City of Harrisonville est. 1836

AGENDA
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
REGULAR MEETING
COMMUNITY CENTER
AUGUST 17, 2020
6:00 PM
LOCATION CHANGE FOR COVID-19 SOCIAL DISTANCING

1. Call to Order

- **A. Pledge of Allegiance**
- **B. Roll Call**

2. Ceremonial Matters

3. Public Participation

4. Approval of Minutes

- **A. Board of Aldermen - Regular Meeting - Aug 3, 2020 6:00 PM**
- **B. Board of Aldermen - Work Session - Aug 3, 2020 6:30 PM**

5. Agenda Items

- **A. Appointment to Board of Building & Engineering Appeals**
- **B. Appointment to Enhanced Enterprise Zone Board**
- **C. Log Cabin Festival Event Permit 2020**
- **D. Council Bill 39: An Ordinance Authorizing the City Administrator to enter into an agreement with The South Cass Tribune to serve as the City of Harrisonville official newspaper of record and establishing an effective date.**
- **E. Council Bill 40: A Resolution of the Board of Aldermen of the City of Harrisonville, Missouri to Authorize the City Administrator to accept the annual audit for the year ending December 31, 2019 by Cochran, Head & Vick & Co., P.C. and establishing an effective date.**
- **F. Council Bill 41: Tax Levy Hearing/ An Ordinance Levying A Tax For The Current Expense Of The City Of Harrisonville, Missouri, Upon Real Property And All Tangible Personal Property Of Whatsoever Nature And Character Subject To Taxation By The City Of Harrisonville For Such Purposes; Also, Levying A Special Tax Upon The Afore Described Properties For Public Parks; For A Total Tax Levy Of $.6612.**

G. Council Bill 42: AN ORDINANCE OF THE CITY OF HARRISONVILLE ESTABLISHING AND AMENDING SECTIONS OF THE MUNICIPAL CODE OF THE CITY OF HARRISONVILLE MISSOURI REGARDING BILLING OPERATIONS

H. Council Bill 43: Burns & McDonnell Rate Study Presentation/Resolution of Acceptance A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT THE RESULTS OF WATER/SEWER RATE STUDY FROM BURNS & MCDONNELL, COMPLETED IN AUGUST OF 2020.

I. Council Bill 44: Lake Luna Reimbursement Resolution A RESOLUTION TO DECLARE THE OFFICIAL INTENT OF THE CITY OF HARRISONVILLE, MISSOURI.

6. Aldermen and Committee Reports

7. Report from the City Administrator

A. July 2020 Municipal Court Report

8. Questions from the Media

9. Adjourn from Regular Session

Posted on City Hall Bulletin Board this 13th day of August, 2020.

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Randall K. Jones, City Clerk

Public participation during regular meetings of the Board of Aldermen shall be limited to those who have submitted a completed agenda request form. 2 Each person wishing to address the Board during regular meetings of the Board of Aldermen on a topic not on the agenda shall submit a completed agenda request form five (5) business days prior to the meeting the person wishes to address the Board. If the agenda request concerns a complex issue requiring staff research time, the opportunity to address the Board may be moved to a future meeting instead of the meeting immediately following the submission of the agenda request form. 3. Those that have submitted a completed agenda request form shall be limited to three (3) minutes to address the Board, this time cannot be yielded to another person and this time may be extended in three (3) minutes increments only upon a majority vote of the members of the Board of Aldermen, with each additional three (3) minute increment requiring an additional majority vote of the members of the Board of Aldermen.

City of Harrisonville est. 1836

DRAFT

MINUTES
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
REGULAR MEETING
CITY HALL
AUGUST 3, 2020
6:00 PM

1. Call to Order

The meeting was called to order at 6:00 PM by Mayor Judy Bowman

A. Pledge of Allegiance

Attendee Name	Organization	Title	Status	Arrived
Mike Zaring	Harrisonville	Board Member	Present	
Dave Doerhoff	Harrisonville	Board Member	Present	
Marcia Milner	Harrisonville	Board Member	Present	
Judy Reece	Harrisonville	Board Member	Remote	
Clint Miller	Harrisonville	Board Member	Present	
David Dickerson	Harrisonville	Board Member	Present	
Gary Davidson	Harrisonville	Board Member	Present	
Matt Turner	Harrisonville	Board Member	Present	
Judy Bowman	Harrisonville	Mayor	Present	

Others present were: City Attorney Steve Mauer, City Administrator Brad Ratliff, Police Chief John Hofer, HES Chief Eric Myler, Director of Administrative Services Jeremy Smith, Parks & Recreation Director Chris Deal, Public Works Director Carl Brooks, Electric Superintendent Andy Pollard, Buildng Official Chris Arthur, Public Information Officer/Deputy City Clerk Daniel Barnett and City Clerk Randall Jones, Recording.

2. Ceremonial Matters

Mayor Bowman asked everyone to pause for a moment to remember Don Leimkuhler who passed away last week. Mr. Leimkuhler was a faithful attendee of the Board of Aldermen meetings.

3. Public Participation

None.

4. Approval of Minutes

A. Board of Aldermen - Regular Meeting - Jul 20, 2020 6:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Gary Davidson, Board Member
SECONDER:	Mike Zaring, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

B. Board of Aldermen - Work Session - Jul 20, 2020 6:30 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Marcia Milner, Board Member
SECONDER:	Dave Doerhoff, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

5. Agenda Items

A. Appointment to EEZ Board

Mayor Bowman recommended an application from Jason Zaroor to serve on the Enhanced Enterprise Zone Board. A motion was made by Alderman Milner with a second by Alderman Doerhoff to accept the recommendation. Motion carried.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Marcia Milner, Board Member
SECONDER:	Dave Doerhoff, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

B. Annual Delinquent Real Estate Sale Event Permit

Staff report was presented by Police Chief John Hofer.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Clint Miller, Board Member
SECONDER:	Mike Zaring, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

C. A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO SIGN AN AGREEMENT AUTHORIZING THE INTERSECTION OF INDEPENDENCE AND WASHINGTON STREETS TO BE A 4-WAY STOP IN THE CITY OF HARRISONVILLE, AND ESTABLISHING AN EFFECTIVE DATE.

Staff report presented by Police Chief John Hofer. Upon passage, Mayor Bowman designated it to be Resolution #2020-019.

RESULT:	**APPROVED [7 TO 1]**
MOVER:	Marcia Milner, Board Member
SECONDER:	Gary Davidson, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Davidson, Turner
NAYS:	David Dickerson

D. A RESOLUTION OF THE BOARD OF ALDERMEN AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO ENTER INTO AN AGREEMENT WITH HARRISONVILLE CASS R-9 SCHOOL DISTRICT FOR A SCHOOL RESOURCE OFFICER AND ESTABLISHING AN EFFECTIVE DATE.

Staff report presented by Police Chief John Hofer. Upon passage, Mayor Bowman designated it to be Resolution #2020-020.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Matt Turner, Board Member
SECONDER:	Mike Zaring, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

E. AN ORDINANCE OF THE CITY OF HARRISONVILLE ESTABLISHING, AMENDING AND REMOVING SECTIONS OF THE BUILDING AND LAND USE CODES OF THE MUNICIPAL CODE OF THE CITY OF HARRISONVILLE MISSOURI

Staff report presented by Building Official Chris Arthur. First reading of Council Bill #036. Alderman Doerhoff made motion to move Council Bill #036 to its second reading with a second by Alderman Turner. Roll call vote: Alderman Zaring aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller aye, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Having been read in title only twice roll call vote for passage: Alderman Zaring aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller aye, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Upon passage, Mayor Bowman designated it to be Ordinance #3503.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Dave Doerhoff, Board Member
SECONDER:	Matt Turner, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

F. An Ordinance allowing parking on the South side of Eastern Hills Parkway, beginning at 3116 Eastern Hills Parkway to Village Lane. To remove the "NO PARKING" Signage and allow parking on the South Side of Eastern Hills Parkway, and Leaving Restricted "NO PARKING" in the divided entrance of Eastern Hills Parkway at Lincoln Road to 3116 Eastern Hills Parkway

Staff report presented by Public Works Director Carl Brooks. Alderman Milner asked if there was a consensus pf the homeowners. Mr. Brooks replied that there were only two residents that would be effected. Alderman Milner also asked about a homeowner's association and the reply was that it was a city owned street and would not require association approval. First reading of Council Bill #037. Alderman Miller made motion to move Council Bill #037 to its second reading with a second by Alderman Zaring. Roll call vote: Alderman Zaring aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller aye, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Having been read in title only twice roll call vote for passage: Alderman Zaring aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller aye, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Upon passage, Mayor Bowman designated it to be Ordinance #3504.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Clint Miller, Board Member
SECONDER:	Mike Zaring, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

G. An Ordinance Allowing RESTRICTED "NO PARKING" on the West and East Sides of Bird Avenue, 100 feet North of E. South Street ROW, and to increase the radius of curvature of the intersection of E. South Street and Bird Avenue

Staff report presented by Public Works Director Carl Brooks. Aldermans Davidson, Milner, Turner and Miller all expressed that they thought the distance should be increased from 100 feet to 200 feet. First reading of Council Bill #038. Alderman Doerhoff made motion to move Council Bill #038 to its second reading with a second by Alderman Zaring with recommended amendment of increasing the distance to "200 feet". Roll call vote: Alderman Zaring aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller aye, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Having been read in title only twice roll call vote for passage: Alderman Zaring aye, Alderman Doerhoff aye, Alderman Milner aye, Alderman Reece aye, Alderman Miller aye, Alderman Dickerson aye, Alderman Davidson aye, Alderman Turner aye. Upon passage, Mayor Bowman designated it to be Ordinance #3505.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Dave Doerhoff, Board Member
SECONDER:	Mike Zaring, Board Member
AYES:	Zaring, Doerhoff, Milner, Reece, Miller, Dickerson, Davidson, Turner

6. Aldermen and Committee Reports

Alderman Zaring expressed his thanks to city staff for all their hard work.

Alderman Turner said that the Elks Lodge had worked to get the Purple Heart designation for Harrisonville and the sign has been placed along Highway 291 at the city limits when entering the city.

7. Report from the City Administrator

City Administrator Brad Ratliff reported that Burns & McDonnell will be presenting the water and sewer rate study at our next meeting. The City has contracted with USGS for an early warning system to be installed along Muddy Creek and has began to gather flood/rain data. Mr. Ratliff announced that Cedarhurst plans to break ground this fall. He reported that the City is currently working on a possible broadband grant to bring broadband to Harrisonville. The City is partnering with the Harrisonville School District and Ben Hart's company, Bakertilly, has a grant writer who is helping us. Mr. Ratliff stated that COVID-19 expenses are being turned in to Randy Jones, City Clerk, to be submitted for reimbursement from the County.

Mayor Bowman extended thanks to City Administrator Ratliff and all city staff for all the extra work that has been during COVID-19. Mayor Bowman reminded the Board of the intent of the Agenda Request Form approved by the Board March 16th, 2020. The use of this form is a more efficient and transparent method for citizens to bring matters to the Board in public participation.

City Administrator Brad Ratliff said thank you to Community & Economic Development Director Jim Clarke for his working in researching the rail spur. The City has been advised by the Missouri Dept of Economic Development that the CBDG process is closed and the City has no responsibility to nor ownership of the rail spur at Universal Forest Products.

Alderman Davidson asked for clarification on the county reimbursements and wanted to make sure that all city staff were getting laptop computers replaced if needed. Director of Administrative Services Jeremy Smith reported that twenty laptop computers have been purchased for staff in case they have to go back to working remotely due to the COVID-19 pandemic.

8. Questions from the Media

None.

9. Adjourn From Regular Session

Alderman Davidson made a motion to adjourn with a second by Alderman Doerhoff. Motion carried with all ayes. Meeting adjourned at 6:56 p.m.

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Judy Bowman, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

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Randall K. Jones, City Clerk

City of Harrisonville est. 1836

DRAFT

MINUTES
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
WORK SESSION
COMMUNITY CENTER
AUGUST 3, 2020
6:30 PM

1. Call to Order

The meeting was called to order at 7:05 PM by Mayor Judy Bowman

2. Present

Attendee Name	Organization	Title	Status	Arrived
Mike Zaring	Harrisonville	Board Member	Present	
Dave Doerhoff	Harrisonville	Board Member	Present	
Marcia Milner	Harrisonville	Board Member	Present	
Judy Reece	Harrisonville	Board Member	Remote	
Clint Miller	Harrisonville	Board Member	Present	
David Dickerson	Harrisonville	Board Member	Present	
Gary Davidson	Harrisonville	Board Member	Present	
Matt Turner	Harrisonville	Board Member	Present	
Judy Bowman	Harrisonville	Mayor	Present	

Others present were: City Administrator Brad Ratliff, City Attorney Steve Mauer, Director of Administrative Services Jeremy Smith, Public Works Director Carl Brooks, Parks & Recreation Director Chris Deal, Electric Superintendent Andy Pollard, Community & Economic Development Director Jim Clarke, Utility Clerk Cari Vaughn, Public Information Officer/Deputy City Clerk Daniel Barnett and City Clerk Randall Jones, Recording.

3. Discussion Items

Director of Administrative Services Jeremy Smith presented utility billing ordinance and policy issues to the board for their consideration. His presentation to the board was as follows:

- Demand commercial meters not being billed demand: It has been determined that there are a certain number of commercial customers who should be paying demand charges that have not been paying demand. It appears that approximately 50 business customers should be billed the demand rate. Likewise, there are going to be some businesses that are being billed demand that do not meet the usage threshold.

- We currently allow some landlords who are grandfathered in to not have to pay trash services when a unit goes back into their name. The issue is that not everyone is being treated equally.

- Landlords moving people in when utilities are still on in another person's name:
    - This occurs when the tenant leaves but doesn't shut off services with us and we don't find out that the prior person left until new tenants come into setup service.
    - Property owners responsible for tenants' debts would solve this. There is a Missouri statute for this, however it is only possible for water and sewer charges.
    - Currently we call landlords after 2-3 days of shutoff. We could be notifying landlords when tenants are shutoff and sending shutoff notices to landlords along with the tenants.

- Additional Unit charges
    - The ordinance says that if you have a multi-unit with 1 meter that you will be charged a base charge for each individually rented unit (both electric and water)
    - Recommendation is to bring all non-compliant properties in compliance with the ordinance moving forward.

- Currently we are allowing customers to turn off services completely and not pay a base charge. Staff's concern is that this may run afoul with bond covenants that are basing calculations on a specific number of meters and revenue and have stipulations saying that no service can be given away.

- Bad debt
    - Reports were run for bad debt accounts for years 2017-2018-2019. Those numbers are currently $35,451- $35,344- $30,956 across #137-#141-#130 accounts. That means that after their current deposit has been applied that those accounts still averaged a debt of $250 dollars to us each. We work to collect debts anytime anyone who owes us money comes back for services and we make calls to those who have not paid a final bill. This is the reason that this number isn't higher.

- Deposits
    - Rentals may need higher deposits and proof of lease before utilities will be turned on.

- We cannot lien the property if they leave and they are more mobile and more likely to leave us with a bill.
- Our deposits aren't enough to cover most bills we are left with as seen from the bad debt examples.
- Other surrounding areas have much higher deposits even for fewer services. Avg bill is $183 but with the billing that potentially leaves us with debt of at least $457 which we then apply their $125 deposit from.
  - Current deposit is $75 for residential electric, $ 150 for total electric and $50 for water &/or sewer.
  - Recommendation is to raise deposits to $150 for residential electric, $200 for total, $100 water &/or sewer.
- Additional Deposits "capped out". Currently we collect $25 dollars of additional deposit on shut off accounts up to 8 times.
  - Recommendation is to not cap the additional deposit that is collected if you are on the shut off list. The more times on the list, the more likely they will eventually leave us with a bill.
- Recommendation is to require an active Lease to setup services for a rental property. This allows the City to see permission given by manager/property owner for the individuals to establish service as well as to verify all parties who are receiving services and when their responsibility should begin.

- Builder deposits
  - Issue is that if an owner puts services in their name but don't need refuse or only want partial service while construction is taking place, we don't know when full services should be being billed. We find out after months of the owner not making us aware.
  - Builders should have services in their name then owner puts it in their name. When builders/contractors for new structures are applying for permits, the building department has been collecting deposits with their building permit fees and other fees. They have been collecting $175 for residential and we are estimating commercial. Any utilities that are requested to be set during the building process will be billed to them until a certificate of occupancy is given by the building department which allows for owner/tenant to establish the services in their names and pay a permanent deposit and the billing department can reevaluate to make sure all services we provide are set up and added to the account (sewer/refuse.)

- The current 5% penalty fee is not seen as a motivator by many customers. Do we raise the penalty amount to try to incentivize people to pay on time? It is not uncommon to have over

1000 accounts who have not paid by the 15th. Staff would recommend raising the fee to be in line with other communities at 10%.

- Weather/Emergency Policy
  - The current code calls for the City Administrator to develop a policy for when shutoffs will happen during weather Emergency. The current policy is dated effecting January 1996. It says that shutoffs of electricity will not occur if the predicted high is not above 32 degrees in the winter or if the predicted high is above 90 degrees in the summer. Municipal owned utilities are not subject to the weather rules of the Missouri Public Service Commission.
  - Recommendation is to put the policy into ordinance and define the source for weather predictions as the National Weather service.

- Residential Sewer Average Issues
  - Our dispute policy is not in the code and is conveyed on the back of the Utility bill and has been our general operating policy.
  - In instances where someone disputes their average, but has no history for us to re average, we would like to add a provision that allows us to use their lifetime average until they set a new winter average.
  - The city is working with Burns and McDonnell on the water and sewer rate study and we are seeking recommendations from them regarding sewer averaging and the cap for when a new customer does not have enough history to set an average. Currently we put them on consumption-based billing but cap their sewer to the residential winter average.
  - Charging for snowbirds who potentially have zero consumption during the winter average period and would then only pay the base rate for sewer the rest of the year. The recommendation would be to charge those customers based on consumption.

- Credit card and Insite fees as well as free payment options
  - We currently take cash, check, money orders, credit cards in person, credit cards online, credit cards over the phone, and Bank Draft (autopay).
  - There is no charge to a customer for paying via cash, check, money order, or bank draft(autopay).
  - The $4 fee and $500 payment limit that are placed on all credit card transactions is used to cover the $1.25 per transaction fee for our online payment portal(Insite) and or the avg 2.5% charged by the credit card vendor for the use of the card. For example, if someone pays a $150 bill online via credit card. We would be charged $1.25 for Insite fees and $3.75 in credit card fees. This results in a net $1 loss to the city for the transaction. If that same person comes into the building to make the payment, that is

not through the online system and does not result in the $1.25 charge and would only result in the credit card fees, which result in a net gain of $.25. Overall, in a normal year, the City is usually close to break even on the $4 fee vs credit card and Insite fees. We continue to monitor that break even point and would recommend that we adjust the fee as necessary continue to cover the expense.

- Bill cycle (example months added for clarity)
  - The current bill cycle starts with the reading of the meters on Jan 8. The bill read cycle takes about 2 days. Once the reads are imported back into the system, reads that are out of bounds are subject to re-read process which is a time consuming and mostly manual analysis followed up by the field work of getting a correct meter reading. Depending on staffing levels in both Billing and Public works, the re-read process can take 3-5 days.
  - Bills are then generated starting Jan 16h and sent out by the Jan 18.
  - Bills are due Feb. 1.
  - Penalties are applied Feb 16th
  - Phone Calls are being sent out for delinquent accounts on Feb 23rd.
  - Shut off occurs Feb 26th for usage between Dec 8 and Jan 8.
  - By the time shut off occurs a user has accumulated an additional 45-50 days of usage that has yet to be billed.
    - We have approximately 4900 accounts paying via the following methods:
    - # via mail approximately 1000
    - # via online approximately 1000
    - # via Autopay approximately 800
    - # via drop box and counter approximately 2100
    - The amount of people using in person payment methods creates a lot of manual work in the office to process payments. The peaks of these payments happen before the 1st, 15th, and 26th.
  - Discussion on ways to shorten the cycle. The impact that would have to penalty and shutoff days. How that relates to customer service issues.

After the presentation, there was a time for questions and comments from the board. Electric Superintendent Andy Pollard gave explanation of power and demand charges. City Administrator Brad Ratliff said that state statute requires landlords to pay delinquent accounts tied to their property. He also spoke on the need to account for and charge for all meters. Alderman Dickerson thought the deposits should be increased. Alderman Milner stated it would be positive to inform the landlord's of possible delinquent tenant bills. Alderman Davidson asked about possibly requiring renter deposits larger than landowner deposits. Mayor Bowman asked for a consensus of the board for direction for the utility department staff to move forward. The consensus was to move forward with enforcing the current ordinances while City Attorney Steve Mauer and City Administrator Brad Ratliff prepare necessary updates to ordinances. The billing cycle needs to be discussed further.

At the conclusion of the work session , Alderman Milner made a motion to enter into Executive Session pursuant to RSMo 610.021 (3) Hiring, Firing, Discipline or Promotion of Employee with a second by Alderman Doerhoff. Motion carried. Work session ended at 8:25 p.m.

A. Utility Billing Ordinance and Policy issues

Judy Bowman, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Randall K. Jones, City Clerk

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Randy Jones, City Clerk**

DATE: **July 31, 2020**

SUBJECT: **Appointment to Board of Building & Engineering Appeals**

Type of Item: *Appointment*

Mayor Bowman would like to re-appoint Tony Meister and Kevin Stucker to the Board of Building & Engineering Appeals for a 5-year term expiring in March, 2025.

A. Action Item (ID # 3573)

Appointment to Board of Building & Engineering Appeals

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Randy Jones, City Clerk**

DATE: **July 8, 2020**

SUBJECT: **Appointment to Enhanced Enterprise Zone Board**

Type of Item: *Appointment*

Mayor Bowman would like to appoint Michael Weaver, Dee Shelton and Larry Pfautsch to serve on the Enhanced Enterprise Zone Board.

B. Action Item (ID # 3548)

Appointment to Enhanced Enterprise Zone Board

Attachments:

Michael Weaver Application (PDF)

Pfautsch Larry (PDF)

Dee Shelton application (PDF)

City of Harrisonville est. 1836

Board, Commission and Committee Appointment Application to Serve

Name: Michael Weaver	Date: July 7, 2020
Home Address: 804 East Pearl St., Harrisonville, MO 64701	
Email Address: michael@weaverindex.com	

Cell Phone: 843-298-7401	Home Phone: —	Work Telephone: —

Occupation: Advertising	Best Time to Call: 9a.m. — 1p.m. am/pm
Do you own commercial property and/or operate a business in Harrisonville? If yes, please describe. No	
Work/Business Name:	
Work/Business Address:	
Length of Residency in Harrisonville: 15 / 70 years	Are you registered to vote? yes
Are you now serving, or have you ever served, on a board, commission or committee for the City of Harrisonville or any other community? X Yes ☐ No If yes, please give name of board, commission and/or committee and dates served: Historic Preservation Commission 2016 ? → current	

BOARD, COMMISSION OR COMMITTEE PREFERENCE(S): Please list no more than three boards, commissions or committees in order of preference.

1	Planning + Zoning	2	Industrial Development	3	Enhanced Enterprise Zone

(Application continued on reverse)

Attachment: Michael Weaver Application (Appointment to Enhanced Enterprise Zone Board)

NARRATIVE STATEMENT: Please provide a brief statement indicating why you wish to be appointed to this board or commission, including the strengths you feel you could bring to the position for which you are applying. Information may include education, professional experience and community activities pertinent to the position for which you are applying.

Harrisonville is my hometown. I want to give back. I want to see Harrisonville continue to offer what I was provided so abundantly here. This includes the example of community and cooperation I remember from my childhood here.

My interest in architecture and economic development should be considered. I have taken part in Modernism Week actively in Palm Springs for five years. I write 12 blogs a month on economic development for a real estate client in Atlanta.

My experience dealing with senior executives of major corporations, during my Madison Avenue career, might be useful in development initiatives.

I understand that my attendance at all regularly scheduled meetings is critical, even if I am an alternate member, and that the Board of Aldermen may appoint a replacement for members who are chronically absent from regular meetings. I also understand that this application is considered a public record.

Applicant's Signature: Michael W Weaver

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the Board, Commission, or Committee for which you have applied.

- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Please notify the City Clerk at 816-380-8916 if you move or no longer wish to be considered for appointment.
- Mail or deliver your completed application to: City of Harrisonville, City Clerk's Office, 300 E. Pearl, P. O. Box 367, Harrisonville, MO 67401 or email rjones@ci.harrisonville.mo.us

* Applications must be completely filled out in order to be considered *

THANK YOU FOR YOUR INTEREST IN THE CITY OF HARRISONVILLE

Attachment: Michael Weaver Application (Appointment to Enhanced Enterprise Zone Board) www.weaverindex.com

MICHAEL WEAVER

EXPERIENCE:

Michael went to Madison Avenue from the University of Missouri School of Journalism and joined ad agency cornerstones Marsteller Inc. and J. Walter Thompson Company. He was a "copy-contact" person, serving as primary copywriter as well as account service manager on clients ranging from IBM World Trade to Miller Brewing. His packaged goods experience came on Warner-Lambert brands.

At 29 Michael was a Vice President of Backer & Spielvogel, where he built a nationwide client service group for Miller Brewing Company brands and guided the national strategy for Wendy's International.

