indicating why the signatures are different
  - Copies of the salary earnings or salary verification statement showing that the individual(s) who worked the enforcement received payment. This should be an **agency generated payroll report** to include a check date
  - Online reporting of citations has been submitted to Highway Safety (<https://mobilization.rejis.org/>)

**On behalf of the Missouri Department of Transportation's Highway Safety & Traffic Division and the Missouri Safety Center, we appreciate your willingness to assist in making our roadways safer for all.**

## CONTRACT CONDITIONS

IN ORDER TO RECEIVE FEDERAL FUNDING, THE SUBRECIPIENT AGREES TO COMPLY WITH THE FOLLOWING CONDITIONS IN ADDITION TO THOSE OUTLINED IN THE NARRATIVE OF THE CONTRACT.

### I. RELATIONSHIP

The relationship of the Subrecipient to the Missouri Highways and Transportation Commission (MHTC) shall be that of an independent contractor, not that of a joint enterpriser. The Subrecipient shall have no authority to bind the MHTC for any obligation or expense without the express prior written approval of the MHTC. This agreement is made for the sole benefit of the parties hereto and nothing in the Agreement shall be construed to give any rights or benefits to anyone other than the MHTC and the Subrecipient.

### II. GENERAL REQUIREMENTS

The State will comply with applicable statutes and regulations, including but not limited to:

- 23 U.S.C. Chapter 4 - Highway Safety Act of 1966, as amended
- Sec. 1906, Pub. L. 109-59, as amended by Sec. 4011, Pub. L. 114-94
- 23 CFR part 1300 - Uniform Procedures for State Highway Safety Grant Programs
- 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 2 CFR part 1201 - Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

### III. INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS

The State has submitted appropriate documentation for review to the single point of contact designated by the Governor to review Federal programs, as required by Executive Order 12372 (Intergovernmental Review of Federal Programs).

### IV. EQUIPMENT

**A. PROCUREMENT:** Subrecipient may use its own procurement regulations which reflect applicable state/local laws, rules and regulations provided they adhere to the following:

1. Equipment with a cost of \$3,000 or more must be purchased on a competitive bid basis, or purchased through use of state cooperative procurement;
2. Price or rate quotations shall be solicited from at least three (3) qualified sources;
3. All procurement transactions, regardless of whether by sealed bids or by negotiation, shall be conducted in a manner that provides maximum open and free competition;
4. Subrecipients shall have a clear and accurate description of the item to be purchased. Such description shall not, in competitive procurements, contain features that unduly restrict competition. A "brand name or equal" description may be used as a means to define the performance or other requirement of a procurement;
5. If for some reason the low bid is not acceptable, the Subrecipient must have written approval from the MHTC prior to bid approval and purchase.
6. Subrecipients will make a good faith effort to utilize minority and women owned businesses within resource capabilities when procuring goods and services.

**B. DISPOSITION:** The Subrecipient shall make written request to the MHTC for instructions on the proper disposition of all items of equipment provided under the terms of this contract with a cost of \$5,000 or more. Subrecipient must keep and maintain equipment with a cost of under \$5,000 until it is no longer useful for its originally intended purpose.

**C. REPLACEMENT:** No equipment may be funded on a replacement basis. Participation in equipment and manpower projects must be in addition to the Subrecipient's previous twelve months authorized strength.

### V. FISCAL RESPONSIBILITY

**A. MAINTENANCE OF RECORDS:** The Subrecipient agrees that the Commission and/or its designees or representatives shall have access to all records related to the grant. The Subrecipient further agrees that the Missouri Department of Transportation (MoDOT) Highway Safety and Traffic (HS) Division, the National Highway Traffic Safety Administration (NHTSA), the Federal Highway Administration (FHWA) and/or any Federal audit agency with jurisdiction over this program and the Auditor of the State of Missouri or any of their duly authorized representatives may have access, for purpose of audit and examinations, to any books, documents, papers or records maintained by the Subrecipient pertaining to this contract and further agrees to maintain such books and records for a period of three (3) years following date of final payments.