For nine years, Michael was Account Director on the Jeep division of Chrysler Corporation, becoming a Partner at their agency, Bozell Worldwide.

As Executive Vice President of Anderson Communications, Michael gained additional category experience as a senior strategist for healthcare, financial services and tourism clients such as Memorial Health, First Federal, Hilton Head Island and the Savannah Economic Development Authority. He helped land aviation accounts, Bombardier and Embraer for Anderson. Michael was the strategist for Brazilian giant Embraer's entry into business aviation, introducing five new business jet models in three years.

Currently Michael is the Strategist and Writer of LeadWorks and a consultant for advertising agencies and marketers. He has devised a digital marketing technique, called Dialog Management, which conceives marketing as an hour-glass-shaped process, rather than a funnel, because changes in consumer access and human behavior give marketers new opportunities to engage throughout the decision process, and to influence referrals and repurchase with unprecedented efficiency.

OVERVIEW:

Skill, passion and experience, applied quickly and directly.

An intelligent, craftsmanlike approach to branding, marketing and communications. Exceptional breadth and depth of experience, from aviation to beverage, from market strategy to advertising copy, from Main Street to Madison Avenue. Inspiring and motivating influence on clients and colleagues. Here are just a few examples:

BUSINESS HIGHLIGHTS:

Embraer
Directed the positioning and launch of five new executive jets in three years, the Phenom 100, Phenom 300, Lineage 1000 and the Legacy 450 and Legacy 500 models. Developed strong working relationships with management and staff in Brazil.

Bombardier Business Aircraft
Won the lead creative assignment for the largest manufacturer of business jets, the third largest maker of aircraft in the world, in a formal agency review versus three world-class contenders. Devised brand architecture in 30 days to organize and distinguish Learjet, Challenger and Global lines. Introduced two new Learjet models in 60 days. Rolled out complete graphic and message redesign in 90 days.

Jeep Division of Chrysler Corporation
Used a three-part conceptual model of the Jeep brand image, comprising Range, Mastery and Authenticity, to help move the sport-utility concept into the mainstream of the automobile market, and then maintain margins and volume in the subsequent onslaught of competitive activity. Devised "the McKinley Strategy" to integrate dealer advertising with the national plan for the first time.

American Management Association
Devised a model to align fragmented training course offerings among three coherent brands, Keye Productivity Center (skills), Padgett-Thompson Division (professional development) and Project Aspire (personal enrichment), to respond to emerging market opportunities.

Miller Brewing Company
Used Coors national rollout to accelerate growth of Miller Lite. Devised and implemented a Coors attack plan based on recognizing that entry of Coors into a new market would shake up brand-loyal Budweiser buying behavior through undeniable trial. Miller Lite grew 20% in Coors rollout markets.

STP Corporation
Established that STP Oil Treatment brand relevance was concentrated among "true believers," a sub-set of automobile self-maintainers. Demonstrated for the first time a distinct Southeast U.S. sales skew, and redirected media from network-TV-only to network-plus-spot, to concentrate on markets of brand relevance. Introduced a reformulated and repackaged STP Gas Treatment. Overall STP sales rose 24%, reversing a five-year decline. Stock went from 12.75 to 22.50. Campaign won a Clio.

EXPERIENCE:

Anderson Communications
Executive Vice President
Hilton Head - 2001-2008

Led agency to new business acquisitions in a variety of client categories including **Embraer** and **Bombardier Business Aviation** (business jets), **Bay Point Island** (ultra-high-end real estate), **Palmer & Cay** (financial services), the **Savannah Convention & Visitors Bureau**, the **Beaufort County Partnership** and the **Spartanburg Convention & Visitors Bureau** (destination and tourism), **Savannah Mall** (retail), **South University** and **Central Piedmont Community College** (education), and **Del Webb Sun City** (residential/resort development). As the agency's strategic planner and head of client service, assumed in addition a close creative leadership on existing agency accounts. Collaborated effectively with founder, David Anderson, on major assignments, including the following: **Memorial Health** University Medical Center, **First Federal** of Charleston, the **Hilton Head Island - Bluffton Chamber of Commerce** and **Club Group/CSA**, the property management firm for **Harbour Town** and **Sea Pines**.

Deutsch, Inc.
Vice President, Account Director
New York – 2000-2001

Restored client relationship on **Mitsubishi** Motor Sales through personal intervention and staff realignment. Began organizing Mitsubishi dealer ad associations into "conferences," to extend personal client service to smaller growth markets and harness resources for deeper client service in large markets.

NKH&W, Inc.
Vice President, Account Group Director
Kansas City – 1997-2000

Directed a vital strategic repositioning project for **Turner Network Television**. Led six new business presentations in the first year, winning five, including **Phillips Petroleum** and **American Management Association**. Phillips 66 brand TV and radio won silver and gold Omni awards. Won four Business Marketing Association "Fountain" awards for **FirstGuard Health Plan**, **Neste Chemicals**, **Aqua Glass** and agency self-promotion. Positioned and introduced a new HMO for FirstGuard, winning City health contract in year-one. Introduced a new product line for Aqua Glass that sold out production capacity to the building industry. Helped **Blackwell Sanders** announce its merger with Peper Martin, and to position them as "The law firm that thinks like a business partner." Launched new web sites for Neste, FirstGuard and RMI. Redesigned web site for Phillips Petroleum. Devised consumer and co-branding strategies for **planetalumni.com**.

Bozell Worldwide
Partner, Director of Field Operations
New York and California - 1994-1997

Resumed responsibility for **Jeep Division** eastern region, comprising half of Jeep sales and $136 million in agency billing, after Bozell acquired the business.

Won additional budget gains of $29 million by directing successful presentations for dealer assessment increases. Trained new account executives and supervisors for14 turnovers in less than three years, 12 of them the result of promoting from within. Led the first joint Chrysler/Plymouth - Jeep/Eagle account management conferences to increase professional aptitude of field personnel on both accounts. Wrote training presentations on "How We Brief The Creative Teams" and "How We Make A Creative Recommendation."

Assigned to run **Taco Bell** field services nationally, and to hold onto the field business in an agency review. Mission accomplished. In charge of a group of 55 people in 11 offices nationwide. Reoriented their work toward true agency services ("Balancing Our Agency Role") and conducted first workshop on improving quality of field input to the creative process. Arranged Taco Bell's major 1997 summer co-promotion with Jeep. Obtained advertising assessment increases in the Northeast and California totaling over $5 million.

Campbell-Mithun-Esty
Vice President, Management Supervisor
New York - 1988-1994

In charge of five CME offices in the Northeast and responsible for one-third of CME's largest account, the **Jeep/Eagle Division of Chrysler.** Wrote and implemented The McKinley Strategy, which directed forward planning in automotive dealer advertising for the first time. Won approval of a new, additional Chrysler budget, reinforcing network and local TV schedules. Initiated 10 original creative blueprints, resulting in four national and six regional TV commercials in the first two years. Established media planning standards for Jeep/Eagle Dealer Associations. Led CME's **Marine Corps** new business pitch, writing the agency's creative philosophy, as well as CME's point-of-view on young-adult advertising, which won the Marine Corps' highest evaluation. Guided CME's winning proposal to the United States Government **Consumer Information Center,** writing CME's management philosophy and the agency's approach to organizational workload. Personally credited by the client with winning Advertising Council PSA support for the Consumer Information Center, which they had sought for nine years. Helped win the **Thrifty Car Rental** account, set up its regional licensee ad program, and was then assigned overall responsibility for national campaign development.

Backer Spielvogel Bates, Inc.
Vice President, Account Director
New York - 1980-1988

Started **Miller Brewing Company** field services group to integrate local distributor advertising directly with the national strategy and plans for Miller High Life, Miller Lite, Lowenbrau and new products. Increased billing from $6.7 million to $44 million by devising strategies that made distributor efforts consistent with the national thrust. Expanded service facility from six people in four offices to 30 people in nine offices while providing general management and high profitability. New product introductions included Miller Genuine Draft.

Participated in winning new business presentations for **Red Lobster** restaurants and **Hyundai** automobiles.

Developed national strategy and initial campaign for new client, **Wendy's** International. Moved Wendy's to a heavy user strategy and oversaw campaign development. Wendy's saw ad awareness reach Ad Age Top 10, and obtained first sales increase in over two years. Campaign won a Clio.

J. Walter Thompson Company
Senior Account Representative
New York - 1976-1980

AE on **STP Corporation** campaign using TV spokesman Robert Blake. Wrote the marketing plan. Sales rose 24%, reversing a five-year decline. STP stock went from 12.75 to 22.50. Campaign won a Clio. Introduced a reformulated STP Gas Treatment, including product and consumer research, repackaging, couponing, media heavy-up test, new TV spots and sales force film. AE on **Warner-Lambert** Sinutab and EPT brands. Expanded competitive frame for Sinutab by positioning opposite multi-symptom remedies. Made initial volume estimates for EPT (the first home pregnancy test) and won first network TV clearances in the category. AE on **Pepsi-Cola Company** allied brands, Teem and On-Tap, and on new product, Aspen. Senior AE on **Labatt Breweries of Canada** for initial U.S. marketing effort, including repackaging and developing import creative strategy. Put Labatt's on the air in 30 U.S. markets for the first time.

Marsteller, Inc.
Account Executive
New York - 1973-1976

AE on **IBM World Trade** campaign in 17 countries and nine languages, Effie Award and Clio winner for international print. Won agency competition for largest client billing increase. Wrote the first international advertising plan for **United Technologies**, supporting F-16 fighter design competition; followed up with corporate identity campaign overseas. Copy-contact on **Armstrong Cork, Babcock & Wilcox, Ingersoll-Rand, Chicago Title Insurance, Chemical Bank International** and **Ad Council** campaign for Keep America Beautiful.

INTERESTS AND EDUCATION:

Executive Director of Sea Island Classical Studio (theater)
Finisher in the New York City Marathon (1995, 1998 & 2000),
Boston Marathon (1996) and Marine Corps Marathon (1996)
Graduated **University of Missouri School of Journalism**
Varsity football, Big 8 Conference Championship, Orange Bowl
The Diploma Course in Direct Marketing at New York University
Honorary Fellow of the Harry S. Truman Library and Museum
Member of the Board of Bishop Spencer Place

Board Member of the Sergeant John Basilone Foundation
Founding Member of the Marine Corps Heritage Foundation
Heritage Sponsor of the Arts Center of Coastal Carolina
Selected for 2003-2004 class of Leadership Hilton Head

City of Harrisonville est. 1836

Board, Commission and Committee Appointment Application to Serve

Name: Larry Pfautsch		Date: July 9, 2020
Home Address: 1422 Norfolk Drive, Harrisonville, MO 64701		
Email Address: lpfautsch@yahoo.com		
Cell Phone: 816-803-0952	Home Phone: 816-380-2412	Work Telephone: NA
Occupation: Retired		Best Time to Call: am/pm
Do you own commercial property and/or operate a business in Harrisonville? If yes, please describe. No.		
Work/Business Name: NA		
Work/Business Address: NA		
Length of Residency in Harrisonville: 43 years		Are you registered to vote? Yes
Are you now serving, or have you ever served, on a board, commission or committee for the City of Harrisonville or any other community? ☒ Yes ☐ No If yes, please give name of board, commission and/or committee and dates served: I served on the informal Harrisonville Ambassadors group in support of economic development under Mayor Howard McHenry.		

BOARD, COMMISSION OR COMMITTEE PREFERENCE(S): Please list no more than three boards, commissions or committees in order of preference.

1	Enhanced Enterprise Zone Bd.	2		3	

(Application continued on reverse)

NARRATIVE STATEMENT: Please provide a brief statement indicating why you wish to be appointed to this board or commission, including the strengths you feel you could bring to the position for which you are applying. Information may include education, professional experience and community activities pertinent to the position for which you are applying.

Longtime resident interested in the the city's growth and development, former editor of Cass County Democrat-Missourian, followed by career in corporate communications and public relations with Payless Cashways, Fleishman-Hillard public relations and American Century Investments, member and past president of Harrisonville Rotary Club, current trustee and treasurer of Cass Regional Medical Center Foundation, journalism degree from University of Missouri-Columbia, past president of Kansas City chapter of Int'l Assn. of Business Communicators, former board member and president of Cass County Historical Society.

I understand that my attendance at all regularly scheduled meetings is critical, even if I am an alternate member, and that the Board of Aldermen may appoint a replacement for members who are chronically absent from regular meetings. I also understand that this application is considered a public record.

Applicant's Signature: Larry Pfautsch

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the Board, Commission, or Committee for which you have applied.

- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Please notify the City Clerk at 816-380-8916 if you move or no longer wish to be considered for appointment.
- Mail or deliver your completed application to: City of Harrisonville, City Clerk's Office, 300 E. Pearl, P. O. Box 367, Harrisonville, MO 67401 or email rjones@ci.harrisonville.mo.us

* Applications must be completely filled out in order to be considered *

THANK YOU FOR YOUR INTEREST IN THE CITY OF HARRISONVILLE

City of Harrisonville est. 1836

Board, Commission and Committee Appointment Application to Serve

Name: DEE SHELTON	Date: July 21, 2020
Home Address: 900 OUTLOOK DR. HARRISONVILLE, MO	
Email Address: deeshelton73@yahoo.com	

Cell Phone: 816-305-9515	Home Phone: 816-884-2608	Work Telephone: —

Occupation: RETIRED	Best Time to Call: anytime after 8:00 am/pm up to 8:00 PM

Do you own commercial property and/or operate a business in Harrisonville? If yes, please describe. NO

Work/Business Name: —

Work/Business Address: —

Length of Residency in Harrisonville: 47 YEARS	Are you registered to vote? YES

Are you now serving, or have you ever served, on a board, commission or committee for the City of Harrisonville or any other community? ☐ Yes ☒ No

If yes, please give name of board, commission and/or committee and dates served:

BOARD, COMMISSION OR COMMITTEE PREFERENCE(S): Please list no more than three boards, commissions or committees in order of preference.

1	EEZ	2		3	

(Application continued on reverse)

NARRATIVE STATEMENT: Please provide a brief statement indicating why you wish to be appointed to this board or commission, including the strengths you feel you could bring to the position for which you are applying. Information may include education, professional experience and community activities pertinent to the position for which you are applying.

I have lived in Harrisonville for 47 years, and 37 of those years I worked for the City of Harrisonville.

Being newly retired, I want to offer my time to serve on a board that will help our community grow, with incentives to both new and existing businesses.

I am committed to helping see our city grow and thrive. Harrisonville is a wonderful place to live!

I understand that my attendance at all regularly scheduled meetings is critical, even if I am an alternate member, and that the Board of Aldermen may appoint a replacement for members who are chronically absent from regular meetings. I also understand that this application is considered a public record.

Applicant's Signature: Claudia D. Shelton

All applications are kept on file for one year. During that time, your application will be considered when there is an opening for the Board, Commission, or Committee for which you have applied.

- Please feel free to attach a resume and/or copies of any certificates pertinent to the appointment you are seeking.
- Please notify the City Clerk at 816-380-8916 if you move or no longer wish to be considered for appointment.
- Mail or deliver your completed application to: City of Harrisonville, City Clerk's Office, 300 E. Pearl, P. O. Box 367, Harrisonville, MO 67401 or email rjones@ci.harrisonville.mo.us

* Applications must be completely filled out in order to be considered *

THANK YOU FOR YOUR INTEREST IN THE CITY OF HARRISONVILLE

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Randy Jones, City Clerk**

DATE: **July 30, 2020**

SUBJECT: **Log Cabin Festival Event Permit 2020**

Type of Item: *Approval*

GENERAL INFORMATION

Applicant: **Harrisonville Area Chamber of Commerce**
Bing Schimmelpfenning and Obie Carl

Requested Actions: Closure of the square area to host the 2020 Log Cabin Festival October 1, 2020 through October 4, 2020

Date of Application: July 2, 2020

ATTENTION: We have recently been informed by the Chamber of Commerce that there will not be a beer garden at the 2020 Log Cabin Festival.

PROPOSAL

The Harrisonville Chamber of Commerce has requested an approval for the 2020 Log Cabin Festival scheduled for October 2nd and October 3rd, 2020 for the historic Harrisonville square and areas surrounding.

PREVIOUS ACTIONS

If approved, this will be the 11th year for this event hosted by the Chamber of Commerce.

KEY ISSUES

The Chamber of Commerce has several requests of the City for this event which are listed below along with costs to the city by department:

STAFF COMMENTS AND SUGGESTIONS

Each of the Chamber's requests from the event permit application are shown below with the City's response to each item shown below.

1) **Parade** - Parade - Saturday parade (October 3rd) starting at 11am. Line-up at 9am and staging at the Harrisonville High School, with the parade commencing down Pearl Street then turning North at Independence St., ending at the vacant lot just North of Vine St. Restrict parking along the Parade route. Both vehicle entries and horse entries would be included in addition to pedestrian entries. <u>All participants handing out anything to the crowd will be required to have a mask and gloves on.</u>

City Response – In years past the usage of the HPD VIPS program to assist with this request has been very helpful with keeping the costs down for this request. Covid-19 may affect the VIPS participation this year causing additional officer overtime and a higher amount funded by the city. Usage of the High School property will need to be secured by the applicant and all animal droppings associated with the parade will be the applicant's responsibility for cleanup. All City of Harrisonville parade rules and regulations must be followed.

2) **Band** - Two Bands are contracted to play on the square Friday & Saturday evening (October 2nd & October 3rd) until 11:00 p.m.

City Response – The City has no concerns with the bands playing each night but would appreciate cooperation with the volume should the city start to get complaints from neighboring residents.

3) **Stage and bleachers** - Stage and bleachers on the North side of the square to be placed on the bricks, facing the stage, set up Thursday or Friday morning and break-down at the conclusion of festival.

City Response - The Public Works Department, Parks Department, and the Street Department will set these items as requested and will remove these items either Sunday or Monday morning after the conclusion of the festival.

4) **Trash pickup** - Assistance from the city with trash pickup for the entire area including a 40 yard roll off container.

City Response - The City has reluctantly provided this assistance each year of the festival and is quite taxing on staff and the subsequent overtime budgets. The 40-yd. roll off dumpster has been provided as a donation from the local trash provider in the past. The roll-off container is estimated to cost $450.00 for the event if not donated.

Note: To assist City personnel with trash clean-up a gator type vehicle is needed, the Chamber of Commerce will need to provide such a vehicle again this year.

5) **Police services**- Assistance from the city with police services and fire protection services. They will keep watch during the event including the carnival area.

Additional security will be employed by the Chamber of Commerce pursuant to the Harrisonville Police Chief's recommendations.

City Response - Off-duty police officers will be assigned to the event area to provide Public Safety Security for patron attending the event. Officers working the festival will be on overtime and will provide foot patrol for the event area. Off duty police officers will also provide overnight security for the event area on Friday evening..

Emergency Services protection will be provided as needed but not staged in the area.

6) **Public Works** - Assistance from the city with public works and electric hook-ups.

City Response - The City's electric department will aid with electric hook-up to the square area. The public works department will set-up the hand washing station on Friday morning however, the Chamber will need to arrange the delivery of the hand washing station to the square.

7) **Security** - Security will be provided by the Chamber of Commerce for overnight security of event location.

City Response - Harrisonville's off-duty police rate is currently $35.00 per hour. There is no cost to the City for this request.

8) **Event Area Map -** The layout of the event is the same as 2019 to include Independence and closing Wirt Street all the way to Pearl Street (next to American Legion).

City Response - The City has worked with the applicant regarding the expansion from last year's event. The event area is described as the Harrisonville historic square area to include Wall Street from Main Street to Lake Street, Independence Street from Pearl Street to Johnson Drive, Lexington Street from Pearl Street to Johnson Drive, Wirt St. from Pearl St. to Mechanic St., the hotel parking lot, the four parking lots off Wall Street near the Cass County Library and the public parking lot behind the Chamber office that sits between Pearl and Wall Street. Any and all requests to change to alter the event area needs to be submitted to the City no later than September 1, 2020 to give staff adequate time to obtain Board of Alderman approval. Approval for usage of the other requested areas needs to come from the respective property owners. There is no cost associated with this request.

9) **Timeline for Event** - Traffic on the square closing from 5pm Thursday October 1st through 12pm Sunday October 3rd.

City Response - The closing of the square early for set-up is not a concern of city staff. (See the attached map of Chamber requested street closures.) Please keep in mind any of the businesses that may be affected by this closure. Clarification: The closure will be through 12 pm Sunday October 4th , not the 3rd as requested.

10) **Parking restriction** - No parking on Wall St. between Main and S. Lake Street, from Thursday at 5pm through Sunday 8am. Secure lot for vendor parking north of the square located at Hon Heating and Cooling.

City Response - The parking on Wall Street from Main Street to Lexington Street will be closed about 5:00 pm on Thursday October 1, 2020. The remainder of the requested area, Lexington Street to Lake Ave. will be shut down to vehicular traffic at 12:00 pm Friday October 2, 2020 as the applicant's submitted request shows. The availability to uses the requested vendor parking at Hon Heating and Cooling parking lot will need to be secured by the applicant as this is private property. Once secured it will be the responsibility of the applicant to provide the necessary lot closure equipment for this lot, the City Street Department is concerned with running short on barricades with the expanded layout again this year.

11) **Carnival** - A carnival in the city parking lots between Marler & Lake just off Wall St. The lots will need to close Monday, September 28th, to accommodate the carnival company coming to town from a previous event. "We will be contracting with Jones and Company. This is the same carnival company as last year. The entire lots will be utilized by the carnival for their set up needs including water and electricity. They will start setting up Monday September 28th, in the entire parking lots, including closing Wirt Street beginning Monday September 28th from Mechanic north to Wall to accommodate a ride called the Octopus.

City Response - The public works staff will provide metered water from the nearby hydrant for the carnival company and its animals. The carnival agrees to cease operations promptly at midnight each evening. The city will close the requested parking lots on Monday September 28th but again gain, this year part of the NW parking lot will be closed later in the week to allow parking for local businesses. <u>The City would require that the Carnival follow the CDC guidelines that have been established and examples give for Carnival rides.</u>

Note: Wirt Street will be closed on Monday from Mechanic to Wall Street where in year's past this closure did not take place until Thursday noon. The earlier closure is to accommodate a new ride.

For the past several years I have used police line tape in the area around one of the neighboring businesses to discourage juveniles' access to the area. This business has incurred significant damage in the past during the festival.

12) **Table & Chairs** - Just like last year the Chamber needs tables and chairs delivered to Pearl St. on Friday October 2nd.

City Response - For several years, the Parks Dept. has provided tables and chairs from the North Park Activity Center for use in the beer garden tent. This will not happen this year, as there will not be a beer garden.

13) **Community Gardens Block** - The use of the grassy block for a petting zoo and the Farmers Market.

City Response - This request occurs on private property and not city owned property so the applicant will need to secure approval from the property owner.

Costs to the City of Harrisonville for requested items shown above.			
Department	**Costs**		**Notes**
Water Department	$2,340.00		
Parks & Recreation Department	$629.44		
Street Department	$2,397.42		Does not include dumpster shown in # 5
Electric Department	$3,800.00		
Police Department	$3,557.55		
TOTAL	**$12,724.41**		

STAFF RECOMMENDATION

In addition to the items listed above the Chamber of Commerce will be responsible for following the Cass County Health Department’s guidelines for covid-19 social distancing as well as providing adequate hand sanitizer, port-a-potties (no less than ten) to the predetermined locations. The Chamber is also responsible for following and enforcing the covid-19 guidelines submitted by the organization (see attached document).
In the past the City provided the Insurance for the Parade portion of the event while the Chamber was responsible for the remaining event coverage. I would suggest following the same protocol this year.

As stated earlier, any changes or modifications to these requests or any additional requests need to be forwarded to the City no later than September 1, 2020 to ensure staff has adequate time to take the matter to the Board of Alderman if needed. Requests received after September 1, 2020 may be denied without Board of Alderman review.

Conclusion: With the recent significant covid-19 spike locally we are concerned with staff participating and assisting with this event. Speaking with the applicant, Mr. Schimmelpfenning, he stated that this is one of just a few festivals that haven’t cancelled for the year due to covid-19. He also stated that this is the only event the carnival company has on the calendar for this year. The Chamber is going to make a final assessment in having the festival at their Board meeting on September 3, 2020. If there is a great increase of COVID outbreaks, they may determine to cancel the festival at that time. The City should confer with them and the Cass County Health Department as that time approaches.

ATTACHMENTS

Chamber Application
Chamber covid-19 Guidelines
Parade Rules
Event Layout Map

STAFF CONTACT:

John J. Hofer, Chief of Police
jhofer@harrisonville.com

C. Action Item (ID # 3570)

Log Cabin Festival Event Permit 2020

Attachments:

Log Cabin Festival Event Permit 2020 (PDF)

LogCabinCovidJuly2020 (PDF)

Parade Rules (PDF)

Log Cabin Festival Event Map (PDF)

SPECIAL EVENTS APPLICATION

A. FILING PERIOD: An application for an event permit shall be filed not less than seven (7) days prior to the meeting of the Board of Alderman at time applicant desires the issuance of a permit. Applicant must realize that, dependent upon the nature of the event and the scope of services being required of the City, the Board of Alderman may require additional time to review the permit application.