## CONTRACT CONDITIONS

**B. REIMBURSEMENT VOUCHER, SUPPORTING DOCUMENTATION AND PAYMENT SCHEDULE:** The MHTC agrees to reimburse the Subrecipient for accomplishment of all authorized activities performed under this contract. Reimbursement proceedings will be initiated upon the receipt of a claim voucher and supporting documentation from the Subrecipient, as required by the MHTC. The voucher must reflect actual costs and work accomplished during the project period, to be submitted on the appropriate MHTC certified payroll form or in a format approved by the MHTC, and shall include project number, project period, hours worked, rate of pay, any other allowable expenditures, and must be signed by the person preparing the voucher and the project director or authorizing official. Vouchers should be received by the MHTC within ten (10) working days from the date of the authorizing official/project director's signature. Final payment is contingent upon receipt of final voucher. **AUDITS:** Subrecipient will be responsible for the required supporting documentation no later than 30 days after the end of the contract period.

**C. ACCOUNTING:** The Subrecipient shall maintain all documentation in file for audit review; failure to provide supporting documentation at the time of audit could result in questioned costs. The Subrecipient must document the following: (1) Receipt of federal funds, (2) date and amount paid to employees, (3) employee's timesheet (regular hours and overtime hours). Documentation shall be kept available for inspection for representatives of the MHTC for a period of three years following date of final payments. Copies of such records shall be made available upon request.

**D. OMB AUDIT:** A subrecipient that expends \$750,000 or more during the subrecipient's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of 2 CFR §200.501. A copy of the Audit report shall be submitted to MoDOT within the earlier of thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period. A subrecipient that expends less than \$750,000 during the subrecipient's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO). Failure to furnish an acceptable audit may be basis for refunding federal funds to the MHTC. Cost records and accounts pertaining to the work covered by this contract shall be kept available for inspection for representatives of the MHTC for a period of three (3) years following date of final payments. Copies of such records shall be made available upon request.

### **VI. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)**

The State will comply with FFATA guidance, OMB Guidance on FFATA Subaward and Executive Compensation Reporting, August 27, 2010,

([https://www.fsrs.gov/documents/OMB\\_Guidance\\_on\\_FFATA\\_Subaward\\_and\\_Executive\\_Compensation\\_Reporting\\_08272010.pdf](https://www.fsrs.gov/documents/OMB_Guidance_on_FFATA_Subaward_and_Executive_Compensation_Reporting_08272010.pdf)) by reporting to FSRS.gov for each sub-grant awarded:

- A. Name of the entity receiving the award;
- B. Amount of the award;
- C. Information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance (or "Assistance Listings") number (where applicable), program source;
- D. Location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country; and an award title descriptive of the purpose of each funding action;
- E. A unique identifier (DUNS);
- F. The names and total compensation of the five most highly compensated officers of the entity if:
  1. the entity in the preceding fiscal year received-
    - a. 80 percent or more of its annual gross revenues in Federal awards;
    - b. \$25,000,000 or more in annual gross revenues from Federal awards; and
  2. the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986;
- G. Other relevant information specified by OMB guidance.

### **VII. TERMINATION**

If, through any cause, the Subrecipient shall fail to fulfill in timely and proper manner its obligation under this contract, or if the Subrecipient shall violate any of the covenants, agreements or stipulations of this contract, the MHTC shall thereupon have the right to terminate this contract and withhold further payment of any kind by giving written notice to the Subrecipient of such termination and specifying the effective date thereof, at least thirty (30) days before such date. The MHTC shall be the sole arbitrator of whether the Subrecipient or its subcontractor is performing its work in a proper manner with reference to the quality of work performed by the Subrecipient-or its subcontractor under the provisions of this contract. The Subrecipient and the MHTC further agree that this contract may be terminated by either party by giving written notice of such termination and specifying the effective date thereof, at least thirty (30) days before such date.

## CONTRACT CONDITIONS

### VIII. NONDISCRIMINATION

(applies to subrecipients as well as States)

The State highway safety agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

- **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) and 49 CFR part 21;
- **The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- **Federal-Aid Highway Act of 1973**, (23 U.S.C. 324 *et seq.*), and **Title IX of the Education Amendments of 1972**, as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- **Section 504 of the Rehabilitation Act of 1973**, (29 U.S.C. 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- **The Age Discrimination Act of 1975**, as amended, (42 U.S.C. 6101 *et seq.*), (prohibits discrimination on the basis of age);
- **The Civil Rights Restoration Act of 1987**, (Pub. L. 100-209), (broadens scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, sub-recipients and contractors, whether such programs or activities are Federally-funded or not);
- **Titles II and III of the Americans with Disabilities Act** (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38;
- **Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations** (prevents discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations); and
- **Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency** (guards against Title VI national origin discrimination/discrimination because of limited English proficiency (LEP) by ensuring that funding recipients take reasonable steps to ensure that LEP persons have meaningful access to programs (70 FR at 74087 to 74100).

The State highway safety agency-

1. Will take all measures necessary to ensure that no person in the United States shall, on the grounds of race, color, national origin, disability, sex, age, limited English proficiency, or membership in any other class protected by Federal Nondiscrimination Authorities, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any of its programs or activities, so long as any portion of the program is Federally-assisted.
2. Will administer the program in a manner that reasonably ensures that any of its subrecipients, contractors, subcontractors, and consultants receiving Federal financial assistance under this program will comply with all requirements of the Non-Discrimination Authorities identified in this Assurance;
3. Agrees to comply (and require any of its subrecipients, contractors, subcontractors, and consultants to comply) with all applicable provisions of law or regulation governing US DOT's or NHTSA's access to records, accounts, documents, information, facilities, and staff, and to cooperate and comply with any program or compliance reviews, and/or complaint investigations conducted by US DOT or NHTSA under any Federal Nondiscrimination Authority;
4. Acknowledges that the United States has a right to seek judicial enforcement with regard to any matter arising under these Non-Discrimination Authorities and this Assurance;
5. Insert in all contracts and funding agreements with other State or private entities the following clause:

During the performance of this contract/funding agreement, the contractor/funding recipient agrees-

1. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time;
2. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in Appendix B of 49 CFR part 21 and herein;
3. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State Office of Highway Safety, US DOT or NHTSA;

**CONTRACT CONDITIONS**

4. That, in event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the State highway safety agency will have the right to impose such contract/agreement sanctions as it or NHTSA determine are appropriate, including but not limited to withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part; and
5. To insert this clause, including paragraphs 1 through 5, in every subcontract and subagreement and in every solicitation for a subcontract or sub-agreement that receives Federal funds under this program.

**IX. STATUTORY AND REGULATORY REQUIREMENTS****A. COMPLIANCE:** The Subrecipient must comply with the following Statutes or Rules:

1. Peace Officer Standards and Training (P.O.S.T.) Chapter 590 RSMo Department of Public Safety (DPS) certification of peace officers
2. Statewide Traffic Accident Records System (STARS) 43.250 RSMo--Law enforcement officer to file all crash reports with Missouri State Highway Patrol (MSHP).
4. Uniform Crime Reporting RSMo 43.505-Crime incident reports shall be submitted to DPS on forms or in format prescribed by DPS.
5. Racial Profiling RSMo 590.650-Law enforcement agency to file a report to the Attorney General each calendar year.
6. US DOT AND OMB REGULATIONS: The Subrecipient shall comply with all requirements of 2 CFR Parts 200 and 1201 beginning with the federal fiscal year 2016: starting October 1, 2015.

- X. PRODUCTION & DEVELOPMENT COSTS** Items produced with federal funds are within the public domain and are not bound by copyright restrictions. All items produced with federal funds, in whole or in part, must acknowledge this by clearly indicating that MoDOT Highway Safety and Traffic funding supported this effort. Examples may include, but are not limited to print materials; audio/video productions; and training aides such as curricula or workbooks. Any materials developed under this contract must be submitted to the MHTC for approval prior to final print and distribution. Copies of all final products are to be provided to the MHTC. The MHTC has the right to reproduce and distribute materials as the MHTC deems appropriate.

- XI. INDEMNIFICATION** Option 1 below only applies to State agencies, Cities, Counties and other political subdivisions or political corporations of the State of Missouri. Option 2 applies to all other entities (e.g. non-profit, private institutions).

**OPTION 1:**

- A.** To the extent allowed or imposed by law, the Subrecipient shall defend, indemnify and hold harmless the MHTC, including its members and MoDOT employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the Subrecipient's wrongful or negligent performance of its obligations under this Agreement. The Subrecipient may satisfy this requirement utilizing a self-funded program.
- B.** The Subrecipient will require any contractor procured by the Subrecipient to work under this Agreement:
1. To obtain a no cost permit from the MHTC's district engineer prior to working on the MHTC's right-of-way, which shall be signed by an authorized contractor representative (a permit from the MHTC's district engineer will not be required for work outside of the MHTC's right-of-way); and
  2. To carry commercial general liability insurance and commercial automobile liability insurance from a company authorized to issue insurance in Missouri, and to name the MHTC, and the MoDOT and its employees, as additional named insured's in amounts sufficient to cover the sovereign immunity limits for Missouri public entities as calculated by the Missouri Department of Insurance, Financial Institutions and Professional Registration, and published annually in the Missouri Register pursuant to Section 537.610, RSMo.
- C.** In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either party's rights or defenses with regard to each party's applicable sovereign, governmental, or official immunities and protections as provided by federal and state constitution or law.