B. CONTENTS: The application for an event permit shall set forth the following information.

1. Organization: Harrisonville Area Chamber of Commerce

2. Name of Applicant: Bing Schimmelpfenning + Obie Carl
   Address: 106 S. Independence Harrisonville MO. 64701
   Phone: 816-380-5271 Cell: 816-830-1470

3. Purpose of Event: Log Cabin Festival

4. Proposed date(s) and time(s) of Event: October 2 + October 3, 2020

5. Location(s) where event will be held: Harrisonville Square and adjacent streets

6. Anticipated crowd size: 3000

7. City services requested: (Please check all that apply) Provide detailed letter for these requests.

   ☒ Electricity ☒ Police Protection ☒ Traffic Control ☐ Ambulance Standby
   ☒ Cones ☒ Barricades ☒ Street or parking lot clean up

8. Any additional information: organized similar to previous years

APPROVED this ______ day of ______________ , 20 ____ .

____
Chief of Police

____
City Clerk

Sponsored by: Harrisonville Chamber of Commerce and City of Harrisonville

Harrisonville Parade Rules & Regulations

1. Entrants must observe all applicable rules and regulations and follow instructions from police and parade officials or be barred from the parade. The Harrisonville Police Department reserves the right to remove any entrant from the parade either prior to or any time during the parade.

2. No Parade participant may throw candy or any other item to Parade spectators. **Any entry with participants throwing items will be removed from the Parade by the Parade applicant/director and/or the Harrisonville Police Dept. Walkers may hand items to spectators only. There will be no exceptions to this rule.**

3. Tractors, trucks and other tow vehicles must be clean, attractive and quiet running vehicles.

4. No entry will be allowed that conveys any obscene message.

5. **No one will get on or off a float or entry once it has started down the parade route.**

6. All entries having music or sound amplifying systems shall maintain a volume that will not interfere with other entries, especially those with animals. If a unit is informed by the Police that the noise generated by their unit is too loud; they shall immediately turn the volume down or take other steps identified by the parade applicant/director or the Police.

7. Drivers of any and all vehicles in the parade areas must possess a valid driver's license, be at least 18 years old, and possess all liability vehicle insurance. The driver will remain seated in the driver's seat for the duration of the parade. Entries (lawn mowers, mini bikes, mopeds, go-carts, etc.) with younger drivers require written approval by the Chief of Police at least 24 hours prior to the event.

8. All pets in the Parade must be kept on leashes and held by someone strong enough to manage them. Animals participating in the Parade must be kept under control. If you cannot control your animal or its presence presents any safety issue, please leave the Parade area with your animal rather than risk a problem.

9. Entries involving animals of any kind must provide their own clean-up, or "pooper scooper" immediately following their entry.

10. Participants on bicycles, scooters, skates, skateboards, etc. must wear a helmet and proper safety equipment.

11. Floats must have proper safety chains to connect the float to the tow vehicle.

12. Support vehicles for marching units will not be allowed in the parade.

13. All vehicular entries shall proceed at a safe and appropriate speed, shall maintain a safe distance from spectators and shall not weave from side to side.

14. Parade units that stop along the parade route due to a mechanical malfunction may be removed from the parade.

15. All participants, in consideration of participation in this event, agree to indemnify, hold harmless and release the City of Harrisonville, its agents and employees, from any and all liability for any injury or damage which may arise out of or in any way be connected with participation in the Parade.

ARTICLE II. PERMITS

SECTION 397.070: PERMIT REQUIRED

No person shall engage in, participate in, aid, form or start any procession or event, unless a parade permit shall have been obtained from the Board of Aldermen.

SECTION 397.080: APPLICATION -- REQUIRED

A person seeking issuance of a procession or event permit shall file an application with the City Clerk on forms provided by such officer.

SECTION 397.090: APPLICATION -- FILING PERIOD

An application for a procession or event permit shall be filed not less than seven (7) days prior to a meeting of the Board of Aldermen. Such meeting shall be at least twenty (20) days prior to the proposed date of the parade to allow the Board to further investigate the matter as necessary. (CC 1977 §23-103; Ord. No. 972 §4, 4-19-72)

SECTION 397.100: APPLICATION -- CONTENTS

The application for a procession or event permit shall set forth the following information as applicable:

1. The name, address and telephone number of the person seeking to conduct such parade;

2. Purpose of event;

3. If the procession or event is proposed to be conducted for, on behalf of, or by an organization, the name, address and telephone number of the headquarters of the organization and of the authorized and responsible heads of such organization;

4. The name, address and telephone number of the person who will be the parade chairman and who will be responsible for its conduct;

5. The date when the parade is to be conducted;

6. The route to be traveled, the starting point and the termination point;

7. The approximate number of persons who, and animals and vehicles which, will constitute such parade, the type of animals and descriptions of the vehicles;

9. A statement as to whether the procession or event will occupy all or only a portion of the width of the streets proposed to be traversed;

10. The location by streets of any assembly areas for such parade;

11. The time at which units of the parade will begin to assemble at any such assembly areas;

12. The interval of space to be maintained between units of such parade;

13. If the procession or event is designed to be held by, and on behalf of or for, any person other than the applicant, the applicant for such permit shall file with the City Clerk a communication in writing from the person proposing to hold the procession or event, authorizing the applicant to apply for the permit on his/her behalf;

14. Location at which the event will be held; and

15. Any additional information which the Board of Aldermen shall find reasonably necessary to a fair determination as to whether a permit should be issued. (CC 1977 §23-104; Ord. No. 972 §4, 4-19-72)

SECTION 397.110: STANDARDS FOR ISSUANCE

The Board of Aldermen shall issue a permit as provided for hereunder when, from a consideration of the application and from such other information as may otherwise be obtained, they find that:

1. The conduct of the procession or event will not substantially interrupt the safe and orderly movement of other traffic contiguous to its route;

2. The conduct of the procession or event will not require the diversion of so great a number of Police Officers of the City to properly Police the line of movement and the areas contiguous thereto as to prevent normal Police protection to the City;

3. The concentration of persons, animals and vehicles at assembly points of the procession or event will not unduly interfere with proper fire and Police protection of, or ambulance service to, areas contiguous to such assembly areas;

4. The conduct of such procession or event will not interfere with the movement of firefighting equipment enroute to a fire;

5. The conduct of the procession or event is not reasonably likely to cause injury to persons or property, to provoke disorderly conduct or create a disturbance;

6. The procession or event is scheduled to move from its point of origin to its point of termination expeditiously and without unreasonable delays enroute;

7. The procession or event is not to be held for the sole purpose of advertising any product, goods or event, and is not designed to be held purely for private profit. (CC 1977 §23-105; Ord. No. 972 §5, 4-19-72)

SECTION 397.120: ALTERNATIVE PERMIT

The Board of Aldermen, in denying an application for a procession or event permit, shall be empowered to authorize the conduct of a procession or event on a date, at a time, or over a route different from that named by the applicant. An applicant desiring to accept an alternate permit shall, within five (5) days after notice of the action of the Board of Aldermen, file a written notice of acceptance with the City Clerk. An alternate procession or event permit shall conform to the requirements of and shall have the effect of a procession or event permit under this Article. (CC 1977 §23-107; Ord. No. 972 §7, 4-19-72)

SECTION 397.130: COMPLIANCE

An applicant for a procession or event permit shall comply with all permit directions and conditions and with all applicable laws and ordinances. (CC 1977 §23-109; Ord. No. 972 §9, 4-19-72)

SECTION 397.140: POSSESSION

The procession or event chairman or other person heading or leading such activity shall carry the procession or event permit upon his/her person during the conduct of the procession or event and be present. (CC 1977 §23-110; Ord. No. 972 §9, 4-19-72)

SECTION 397.150: REVOCATION

The City shall have the authority to revoke a procession or event permit issued pursuant to this Article upon its' determination that the procession or event does not conform with the procession or event permit. (CC 1977 §23-111; Ord. No. 972 §11, 4-19-72)

SECTION 397.160: RESTRICTIONS/REQUIREMENTS

A. Event organizers must provide proof of liability insurance in the amount of one million dollars ($1,000,000.00) to the City Clerk at least fifteen (15) days prior to the event date. Failure to meet this requirement shall make the permit null and void.

B. Restrooms and trash receptacles shall be provided. Trash disposal is the responsibility of event organizers.

C. *Food Vendors.*

1. Only fires within an apparatus manufactured for the purpose in which it is being used shall be permitted in booths.

2. Each food vendor will remove all used cooking grease from event premises and dispose of it appropriately.

3. All food vendors cooking, heating or otherwise utilizing any source of heat must have at least one (1) dry chemical fire extinguisher in booth area at all times.

4. Only UL approved heavy gauge extension cords rated for outside use can be used in event booths.

5. Booth participants are responsible for daily cleanup of their areas. (CC 1977 §23-116; Ord. No. 2338 §1, 2-3-97; Ord. No. 2424 §3, 9-8-97)

Log Cabin Festival 2020

1. Parade – Saturday parade (October 3rd) starting at 11am. Line-up at 9am and staging at the Harrisonville High School, with the parade commencing down Pearl Street turning North at Independence St., ending at the vacant lot just North of Vine St.. Restrict parking along the Parade route. Both vehicle entries and horse entries would be included in addition to pedestrian entries.

2. Band – Two Bands are contracted to play on the square Friday & Saturday evening (October 2nd & October 3rd) until 11:00pm inside the beer garden.

3. Beer Garden – Event liquor license via Chamber of Commerce and Cass County Elks Lodge application and approval from the city council authorizing beer sales at a fenced in area adjacent to the square on Lexington Street (west of Harrisonville Police Dept in parking lot where old hotel used to be), Friday (October 2nd) from 5pm to 11pm, and Saturday (October 3rd) from 12pm to 11pm. This is the same location from 2019.

4. Stage and bleachers – Stage and bleachers on the North side of the square to be placed on the bricks, facing the stage, set up Thursday or Friday morning and break-down at the conclusion of festival.

5. Trash pickup – Assistance from the city with trash pickup for the entire area including a 40 yard roll off container.

6. Police services– Assistance from the city with police services and fire protection services. They will keep watch during the event including the carnival area. Additional security will be employed by the Chamber of Commerce pursuant to the Harrisonville Police Chief's recommendations regarding the beer sales perimeter.

7. Public works – Assistance from the city with public works and electronic hookups.

8. Security – Security will be provided by the Chamber of Commerce for the beer garden perimeter to check identification and maintain order from 4pm-11pm Friday and 11am-midnight Saturday night. Additional security will also be contracted for overnight security of event location.

9. Event Area Map – The layout of the event is the same as 2019 to include Independence and closing Wirt St. all the way to Pearl Street (next to American Legion).

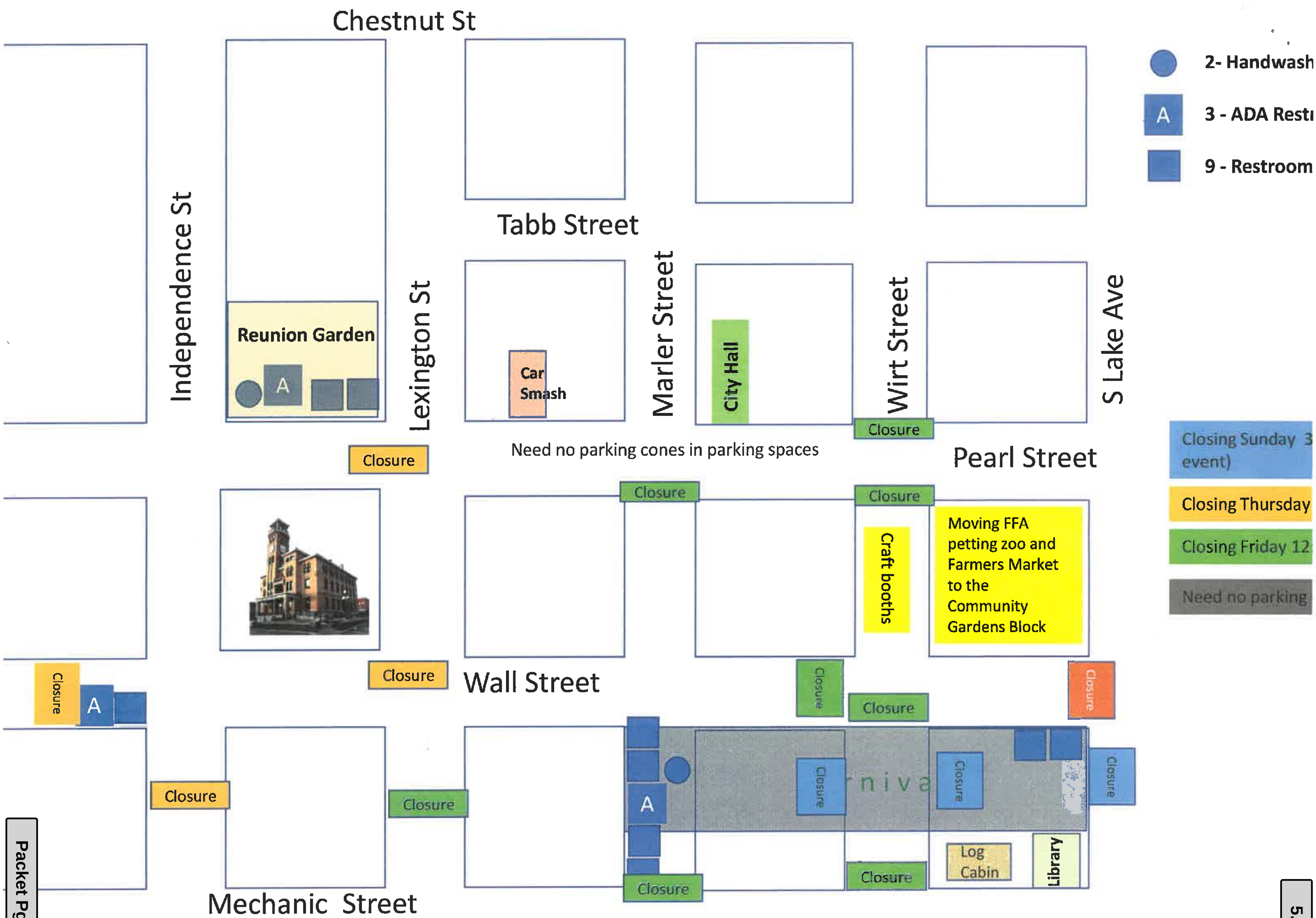
10. Timeline for Event – Traffic to square closing from 5pm Thursday October 1st through 12pm Sunday October 3rd.

11. Parking restriction – No parking on Wall St. between Main and S. Lake Street, from Thursday at 5pm through Sunday 8am. Secure lot for vendor parking north of the square located at Hon Heating & Cooling.

12. Carnival – A carnival in the city parking lots between Marler & Lake just off of Wall St. The lots will need to close Monday, September 28th, to accommodate the carnival company coming to town from a previous event. We will be contracting with Jones and Company. This is the same carnival company as last year. The entire lots will be utilized by the carnival for their set up needs including water and electricity. They will start setting up Tuesday September 29th in the entire parking lots leaving Wirt St. open until noon Thursday, October 1st

13. Table & Chairs – Just like last year the Chamber needs tables and chairs delivered to Pearl St. on Friday October 2nd.

14. Community Gardens block – The use of the grassy block for a petting zoo and the Farmers Market.



Attachment: Log Cabin Festival Event Permit 2020 (Log Cabin Festival Event Permit 2020)

Attachment: Log Cabin Festival Event Permit 2020 (Log Cabin Festival Event Permit 2020)

COVID-19 Festival Protocols

Updated: 7/14/2020

In order to protect our vendors and customers the Harrisonville Chamber Log Cabin Committee will implement the following protocols during the Festival.

- The large handwashing station will be available to vendors and the public as it is every year. We will include a hands-free source of running water, paper towels, hand soap, trash and water collection receptacles, at the carnival site. Reminders of proper hand washing techniques will also be posted throughout the festival footprint.
- Additional foot pumped hand sanitizer stations will be placed throughout the Festival footprint.
- Festival vendors will also have hand sanitizers in their booths for patrons to access and use.
- Displays with important COVID-19 safety notices, will be posted throughout the Festival footprint. These will also be communicated online, in advance of the Festival opening day and then on a regular basis.
- The Festival will adhere to the most current guidelines from national, state or local health department/government authorities.

Vendor Protocols:

- All vendors will be required to have hand sanitizer located in their booths for use by the public during Festival hours.
- Vendors will be required to practice proper hand sanitation techniques. Vendors will be asked to properly wash their hands at a provided hand washing station before the market opens and as needed during the day.
- Vendors will be encouraged to designate one person to handle money and another to handle the products. Vendors who are not staffed to do so will be asked to sanitize their hands in between transactions.
- Vendors will be asked to keep items for purchase behind them or away from customers to limit the touching of products. Vendors may select a group of products marked for display only, which should not be sold unless properly sanitized.
- Vendors will be encouraged to pre-sell items using online resources as much as possible to limit customer time in the market.
- Vendors who display signs of sickness will not be allowed to sell at the market.

Harrisonville Parade Rules & Regulations

1. Entrants must observe all applicable rules and regulations and follow instructions from police and parade officials or be barred from the parade. The Harrisonville Police Department reserves the right to remove any entrant from the parade either prior to or any time during the parade.

2. No Parade participant may throw candy or any other item to Parade spectators. **Any entry with participants throwing items will be removed from the Parade by the Parade applicant/director and/or the Harrisonville Police Dept. Walkers may hand items to spectators only. There will be no exceptions to this rule.**

3. Tractors, trucks and other tow vehicles must be clean, attractive and quiet running vehicles.

4. No entry will be allowed that conveys any obscene message.

5. **No one will get on or off a float or entry once it has started down the parade route.**

6. All entries having music or sound amplifying systems shall maintain a volume that will not interfere with other entries, especially those with animals. If a unit is informed by the Police that the noise generated by their unit is too loud; they shall immediately turn the volume down or take other steps identified by the parade applicant/director or the Police.

7. Drivers of any and all vehicles in the parade areas must possess a valid driver's license, be at least 18 years old, and possess all liability vehicle insurance. The driver will remain seated in the driver's seat for the duration of the parade. Entries (lawn mowers, mini bikes, mopeds, go-carts, etc.) with younger drivers require written approval by the Chief of Police at least 24 hours prior to the event.

8. All pets in the Parade must be kept on leashes and held by someone strong enough to manage them. Animals participating in the Parade must be kept under control. If you cannot control your animal or its presence presents any safety issue, please leave the Parade area with your animal rather than risk a problem.

9. Entries involving animals of any kind must provide their own clean-up, or "pooper scooper" immediately following their entry.

10. Participants on bicycles, scooters, skates, skateboards, etc. must wear a helmet and proper safety equipment.

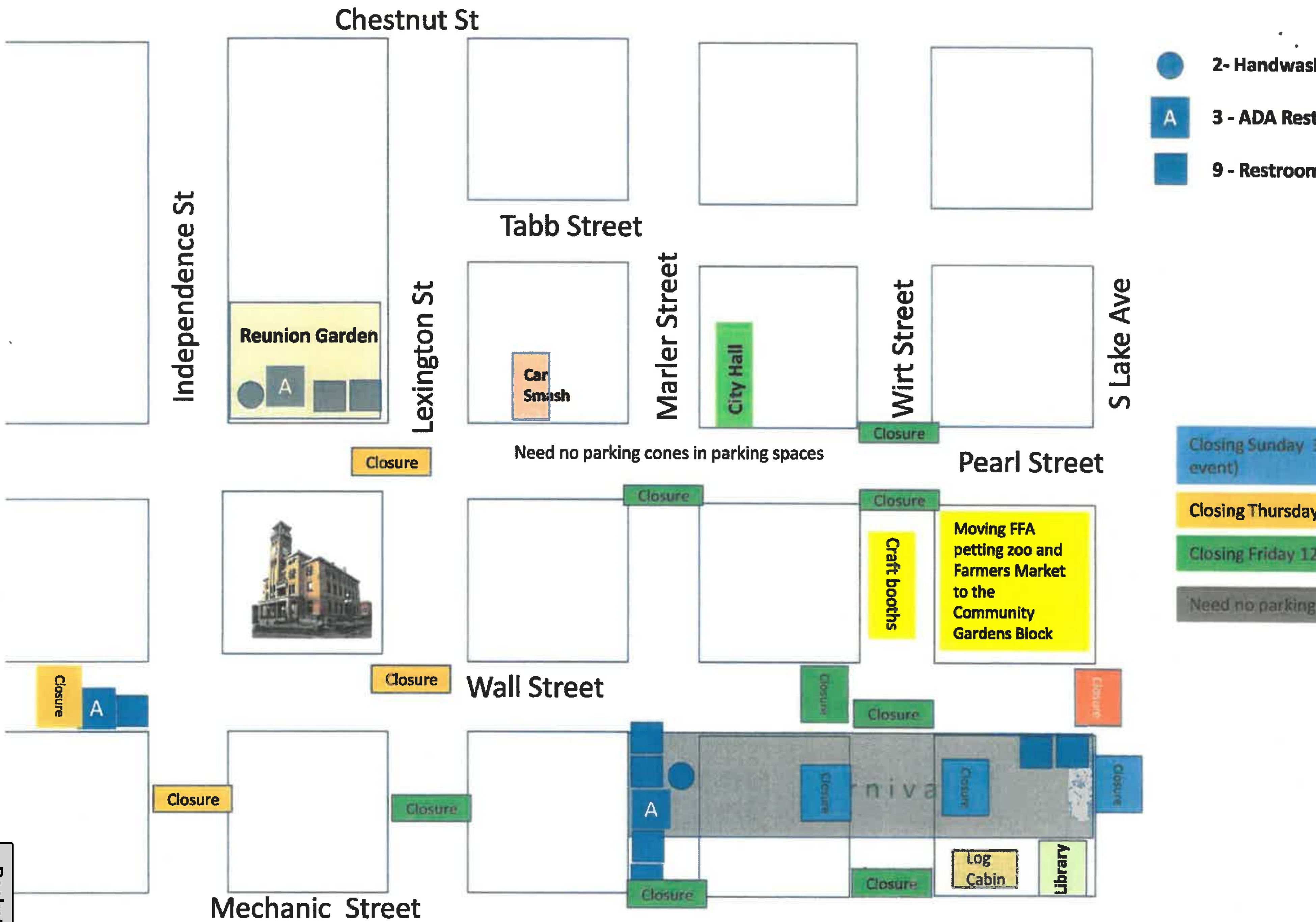
11. Floats must have proper safety chains to connect the float to the tow vehicle.

12. Support vehicles for marching units will not be allowed in the parade.

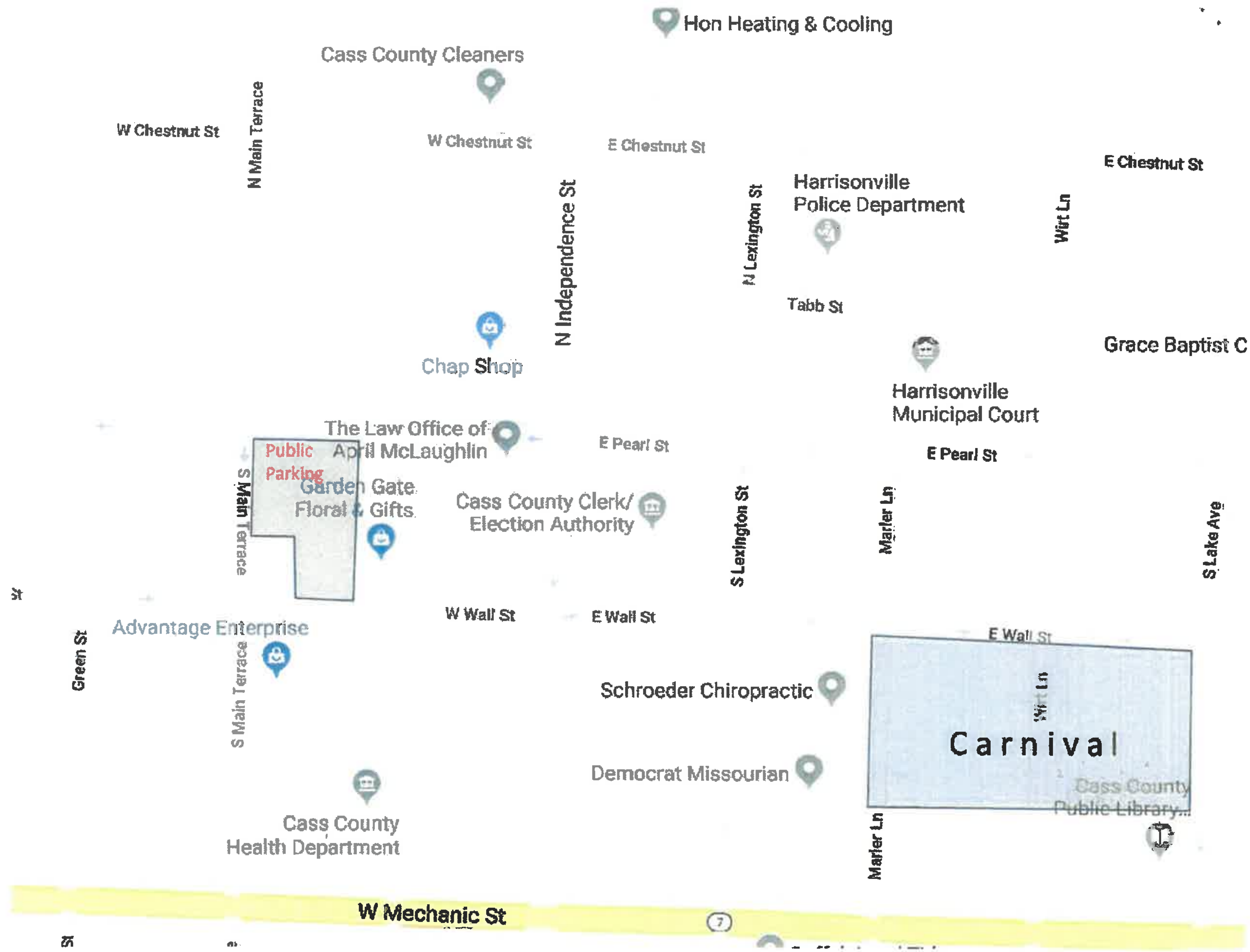
13. All vehicular entries shall proceed at a safe and appropriate speed, shall maintain a safe distance from spectators and shall not weave from side to side.