**OPTION 2:**

The Subrecipient shall defend, indemnify and hold harmless the MHTC, including its members and the MoDOT employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the Subrecipient's performance of its obligations under this Agreement.

Attachment B - Contract between the Missouri Highways and Transportation Commission & University of Central Missouri / Missouri Safety Center

## CONTRACT CONDITIONS

**XII. AMENDMENTS** The Budget Proposal within this Agreement may be revised by the Subrecipient and the MHTC subject to the MHTC's approval without a signed amendment as long as the total contract amount is not altered. Prior to any revision being made to the Budget Proposal, Subrecipient shall submit a written request to the MHTC requesting the change. Any other change in this Agreement, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representative of the Subrecipient and the MHTC.

**XIII. MHTC REPRESENTATIVE** The MoDOT Highway Safety and Traffic Division Director is designated as the MHTC's representative for the purpose of administering the provisions of this Agreement. The MHTC's representative may designate by written notice other persons having the authority to act on behalf of the MHTC in furtherance of the performance of this Agreement.

**XIV. ASSIGNMENT** The Subrecipient shall not assign, transfer, or delegate any interest in this Agreement without the prior written consent of the MHTC.

**XV. LAW OF MISSOURI TO GOVERN** This Agreement shall be construed according to the laws of the State of Missouri. The Subrecipient shall comply with all local, state and federal laws and regulations relating to the performance of this Agreement.

**XVI. VENUE** It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

**XVII. SECTION HEADINGS** All section headings contained in this Agreement are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

**XVIII. NONSEGREGATED FACILITIES**

(Applicable to contracts over \$10,000) Subrecipient and its subcontractors, suppliers and vendors, should meet Federal requirements regarding nonsegregated facilities.

**XIX. FUNDING ORIGINATION AND AUDIT INFORMATION**

The MHTC funds the following NHTSA program areas:

| <u>Section</u> | <u>CFDA#</u> | <u>Program Title</u>   |
|----------------|--------------|--|
| 402            | 20.600       | State and Community Highway Safety Programs                          |
| 154            | 20.607       | Alcohol Open Container Requirements                                  |
| 164            | 20.608       | Minimum Penalties for Repeat Offenders for Driving While Intoxicated |
| 405b           | 20.616       | National Priority Safety Programs                                    |
| 405c           | 20.616       | National Priority Safety Programs                                    |
| 405d           | 20.616       | National Priority Safety Programs                                    |
| 405f           | 20.616       | National Priority Safety Programs                                    |

\*The Highway Safety and Traffic Division is aware of the pending 2018 change in CFDA numbers to Assistance Listings. At the time of this contract preparation, the final format of revised CFDA/Assistance Listings was not available from the U.S. General Services Administration (GSA). Once final CFDA numbers are available, the Highway Safety and Traffic Division will provide them via memo.

**XX. THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)**

The State will provide a drug-free workplace by:

- A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Subrecipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- B. Establishing a drug-free awareness program to inform employees about:
  - 1. The dangers of drug abuse in the workplace.
  - 2. The Subrecipient's policy of maintaining a drug-free workplace.
  - 3. Any available drug counseling, rehabilitation, and employee assistance programs.
  - 4. The penalties that may be imposed upon employees for drug violations occurring in the workplace.
  - 5. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (A).

## CONTRACT CONDITIONS

- C. Notifying the employee in the statement required by paragraph (A) that, as a condition of employment under the grant, the employee will:
  - a. Abide by the terms of the statement.
  - b. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.
- D. Notifying the agency within ten days after receiving notice under subparagraph (C)(b) from an employee or otherwise receiving actual notice of such conviction.
- E. Taking one of the following actions, within 30 days of receiving notice under subparagraph (C)(b), with respect to any employee who is so convicted:
  - a. Taking appropriate personnel action against such an employee, up to and including termination.
  - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.
- F. Making a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