14. Parade units that stop along the parade route due to a mechanical malfunction may be removed from the parade.

15. All participants, in consideration of participation in this event, agree to indemnify, hold harmless and release the City of Harrisonville, its agents and employees, from any and all liability for any injury or damage which may arise out of or in any way be connected with participation in the Parade.



Attachment: Log Cabin Festival Event Map (Log Cabin Festival Event Permit 2020)



Attachment: Log Cabin Festival Event Map (Log Cabin Festival Event Permit 2020)

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Randy Jones, City Clerk**

DATE: **August 10, 2020**

SUBJECT: **Newspaper of Record Ordinance**

Type of Item: *Approval*

GENERAL INFORMATION

Applicant: **City of Harrisonville**

Requested Actions: **Newspaper of Record approval**

Date of Application: August 12, 2020

PROPOSAL

Approval for the Newspaper of Record for City of Harrisonville.

PREVIOUS ACTIONS

KEY ISSUES

STAFF COMMENTS AND SUGGESTIONS

RFP was sent to The South Cass Tribune and the KC Star/Democrat/Missourian. Only received proposal from The South Cass Tribune.

STAFF RECOMMENDATION

Staff recommends The South Cass Tribune to be the newspaper of record for the City.

ATTACHMENTS

STAFF CONTACT:

Randy Jones, City Clerk 380-8916

D. Action Item (ID # 3576)

An Ordinance Authorizing the City Administrator to enter into an agreement with The South Cass Tribune to serve as the City of Harrisonville official newspaper of record and establishing an effective date.

Attachments:

South Cass Tribune RFP Packet (PDF)

Newpaper of Record Ordinance (DOCX)

REQUEST FOR PROPOSAL

City of Harrisonville est. 1836

CITY OF HARRISONVILLE, MISSOURI
300 E. Pearl St.
HARRISONVILLE, MO 64701
(816) 380-8900
(816) 380-8910 FAX

OFFICIAL NEWSPAPER FOR THE CITY OF HARRISONVILLE
Date: **07/10/20** Request for Proposal:**2020-002**

Response Deadline Date and Time: **August 7, 2020 at 3:00 p.m., CST**

Questions regarding this RFP should be directed to:

Randy Jones, City Clerk (816) 380-8900

The City of HARRISONVILLE is the only authorized source of proposal forms. Proposal forms obtained from any other source may be incomplete. Offerors using a proposal form not obtained from the City of HARRISONVILLE risk not receiving any necessary addenda, eliminating their bid from consideration.

Proposals must be received in the City Clerk's Office by the date and time indicated, with opening immediately following in City Hall. Submittal envelope must indicate proposal number and response deadline.

(ATTENTION BIDDER – COMPLETE AND RETURN WITH BID)

Bidder's Name: The South Cass Tribune, LLC Phone No.: 816-793-0540
(Please print or type company name)

E-Mail Address: news@southcasstribune.com FAX No.: N/A

Address 305 W. Wall St., Suite C City Harrisonville State MO Zip 64701

By: Linda L. Thompson Title: Publisher
(Name of Authorized Agent)

Signature: Date: 08/06/2020

☑ Offeror **makes firm offer** and is not revocable within one-hundred-twenty (120) days after response deadline.

☐ Offeror **does not make an offer** in response to this invitation. Why did you not bid? ____________

NOTE: ALL PROPOSALS ARE SUBJECT TO THE TERMS AND CONDITIONS HEREIN.

Attachment: South Cass Tribune RFP Packet (Newspaper of Record Ordinance)

REQUEST FOR PROPOSAL SUMMARY SHEET
CITY ATTORNEY FOR THE CITY OF HARRISONVILLE
#2020-002

The City of HARRISONVILLE (City) invites interested firms to submit a **signed and sealed** proposal for goods and/or services as described herein.

Proposals must be received by the City Clerk's Office, 300 E. Pearl St., Harrisonville, Missouri 64701, marked "OFFICIAL NEWSPAPER FOR THE CITY OF HARRISONVILLE, Proposal #2020-002" no later than: **3p.m., CST** on **August 7, 2020.**

Pre-Proposal Conference
(Optional)

Structure of the RFP

For the convenience of the offeror, this RFP is structured as follows:

Section 1 – Summary of Request
Section 2 – Scope of Work
Section 3 – Questions
Section 3 – Submission Requirements
Section 4 – Evaluation Criteria
Section 5 – Evaluation Process
Section 6 – Proposed Timeline
Attachment 1 – Proposal Affidavit
Attachment 2 – Proposed Contract

OFFICIAL NEWSPAPER OF THE CITY OF HARRISONVILLE

RFP #2020-002

1. SUMMARY OF REQUEST / SCOPE OF GOODS AND/OR SERVICES

The City of Harrisonville is requesting proposals to provide the service of the official newspaper of the City of Harrisonville. The term of the agreement will be for 5 years. This bid includes all types of publishing that the City may wish to publish during the term of this agreement.

The City's estimated usage for the year is approximately $5,000. This is an estimate only and is provided as a basis for your bid. The City does not guarantee it will place legal and non-legal ads totaling this amount during the term of the agreement.

Written bids will be accepted by the City Clerk for the City of Harrisonville until 3 p.m., August 7, 2020. All submitted bids must be stamped as received prior to this deadline date and time. Bids submitted late will be returned unopened.

All bids received will be considered final as of that time. Any party submitting a timely bid will be liable for that bid until the Board of Aldermen award the agreement or for sixty (60) days, whichever comes first.

All information requested with this bid must be provided to have a valid bid, and bids should be submitted on the forms provided in this Request for Proposal.

2. SCOPE OF WORK

Bids shall be signed by the individual or authorized principals of the firm. Bids must give full firm name and address of bidder. Failure to manually sign bid form may be cause for disqualification. Person signing bids should show title or authority to bind firm in a contract.

All bidders/Contractors shall include, with their bids, a list of at least three (3) current references for whom comparable work has been performed and within the past 24 months. This list shall include company name, person to contact, address and telephone number. Failure to include references may be ample cause for rejection of bid as non-responsive. Bids may be held by the City of HARRISONVILLE for a period not to exceed sixty (120) days from the date of bid opening for the purpose of reviewing the bids and investigating the qualifications of bidders prior to awarding of the contract.

The bidder/Contractors shall ensure that the appropriate signatures and seals are affixed to document. Bid Documents shall be sealed in an envelope, which shall be clearly labeled with the words "Bid Documents, OFFICIAL NEWSPAPER FOR THE CITY OF HARRISONVILLE, and the Bidders/Contractor's Name".

Bids are invited for the work as described above in the Scope of Goods and/or Services. A contract may be awarded to the lowest responsive and responsible bidder.

The City of HARRISONVILLE reserves the right to reject any or all bids or to waive any informality in the bidding, or to negotiate and suggest modifications and amendments, which would make the bid acceptable.

3. **QUESTIONS**

Any questions regarding this bid should be directed to Randy Jones, City Clerk, 816-380-8916 or rjones@harrisonville.com.
Questions should be addressed to the City staff identified on Page 1 (Cover Sheet). If time permits, such questions should be submitted in writing. The City reserves the right to require that all questions be submitted in writing. The City reserves the right to provide such questions and answers to all prospective offerors in the form of an addendum to the RFP.

4. **PROPOSAL SUBMISSION REQUIREMENTS**

Sealed proposals must be received no later than 3:00 p.m. CT, on **August 7, 2020**, at the City Clerk's Office, 300 E. Pearl St., Harrisonville, Missouri 64701. The sealed proposal must be marked "OFFICIAL NEWSPAPER FOR THE CITY OF HARRISONVILLE, Prosal 2020-002". The offeror shall submit the following information/documents as part of the proposal:

A. One original and 3 copies of the proposal
B. Bid Affidavit
C. Cover Sheet, completed and signed
D. Information on the evaluation criteria (including cost proposal and pricing for subsequent renewal periods, if applicable).
E. Proposed contract, attachments completed and signed

Note: Proposals will not be accepted after the deadline for submission, regardless of the reason for such lateness. Proposals that are received after the submission deadline will be returned to the offeror unopened. Any exceptions to the terms and conditions and/or proposed contract contained herein must be submitted as part of the proposal. Firms selected for award will be required to provide proof of insurance, as stipulated herein.

5. **EVALUATION CRITERIA**

Proposals will be evaluated in accordance with the following criteria:

A. Circulation to number of mailing addresses within the City of Harrisonville
B. Circulation through other means and not returned
C. Pricing
D. References (Attachment 4)
E. Quality of sample submitted
F. Print quality of the newspaper overall
G. Completion of Attachment 3
H. The use of Digial or Social Media

Affidavit of Publication:

Within fourteen (14) days after the last publication date of any advertisement, the successful bidder shall furnish an "Affidavit of Publication" certifying the date(s) the advertisement(s) published.

Award Criteria:

To be eligible for award, all bidders' publications shall meet all the requirements of RSMo 493.050 and publish not less than once per week.

Second-Class Mail Privileges:

All bidders shall submit a copy of the U.S. Postal Service "Statement of Ownership, Management and Circulation" (PS Form 3826) that they submitted to the U.S. Postal Service and a copy of the "Authorization for Second Class Mail Privileges" with their bid.

Samples:

All bidders shall submit a representative sampling of the attached public notice as it would appear in their publication. The sample should be changed to the bidder's normal publication column width and style. The pricing for this sample publication should also be included on the bid submittal form, using the same pricing as is being bid in the general pricing area of the bid submittal form.

Note: The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories. The City is under no obligation to solicit such information, if it is not included in the offeror's original proposal. Failure to provide such information may have an adverse impact on the evaluation of the offeror's proposal.

6. EVALUATION PROCESS

The City will consider a proposal nonresponsive when critical information is lacking, or the submission represents a major deviation from the requirements of this RFP. Minor omissions or informalities may be waived at the sole option and discretion of the City. The City also reserves the right to reject any and all proposals, make no award or multiple awards as result of this solicitation. Responsive proposals will be evaluated in the following manner:

A. An Evaluation Committee will review and rank all proposals individually on their technical merits and according to the criteria established in Section 5 of this RFP. The Committee may contact offerors if any clarification is needed on the proposal.

B. Offerors whose proposals are ranked the highest by the Evaluation Committee may be asked to participate in an interview process to ensure a mutual understanding of both the City's requirements and the offeror's proposal. Interviews may be conducted either in person or by telephone. However, the Committee may decide that interviews are not necessary and make recommendations for award based on the information provided in the proposal.

C. The firm that provides the City with the most reliable and cost effective goods and/or services based on the established evaluation criteria will be recommended.

Note: In accordance with federal, state and local laws, the bid documents will be available for public review following: rejection of all bids; posting of the Notice of Intent to Award, execution of the contract and/or purchase order.

7. Proposed Time Schedule

RFP Issue Date:	July 10, 2020
Pre-Proposal Conference (optional)	
Deadline For Questions:	August 7, 2020 – 12pm
RFP Close Date:	August 7, 2020 – 3pm
RFP Evaluation:	Week of August 10, 2020
Posting of Intent to Award:	August 13, 2020 – 12pm
Recommendation to Board of Aldermen:	August 17, 2020 – 5pm
Notice of Award:	August 18, 2020

8. Right of Protest

Any protest must be filed within five (5) business days of the date of posting of the Notice. The City shall be responsible for directly notifying bidders of the Notice of Intent to Award. Protests must be received in the office of the City Administrator and must contain the company name, address, phone number and signature of the authorized representative; solicitation number; a detailed statement describing the grounds for the protest; and supporting evidence or documents to substantiate the claim. The City Administrator will review the information provided and issue a written decision within five (5) business days of receipt of the protest. This decision by the City Administrator shall be final.

City of Harrisonville Invitation to Bid: **Attachment 1**

AFFIDAVIT

STATE OF Missouri)
) SS.
COUNTY OF Cass)

Linda L. Thompson of the City of Harrisonville, County of Cass, State of Missour,

being duly sworn on her or his oath, deposes and says:

1. That I am the Publisher (Title of Affiant) of

   The South Cass Tribune, LLC (Name of Bidder) and

   have been authorized by said Bidder to make this affidavit on the Bidder's behalf;

2. No Alderman, nor the City Administrator, is financially interested in what the Bidder is offering to sell to the City pursuant to this invitation, nor is the Bidder a City employee or board member whose bid creates a conflict of interest. A conflict of interest would arise if a City employee or board member is in a position to affect either the decision to solicit bids or the selection of the successful bidder;

3. Bidder has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to this Invitation; and

4. The authorized signer of this document certifies that the organization and each of its principals are not suspended or debarred by the City of HARRISONVILLE, State of Missouri or Federal government.

The South Cass Tribune, LLC (Name of Bidder)

By: ______________________ (Signature of Affiant)

Publisher (Title of Affiant)

Subscribed and sworn to before me this 6th day of August, 2020.

(SEAL) Julie M. Hicks

NOTARY PUBLIC in and for the County of Cass

State of Missouri

My commission expires: 6-12-21

JULIE M. HICKS
Notary Public - Notary Seal
STATE OF MISSOURI
Commissioned for Cass County
My Commission Expires: June 12, 2021
Commission # 13727108

CITY OF HARRISONVILLE
CONTRACTUAL AGREEMENT

Attachment 2

Any award made as a result of this Request for Proposal will be subject to the following and shall comply substantially with the Contractual Agreement. By submitting a proposal, the Offeror agrees to accept and be bound by the following terms and requirements in any resulting contract:

THIS AGREEMENT, made by and between the City of HARRISONVILLE, Missouri (hereinafter called CITY) and The South Cass Tribune. A LLC Corporation (hereinafter called CONTRACTOR).

W I T N E S S E T H:
WHEREAS, CITY requires goods and/or services for Legal Notices and,

WHEREAS, CONTRACTOR is prepared to provide said professional services and/or goods and shall give consultation and advice to CITY during the performance of said services or delivery of said goods;

NOW THEREFORE, CITY and CONTRACTOR in consideration of the mutual covenants contained in this AGREEMENT, agree as follows:

ARTICLE 1 – EFFECTIVE DATE

The effective date of this AGREEMENT shall be 08/18/2020.

ARTICLE 2 – SERVICES TO BE PERFORMED AND / OR GOODS TO BE DELIVERED BY CONTRACTOR

CONTRACTOR shall perform the services and/or deliver the goods set forth in the Scope of Goods and/or Services.

ARTICLE 3 – PRECEDENCE OF DOCUMENTS

The CITY'S Request for Proposal and the CONTRACTOR'S Proposal are attached and incorporated by reference into this AGREEMENT. In the event of inconsistency or conflict between or among the provisions of this AGREEMENT and the provisions of the exhibits or attachments to this AGREEMENT, the provisions of this AGREEMENT shall take precedence over the exhibits and attachments, the exhibits shall take precedence over the attachments and the CITY'S Request for Proposal shall take precedence over the CONTRACTOR'S Proposal.

ARTICLE 4 – PERIOD OF SERVICE

The Scope of Goods and/or Services to be performed by the CONTRACTOR shall be completed within N/A.

ARTICLE 5 – COMPENSATION

For services performed and/or goods delivered, the CITY shall pay the CONTRACTOR, an amount not to exceed $7.00 per column inch.

The CITY is exempt from State of Missouri sales and use taxes on purchases made directly for the CITY. CONTRACTOR shall not include any sales or use taxes on transactions between the CONTRACTOR and CITY.

Monthly invoices shall be submitted by the CONTRACTOR to the CITY for payment covering services performed and/or goods delivered and expenses incurred during the preceding month. Invoices shall indicate the hours expended for each person on the project, the total labor billing, and a summary of other expenses and charges along with supporting documentation. The CITY'S payment terms are net thirty (30) days.

ARTICLE 6 – BOND

The CONTRACTOR shall furnish a surety bond in the amount of one hundred percent (100%) of the AGREEMENT. The surety bond shall be security for the faithful performance of this AGREEMENT and for the payment of all persons performing labor and furnishing materials in connection with the AGREEMENT.

The bond shall be from a surety company authorized to do business in the State of Missouri and in a form acceptable to the CITY.

ARTICLE 7 – PERMITS AND LICENSES

The CONTRACTOR shall procure all necessary local construction permits and licenses and a City of Harrisonville Business/Occupation License.

CONTRACTOR will abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this AGREEMENT is performed, and will require the same of all subcontractors.

The CONTRACTOR must furnish and maintain certification of authority to conduct business in the State of Missouri.

ARTICLE 8 – OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

Except as otherwise provided herein, documents, drawings, and specifications prepared by CONTRACTOR as part of the services shall become the property of CITY.

ARTICLE 9 – CHANGES, DELETIONS, OR ADDITIONS TO AGREEMENT

Either party may request changes within the general scope of this AGREEMENT. If a requested change causes an increase or decrease in the cost or time required to perform this AGREEMENT, CITY and CONTRACTOR will agree to an equitable adjustment of the AGREEMENT price, period of service, or both, and will reflect such adjustment in a change order.

ARTICLE 10 – STANDARD OF CARE

CONTRACTOR shall exercise the same degree of care, skill, and diligence in the performance of the services and/or delivery of goods as is ordinarily possessed and exercised by a city professional under similar circumstances.

ARTICLE 11 – LIABILITY AND INDEMNIFICATION

Having considered the potential liabilities that may exist during the performance of this AGREEMENT and the CONTRACTOR'S fee, and in consideration of the mutual covenants contained in the AGREEMENT, CITY and CONTRACTOR agree to allocate and limit such liabilities in accordance with this Article.

The CONTRACTOR agrees to indemnify and hold harmless the CITY, its agents, officials and employees and to assume all risk, responsibility for death of or injury to, any persons and for loss, damage or injury to any property (together with all expenses, including attorney fees, in defense or prosecution of any action involving any such death, injury or damage), arising from, growing out of, or in any manner or degree directly or indirectly related to the performance of this work, including patent and copyright infringements.

CONTRACTOR shall indemnify CITY against legal liability for damages arising out of claims by CONTRACTOR'S employees.

ARTICLE 12 – INSURANCE

During the performance of the Services and/or delivery of Goods under this AGREEMENT, CONTRACTOR shall maintain the following insurance:

(1) Workers' Compensation Insurance in accordance with statutory requirements and Employer's Liability Insurance, with a minimum limit of $500,000 for each occurrence.

(2) Professional Liability Insurance, with a minimum limit of $1,000,000 annual aggregate, when applicable.

(3) General Liability Insurance, with minimum bodily injury limits of $1,000,000 for each occurrence and $2,000,000 aggregate, and with minimum property damage limits of $1,000,000 for each occurrence and $1,000,000 aggregate.

(4) Automobile Liability Insurance, with minimum bodily injury limits of $1,000,000 for each person and $2,000,000 for each accident, and with property damage minimum limits of $1,000,000 for each accident.

CONTRACTOR shall furnish CITY certificates of insurance, which shall include a provision that such insurance shall not be canceled without at least thirty days' written notice to CITY. All subcontractors shall be required to include CITY and CONTRACTOR as additional insureds on their General Liability Professional Liability (where applicable) and Automobile Liability insurance policies, and shall be required to indemnify CITY and CONTRACTOR to the same extent.

ARTICLE 13 – SHIPPING, TITLE AND RISK OF LOSS

All sales and deliveries are F.O.B. CITY.

ARTICLE 14 – DELAY IN PERFORMANCE

Neither CITY nor CONTRACTOR shall be considered in default of this AGREEMENT for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this AGREEMENT, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, epidemic, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restrains; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either CITY or CONTRACTOR under this AGREEMENT. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this AGREEMENT.

ARTICLE 15 – LIQUIDATED DAMAGES

The CITY and CONTRACTOR hereby agree that the delivery of supplies, services, goods, materials, training and/or equipment of the character and quality required in this AGREEMENT is the essence of this AGREEMENT and if the supplies, services, goods, materials, training and/or equipment specified herein or any part thereof are not delivered by the time specified and are not of the character and quality contained in the said specifications, or otherwise not fit for the particular purposes required by the CITY as provided in this AGREEMENT, there will be deducted, not as a penalty but as liquidated damages, _____N/A_____________________________ ($_____) per day for each and every day of delay beyond the final completion date (excluding any excusable delays in performance or mutually agreed extensions).

ARTICLE 16 – TERMINATION

CITY may terminate or suspend performance of this Agreement for CITY'S convenience upon sixty (60) days' written notice to CONTRACTOR. CONTRACTOR shall terminate or suspend performance of the services on a schedule acceptable to CITY. If termination or suspension is for CITY'S convenience, CITY shall pay CONTRACTOR for all the services performed and/or goods delivered untill the date of the termination by the CITY or suspension expenses as determined and agreed to by the parties. Upon restart, and equitable adjustment shall be made to CONTRACTOR'S compensation.

This AGREEMENT may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party.

In the event that funding for the AGREEMENT is discontinued, City shall have the right to terminate this AGREEMENT immediately upon written notice to Contractor.

ARTICLE 17 – WAIVER

A waiver by either CITY or CONTRACTOR of any breach of this AGREEMENT shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

ARTICLE 18 – SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this AGREEMENT or the occurrence of any event rendering any portion or provision of this AGREEMENT void shall in no way affect the validity or enforceability of any other portion or provision of this AGREEMENT. Any void provision shall be deemed severed from this AGREEMENT, and the balance of this AGREEMENT shall be construed and enforced as if this AGREEMENT did not contain the particular portion or provision held to be void. The parties further agree to amend this AGREEMENT to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire AGREEMENT from being void should a provision which is of the essence of this AGREEMENT be determined void.

ARTICLE 19 – SUCCESSORS AND ASSIGNS

CITY and CONTRACTOR each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to the AGREEMENT and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this AGREEMENT.

ARTICLE 20 – ASSIGNMENT

Neither CITY nor CONTRACTOR shall assign any rights or duties under this AGREEMENT without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this AGREEMENT.

ARTICLE 21 – THIRD PARTY RIGHTS

Nothing in this AGREEMENT shall be construed to give any rights or benefits to anyone other than CITY and CONTRACTOR.

ARTICLE 22 – INDEPENDENT CONTRACTORS

Each party shall perform its activities and duties hereunder only as an independent contractor. The parties and their personnel shall not be considered to be employees or agents of the other party. Nothing in this

AGREEMENT shall be interpreted as granting either party the right or authority to make commitments of any kind for the other. This AGREEMENT shall not constitute, create, or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.

ARTICLE 23 – AUDIT

CONTRACTOR agrees that the CITY, or a duly authorized representative, shall, until the expiration of three (3) years after final payment under this AGREEMENT have access to and the right to examine and copy any pertinent books, documents, papers and records of the CONTRACTOR involving transactions related to this AGREEMENT.

ARTICLE 24 – RENEWAL OPTIONS

If specified in the original bid document, the CITY may exercise its option to renew the contract/agreement. Each renewal period shall be for the length of the original contract. The CITY will provide the CONTRACTOR with a written renewal notice sixty (60) days prior to the expiration date of the AGREEMENT period. Pricing shall be in accordance with the fees submitted on the original bid/proposal. All terms and conditions shall remain in effect during the subsequent renewal periods.

ARTICLE 25 – MODIFICATIONS/AMENDMENTS

The CITY may at any time, by written modification or amendment, without notice to any surety, make changes or additions, within the general scope of this AGREEMENT in or to drawings, designs, specifications, instructions for work, methods of shipment or packing or place of delivery. If any such change causes an increase or decrease in the cost of or in the time required for performance of this AGREEMENT or purchase order, the CONTRACTOR shall notify the City Administrator in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of the contract. Any claim by the CONTRACTOR for such adjustment must be asserted within thirty (30) days or such other period as may be agreed upon in writing by the parties after the CONTRACTOR'S receipt of notice of the modification. Nothing herein contained shall excuse the CONTRACTOR from proceeding with the AGREEMENT as changed.

ARTICLE 26 – EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this AGREEMENT, the CONTRACTOR agrees as follows:

The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin or any other legally protected category. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, age, color, religion, sex, or national origin. Such action shall include, but not to be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, sex, or national origin.

The CONTRACTOR will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the Contract Compliance Officer advising the said labor union or workers' representatives of the

CONTRACTOR'S commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the CONTRACTOR'S noncompliance with the non-discrimination clauses of this AGREEMENT with any of the said rules, regulations, or orders, this AGREEMENTmay be canceled, terminated, or suspended in whole or in part, and the CONTRACTOR may be declared ineligible for any further government agreement, contracts, or purchase orders or federally assisted agreements and/or contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rules, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.

ARTICLE 27 – GOVERNING LAW

This AGREEMENT shall be governed by the laws of the State of Missouri.

ARTICLE 28 – COMMUNICATIONS

Any communication required by this AGREEMENT shall be made in writing to the address specified below:

CONTRACTOR:
The South Cass Tribune, LLC, 305 W. Wall St., Suice C, Harrisonville, MO 64701 FIRM NAME AND ADDRESS

CITY:
CONTACT PERSON AND ADDRESS

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of CONTRACTOR and CITY.

ARTICLE 29 – SEPARATE AGREEMENTS

CITY and CONTRACTOR each reserve the right to, from time to time, enter into other agreements or contracts for specific projects. If such agreements or contracts are separately approved in writing by the parties, the terms and conditions of those agreements or contracts shall prevail for the specific projects set forth therein.

ARTICLE 30 – ENTIRE AGREEMENT

This AGREEMENT represents the entire agreement between the CITY and CONTRACTOR. All previous or contemporaneous agreements, representations, promises and conditions relating the CONTRACTOR'S services and/or goods described herein are superseded.

ARTICLE 31 – SURVIVAL OF TERMS

The following provisions shall survive the expiration or termination of this AGREEMENT for any reason: if any payment obligations exist, Article 5 – Compensation; Article 7 – Permits and Licenses; Article 11 – Liability and Indemnification; Article 17 – Waiver; Article 18 – Severability; Article 20 – Assignment; Article 22 – Independent Contractors; Article 27 – Governing Law; Article 30 – Entire Agreement; and this Article 31 – Survival of Terms.

IN WITNESS WHEREOF, CITY and CONTRACTOR, by and through their authorized officers, have made and executed this Agreement:

CITY OF HARRISONVILLE, MO:	**CONTRACTOR:**
By: ______________________	By: Linda L. Thompson
Title: ______________________	Title: Publisher
Date: ______________________	Date 08/07/2020

Attachment 3

BID FORM - PAGE #1 RFP #2020-002 OFFICIAL NEWSPAPER
FOR THE CITY OF HARRISONVILLE

Cost per single column inch for each insertion into newspaper:

$ 7.00 per column inch

Cost per each additional line:

N/A____________________lines per vertical inch

N/A____________________cost per line (rounded to the nearest $.01)

The rate per double column inch for each typeset insertion shall be twice the rate bid for each single column inch above:

[✓] Yes
[ ] No

If the above answer is no please provide your firms pricing for the cost per inch for double column insertion below:

Cost per double column inch for each insertion into newspaper:

$ 14.00

Using the above rate, I certify that the cost to the City of Harrisonville for printing the attached sample in Exhibit #1 would be a total of $ See note below for a single publication with no other charges or fees attached. There was no sample attached to this Request for Proposal and per conversation with Randy Jones, we have used a legal notice we have published with specs outlined.

Please list :
(1) Circulation to number of mailing addresses within the City of Harrisonville:
580

(2) Circulation through other means and not returned: 208

(3) Total number of copies printed of each edition of the paper: 1,600

(4) Number of times per week that your newspaper is published: 1 (one)

Size:

1 column wide

6.5 inches tall

$45.50

Times New Roman

10 point type

In the Circuit Court of Cass County, Missouri Probate Division

In the Estate of Roy Lee Waters, deceased.

Case #17P028100139

NOTICE OF FILING OF PETITION FOR COMPLETE SETTLEMENT AND PROPOSED ORDER OF DISTRIBUTION

To All Persons Interested In The Estate of Roy Lee Waters, Deceased:

You are hereby notified that the undersigned Conservator will file a Petition for an Order of Complete Settlement of the Estate together with a Final Settlement and Proposed Order of Distribution in the Probate Division of the Circuit Court of Cass County, MO on September 19, 2020, or as continued by the Court.

If no objections to the Settlement or Proposed Order of Distribution are filed within 20 days after the date of filing thereof, the court will consider said settlement and proposed distribution and, upon their approval, the court will determine the persons entitled to the decedent's descendible interest in the estate and the extent and character of their interest therein.

Upon proof of compliance with the court's order of distribution by the Conservator, the court will discharge Conservator and her Sureties, if any, from further claim or demand by any interested party.

By: Melody A. Folsom, 2501 W. Mechanic St., Harrisonville, MO 64701, Conservator For Estate.

(5) Do you utilize Social Media - If you do, please list which ones and how many followers on each platform: Facebook, 1,363; Website (southcasstribune.com), 1,500

Attachment 4

BID FORM - PAGE #2 RFP #2020-002 OFFICIAL NEWSPAPER
FOR THE CITY OF HARRISONVILLE

Please list below three references where you are/have performed similar work for a governmental agency to what is being requested within this RFP and within the past 36 months:

Name of Organization	Contact	Telephone Number
Midway Cass R-1 School Disitrict	Carol Irvin	816-250-2994 ext. 202
Cass County Emergency Services Board	Robin Tieman	816-887-1952
Cass County Circuit Court	Kim York	816-380-8227

Certification:

The South Cass Tribune, LLC

Name of Firm Bidding on RFP # 2020-002

305 W. Wall St.,Suite C, Harrisonville, MO 64701
Address

816-793-0540
Telephone Number

news@southcasstribune.com
E-mail Address

Authorized Signature

Please remember to include all documentation and samples.

STATE OF MISSOURI

John R. Ashcroft
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

The South Cass Tribune, LLC
LC001576028

filed its Articles of Organization with this office on the 8th day of February, 2018, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, John R. Ashcroft, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 8th day of February, 2018, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 8th day of February, 2018.

Effective Date: February 09, 2018

Jay Ashcroft
Secretary of State

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/6/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Stafford & Stafford Insurance Inc
801 South Commercial Street
Harrisonville MO 64701

CONTACT NAME: Mike Thompson
PHONE (A/C, No, Ext): (816)884-4800 FAX (A/C, No): (816)884-4833
E-MAIL ADDRESS: mike@staffordagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Auto-Owners Insurance Company	18988
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
The South Cass Tribune Llc
PO Box 275
Harrisonville MO 64701-0275

COVERAGES CERTIFICATE NUMBER: CL208602148 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY; PRO-JECT; LOC; OTHER:			75123357	3/1/2020	3/1/2021	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
							Premises/Operations	$
	AUTOMOBILE LIABILITY; ANY AUTO; ALL OWNED AUTOS; SCHEDULED AUTOS; HIRED AUTOS; NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB; OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH); If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE; OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Harrisonville Missouri
300 E Pearl St
Harrisonville, MO 64701

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
D Stafford/ANCANA Darin D. Stafford

Council Bill No.

Ordinance No.

An Ordinance Authorizing the City Administrator to enter into an agreement with The South Cass Tribune to serve as the City of Harrisonville official newspaper of record and establishing an effective date.

WHEREAS, The City of Harrisonville solicited requests for proposals for newspaper of record for the City;

WHEREAS, That the City sent out request for proposals as well as posting notice;

WHEREAS, That City staff has reviewed the proposal received from The South Cass Tribune and recommends establishing The South Cass Tribune as the newspaper of record for the City;

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

Section 1: That the City Administrator is hereby authorized to enter into an agreement with the South Cass Tribune to serve the City of Harrisonville as the official newspaper of record at the following rate, to-wit: $7.00 per column inch.

Section 3: That this ordinance shall be in full force and effect from and after the date of its passage and approval.

Vote taken as follows:
AYES:
NAYS:
ABSENT:
ABSTAIN:

Read one time by title only on August 17, 2020 and read for the second time by title only on August 17, 2020 and passed by the Board of Aldermen of the City of Harrisonville, Missouri, this 17th day of August 2020.

Judy Bowman, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Randall K Jones, City Clerk
APPROVED by the Mayor this 17th day of August 2020

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Kim Hubbard, Finance Manager**

DATE: **August 12, 2020**

SUBJECT: **FY 2019 Comprehensive Annual Financial Report**

Type of Item: *Report*

E. Discussion Item (ID # 3593)

A Resolution of the Board of Aldermen of the City of Harrisonville, Missouri to Authorize the City Administrator to accept the annual audit for the year ending December 31, 2019 by Cochran, Head & Vick & Co., P.C. and establishing an effective date.

Attachments:

Audit cover (DOC)

2019 Harrisonville Financial Report (PDF)

2019 Harrisonville Req Comm. (PDF)

Audit 2019 Resolution (DOCX)

City of Harrisonville est. 1836

MEMO TO: Mayor, Board of Aldermen and City Administrator

FROM: Benjamin Hart, Baker Tilly Municipal Advisors

DATE: 8/17/2020

SUBJECT: Annual audit for the year ending December 31, 2019

Per state statute the City is required to undergo an annual audit. Typically, the audit field work and issuance of the financial statements is done in the 1st or 2nd quarter of the following year. This year the coronavirus pandemic altered this schedule and required the auditors to postpone on-sight field work. Cochran Head Vick & CO., P.C. (CHV) is bringing the City's annual financial statements as well as the auditor's opinion as to whether the financial statements are presented fairly, in all material respects, the respective financial position of the governmental activities and business type activities for the year ended December 31, 2019.

CHV issues a report containing required communications and compliance issues. This report summarizes the items below:

1. Necessary audit adjustments to be made to the financial statements,
2. Disagreements with management – to which there were none, and
3. Recommendations for improvement.

   There were two areas for improvement within the letter. The first pertained to the identification of adjustments prior to the audit beginning. This is an area staff intends to remedy with the next year's audit process by employing Baker Tilly in compiling the annual financial statements.
   The second area pertained to the capital asset inventory. The recommendation the audit firm made was for staff to complete an inventory of assets on an annual basis. This is a recommendation staff completely agrees with.

Members of the Cochran Head Vick & CO. P.C. will be in attendance to present their required communication to the Board.

ACTION REQUIRED/RECOMMENDATION

No action is required on this item.

City of Harrisonville, Missouri

Comprehensive Annual Financial Report

For the Year Ended

December 31, 2019

CITY OF HARRISONVILLE, MISSOURI
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CITY OF HARRISONVILLE, MISSOURI
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OTHER SUPPLEMENTARY INFORMATION (Continued)

STATISTICAL SECTION (UNAUDITED)

City of Harrisonville est. 1836

P.O. Box 367, 300 East Pearl Street- Harrisonville, Missouri 64701

August 10, 2020

Honorable Mayor and Members of the Board of Aldermen:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrisonville, Missouri (the City), for the fiscal year ended December 31, 2019. This report is required under RSMo. 105.145 and is submitted for your information and review.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. Management believes the report as presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of annual operations of the City, both on a government-wide and a fund basis.

The City's Finance Department prepares the year-end trial balances and supporting schedules and assists in the preparation of the financial statements, which undergo an annual audit by an independent certified public accountant. The City's financial statements have been audited by the accounting firm of Cochran Head Vick & Co. P.C., and that audit resulted in an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. That opinion, and the procedures and testing that led to it, is found in the "Independent Auditors' Report" at the beginning of the Financial Section of the CAFR.

Following the independent auditors' report and opinion is management's discussion and analysis (MD&A) of the financial statements. This analysis, along with the basic financial statements and notes, provides an overview of the City's financial position and operating results. The supplemental and statistical sections help provide a broader understanding of the City and, along with the introductory section, provide context to the report.

Profile of the City of Harrisonville

The town of Harrisonville was established in 1837 and was named in honor of Albert G. Harrison, one of the first two U.S. Congressional representatives elected from the state of Missouri. Harrisonville became incorporated in 1851. S.G. "Squire" Allen was appointed the first mayor of the town in 1857, and Col. H. W. Younger, father of the infamous Cole Younger, was elected mayor in 1859. There is a rich local history of the Civil War era in Harrisonville, and in the decades following the war, the town grew in importance as the county seat of Cass County and as a transportation hub for the region.

Today, Harrisonville is home to approximately 10,000 residents, with manufacturing and distribution facilities representing several major national firms. It still serves as a transportation center, with Interstate 49 and several state highways providing access to the Kansas City metropolitan area as well as the recreation areas of south-central Missouri.

The City of Harrisonville, Missouri, is a fourth-class city organized under Missouri statutes and is governed by a Mayor and eight-member Board of Aldermen, two from each of the four wards. The Mayor and Board appoint a City Administrator to serve as the chief administrative officer of the City, and to oversee the operations of all City departments. The City provides a full complement of general governmental services including police and fire protection, emergency medical services, parks and recreation, public works services, an airport, and general administrative services. The City also provides electrical distribution, water, and sanitary sewer services, all of which are accounted for in the financial statements as business-type activities.

Factors affecting financial conditions

Local economy - Overall retail sales have recovered to the levels enjoyed prior to the recession, and we see some local businesses investing in renewal. While housing remains tied to the stable population, economic development continues to focus on the creation and expansion of employment opportunities. Outside investors have continued to show interest in Harrisonville's location and workforce when considering potential business sites. Harrisonville's place as a regional trade center for basic goods and services has helped shelter the community from more severe economic downturns.

Long-term financial planning - The City prepares a ten-year Capital Improvement Plan (CIP) for constructing, maintaining, and replacing the City's physical infrastructure. These projects are reviewed annually and updated as conditions, prices, resources, and priorities change. These projections are included as a part of the five-year financial projection of each of the City's operating funds during the Board of Aldermen's annual budget process. By Board policy, the City maintains a reserve in each of the operating funds for budgetary and planning purposes.

Cash management and risk management - The primary concern of the City's cash management policy is the safety of principal. The City follows a conservative investment policy which is closely monitored by staff and reviewed annually. Investment yield remains low compared to historical averages, but the security of the investment principal is the City's overarching priority. Cash balances of the various funds are consolidated for maximum earnings flexibility. Following the close of the fiscal year, the City renewed all major insurance policies after a review and update of exposures and pricing. With both cost and risk on the increase, insurance coverage is an area which receives significant attention.

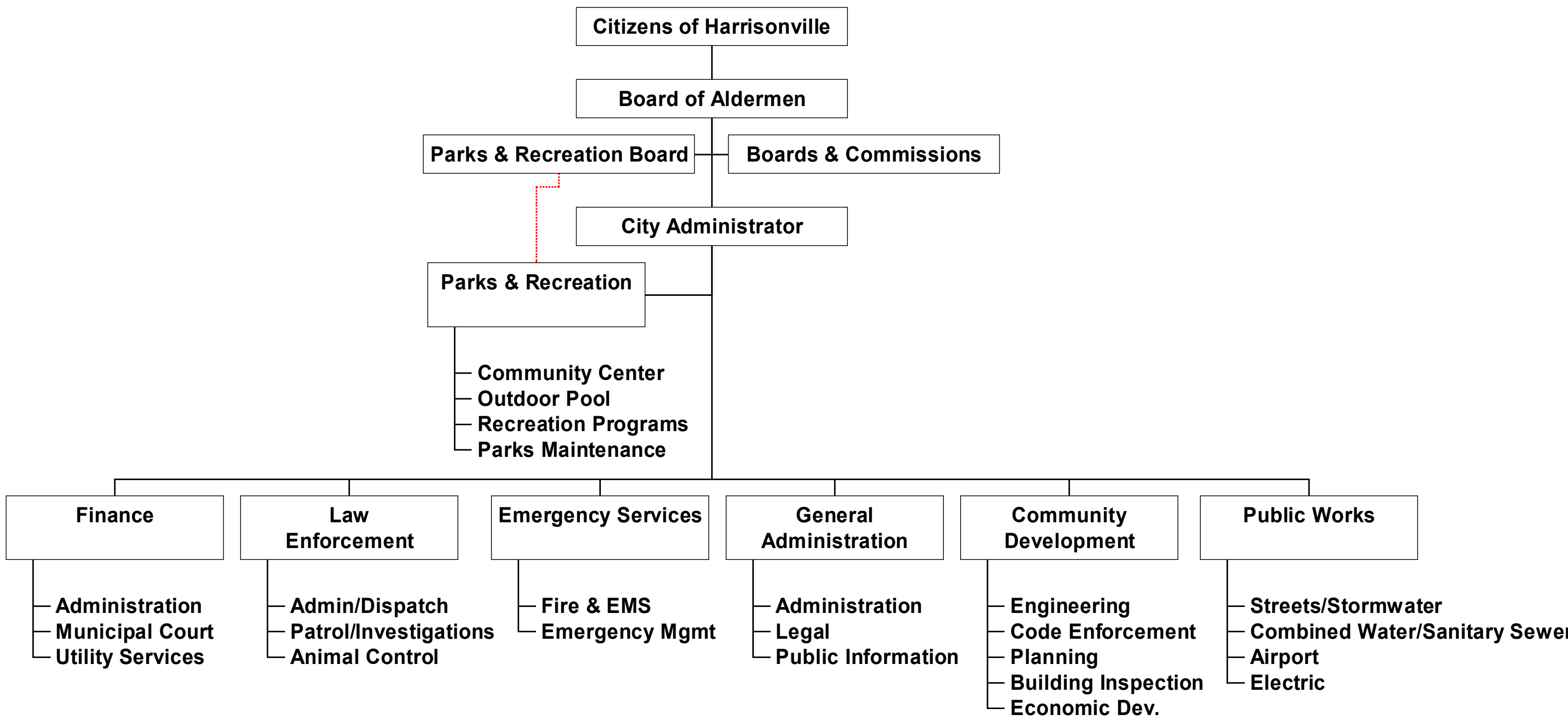
The preparation of this report would not have been possible without the year-round dedication and hard work of the staff of the Finance Department, with special thanks to the city’s finance consultant, Ben Hart. The City’s independent audit firm of Cochran Head Vick & Co. P.C. was instrumental in the preparation of this report and highly professional in their dealings with our staff. I would also like to thank Mayor Bowman, the Board of Aldermen, and City Administrator Brad Ratliff for their continued interest in and support of the maintenance of the financial health of our City.

Respectfully submitted,

Kim Hubbard

Kim Hubbard
Assistant Finance Director

City of Harrisonville est. 1836



CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2019

MAYOR AND BOARD OF ALDERMEN

Judy Bowman	Mayor
Brad Bockelman	Alderman Ward I
Dave Doerhoff	Alderman Ward I
Judy Reece	Alderman Ward II
Marcia Milner	Alderman Ward II
David Dickerson	Alderman Ward III
Clint Miller	Alderman Ward III
Gary Davidson	Alderman Ward IV
Matt Turner	Alderman Ward IV

ADMINISTRATOR AND DEPARTMENT HEADS

Michael Tholen	Interim City Administrator
Eric Patterson	Director of Public Works, Water/Sewer Superintendent and Electric
Rodney Jacobs	Street Superintendent
Chris Deal	Director of Parks and Recreation
Open	Director of Community Development
Randall K Jones	City Clerk
Open	Director of Finance
John Hofer	Chief of Police
Eric Myler	Fire Chief and Director of Emergency Management
Steve Mauer	City Attorney
Kevin Anderson	Municipal Judge
Joseph Cambiano	City Prosecuting Attorney

INDEPENDENT AUDITORS

Cochran Head Vick & Co. P.C.

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of Aldermen
City of Harrisonville, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) as of and for the year ended December 31, 2019, 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinions.

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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability (asset) and related ratios, schedule of employer contributions, and schedule of changes in net OPEB liability and related ratios as listed in the table of contents 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 basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
August 10, 2020

Our discussion and analysis of the City of Harrisonville's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (Net position) at the close of the December 31, 2019 fiscal year by $22,238,104 for the City's governmental activities and $42,377,918 for the City's business-type activities.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,845,870 a decrease of $331,231 in comparison with the prior year. Approximately 72 percent of the fund balance, $4,152,309 is unassigned and available for spending at the government's discretion.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,339,212 or approximately 44 percent of the total General Fund expenditures for 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised 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.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in it. You can think of the City's net position—the difference between assets and deferred outflows less liabilities and deferred inflows—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative net financial costs of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities—Most of the City's basic services are reported here, including general government, public safety, streets, community development, airport, emergency services, parks and recreation, and community center. Taxes, (sales, property, and franchise) charges for services, fines, and state and federal grants finance most of these activities.

Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. These services include electric, water and sewer, refuse, and aquatic center.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes. The City uses three types of funds to manage its resources: governmental, proprietary, and agency funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.

Proprietary funds—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds, are the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows.

***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 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 supplemental 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.

Government-Wide Financial Analysis

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

Figure 1 - Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 8,833,701	$ 9,165,019	$ 18,112,577	$ 16,772,944	$ 26,946,278	$ 25,937,963
Capital assets	21,875,193	22,707,378	41,144,633	42,495,915	63,019,826	65,203,293
Total assets	30,708,894	31,872,397	59,257,210	59,268,859	89,966,104	91,141,256
Deferred outflows of resources	993,351	958,409	160,926	452,485	1,154,277	1,410,894
Long-term debt	7,676,053	8,953,055	14,821,839	15,406,122	22,497,892	24,359,177
Other liabilities	357,778	341,332	1,800,468	2,207,787	2,158,246	2,549,119
Total liabilities	8,033,831	9,294,387	16,622,307	17,613,909	24,656,138	26,908,296
Deferred inflow of resources	1,430,310	1,434,083	417,911	485,845	1,848,221	1,919,928
Net position:						
Net investment in capital assets	19,592,986	19,696,449	26,494,501	27,265,490	46,087,487	46,961,939
Restricted	2,546,782	2,559,872	3,444,181	3,424,730	5,990,963	5,984,602
Unrestricted (deficit)	98,336	(153,985)	12,439,236	10,931,370	12,537,572	10,777,385
Total net position	$ 22,238,104	$ 22,102,336	$ 42,377,918	$ 41,621,590	$ 64,616,022	$ 63,723,926

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by $64,616,022 at the close of fiscal year ended December 31, 2019. Of this total, $5,990,963 is restricted; $2,666,461 for pension benefits, $34,217 for other programs, $3,114,799 for debt service, and $175,486 for parks and recreation.

Figure 2 – Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 4,577,784	$ 4,403,329	$ 16,800,663	$ 17,677,076	$ 21,378,447	$ 22,080,405
Operating grants and contributions	515,130	632,508	14,824	196,493	529,954	829,001
Capital grants and contributions	16,050	44,502	-	-	16,050	44,502
General revenues:			-			
Property taxes	1,164,401	1,133,550	-	-	1,164,401	1,133,550
Sales taxes	4,435,690	4,193,888	-	-	4,435,690	4,193,888
Franchise and other taxes	776,472	813,033	-	-	776,472	813,033
Tax increment financing revenues	87,618	82,096	-	-	87,618	82,096
Gain on sale of capital assets	5,923	32,977	-	-	5,923	32,977
Interest	202,604	158,282	423,453	187,254	626,057	345,536
Other	189,406	91,657	28,076	26,001	217,482	117,658
Total revenues	11,971,078	11,585,822	17,267,016	18,086,824	29,238,094	29,672,646
Expenses:						
General government	1,839,069	1,889,277	-	-	1,839,069	1,889,277
Public safety	3,080,641	2,888,428	-	-	3,080,641	2,888,428
Streets	1,860,140	1,134,081	-	-	1,860,140	1,134,081
Community development	379,232	391,307	-	-	379,232	391,307
Animal control	179,637	214,988	-	-	179,637	214,988
Airport	243,365	283,122	-	-	243,365	283,122
Emergency services	2,776,094	2,568,186	-	-	2,776,094	2,568,186
Parks and recreation	580,630	534,155	-	-	580,630	534,155
Community center	1,493,221	1,478,927	-	-	1,493,221	1,478,927
Interest on long-term debt	276,475	519,512	-	-	276,475	519,512
Electric	-	-	10,493,564	9,998,594	10,493,564	9,998,594
Water /Sewer	-	-	4,286,057	3,995,319	4,286,057	3,995,319
Refuse	-	-	583,900	587,774	583,900	587,774
Aquatic center	-	-	273,973	253,097	273,973	253,097
Total expenses	12,708,504	11,901,983	15,637,494	14,834,784	28,345,998	26,736,767
Transfers in (out)	(31,950)	-	31,950	-	-	-
Transfers - payment in lieu of taxes	905,144	974,013	(905,144)	(974,013)	-	-
Change in net position	135,768	657,852	756,328	2,278,027	892,096	2,935,879
Net position, beginning	22,102,336	21,444,484	41,621,590	39,343,563	63,723,926	60,788,047
Net position, ending	$ 22,238,104	$ 22,102,336	$ 42,377,918	$ 41,621,590	$ 64,616,022	$ 63,723,926

Total revenues decreased $434,552 over 2019. In 2019, approximately 73.1% of total revenues are charges for services. The majority of the City's total revenue comes from the business-type activities of the Electric and Combined Water and Sewer utility funds. In the governmental activities area, taxes were the largest single source of income, led by the sales tax revenues which account for 37.1% of governmental revenues.

Total program expenses for 2019 are $28,345,998 with the majority, $15,637,494, stemming from business-type activities. Governmental activities expenses increased $806,521 while the business-type activities expenses increased $802,710.

Public safety expenses, at $3,080,641, totaled approximately 24.2% of the governmental activities, while the electric utility expenses compose 67.1% of the business-type activities expenses.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As mentioned earlier in this analysis, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,845,870. Of this amount $1,693,361 is *non-spendable, restricted, or committed* for various purposes and $4,152,509 is unassigned.