### **XXI. POLITICAL ACTIVITY (HATCH ACT) (applies to subrecipients as well as States)**

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

### **XXII. CERTIFICATION REGARDING FEDERAL LOBBYING (applies to subrecipients as well as States)**

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### **XXIII. RESTRICTION ON STATE LOBBYING (applies to subrecipients as well as States)**

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

## CONTRACT CONDITIONS

### XXIV. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

(applies to subrecipients as well as States)

#### Instructions for Primary Certification (States)

- A. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR Parts 180 and 1300.
- B. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- C. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
- D. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- E. The terms *covered transaction*, *debarment*, *suspension*, *ineligible*, *lower tier*, *participant*, *person*, *primary tier*, *principal*, and *voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and Coverage sections of 2 CFR Part 180. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
- F. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NHTSA.
- G. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR Parts 180 and 1300.
- H. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the list of Parties Excluded from Federal Procurement and Non-procurement Programs.
- I. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- J. Except for transactions authorized under paragraph F of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend you, or take other remedies as appropriate.

#### Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions:

1. The prospective primary participant certifies to the best of its knowledge and belief, that its principals:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

**CONTRACT CONDITIONS**

- b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of record, making false statements, or receiving stolen property;
  - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
  - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Lower Tier Certification

- A. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR Parts 180 and 1300.
- B. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- C. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- D. The terms *covered transaction*, *debarment*, *suspension*, *ineligible*, *lower tier*, *participant*, *person*, *primary tier*, *principal*, and *voluntarily excluded*, as used in this clause, have the meanings set out in the Definition and Coverage sections of 2 CFR Part 180. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
- E. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NHTSA.
- F. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR Parts 180 and 1300.
- G. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- H. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- I. Except for transactions authorized under paragraph E of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, the department or agency with which this transaction originated may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend you, or take other remedies as appropriate.

## CONTRACT CONDITIONS

### Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

### **XXV. BUY AMERICA ACT** (applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase only steel, iron and manufactured products produced in the United States with Federal funds, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification to and approved by the Secretary of Transportation.

All items purchased must be compliant with the National Highway Traffic Safety Administration (NHTSA) interpretation of the Buy America Act including, but not limited to:

1. Items valued over \$5,000 per unit must be manufactured or assembled in the United States of America, or as allowed by a current Buy America Act waiver issued by the NHTSA;
  2. All vehicles must be manufactured or assembled in the United States of America regardless of cost.
- [www.nhtsa.gov/staticfiles/administration/programs-grants/Buy-America-Act-revised-11202015.pdf](http://www.nhtsa.gov/staticfiles/administration/programs-grants/Buy-America-Act-revised-11202015.pdf)

### **XXVI. PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE** (applies to subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

### **XXVII. POLICY ON SEAT BELT USE**

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Subrecipient is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information on how to implement such a program, or statistics on the potential benefits and cost-savings to your company or organization, please visit the Buckle Up America section on NHTSA's website at [www.nhtsa.dot.gov](http://www.nhtsa.dot.gov). Additional resources are available from the Network of Employers for Traffic Safety (NETS), a public-private partnership headquartered in the Washington, D.C. metropolitan area, and dedicated to improving the traffic safety practices of employers and employees. NETS is prepared to provide technical assistance, a simple, user-friendly program kit, and an award for achieving the President's goal of 90 percent seat belt use. NETS can be contacted at 1 (888) 221-0045 or visit its website at [www.trafficsafety.org](http://www.trafficsafety.org).

### **XXVIII. POLICY ON BANNING TEXT MESSAGING WHILE DRIVING**

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or -rented vehicles, Government-owned, leased or rented vehicles, or privately-owned when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

## CONTRACT REQUIREMENTS

### THE FOLLOWING REQUIREMENTS ONLY APPLY TO CONTRACTS THAT INCLUDE TRAINING

Subrecipients offering the MHTC-funded courses must adhere to the following standard elements required for training contracts:

- A. A course schedule must be presented to the MHTC program coordinator prior to the proposed training. The schedule should include: title of course; date(s); time; exact location; and agenda. Any changes to the course schedule must have prior approval from the MHTC.
- B. Each student must complete a survey form at the completion of the workshop/training. The survey will ask a series of questions concerning adequacy of: training received; instructor's presentation; training facility/location; and worth of the training.
- C. The Subrecipient must provide a sign-up sheet for every class when submitting a reimbursement request for the course (a typed list of everyone who registered is not acceptable). The sign-up sheet must capture the following information:
  1. Title of the class
  2. Date(s) and location of class
  3. Printed Name and signature of attendees (unless otherwise prohibited)
  4. Name of agency/organization of each attendee
- D. To ensure cost effectiveness, every effort should be made to enroll a minimum of fifteen (15) students per class.
- E. Copies of the student evaluations, number of students enrolled/number of students attending, agenda/syllabus/curriculum, and participant sign-up sheets must be retained in Subrecipient's files after the training has been conducted and available for MHTC review upon request.