The City's fund balance of the General Fund decreased $328,918 during the current fiscal year. For external financial reporting, the City's Emergency Fund activities are combined with the General Fund's activities. The General Funds activities decreased fund balance by $107,487 while the Emergency Fund's activities decreased fund balance by $221,431. General Fund combining financial statements are presented on pages 58 and 59 of this report.

The Community Center Fund has an ending fund balance of $57,530. Fund balance increased by $6,870 because expenditures were kept at a minimum in an effort to offset the revenue not meeting projections.

The Town Center TIF Fund has an ending fund balance of $36,940 of which $36,623 is restricted. The Towne Center TIF Fund continues to impact the net position of the City. The anchor tenant opened in spring 2007. One additional pad site has been occupied, and a hotel has been opened on the south end. The two remaining pad sites are still open for development. The City budgeted and contributed City funds to help meet the debt service schedule in 2019 but will need additional development to continue to service the debt without impacting other City funds.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The net position of the electric fund at the end of the year totaled $12,036,204, an increase of $84,291 from 2018. The net position of the water/sewer fund amounted to $29,876,054 at the end of 2019, an increase of $735,380 from 2018.

General Fund Budgetary Highlights

On a budgetary basis, the General Fund is the main operating fund of the City. The budgetary basis fund balance decreased $202,945 from the prior year. The General Fund's expenditures were less than budgeted amounts by $1,117,101. The primary reason for General Fund not meeting budgeted expenditures was due to reorganization of staff and vacant positions. The Community Development Director position was not filled due to reorganization of that division. Also, there were several police positions vacant during 2019.

Capital Asset and Debt Administration

At the end of December 31, 2019, the City had $63,019,826 invested in capital assets including land, buildings and improvements, equipment, vehicles, infrastructure, and water and sewer lines net of accumulated depreciation. (See table below) This represents a net decrease of $2,183,467 from last year. See Note 6 to basic financial statements for more information and detail on the City's capital assets

Capital assets, net of accumulated depreciation

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 838,674	$ 838,674	$ 1,588,031	$ 1,588,031	$ 2,426,705	$ 2,426,705
Construction in progress	-	1,476,504	-	11,516,664	-	12,993,168
Buildings and improvements	16,399,485	15,787,233	24,257,270	14,725,967	40,656,755	30,513,200
Machinery and equipment	846,668	909,549	439,715	462,185	1,286,383	1,371,734
Vehicles	686,205	570,163	361,194	444,276	1,047,399	1,014,439
Infrastructure	3,104,161	3,125,255	14,498,423	13,758,792	17,602,584	16,884,047
Total	$ 21,875,193	$ 22,707,378	$ 41,144,633	$ 42,495,915	$ 63,019,826	$ 65,203,293

Significant governmental activities additions include purchase of a new ambulance and other vehicles of approximately $298,000.

Significant business-type activities include completion of the improvements to the water treatment plant. These improvements were funded by the voter approved bonds utilizing the State Revolving Fund financing program through the Missouri Department of Natural Resources.

As of December 31, 2019, the City had total long-term debt outstanding of $22,497,892. Details of the existing debt obligations of the City are discussed in Note 7 to the financial statements. The City continues to have no general obligation debt.

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Compensated absences	$ 266,533	$ 283,618	$ 112,277	$ 113,967	$ 378,810	$ 397,585
OPEB liability	162,780	174,388	59,430	61,730	222,210	236,118
Certificates of participation	2,425,000	3,185,000	-	-	2,425,000	3,185,000
Revenue bonds	-	-	14,511,700	15,049,054	14,511,700	15,049,054
Tax increment revenue bonds	4,720,000	5,180,000	-	-	4,720,000	5,180,000
Promissory notes	63,532	80,931	94,771	127,391	158,303	208,322
Premiums	38,208	49,118	44,894	56,448	83,102	105,566
Discounts	-	-	(1,233)	(2,468)	(1,233)	(2,468)
Total	$ 7,676,053	$ 8,953,055	$ 14,821,839	$ 15,406,122	$ 22,497,892	$ 24,359,177

Economic Outlook

The City of Harrisonville, Missouri, benefitted from a relatively stable economic situation in 2019, with overall employment remaining steady and a slight increase in sales tax collections.

Since the onset of the Coronavirus Pandemic the City of Harrisonville has been following State requirements and urging its citizens to use precautionary measures such as limiting gatherings to groups of 10 people and wearing face masks when unable to socially distance. Such State and local measures may have an adverse effect on sales taxes generated in the City and on the timing of receipt of sales taxes by the City. While the City is not able to predict and makes no representations as to the economic impact of the unprecedented Coronavirus pandemic on the City or its financial position, management has been taking steps to estimate revenue impacts and identify potential offsetting expenditure reductions.

The City entered into a contract with Burns and McDonnell to conduct a water/sewer rate study and staff anticipates the study to be completed in 2020. Approximately $850,000 of infrastructure improvements were planned and completed in 2019 including sidewalks, storm water, and street overlay projects. Fiscal Year 2020 plans are to complete approximately $500,000 of infrastructure improvements similar to 2019. A new ambulance was purchased, and a new fire truck ordered in 2019. The estimated delivery time for the fire truck is anticipated the end of September 2020. The financial software system update implementation is scheduled to begin in October 2020. Election of half of the Board of Aldermen took place June 2 ,2020, the next board election is scheduled for April 2022. These elected officials serve four-year terms. The Board of Aldermen and City staff take a vigilant approach to monitoring the City's financial health, identifying, and acting on trends in order to forestall any major problems.

Financial Contact

These financial statements are designed to provide a general overview of the City's finances and to demonstrate the City's accountability. Any questions or request for additional information should be directed to the Assistant Finance Director, 300 E. Pearl Street, Harrisonville, Missouri 64701.

Exhibit A

City of Harrisonville, Missouri
Statement of Net Position
December 31, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and investments	$ 3,726,473	$ 12,082,972	$ 15,809,445	$ 92,251
Receivables:				
Taxes	773,654	-	773,654	35,247
Accounts and other	563,360	1,631,416	2,194,776	-
Due from other governments	67,245	-	67,245	34,435
Due from component unit	275,000	-	275,000	-
Loan receivable	430,444	-	430,444	-
Prepaids, deposits and other assets	312,902	112,861	425,763	2,560
Inventory	122,473	581,880	704,353	-
Restricted assets:				
Cash and investments	370,657	2,771,960	3,142,617	-
Net pension asset	2,191,493	931,488	3,122,981	-
Capital assets:				
Not being depreciated	838,674	1,588,031	2,426,705	-
Being depreciated, net of depreciation	21,036,519	39,556,602	60,593,121	-
Total assets	30,708,894	59,257,210	89,966,104	164,493
Deferred Outflows of Resources				
Deferred charges on refunding	223,472	-	223,472	-
Deferred outflow - OPEB related activity	24,327	8,882	33,209	-
Deferred outflow - pension related activity	745,552	152,044	897,596	-
Total deferred outflows of resources	993,351	160,926	1,154,277	-
Liabilities				
Accounts payable	72,995	681,983	754,978	-
Accrued liabilities	229,731	111,914	341,645	-
Unearned revenues	17,971	-	17,971	-
Accrued interest	30,868	-	30,868	105,547
Due to primary government	-	-	-	275,000
Customer deposits	-	1,006,571	1,006,571	-
Court bonds	6,213	-	6,213	-
Long term debt:				
Due within one year	1,550,192	1,196,584	2,746,776	-
Due in more than one year	6,125,861	13,625,255	19,751,116	14,326,059
Total liabilities	8,033,831	16,622,307	24,656,138	14,706,606
Deferred Inflows of Resources				
Deferred inflow - property taxes	469,428	-	469,428	-
Deferred inflow - OPEB related activity	18,077	6,600	24,677	-
Deferred inflow - pension related activity	942,805	411,311	1,354,116	-
Total deferred inflows of resources	1,430,310	417,911	1,848,221	-
Net Position				
Net investment in capital assets	19,592,986	26,494,501	46,087,487	-
Restricted :				
Restricted for pension benefits	1,994,240	672,221	2,666,461	-
Other programs	34,217	-	34,217	-
Debt service	342,839	2,771,960	3,114,799	-
Parks and recreation	175,486	-	175,486	-
Unrestricted (deficit)	98,336	12,439,236	12,537,572	(14,542,113)
Total net position	$ 22,238,104	$ 42,377,918	$ 64,616,022	$ (14,542,113)

See accompanying notes to the basic financial statements

City of Harrisonville, Missouri
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Primary government:								
Governmental activities								
General government	$ 1,839,069	$ 1,854,682	$ 88,305	$ -	$ 103,918	$ -	$ 103,918	$ -
Public safety	3,080,641	215,624	-	-	(2,865,017)	-	(2,865,017)	-
Streets	1,860,140	-	408,885	-	(1,451,255)	-	(1,451,255)	-
Community development	379,232	-	-	-	(379,232)	-	(379,232)	-
Animal control	179,637	33,797	17,640	-	(128,200)	-	(128,200)	-
Airport	243,365	165,491	-	16,050	(61,824)	-	(61,824)	-
Emergency services	2,776,094	1,311,828	-	-	(1,464,266)	-	(1,464,266)	-
Parks and recreation	580,630	60,682	300	-	(519,648)	-	(519,648)	-
Community center	1,493,221	935,680	-	-	(557,541)	-	(557,541)	-
Interest on long-term debt	276,475	-	-	-	(276,475)	-	(276,475)	-
Total governmental activities	12,708,504	4,577,784	515,130	16,050	(7,599,540)	-	(7,599,540)	-
Business-type activities								
Electric	10,493,564	11,286,318	14,824	-	-	807,578	807,578	-
Water/Sewer	4,286,057	4,752,229	-	-	-	466,172	466,172	-
Refuse	583,900	609,760	-	-	-	25,860	25,860	-
Aquatic center	273,973	152,356	-	-	-	(121,617)	(121,617)	-
Total business-type activities	15,637,494	16,800,663	14,824	-	-	1,177,993	1,177,993	-
Total primary government	$ 28,345,998	$ 21,378,447	$ 529,954	$ 16,050	(7,599,540)	1,177,993	(6,421,547)	-
Component Unit								
Economic development	$ 612,559	$ -	$ -	$ -	-	-	-	(612,559)
Total component unit	$ 612,559	$ -	$ -	$ -	-	-	-	(612,559)
General revenues:								
Taxes:								
Property taxes					1,164,401	-	1,164,401	208,222
Sales taxes					4,435,690	-	4,435,690	336,672
Franchise taxes					450,147	-	450,147	-
Tax increment financing taxes					87,618	-	87,618	70,413
Other taxes					326,325	-	326,325	-
Unrestricted investment earnings					202,604	423,453	626,057	-
Gain on disposal of capital assets					5,923	-	5,923	-
Other					189,406	28,076	217,482	-
Transfers:								
Transfers in (out)					(31,950)	31,950	-	-
Payment in lieu of taxes					905,144	(905,144)	-	-
Total general revenues and transfers					7,735,308	(421,665)	7,313,643	615,307
Change in net position					135,768	756,328	892,096	2,748
Net position (deficit), beginning of year					22,102,336	41,621,590	63,723,926	(14,544,861)
Net position (deficit), end of year					$ 22,238,104	$ 42,377,918	$ 64,616,022	$ (14,542,113)

See accompanying notes to the basic financial statements

Exhibit B

Exhibit C

City of Harrisonville, Missouri
Balance Sheet - Governmental Funds
December 31, 2019

	General Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 3,668,293	$ -	$ -	$ 58,180	$ 3,726,473
Receivables:					
Taxes	558,516	175,486	37,007	2,645	773,654
Accounts and other	530,816	32,544	-	-	563,360
Due from other governments	32,707	-	34,538	-	67,245
Due from other funds	192,098	-	-	-	192,098
Due from component unit	275,000	-	-	-	275,000
Loan receivable	430,444	-	-	-	430,444
Prepaids, deposits and other assets	269,693	27,354	1,280	14,575	312,902
Inventory	122,473	-	-	-	122,473
Restricted cash and investments	40,430	-	24,011	306,216	370,657
Total Assets	$ 6,120,470	$ 235,384	$ 96,836	$ 381,616	$ 6,834,306
Liabilities					
Accounts payable	$ 67,028	$ 3,713	$ -	$ 2,254	$ 72,995
Accrued liabilities	198,170	23,005	-	8,556	229,731
Unearned revenues	-	17,971	-	-	17,971
Court bonds payable	6,213	-	-	-	6,213
Due to other funds	-	133,165	58,933	-	192,098
Total Liabilities	271,411	177,854	58,933	10,810	519,008
Deferred inflows of resources					
Unavailable revenues	378,020	-	-	91,408	469,428
Fund balances:					
Nonspendable:					
Prepaid items and inventory	392,166	27,354	1,280	14,575	435,375
Advances to component unit and note receivable	705,444	-	-	-	705,444
Restricted:					
Other programs	34,217	-	-	-	34,217
Debt service	-	-	36,623	306,216	342,839
Parks and recreation	-	175,486	-	-	175,486
Unassigned (deficit)	4,339,212	(145,310)	-	(41,393)	4,152,509
Total fund balance	5,471,039	57,530	37,903	279,398	5,845,870
Total liabilities, deferred inflows of resources and fund balances	$ 6,120,470	$ 235,384	$ 96,836	$ 381,616	$ 6,834,306

See accompanying notes to the basic financial statements

Attachment: 2019 Harrisonville Financial Report (FY 2019 Comprehensive Annual Financial Report)

Exhibit C
Continued

City of Harrisonville, Missouri
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2019

Fund balances of governmental funds	$	5,845,870
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset is not available to pay for current period expenditures and are therefore deferred in the governmental fund statements		2,191,493
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		21,875,193
Deferred charges on refunding are not due and payable in the current period and therefore not reported in the governmental fund statements		223,472
Deferred outflows and inflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		(197,253)
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(30,868)
Deferred outflows and inflows related to OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		6,250
Long-term liabilities for items such as bonds, certificates of participation and capital leases are not current obligations and, therefore, not recorded in the governmental fund statements.		
Long-term liabilities		(7,664,445)
Net OPEB liabilities are not due and payable in the current period and therefore are not reported in the governmental fund statements.		(11,608)
Net position of governmental activities	$	22,238,104

See accompanying notes to the basic financial statements

Exhibit D

City of Harrisonville, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Community Center Fund	Towne Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	$ 805,941	$ -	$ 169,155	$ 189,305	$ 1,164,401
Sales	3,090,329	1,081,657	263,704	-	4,435,690
Franchise	450,147	-	-	-	450,147
Other	326,325	-	-	-	326,325
Licenses, fess and permits	142,494	-	-	-	142,494
Charges for services	3,211,110	935,680	-	60,682	4,207,472
Intergovernmental	424,935	-	87,618	-	512,553
Fines and forfeitures	211,234	-	-	-	211,234
Investment income	193,351	2,123	3,239	3,891	202,604
Other	197,869	9,851	-	16,210	223,930
Reimbursements	88,305	-	-	-	88,305
Total revenues	9,142,040	2,029,311	523,716	270,088	11,965,155
Expenditures:					
Current:					
General government	1,754,862	-	-	-	1,754,862
Public safety	2,984,290	-	-	-	2,984,290
Streets	890,508	-	-	-	890,508
Community development	346,106	-	10,765	-	356,871
Animal control	175,362	-	-	-	175,362
Airport	98,270	-	-	-	98,270
Emergency services	2,589,847	-	-	-	2,589,847
Parks and recreation	-	-	-	518,865	518,865
Community center	-	1,163,679	-	-	1,163,679
Capital outlay	1,070,851	76,748	-	23,371	1,170,970
Debt service:					
Principal	-	17,399	460,000	760,000	1,237,399
Interest and fiscal charges	-	1,532	151,988	81,060	234,580
Total expenditures	9,910,096	1,259,358	622,753	1,383,296	13,175,503
Excess of revenues over (under) expenditures	(768,056)	769,953	(99,037)	(1,113,208)	(1,210,348)
Other financing sources (uses):					
Transfers in	-	76,748	100,000	1,103,062	1,279,810
Transfers out	(471,929)	(839,831)	-	-	(1,311,760)
Payments in lieu of taxes (PILOTS)	905,144	-	-	-	905,144
Sale of capital assets	5,923	-	-	-	5,923
Total other financing sources (uses)	439,138	(763,083)	100,000	1,103,062	879,117
Net change in fund balances	(328,918)	6,870	963	(10,146)	(331,231)
Fund balances, beginning of year	5,799,957	50,660	36,940	289,544	6,177,101
Fund balances, end of year	$ 5,471,039	$ 57,530	$ 37,903	$ 279,398	$ 5,845,870

See accompanying notes to the basic financial statements

Exhibit D
(continued)

City of Harrisonville, Missouri
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

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

Net change in fund balances - total governmental funds	$	(331,231)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay costs in excess of capitalization threshold		559,987
Depreciation		(1,392,172)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		
Principal payments on long-term debt		1,237,399
Changes in unamortized bond issuance discount and premium		10,910
Changes in accrued interest expense		4,442
Changes in deferred amount on refunding		(57,247)
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.		
Change in compensated absences		17,085
Change in net pension liability/asset		206,686
Change in pension related deferred outflows		67,862
Change in pension related deferred inflows		(225,694)
Change in OPEB liability and related deferred inflows		37,741
Change in net position of governmental activities	$	135,768

See accompanying notes to the basic financial statements

Exhibit E

City of Harrisonville, Missouri
Statement of Net Position
Proprietary Funds
December 31, 2019

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets				
Current assets:				
Cash and investments	$ 5,219,525	$ 6,766,851	$ 96,596	$ 12,082,972
Accounts receivable, net	970,162	623,310	37,944	1,631,416
Prepaid expenses	35,890	74,997	1,974	112,861
Inventory	464,183	117,697	-	581,880
Total current assets	6,689,760	7,582,855	136,514	14,409,129
Noncurrent assets:				
Restricted cash and investments	784,529	1,987,431	-	2,771,960
Capital assets:				
Not being depreciated	99,716	1,488,315	-	1,588,031
Being depreciated, net of depreciation	6,185,690	33,040,162	330,750	39,556,602
Net pension asset	430,558	500,930	-	931,488
Total noncurrent assets	7,500,493	37,016,838	330,750	44,848,081
Total assets	14,190,253	44,599,693	467,264	59,257,210
Deferred Outflow of Resources				
Deferred outflow - OPEB related activity	3,993	4,645	244	8,882
Deferred outflow - pension related activity	70,279	81,765	-	152,044
	74,272	86,410	244	160,926
Liabilities				
Current liabilities:				
Accounts payable	642,680	39,303	-	681,983
Accrued liabilities	76,406	35,475	33	111,914
Customer deposits	1,006,571	-	-	1,006,571
Current portion of long-term debt	282,863	913,721	-	1,196,584
Total current liabilities:	2,008,520	988,499	33	2,997,052
Long-term liabilities:				
Long-term debt	26,715	13,596,906	1,634	13,625,255
Total long-term liabilities:	26,715	13,596,906	1,634	13,625,255
Total liabilities	2,035,235	14,585,405	1,667	16,622,307
Deferred Inflows of Resources				
Deferred inflow - OPEB related activity	2,967	3,452	181	6,600
Deferred inflow - pension related activity	190,119	221,192	-	411,311
Total deferred inflows of resources	193,086	224,644	181	417,911
Net position				
Net investment in capital assets	6,036,639	20,127,112	330,750	26,494,501
Restricted net position for:				
Restricted for pension benefits	310,718	361,503	-	672,221
Debt service	784,529	1,987,431	-	2,771,960
Unrestricted	4,904,318	7,400,008	134,910	12,439,236
Total net position	$ 12,036,204	$ 29,876,054	$ 465,660	$ 42,377,918

See accompanying notes to the basic financial statements

Exhibit F

City of Harrisonville, Missouri
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:				
Charges for services	$ 11,286,318	$ 4,752,229	$ 762,116	$ 16,800,663
Total operating revenues	11,286,318	4,752,229	762,116	16,800,663
Operating expenses:				
Production	-	1,124,827	-	1,124,827
Distribution	7,856,916	734,103	-	8,591,019
Administration	2,276,125	1,033,692	771,207	4,081,024
Depreciation	339,600	1,116,978	86,666	1,543,244
Total operating expenses	10,472,641	4,009,600	857,873	15,340,114
Operating income (loss)	813,677	742,629	(95,757)	1,460,549
Nonoperating revenues (expenses):				
Interest income	160,708	262,281	464	423,453
Intergovernmental	14,824	-	-	14,824
Other income	21,149	6,927	-	28,076
Interest expense and fees	(20,923)	(276,457)	-	(297,380)
Total nonoperating revenues (expenses)	175,758	(7,249)	464	168,973
Income (loss) before transfers and payment in lieu of taxes	989,435	735,380	(95,293)	1,629,522
Transfers in	-	-	31,950	31,950
Payments in lieu of taxes (PILOTS)	(905,144)	-	-	(905,144)
Change in net position	84,291	735,380	(63,343)	756,328
Total net position, beginning of year	11,951,913	29,140,674	529,003	41,621,590
Total net position, end of year	$ 12,036,204	$ 29,876,054	$ 465,660	$ 42,377,918

See accompanying notes to the basic financial statements

Exhibit G

City of Harrisonville, Missouri
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:				
Receipts from customers and others	$ 11,594,773	$ 4,699,884	$ 766,456	$ 17,061,113
Payments to suppliers	(9,222,040)	(2,194,712)	(690,285)	(12,107,037)
Payments to employees	(963,968)	(1,169,800)	(80,755)	(2,214,523)
Net cash provided by (used in) operating activities	1,408,765	1,335,372	(4,584)	2,739,553
Cash Flows Provided by (used in) Noncapital Financing Activities:				
Transfers in (out)	-	-	31,950	31,950
Pilots in lieu of taxes	(905,144)	-	-	(905,144)
Intergovernmental revenues	131,374	-	-	131,374
Net cash flows provided by (used in) noncapital financing activities	(773,770)	-	31,950	(741,820)
Cash flows from investing activities:				
Interest received	160,708	262,281	464	423,453
Change in investments	(779,964)	(703,746)	-	(1,483,710)
Net cash flows provided by (used in) investing activities	(619,256)	(441,465)	464	(1,060,257)
Cash flows from capital and related financing activities:				
Purchases of capital assets	(21,543)	(170,419)	-	(191,962)
Interest and fiscal charges	(19,688)	(288,011)	-	(307,699)
Proceeds from long-term debt	-	4,648,587	-	4,648,587
Principal payments on long-term debt	(208,259)	(4,967,404)	-	(5,175,663)
Net cash flows provided by (used in) capital and related financing activities	(249,490)	(777,247)	-	(1,026,737)
Net change in cash and equivalents	(233,751)	116,660	27,830	(89,261)
Cash and equivalents, beginning of year	1,533,512	1,692,111	68,766	3,294,389
Cash and equivalents, end of year	1,299,761	1,808,771	96,596	3,205,128
Investments and long-term certificates of deposit	4,704,293	6,945,511	-	11,649,804
Total cash and investments reported on the Statement of Net Position	$ 6,004,054	$ 8,754,282	$ 96,596	$ 14,854,932
Cash and investments reported on the Statement of Net Position				
Cash and investments	$ 5,219,525	$ 6,766,851	$ 96,596	$ 12,082,972
Restricted cash and investments	784,529	1,987,431	-	2,771,960
Total cash and investments	$ 6,004,054	$ 8,754,282	$ 96,596	$ 14,854,932
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 813,677	$ 742,629	$ (95,757)	$ 1,460,549
Adjustments to reconcile operating income(loss) to net cash provided by (used in) operations:				
Depreciation and amortization	339,600	1,116,978	86,666	1,543,244
Nonoperating income	21,149	6,927	-	28,076
Change in compensated absences	(21,092)	(8,579)	-	(29,671)
Changes in OPEB liability	(15,217)	(2,129)	129	(17,217)
Changes in net pension asset/liability	(88,087)	(108,791)	-	(196,878)
Changes in deferred outflows of resources	136,674	155,129	(244)	291,559
Changes in deferred inflows of resources	(36,155)	(31,788)	9	(67,934)
Changes in:				
Receivables	259,987	(59,272)	4,340	205,055
Prepaid expenses and deposits	19,421	(13,401)	653	6,673
Inventory	(79,449)	2,865	-	(76,584)
Accounts payable	(15,196)	(469,833)	(413)	(485,442)
Accrued liabilities	46,134	4,637	33	50,804
Customer deposits	27,319	-	-	27,319
Net cash provided by (used in) operating activities	$ 1,408,765	$ 1,335,372	$ (4,584)	$ 2,739,553

See accompanying notes to the basic financial statements

Exhibit H

City of Harrisonville
Statement Assets and Liabilities - Fiduciary Funds
December 31, 2019

	Agency Funds
ASSETS:	
Cash and investments	$ 361,459
Taxes receivable	205,269
Total assets	$ 566,728
LIABILITIES:	
Held for others	$ 566,728
Total liabilities	$ 566,728

See accompanying notes to the basic financial statements

(1) Summary of Significant Accounting Policies

The City of Harrisonville, Missouri (the City) was founded in 1837. The City is a fourth-class city in which citizens elect the Mayor at large and eight board of aldermen members by wards. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, airport, and cemetery operations. Other services include electric, water, sewer, and sanitation operations.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The accompanying financial statements present the City (the primary government) and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In determining the financial reporting entity, the City complies with GAAP, and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden exists.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service, and special financing relationships. Component units are reported in the City's financial statements as follows:

Discretely Presented Component Unit

A discretely presented component unit is a separate legal entity that meets the component unit criteria. These criteria include the ability to impose its will on or significantly influence the organization or if a financial benefit or burden relationship exists.

The Market Place TIF District Fund (the District) accounts for the revenues and expenditures associated with the Market Place Redevelopment Project.

Blended Component Unit

In addition to the criteria noted above, a blended component unit's governing body is the same or substantially the same as the City's Board of Aldermen, or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation.

The Towne Center TIF Fund accounts for proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax proceeds and uses generated by the District. The City has not adopted an annual budget for this fund.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

<u>GOVERNMENTAL FUNDS</u>

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

General Fund – this fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. For financial reporting purposes, the City's Emergency Services Fund's activities are included in the General Fund.

Community Center Fund - this fund is responsible for the operations of the City's Community Center. The fund is financed by the park sales tax and charges for services.

Towne Center TIF Fund - this fund accounts for the proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax increment financing revenues generated by the TIF District. The City has not adopted an annual budget for this fund.

<u>PROPRIETARY FUNDS</u>

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following are the City's major proprietary funds:

Electric Fund – this fund accounts for the billing and collection of charges for electric service for most City residents. Revenues are used to pay for both operations and capital outlay to maintain this service.

Water and Sewer Fund – this fund accounts for the billing and collection of charges for water and sanitary sewer services to the residents of the City and a limited number of customers outside of City limits. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following nonmajor funds:

Governmental Funds

Park Fund – this fund is primarily used for the maintenance of the City's parks. The fund is financed by property taxes, intergovernmental revenues, and charges for services.

Debt Service Fund – this fund is used to account for the accumulation of financial resources for, and the payment of, the principal and interest for the 2012 Certificates of Participation.

Proprietary Funds

Aquatic Center Fund – This fund accounts for the operations and maintenance of the Aquatic Center.

Refuse Fund – this fund accounts for the provision of refuse collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Fiduciary Funds

This fund accounts for the City's fiduciary responsibility to account for the receipts and disbursements associated with the Highway 71/291 Partners in Progress TDD and the Hospital Interchange TDD.

C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The City considers all revenues for investment earnings, special assessments, state levied locally shared taxes (including motor vehicle fees) and other intergovernmental revenues to be available if the revenues are collected within sixty days after year-end. Proceeds and payments of long-term debt are reported as other financing sources and uses.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

D. Cash and Investments

The City maintains a cash and investment pool in which a majority of the City's funds share. Each fund type's portion of this pool is displayed in the financial statements as cash and investments, and investments made in accordance with bond ordinances are reflected as restricted cash and investments. Permissible investments include obligations of the U.S. Government, State of Missouri, bonds, bills, or notes guaranteed by the U.S., state or city governments, certificates of deposit, repurchase agreements, banker's acceptances, and commercial paper. Investments are reported at fair value based on quoted market prices. Interest earned from the pool is allocated to the funds on the basis of average monthly cash and investment balances.

E. Accounts Receivable

Governmental activities accounts receivable consists of miscellaneous services provided to citizens. Business-type activities represent billed and unbilled charges for water, electric, sewer, and sanitation services. Accounts receivable are shown net of an allowance for uncollectible accounts.

F. Prepaid Items

Prepaid items reflect the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized using the consumption method over the policy periods in both the government-wide and fund financial statements.

G. Inventory

Inventory is stated at the lower of costs or market using the first-in, first-out (FIFO) method. Inventories primarily consist of materials and supplies. The costs of these inventories are recorded as an expense when consumed or sold.

H. Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures when purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

Depreciable assets (which do not include land or construction-in-progress assets) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 – 50 years
Machinery and equipment	5 – 40 years
Vehicles	5 – 20 years
Infrastructure – Streets	7 – 50 years
Transmission lines and mains	30 – 50 years

I. Compensated Absences

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

J. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net 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 has three items that qualify for reporting in this category. The first item results from actuarial assumption changes, the change in actual and projected experience in calculating the pension asset, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years. The second item results from assumption changes, and the difference in experience in calculating the OPEB obligation. The third item is the deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

In addition to liabilities, the statement of net 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 City has three items that qualify for reporting in this category. The first item relates to the change in actual and projected experience in calculating the pension liability and the difference between actual and projected earnings in calculating the net pension asset. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available over five to seven years. The second item relates to the change in assumptions related to calculating the OPEB liability. These amounts are deferred and recognized as an inflow of resources in future periods. The third item is the unavailable revenue reported for property taxes that were levied for use in the year subsequent to when it was collected. These amounts are deferred and will be recognized as an inflow of resources during the subsequent year.

For purposes of measuring the net pension asset or 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.

K. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

Payment in Lieu of Taxes (PILOTS) – paid from the City's electric fund to the general fund were $905,144 for the year ended December 31, 2019.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

L. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance or resolution by the Board of Alderman, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. In accordance with the approved City policy only the Board of Aldermen has the authority to assign amounts for a specific purpose in this category.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Deficit fund equity

At December 31, 2019, the Parks Fund and the Emergency Service Fund (which is reported with the City's General Fund) have deficit fund balances of $26,818 and $693,957, respectively. These deficits will be eliminated as resources are obtained from revenues and transfers in.

M. Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Statement of Cash Flows

Proprietary Fund investments maintained in the City's pooled investments are readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and generally have a maturity of less than three months when purchased. Accordingly, for purposes of the statement of cash flows, these investments are considered cash equivalents.

O. Stewardship, Compliance and Accountability

The Missouri Revised Statutes (RSMo) require all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted budgets include the general fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting. Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Section 67.010 RSMo.

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 20% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of $186,562. This amount is approximately 2.04% of total general revenues of $9,142,040 and, accordingly, the management of the City believes that they are in compliance with the requirements of the Statute.

P. Use of Estimates

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

(2) Cash and Investments

A summary of the carrying values of deposits, investments and petty cash at December 31, 2019 is as follows:

Deposits	$	1,908,683
Certificates of deposit		12,654,001
Investments		4,021,255
Investments held in trust		818,533
Petty cash		3,300
Total cash and investments	$	19,405,772

These carrying values are reflected in the financial statements as follows:

Government-wide:		
Cash and investments	$	15,809,445
Restricted cash and investments		3,142,617
		18,952,062
Component unit:		
Cash and investments		92,251
Agency funds:		
Cash and investments		361,459
Total cash and investments	$	19,405,772

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Investment Policy

The City deposits and invests all monies as allowed by state statute and in accordance with its investment policy. State statutes allow the City to deposit in open accounts and certificates of deposit, and to invest in direct obligations of the U.S. Government, U.S. Government agency obligations and repurchase agreements. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less FDIC insured amounts. Pledged securities must be held by the City or a disinterested third party and must be of the kind prescribed by states statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially, all excess cash is invested in repurchase agreements, certificates of deposits, and federal agency securities. Each fund's portion of this pool is displayed as cash and investments or in restricted cash and investments. Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted cash and investments are invested in accordance with bond ordinances by the trustee in money market mutual funds and U.S. Government agency obligations.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less FDIC insured amounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize all deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name but does not limit the holdings of any one counterparty.

At December 31, 2019, the pooled U.S. Government agency investments were held by the City's financial institution in the City's name. Restricted investments are held in the City's name by the bond trustee in accordance with the related bond indenture.

At December 31, 2019, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held by the City's agent in the City's name.

The carrying amount and maturity segment for the City's investments at December 31, 2019 are as follows:

		Investment Maturity	
Investments	**Total**	**1 year or less**	**1 to 5 years**
Federal Farm Credit Bank	$ 2,781,070	$ 918,839	$ 1,862,231
Federal Home Loan Bank	313,729	-	313,729
Federal National Mortgage Association	926,456	484,310	442,146
Totals	$ 4,021,255	$ 1,403,149	$ 2,618,106
Investments held in trust			
Money market mutual funds	$ 818,533	$ 818,533	$ -

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to minimize credit risk by limiting its investments to Certificates of Deposit, bonds, or other obligations of the United States, and other debt securities given the highest available rating by a nationally recognized statistical rating organization. The only security listed above that is not either a U.S. Government obligation, or explicitly guaranteed by the U.S. Government is the Financial Square Treasury Money Market Fund which is rated Aaa-mf by Standard & Poor's as of yearend.

Interest Rate Risk

The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses arising from changes in interest rates. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. The U.S. Government and agency obligations above have maturity dates ranging from January 21, 2020 to December 30, 2024.

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of U.S. Government agency securities and are included above.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2019:

Investments	**Level 1**
Federal Farm Credit Banks	$ 2,781,070
Federal Home Loan Bank	313,729
Federal National Mortgage Association	926,456
Totals	$ 4,021,255
Investments held in trust	
Money market mutual funds	$ 818,533

All of the City's investments are classified as Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City and are delinquent on January 1 (the lien date) following the levy date. Assessed values are established by the county assessor, subject to review by the County's Board of Equalization. The assessed value of local property at January 1, 2019, was $135,221,334.

The tax levy per $100 of assessed valuation of tangible property for the tax year ended December 31, 2019 was as follows:

General Fund	$0.5430
Park Fund	0.1228
	$0.6658

Taxes receivable consisted of the following at December 31, 2019:

	Property Taxes	Sales Taxes	Franchise Taxes	Total
Governmental funds:				
General fund	$ 11,695	$ 494,302	$ 52,519	$ 558,516
Community Center fund	-	175,486	-	175,486
Towne Center TIF fund	-	37,007	-	37,007
Nonmajor funds	2,645	-	-	2,645
Total taxes receivable	$ 14,340	$ 706,795	$ 52,519	$ 773,654

(4) Intergovernmental Revenues/Receivables

Intergovernmental revenue for the year ending December 31, 2019 consisted of the following:

	General Fund	Towne Center TIF Fund	Total Governmental Funds	Electric Fund
Grants - Federal, State and Local				
State:	$ 16,051	$ -	$ 16,051	$ 14,824
Motor vehicle fees and taxes	408,884	-	408,884	-
Local:				
Intergovernmental activity taxes	-	87,618	87,618	-
Total intergovernmental revenue	$ 424,935	$ 87,618	$ 512,553	$ 14,824

Amounts due from other governments at December 31, 2019, were as follows:

	General Fund	Towne Center TIF Fund	Total Governmental Funds
Grants - State and Local			
State:	$ -	$ -	$ -
Motor vehicle fees and taxes	32,707	-	32,707
Local:			
Intergovernmental activity taxes	-	34,538	34,538
Total due from other governments	$ 32,707	$ 34,538	$ 67,245

(5) Interfund Activity

Transfers between funds for the year ended December 31, 2019 were as follows:

	Transfers Out:		
	General Fund	Community Center Fund	Total
Transfers In:			
Community Center Fund	$ 76,748	$ -	$ 76,748
Towne Center TIF Fund	100,000	-	100,000
Nonmajor Governmental Funds	263,231	839,831	1,103,062
Nonmajor Business-type	31,950	-	31,950
Total	$ 471,929	$ 839,831	$ 1,311,760

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to use unrestricted revenues collected in a fund used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Interfund receivable and payable balances as of December 31, 2019 were as follows:

	Due to:
	General
Due from:	
Governmental activities:	
Community Center Fund	$ 133,165
Towne Center TIF Fund	58,933
	$ 192,098

Amounts due to the General Fund from the Community Center Fund and Towne Center TIF Fund represent advances for short-term cash flow needs.

(6) Capital Assets

A summary of the changes in capital assets for the ended December 31, 2019 is as follows:

Governmental activities:	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	$ 838,674	$ -	$ -	$ 838,674
Construction in progress	1,476,504	-	1,476,504	-
Total capital assets, not being depreciated	2,315,178	-	1,476,504	838,674
Capital assets, being depreciated				
Building and improvements	25,678,357	1,371,046	-	27,049,403
Machinery and equipment	4,039,827	134,725	-	4,174,552
Vehicles	2,998,346	298,071	20,000	3,276,417
Infrastructure	5,645,644	232,649	-	5,878,293
Total capital assets being depreciated	38,362,174	2,036,491	20,000	40,378,665
Less accumulated depreciation for:				
Building and improvements	9,891,124	758,794	-	10,649,918
Machinery and equipment	3,130,278	197,606	-	3,327,884
Vehicles	2,428,183	182,029	20,000	2,590,212
Infrastructure	2,520,389	253,743	-	2,774,132
Total accumulated depreciation	17,969,974	1,392,172	20,000	19,342,146
Total capital assets being depreciated, net	20,392,200			21,036,519
Governmental activities capital assets, net	$ 22,707,378			$ 21,875,193

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Electric Fund	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	$ 99,716	$ -	$ -	$ 99,716
Construction in progress	386,188	-	386,188	-
Total capital assets, not being depreciated	485,904	-	386,188	99,716
Capital assets, being depreciated				
Building and improvements	4,536,177	-	-	4,536,177
Machinery and equipment	605,275	21,543	-	626,818
Vehicles	818,987	-	-	818,987
Infrastructure	8,093,542	386,188	-	8,479,730
Total capital assets being depreciated	14,053,981	407,731	-	14,461,712
Less accumulated depreciation for:				
Building and improvements	2,591,459	88,595	-	2,680,054
Machinery and equipment	410,488	18,755	-	429,243
Vehicles	486,167	59,764	-	545,931
Infrastructure	4,448,308	172,486	-	4,620,794
Total accumulated depreciation	7,936,422	339,600	-	8,276,022
Total capital assets being depreciated, net	6,117,559			6,185,690
Electric Fund capital assets, net	$ 6,603,463			$ 6,285,406

Water/Sewer	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, not being depreciated				
Land	$ 1,488,315	$ -	$ -	$ 1,488,315
Construction in progress	11,130,476	18,919	11,149,395	-
Total capital assets, not being depreciated	12,618,791	18,919	11,149,395	1,488,315
Capital assets, being depreciated				
Building and improvements	22,547,285	10,381,243	-	32,928,528
Machinery and equipment	1,283,573	7,329	-	1,290,902
Vehicles	611,529	-	-	611,529
Infrastructure	17,471,014	912,323	-	18,383,337
Total capital assets being depreciated	41,913,401	11,300,895	-	53,214,296
Less accumulated depreciation for:				
Building and improvements	10,172,687	677,034	-	10,849,721
Machinery and equipment	1,026,940	30,232	-	1,057,172
Vehicles	500,073	23,318	-	523,391
Infrastructure	7,357,456	386,394	-	7,743,850
Total accumulated depreciation	19,057,156	1,116,978	-	20,174,134
Total capital assets being depreciated, net	22,856,245			33,040,162
Water/Sewer Fund capital assets, net	$ 35,475,036			$ 34,528,477

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

Aquatic Center Fund	January 1, 2019	Additions	Retirements	December 31, 2019
Capital assets, being depreciated				
Building and improvements	$ 2,022,950	$ -	$ -	$ 2,022,950
Machinery and equipment	23,279	-	-	23,279
Total capital assets being depreciated	2,046,229	-	-	2,046,229
Less accumulated depreciation for:				
Building and improvements	1,616,299	84,311	-	1,700,610
Machinery and equipment	12,514	2,355	-	14,869
Total accumulated depreciation	1,628,813	86,666	-	1,715,479
Total capital assets being depreciated, net	417,416			330,750
Aquatic Center Fund capital assets, net	$ 417,416			$ 330,750

Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental Activities:	
General government	$ 115,750
Public safety	142,941
Streets	343,729
Community development	25,683
Animal control	5,843
Airport	145,679
Emergency services	208,031
Parks and recreation	65,953
Community center	338,563
Total depreciation expense for Governmental activities	$ 1,392,172
Business-type Activities:	
Electric	$ 339,600
Water and sewer	1,116,978
Aquatic center	86,666
Total depreciation expense for Business-type activities:	$ 1,543,244

City of Harrisonville, Missouri
Notes to the Basic Financial Statements
December 31, 2019

(7) Long-Term Debt

A summary of the changes in long-term debt is as follows:

Governmental Activities:	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Tax increment refunding bonds	$ 5,180,000	$ -	$ 460,000	$ 4,720,000	$ 470,000
Tax increment premiums	23,401	-	2,340	21,061	2,340
Promissory notes	80,931	-	17,399	63,532	17,749
Certificates of Participation	3,185,000	-	760,000	2,425,000	785,000
Premiums	25,717	-	8,570	17,147	8,570
Net OPEB liability **	174,388	-	11,608	162,780	-
Compensated absences **	283,618	-	17,085	266,533	266,533
Total governmental activities	8,953,055	-	1,277,002	7,676,053	1,550,192
Business-Type Activities:					
Electric Fund					
Revenue bonds:					
Series 2007	475,000	-	225,000	250,000	250,000
Discounts	(2,468)	-	(1,235)	(1,233)	(1,233)
	472,532	-	223,765	248,767	248,767
Net OPEB liability	52,834	-	26,119	26,715	-
Compensated absences	27,545	6,551	-	34,096	34,096
Electric fund total	552,911	6,551	249,884	309,578	282,863
Water/Sewer Fund					
Revenue bonds:					
Series 2002	1,295,000	-	245,000	1,050,000	255,000
Series 2003	1,320,000	-	195,000	1,125,000	205,000
Series 2005	690,000	-	90,000	600,000	95,000
Series 2010	2,562,900	-	200,200	2,362,700	204,400
Series 2017	8,706,154	837,846	420,000	9,124,000	42,700
Premiums	56,448	-	11,554	44,894	-
	14,630,502	837,846	1,161,754	14,306,594	802,100
Promissory note	127,391	-	32,620	94,771	33,440
Net OPEB liability	7,391	23,690	-	31,081	-
Compensated absences	86,422	-	8,241	78,181	78,181
Water/Sewer fund total	14,851,706	861,536	1,202,615	14,510,627	913,721
Aquatic Fund					
Net OPEB liability	1,505	129	-	1,634	-
Total business-type activities	15,406,122	868,216	1,452,499	14,821,839	1,196,584
Total primary government	$ 24,359,177	$ 868,216	$ 2,729,501	$ 22,497,892	$ 2,746,776

** these liabilities are generally liquidated by the General, Park, Community Center, and Emerg. Management Funds

Component Unit					
Note payable	$ 9,000,000	$ -	$ -	$ 9,000,000	$ 9,000,000
Developer obligations	5,326,059	-	-	5,326,059	-
	$ 14,326,059	$ -	$ -	$ 14,326,059	$ 9,000,000

A. *Governmental Activities Debt*

Tax Increment Revenue Bonds

On April 16, 2018, the City issued Series 2018 City of Harrisonville, Missouri Annual Appropriation-Supported Tax Increment and Sale Tax Refunding Revenue Bonds (Harrisonville Town Center Project) in the amount of $5,580,000 to refund the remaining $6,245,000 of the outstanding Series 2007 Tax Increment Revenue Bonds. Net proceeds of the Series 2018 revenue bonds along with available Series 2007 revenue bond trust funds and additional City fund totaling $954,237 were deposited in trust with an escrow agent to pay accrued interest and all of the outstanding balance of the 2007 bonds.

The 2018 bonds are special, limited obligations of the City payable solely from and secured as to payments of principal and interest by a pledge certain payments in lieu of taxes and economic activity taxes generated within the Towne Center TIF District, subject to annual appropriation. The bonds mature semi-annually on May 1 and November 1 beginning on November 1, 2018 and continuing through November 1, 2028 in amounts ranging from $400,000 to $590,000, including interest at 2.0% to 3.0%.

Promissory Notes Payable

In 2011, the City entered into a promissory note payable of $171,931 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the Community Center. The note requires semi-annual payments of principal including interest at 2% until maturity on April 1, 2023.

Certificates of Participation

$7,830,000 Series 2012 Refunding Certificates of Participation. Proceeds were used refund the Series 2003 Certificates of Participation. Due in annual installments through December 1, 2022 including interest ranges from 2.00% to 3.00%.

B. *Business-type Activities Debt*

Revenue Bonds – Electric Fund

$2,730,000 Series 2007 Electric System Refunding Revenue Bonds. Proceeds were used to refund outstanding Series 1999 Electric System Revenue Bonds. Due in annual installments through November 1, 2020 including interest from 4.0% to 4.5%.

Revenue Bonds – Water/Sewer Fund

$4,370,000 Series 2002 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program). $3,660,000 of the proceeds were used to fund certain improvements to the City's combined waterworks and sewerage system and $710,000 was issued to refund a prior issue of bonds of the City. Due in annual installments through July 1, 2023 including interest from 2.05% to 5.0%.

$3,295,000 Series 2003 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2024 including interest from 2.0% to 5.25%.

$1,710,000 Series 2005 Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2025 including interest from 3.0% to 5.0%.

$3,288,541 Series 2010 Combined Waterworks and Sewerage System Revenue Bonds (Original amount not to exceed $4,300,000). Proceeds were used to fund certain improvements to the City's sewer system. Due in annual installments through July 1, 2030 including interest at 30% of the Revenue Bond Index as published in The Bond Buyer.

(Not to exceed $9,544,000) Series 2017 Combined Waterworks and Sewerage System Revenue Bonds. Proceeds were used to fund certain improvements to the City's water treatment plant. Due in semi-annual installments beginning January 1, 2019 through January 1, 2038 including interest from 1.15% and an administrative fee of .05%.

As of December 31, 2019, the sinking funds and the reserve funds were adequately funded, and the City was in compliance with its rate covenants for all bonds.

Promissory Note Payable

In 2011, the City entered into a promissory note payable of $380,000 with the Missouri Department of Natural Resources to provide partial funding for the purpose of constructing and installing energy savings equipment in the City’s water/sewer facilities. The note requires semi-annual payments of principal including interest at 2% until maturity on October 1, 2022. The future annual debt service requirements are as follows:

	Principal	Interest
2020	$ 33,440	$ 2,162
2021	34,282	1,320
2022	27,049	458
	$ 94,771	$ 3,940

C. *Future Debt Service Requirements*

Governmental Activities

	Tax Increment Financing Bonds		Promissory Notes		Series 2012 Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 470,000	$ 138,188	$ 17,749	$ 1,182	$ 785,000	$ 62,731
2021	485,000	124,088	18,105	826	810,000	44,085
2022	500,000	109,538	18,469	462	830,000	22,825
2023	515,000	94,538	9,209	92	-	-
2024	500,000	79,088	-	-	-	-
2025-2028	2,250,000	166,200	-	-	-	-
	$ 4,720,000	$ 711,640	$ 63,532	$ 2,562	$ 2,425,000	$ 129,641

Business-type Activities

	Series 2007 Electric System Refunding Bonds		Series 2002 Waterworks and Sewerage Bonds		Series 2003 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 250,000	$ 11,250	$ 255,000	$ 52,500	$ 205,000	$ 50,082
2021	-	-	260,000	39,750	215,000	39,319
2022	-	-	265,000	26,750	225,000	28,185
2023	-	-	270,000	13,500	235,000	17,038
2024	-	-	-	-	245,000	5,757
Totals	$ 250,000	$ 11,250	$ 1,050,000	$ 132,500	$ 1,125,000	$ 140,381

	Series 2005 Waterworks and Sewerage Bonds		Series 2010 Waterworks and Sewerage Bonds		Series 2017 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 95,000	$ 30,000	$ 204,400	$ 34,447	$ 427,000	$ 103,701
2021	95,000	25,250	208,500	31,385	434,000	98,774
2022	100,000	20,500	212,600	28,264	441,000	93,760
2023	100,000	15,500	217,000	25,080	448,000	88,671
2024	105,000	10,500	221,200	21,831	456,000	83,496
2025-2029	105,000	5,250	1,174,900	58,109	2,390,000	336,893
2030-2034	-	-	124,100	925	2,590,000	194,293
2035-2038	-	-	-	-	1,938,000	44,873
Totals	$ 600,000	$ 107,000	$ 2,362,700	$ 200,041	$ 9,124,000	$ 1,044,461

D. Component Unit

Tax Increment Revenue Note

On December 18, 2009, the City issued $9,000,000 in Tax Increment Revenue Notes for the purpose of providing funds to pay for certain reimbursable costs associated with the Cooperation, Financing, and Pledge Agreement (CFP Agreement) dated December 18, 2009, between the City; Harrisonville MP, LLC; The Harrisonville Market Place Transportation Development District A (TDD A); and The Harrisonville Market Place Transportation Development District B (TDD B).

The City has pledged the incremental payments in lieu of taxes and Economic Activity Taxes generated by the private development within the Market Place TIF District (the District). Additional revenues generated by the TDD A and TDD B districts are also pledged to the repayment of the Note. The Note does not constitute a general obligation of the City.

From the date of this Note, the applicable interest rate on the unpaid principal balance of this Note was 6% per annum. During 2011, the interest rate on this Note was adjusted to 4.75% and subsequently on April 1, 2014, it was adjusted again to 6.5%, and on April 1, 2017 to 6.0% with payments due annually. The restructured Note does not call for regular principal payments, and no balloon payment is disclosed on the Note. The City is required to submit collections of revenues for the District to a separate account, which is used to pay the required annual debt service payments.

Developer Obligations

Certain developers have incurred certain costs that are eligible for reimbursement under the Market Place TIF Plan. These obligations are special limited obligations of the City, payable only to the extent that tax increment financing revenues are available upon retirement of the tax increment revenue note discussed above. At December 31, 2019, the total obligations under these agreements was $5,326,059.