### THE FOLLOWING REQUIREMENTS APPLY TO LAW ENFORCEMENT AGENCIES ONLY

#### **A. PROBLEM IDENTIFICATION**

Subrecipient must develop a selected traffic enforcement plan by evaluating crash data involving fatal, disabling and moderate injuries. This will be done on an annual basis to determine the highest crash locations, to include: month of year, day of week, time of day, and causation factors. This plan must be used to determine locations utilized in site selection for conducting enforcement efforts. Any changes to the enforcement plan must be made in writing to the MHTC project coordinator in advance of enforcement efforts.

#### **B. PROJECT ACTIVITIES**

1. Enforcement activities by the Subrecipient must remain at the current level. Enforcement efforts provided by this contract must be in addition to current enforcement activities.
2. Officers will be permitted to issue multiple citations and/or written warnings to drivers who have committed several violations.
3. High visibility enforcement is a key strategy to reducing traffic crashes; therefore, law enforcement officers working overtime projects are strongly encouraged to make at least three (3) contacts per hour when conducting an enforcement project.
4. Subrecipient should report monthly or at least quarterly to MHTC using the *Grant Enforcement Activities Monthly Report Form*.
5. Subrecipient is strongly encouraged to participate in all national or state mobilization efforts in conjunction with, or at the direction of, the Highway Safety and Traffic Division. These mobilizations include, but are not limited to: Click It or Ticket campaign, Drive Sober or Get Pulled Over campaign, Youth Seat Belt enforcement campaign, Child Passenger Safety campaign, and quarterly enforcement efforts. Mobilization reporting efforts shall be completed using the online mobilization reporting form located at: <https://mobilization.rejis.org/>.
6. Only law enforcement work performed by a duly licensed, Peace Officer Standards and Training certified law enforcement officer will be reimbursed.
7. The Subrecipient will not be eligible for reimbursement for any individual law enforcement officer working under this grant in excess of 40 hours for any two week pay period. The Subrecipient will not be eligible for reimbursement for any individual law enforcement officer working under this grant where said officer is claiming to have worked as a law enforcement officer for more than 16 hours in any 24 hour period.

**C. PARTNERSHIPS**

Law Enforcement agencies are strongly encouraged to participate in the Law Enforcement Traffic Safety Advisory Council (LETSAC) and attend the general meetings and annual conference. Agencies located within the metropolitan areas of St. Louis or Kansas City should participate in Operation Impact (traffic safety task force).

**D. ALLOWABLE COSTS**

Full-time, part-time and reserve officers are eligible to participate in overtime enforcement projects. Part-time and reserve officers must have the same authority as a full-time permanent officer. MHTC will reimburse Subrecipient at officer's standard rate of pay in accordance with Subrecipient policies and procedures regarding standard rate of pay and overtime rate of pay. The Subrecipient will not be reimbursed at the overtime rate for work that according to Subrecipient's own policies and procedures does not constitute overtime. Non-POST certified personnel may be allowed, at the sole discretion of MHTC, in a support/administrative role.

Exceptions to allowable costs may be made with prior written permission of the MHTC.

**E. DRUNK DRIVING ENFORCEMENT PROJECTS**

1. Those officers conducting standardized field sobriety testing must have 24 hours of Standardized Field Sobriety Test training to participate in grant funded enforcement efforts.
2. Agency should participate in quarterly enforcement efforts and the national impaired driving crackdown held annually.

**F. SOBRIETY CHECKPOINTS**

Unless otherwise prohibited by state statute or appropriation,

1. The MHTC will fund enforcement agencies to conduct sobriety checkpoints in accordance with standards outlined in the Sobriety Checkpoint Reference Manual and the Sobriety Checkpoint Supervisor Training program.
2. Sobriety checkpoint enforcement efforts must be coupled with appropriate public information efforts to increase the perceived risk of arrest and to enhance the actual risk of arrest.
3. Enforcement statistics and the agency's sobriety checkpoint operations plan must be submitted with reimbursement vouchers.