(8) Employees Retirement System

A. 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, statewide 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 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.

B. Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, 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) 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 receive a reduced allowance.

	2019 Valuation
Benefit Multiplier:	1.75% for life, plus 0.25% to age 65
Final Average Salary:	3 Years
Member Contributions:	0%

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.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	General	Police	Fire	Total
Inactive members or beneficiaries currently receiving benefits	56	18	3	77
Inactive members entitled to but not yet receiving benefits	49	16	19	84
Active members	72	22	20	114
	177	56	42	275

D. 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 8.7% (General), 14.7% (Police) and 10.4% (Fire) of annual covered payroll.

E. Net Pension Asset

The City's net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2019.

F. Actuarial Assumptions

The total pension liability in the February 28, 2019 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 (General and Police)
	3.25% to 7.15% including wage inflation (Fire)
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 table 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 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-51.00%

G. 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.

H. Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at beginning of year	$ 28,091,177	$ 30,810,594	$ (2,719,417)
Changes for the year:			
Service Cost	651,813	-	651,813
Interest	2,015,512	-	2,015,512
Difference between expected and actual experience	(380,787)	-	(380,787)
Contributions - employer	-	626,631	(626,631)
Net investment income	-	1,997,427	(1,997,427)
Benefit payments, including refunds	(1,244,212)	(1,244,212)	-
Administrative expense	-	(27,534)	27,534
Other changes (net transfer)	-	93,578	(93,578)
Net changes	1,042,326	1,445,890	(403,564)
Balances at end of year	$ 29,133,503	$ 32,256,484	$ (3,122,981)

I. Sensitivity of the Net Pension Liability/ (Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability/(Asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total pension liability (TPL)	$ 33,322,178	$ 29,133,503	$ 25,689,813
Plan fiduciary net position	32,256,484	32,256,484	32,256,457
Net pension liability/(asset)	$ 1,065,694	$ (3,122,981)	$ (6,566,644)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the City recognized LAGERS pension expense of $626,290 ($316,007 (General), $220,925 (Police) and $89,358 (Fire)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Difference in experience	$ 247,456	$ 99,169	$ 47,684	$ 394,309
Assumption changes	131,246	28,732	27,875	187,853
Contributions subsequent to the measurement date*	160,871	110,402	44,161	315,434
Total	$ 539,573	$ 238,303	$ 119,720	$ 897,596
Deferred Inflows of Resources:				
Difference in experience	$ 458,264	$ 29,962	$ 95,580	$ 583,806
Difference in projected and actual earnings on plan investments	566,205	122,583	81,522	770,310
Total	$ 1,024,469	$ 152,545	$ 177,102	$ 1,354,116

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending December 31, 2019.

Net amounts reported as deferred outflows and deferred inflows of resources, excluding contributions subsequent to the measurement date, related to LAGERS pension will be recognized in pension expense as follows:

Year ending December 31:	General	Police	Fire	Total
2020	$ (35,617)	$ 45,814	$ (17,367)	$ (7,170)
2021	(368,966)	(69,324)	(46,712)	(485,002)
2022	(242,255)	(19,146)	(26,600)	(288,001)
2023	1,071	18,012	(1,763)	17,320
2024	-	-	(3,858)	(3,858)
Thereafter	-	-	(5,243)	(5,243)
Total	$ (645,767)	$ (24,644)	$ (101,543)	$ (771,954)

K. Payable to the Pension Plan

At December 31, 2019, the City paid all outstanding contributions to the LAGERS pension plan.

L. Summary of financial reporting of the City's pension plan:

	General	Police	Fire	Total
Governmental activities:				
Net pension liability/(asset)	$ (1,388,608)	$ (201,789)	$ (601,096)	$ (2,191,493)
Business-type activities:				
Net pension liability/(asset)	(931,488)	-	-	(931,488)
Total net pension liability/(asset)	$ (2,320,096)	$ (201,789)	$ (601,096)	$ (3,122,981)
Governmental activities:				
Pension related deferred outflows	$ 387,529	$ 238,303	$ 119,720	$ 745,552
Pension related deferred inflows	(613,158)	(152,545)	(177,102)	(942,805)
Business-type activities:				
Pension related deferred outflows	152,044	-	-	152,044
Pension related deferred inflows	(411,311)	-	-	(411,311)
Total	$ (484,896)	$ 85,758	$ (57,382)	$ (456,520)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the participants. Investments are managed by the plan's trustee under several investment options. The choice of the investment options is made by the participants.

(9) Post Employment Health Benefits

A. Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment. The City provides retiree healthcare benefits through Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan. The plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75).

B. Benefits Provided

The City requires the retirees to pay 135% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under GASB Statement 75.

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

C. Employees Covered by Benefit Terms

As of the July 1, 2017 actuarial valuation, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	3
Active employees	105
	108

D. Total OPEB Liability

The City's total OPEB liability of $222,210 was measured as of December 31, 2019 and was determined by an actuarial valuation as of July 1, 2017.

E. Actuarial Assumptions

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

Salary increase	2.5% per year
Discount rate	3% (December 31, 2019)
Healthcare cost trend rates	6.5% for 2019, decreasing by 0.5% per year through 2021 and then decreasing by 0.25% per year to an ultimate rate of 5.0% for 2025 and later years
Retirees' share of benefit-related costs	145% of plan premiums

The discount rate was based on the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustments to reflect the Society of Actuaries RPH-2014 adjusted to 2006 total dataset headcount mortality table with MP-2018 full generational improvement,

The actuarial assumptions used in the July 1, 2017 valuation were based on an experience analysis of the plan's past experience, the actuary's experience with plans of similar size, plan design, retiree and spouse contribution level and assumptions used in the City's participation in the corresponding pension plan through LAGERS, as applicable.

F. Change in the Total OPEB Liability

	Total OPEB Liability
Balances, beginning of year	$ 236,118
Changes for the year:	
Service cost	17,611
Interest	9,061
Changes in benefit terms	(61,556)
Differences between actual and expected experience	18,513
Changes in assumptions and other inputs	17,463
Employer contributions	(15,000)
Net changes	(13,908)
Balances, end of year	$ 222,210

G. Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the OPEB Liability of the City, calculated using the discount rate of 3.00%, as well as what the City's OPEB Liability would be using a discount rate that is 1 percentage point lower (2.00%) or one percentage point higher (4.00%) than the current rate.

	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
Total OPEB liability	$ 244,082	$ 222,210	$ 204,412

H. Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the OPEB Liability of the Library, calculated using the healthcare cost trend rate of 6.5%, as well as what the City's OPEB Liability would be using a discount rate that is 1 percentage point lower (5.5% decreasing to 4%) or one percentage point higher (7.5% decreasing to 6%) than the current rate.

	1% Decrease (5.5% decreasing to 4%)	Discount Rate (7.5% decreasing to 5%)	1% Increase (7.5% decreasing to 6%)
Total OPEB liability	$ 190,295	$ 222,210	$ 260,906

I. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of $(34,360). The City reported deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,089	$ -
Changes in assumptions	16,120	24,677
Total	$ 33,209	$ 24,677

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

Year ending December 31:	Total
2020	$ 524
2021	524
2022	524
2023	524
2024	524
Thereafter	5,912
Total	$ 8,532

J. Financial Statement Reporting of the City's OPEB

The following table summarizes the City's OPEB reporting:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental activities:	$ 162,780	$ 24,327	$ 18,077
Business-type activities:	59,430	8,882	6,600
Total	$ 222,210	$ 33,209	$ 24,677

(10) Commitments and Contingencies

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 has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

The City is a member of the MPR (Midwest Public Risk), a not-for-profit corporation consisting of governmental entities incorporated in 1984 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability, and workers' compensation. The City participates in the workers' compensation insurance coverages.

MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest-bearing deposits, U.S. Treasury, and U.S. governmental agency obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during such year, and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year, and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the City is a member of MPR at the time of such assessment.

MPR's financial statements are presented in its Comprehensive Annual Financial Report.

B. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

C. Litigation

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

D. Promissory Note Receivable

On March 18, 2011, the City received a promissory note from Harrisonville Housing Associates, L.P. Clarkton, Missouri, in the amount of $750,490 with zero percent interest. The note calls for repayment of principal annually in an amount equal to 50% of cash flow, if any, allowed by the Missouri Housing Development Commission and the United States Department of Agriculture, Rural Housing Service (Rural Development) "the Agency." Such payment is due thirty days after the date that the audit of the Harrisonville Housing Associates, L.P., is approved by the Agency. In any event, all remaining indebtedness is due and payable on March 18, 2062. The note is secured by a Deed of Trust.

Since the ultimate collectability is uncertain, City management has established an allowance for uncollectible note receivable that is equal to the outstanding balance of the note receivable of $744,270 at December 31, 2019. There were no payments received on the note receivable for the year ended December 31, 2019. Funding for the loan was made available with a CDBG grant which is available for re-use from collections of principal for other eligible CDBG activity.

E. Long-term Contract

On March 21, 2005, the City entered into the Amended and Restated Missouri Public Energy Pool #1 Agreement (the MoPEP Agreement) among the Missouri Joint Municipal Electric Utility Commission (MJMEUC) and various cities within the state of Missouri who have also signed the MoPEP Agreement. Each of the cities who have signed the MoPEP Agreement are collectively referred to as (MoPEP Members).

Under the MoPEP Agreement, each MoPEP Member, including the City, has agreed to purchase from MJMEUC all of the MoPEP Member's requirements for electric capacity, energy, transmission, and other necessary electric services from MJMEUC. MoPEP Members may also dedicate any member-owned electric capacity to MJMEUC for the benefit of MoPEP.

MJMEUC is required under the MoPEP Agreement to provide electric capacity, energy, transmission, and other necessary electric services needed by MoPEP Members to fulfill their full requirements to service the MoPEP Members' retail customers. To meet the power and energy requirements of the City and the other MoPEP Members, MJMEUC presently obtains power and energy through: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) MJMEUC-owned generation; (iii) MoPEP Member capacity; and (iv) spot market purchases. Neither the City nor any other MoPEP Member has an ownership interest in any of MJMEUC's assets.

Each MoPEP Member (including the City) is liable under the MoPEP Agreement for its proportionate share of all costs associated with MJMEUC's performance under the MoPEP Agreement.

MoPEP operations are governed by a committee (Pool Committee) consisting of one representative from each MoPEP Member and is currently comprised of 35 members as of December 31, 2019.

The Pool Committee is charged with setting rates for all services provided by MJMEUC to MoPEP Members. These rates include recovery of all of MJMEUC's costs (the Direct Costs) incurred in connection with acquiring, providing, arranging, or financing the provision of full requirements service to MoPEP Members. Such rates are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make under contracts and/or financial commitments and obligations entered into by MJMEUC necessary to provide full requirements service, without regard to whether any particular resource is available to or used by any particular MoPEP Member. Direct Costs also include amounts required to fund capital and/or operating reserves and debt service coverages MJMEUC is required to maintain pursuant to contract to serve MoPEP Members as established from time to time by the Pool Committee.

The MoPEP Agreement requires that rates charged to each MoPEP Member be established at least annually and adjusted to recognize variances between budgeted and actual costs at least every six months. Charges based on such rates are assessed and billed monthly. The City's payment obligations under the MoPEP Agreement are limited to the obligation to make payments from revenues of the City's electric utility system and available electric utility system revenues. All payments made by the City pursuant to the MoPEP Agreement are considered operation and maintenance expenses of the electric utility system. MoPEP Members are required under the MoPEP Agreement to at all times establish, maintain, and collect rates, fees, and charges for electric service sufficient to meet the MoPEP Member's obligations under the MoPEP Agreement.

In the event a MoPEP Member cancels the MoPEP Agreement, the member remains responsible for its allocated share of MJMEUC's Direct Costs associated with all resource obligations entered into by MJMEUC for MoPEP prior to the notice of cancellation. MJMEUC would utilize or sell the MoPEP Member's allocated share of output in exchange for providing the MoPEP Member a credit or offset equal to the fair market value of the output up to the amount of the MoPEP Member's payment obligation under the MoPEP Agreement. As a result, the MoPEP Member would have a financial obligation after cancellation in the event that the fair market value of the output is less than the MoPEP Member's allocated share of MJMEUC's Direct Costs with respect to the resource obligations at the time of cancellation. Since the amount of the cancelling MoPEP Member's obligation would depend on MJMEUC's Direct Costs after cancellation and the fair market value of the output at such times in the future, the amount of the obligation is not reasonably determinable. Currently, the City has no plans or intentions to cancel the MoPEP Agreement. MJMEUC's audited financial statements are available on its website at www.mpua.org

During the year ended December 31, 2019, the City's electricity purchased for resale under this agreement totaling $7,856,916.

F. Encumbrances

Encumbrance accounting is used in the governmental funds by recording purchase orders, contracts, and other commitments for the expenditure of funds in order to assure effective budgetary control and accountability. The following encumbrances were outstanding at year end:

Fund	Outstanding Encumbrances
General Fund	$ 124,953
Community Center Fund	1,500
Electric Fund	1,000
Water/Sewer Fund	103,169
Emergency Services Fund	55,365
Total	$ 285,987

G. Commitments

On March 15, 2015, the City entered into a loan agreement with The Highways 71/291 Partners in Progress Transportation Development District (a fiduciary fund), to coordinate efforts for the design, construction, and operation of District projects. The agreement established a funding plan in which the City will provide funding advances to the District in the amount not to exceed $1,500,000. Under the agreement, the District Highways 71/291 Partners in Progress Transportation Development District is scheduled to begin repaying the City with interest at 6%. As of December 31, 2019, the total amount outstanding due to the City under this loan agreement was $430,444.

(11) Tax Abatement

Tax abatements may be granted under the Urban Redevelopment program described under Chapter 353 of the 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 year ended December 31, 2019, management has determined that any tax abatements are not significant or material to the City's financial position.

(12) Subsequent Events

The City evaluated subsequent events through August 10, 2020, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure in the financial statements.

On March 11, 2020, the World Health Organization declared the COVID-19 virus outbreak a world-wide pandemic. Due to the COVID-19 pandemic, businesses within the City and the entire State of Missouri were subject to a stay at home order. Management is closely monitoring the situation and the impact on its operations. The ultimate effect on the City's financial statements is not currently determinable.

Schedule 1

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
For the Year Ended December 31, 2019

	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Property	$ 811,895	$ 805,941	$ (5,954)
Sales	2,341,400	2,549,518	208,118
Franchise	580,000	450,147	(129,853)
Other	623,000	326,325	(296,675)
Licenses, fess and permits	123,000	142,494	19,494
Charges for services	1,891,065	1,906,593	15,528
Intergovernmental	193,050	424,935	231,885
Fines and forfeitures	286,550	211,234	(75,316)
Investment income	99,320	192,290	92,970
Other	116,600	184,022	67,422
Reimbursements	-	88,305	88,305
Total revenues	7,065,880	7,281,804	215,924
Expenditures:			
Current:			
General government	2,080,105	1,818,202	261,903
Public safety	3,084,285	2,998,358	85,927
Streets	884,945	911,512	(26,567)
Community development	411,880	346,106	65,774
Animal control	264,430	175,362	89,068
Airport	220,490	98,270	122,220
Capital outlay	1,244,895	726,119	518,776
Total expenditures	8,191,030	7,073,929	1,117,101
Excess of revenues over (under) expenditures	(1,125,150)	207,875	1,333,025
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1,333,540)	(1,321,887)	11,653
Payments in lieu of taxes (PILOTS)	1,095,150	905,144	(190,006)
Sale of capital assets	-	5,923	5,923
Total other financing sources (uses)	(238,390)	(410,820)	(172,430)
Net change in fund balances	$ (1,363,540)	(202,945)	$ 1,160,595
Fund balances, beginning of year, budget basis		6,242,988	
Fund balance, end of year, budget basis		6,040,043	
Adjustments:			
Encumbrances		124,953	
Fund balance - end of year - GAAP basis		$ 6,164,996	
Net change in fund balance - budget basis		$ (202,945)	
Adjustments:			
Encumbrances - beginning of year		(29,495)	
Encumbrances		124,953	
Net change in fund balance - GAAP basis		$ (107,487)	

Schedule 2

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Community Center Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Sales	$ 1,021,975	$ 1,081,657	$ 59,682
Charges for services	1,027,835	935,680	(92,155)
Investment income	1,500	2,123	623
Other	32,650	9,851	(22,799)
Total revenues	2,083,960	2,029,311	(54,649)
Expenditures:			
Current:			
Community center	1,305,200	1,163,679	141,521
Capital outlay	-	76,748	(76,748)
Debt service:			
Principal	17,399	17,399	-
Interest and fiscal charges	1,531	1,532	(1)
Total expenditures	1,324,130	1,259,358	64,772
Excess of revenues over (under) expenditures	759,830	769,953	10,123
Other financing sources (uses):			
Transfers in	80,000	76,748	(3,252)
Transfers out	(839,830)	(839,831)	(1)
Total other financing sources (uses)	(759,830)	(763,083)	(3,253)
Net change in fund balances	$ -	6,870	$ 6,870
Fund balances, beginning of year		50,660	
Fund balances, end of year		$ 57,530	

CITY OF HARRISONVILLE, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1. BUDGETARY INFORMATION

An annual budget prepared under the modified accrual basis of accounting is adopted in December prior to the beginning of each fiscal year for all revenues and expenditures of all Governmental Funds of the City, except for the Towne Center TIF Fund. The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without the Board of Aldermen approval. A review of the current year's budget is made by the departments in December of each year and interdepartmental transfers are made with Board of Aldermen approval. Any remaining unencumbered appropriations lapse at fiscal year-end unless re-appropriated by the Board of Aldermen. Any increase in appropriations during the fiscal year must be approved by the Board of Aldermen.

Schedule 3

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended December 31, 2019

	Lagers				
	2019	**2018**	**2017**	**2016**	**2015**
Total Pension Liability					
Service costs	$ 651,813	$ 595,775	$ 576,243	$ 594,597	$ 592,09
Interest on total pension liability	2,015,512	1,890,390	1,797,529	1,673,775	1,580,62
Difference between expected and actual experience of the total pension liability	(380,787)	422,754	11,392	(492,706)	(68,77
Changes of assumptions	-	-	-	852,733	-
Benefit payments and refunds	(1,244,212)	(1,178,211)	(1,051,857)	(777,773)	(861,39
Net change in total pension liability	1,042,326	1,730,708	1,333,307	1,850,626	1,242,54
Total pension liability - beginning of year	28,091,177	26,360,469	25,027,162	23,176,536	21,933,98
Total pension liability - end of year (a)	$ 29,133,503	$ 28,091,177	$ 26,360,469	$ 25,027,162	$ 23,176,53
Plan Fiduciary Net Position					
Contributions - employer	$ 626,631	$ 600,629	$ 549,378	$ 586,924	$ 685,86
Net investment income	1,997,427	3,412,078	3,029,700	(78,361)	499,64
Benefit payments and refunds	(1,244,212)	(1,178,211)	(1,051,857)	(777,773)	(861,39
Administrative expenses	(27,534)	(19,123)	(18,037)	(16,911)	(17,42
Other (net transfer)	93,578	151,573	(25,782)	(6,963)	296,47
Net change in plan fiduciary net position	1,445,890	2,966,946	2,483,402	(293,084)	603,16
Plan fiduciary net position - beginning of year	30,810,594	27,843,648	25,360,246	25,653,330	25,050,16
Plan fiduciary net position - end of year (b)	$ 32,256,484	$ 30,810,594	$ 27,843,648	$ 25,360,246	$ 25,653,33
Net pension liability/(asset) (a) - (b)	$ (3,122,981)	$ (2,719,417)	$ (1,483,179)	$ (333,084)	$ (2,476,79
Plan net position as a percentage of the total pension liability	110.72%	109.68%	105.63%	101.33%	110.69
Covered payroll	5,782,370	5,863,833	5,217,578	5,254,719	5,466,34
Net pension liability/(asset) as a percentage of covered payroll	-54.01%	-46.38%	-28.43%	-6.34%	-45.31

GASB 68 requires presentation of ten years. As of December 31, 2019, only five years of information is available.

Schedule 4

City of Harrisonville, Missouri
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended December 31, 2019

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
2010	$ 727,308	$ 595,284	$ 132,024	$ 5,186,404	11.48%
2011	757,093	673,908	83,185	5,373,244	12.54%
2012	775,215	691,373	83,842	5,236,634	13.20%
2013	738,479	721,582	16,897	5,327,580	13.54%
2014	737,736	737,736	-	5,581,355	13.22%
2015	622,293	622,293	-	5,469,323	11.38%
2016	572,884	560,847	12,037	5,420,430	10.35%
2017	563,293	556,600	6,693	5,566,093	10.00%
2018	610,839	610,839	-	5,855,455	10.43%
2019	646,167	638,989	7,178	5,868,177	10.89%

Valuation Date February 28, 2019

Notes: The roll-forward of total pension liability from February 28, 2019 to June 30, 2019 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period Multiple bases from 11 to 17 years

Asset valuation method 5-year smoothed market; 20% corridor

Inflation assumption 3.25% wage inflation; 2.5% price inflation

Salary increases 3.25% to 6.55% including wage inflation (General and Police)
3.25% to 7.15% including wage inflation (Fire)

Investment rate of return 7.25%, net of investment and administrative expenses

Retirement age Experienced-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 table for male and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for male and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period based 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.

Other information: None

Schedule 5

City of Harrisonville
Required Supplementary Information
Schedule of Changes in Net OPEB Liability
and Related Ratios*

	2019	2018
Total OPEB Liability		
Service costs	$ 17,611	$ 24,653
Interest on total OPEB liability	9,061	10,442
Changes in benefit terms	(61,556)	(60,937)
Differences between actual and expected experience	18,513	-
Changes in assumptions	17,463	(29,163)
Employer contributions	(15,000)	(13,000)
Net change in total pension liability	(13,908)	(68,005)
Total OPEB liability - beginning of year	236,118	304,123
Total OPEB liability - end of year	$ 222,210	$ 236,118
Covered employee payroll**	$ 5,059,655	$ 5,059,655
payroll	4.39%	4.67%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only two year are available.
** Covered employee payroll is measured as of the valuation date.

Notes to Schedule:
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75

Schedule 6

City of Harrisonville, Missouri
Combining Balance Sheet - General Fund
December 31, 2019

	General Fund	Emergency Services Fund	Eliminations	Total
Assets				
Cash and investments	$ 3,668,293	$ -	$ -	$ 3,668,293
Receivables:				
Taxes	470,773	87,743	-	558,516
Accounts and other	5,060	525,756	-	530,816
Due from other governments	32,707	-	-	32,707
Due from other funds	1,535,125	-	(1,343,027)	192,098
Due from component unit	275,000	-	-	275,000
Loan receivable	430,444	-	-	430,444
Prepaids, deposits and other assets	177,882	91,811	-	269,693
Inventory	95,745	26,728	-	122,473
Restricted cash and investments	40,430	-	-	40,430
Total Assets	$ 6,731,459	$ 732,038	$ (1,343,027)	$ 6,120,470
Liabilities				
Accounts payable	$ 48,139	$ 18,889	$ -	$ 67,028
Accrued liabilities	134,091	64,079	-	198,170
Court bonds payable	6,213	-	-	6,213
Due to other funds	-	1,343,027	(1,343,027)	-
Total Liabilities	188,443	1,425,995	(1,343,027)	271,411
Deferred inflows of resources				
Unavailable revenues	378,020	-	-	378,020
Fund balances:				
Nonspendable:				
Prepaid items and inventory	273,627	118,539	-	392,166
Advances to component unit and loan receivable	705,444	-	-	705,444
Restricted:				
Other programs	34,217	-	-	34,217
Unassigned	5,151,708	(812,496)	-	4,339,212
Total fund balance (deficit)	6,164,996	(693,957)	-	5,471,039
Total liabilities, deferred inflows of resources and fund balances	$ 6,731,459	$ 732,038	$ (1,343,027)	$ 6,120,470

Schedule 7

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund
For the Year Ended December 31, 2019

	General Fund	Emergency Services Fund	Eliminations	Total
Revenues:				
Taxes:				
Property	$ 805,941	$ -	$ -	$ 805,941
Sales	2,549,518	540,811	-	3,090,329
Franchise	450,147	-	-	450,147
Other	326,325	-	-	326,325
Licenses, fess and permits	142,494	-	-	142,494
Charges for services	1,906,593	1,304,517	-	3,211,110
Intergovernmental	424,935	-	-	424,935
Fines and forfeitures	211,234	-	-	211,234
Investment income	192,290	1,061	-	193,351
Other	184,022	13,847	-	197,869
Reimbursements	88,305	-	-	88,305
Total revenues	7,281,804	1,860,236	-	9,142,040
Expenditures:				
Current:				
General government	1,754,862	-	-	1,754,862
Public safety	2,984,290	-	-	2,984,290
Streets	890,508	-	-	890,508
Community development	346,106	-	-	346,106
Animal control	175,362	-	-	175,362
Airport	98,270	-	-	98,270
Emergency services	-	2,589,847	-	2,589,847
Capital outlay	729,073	341,778	-	1,070,851
Total expenditures	6,978,471	2,931,625	-	9,910,096
Excess of revenues over (under) expenditures	303,333	(1,071,389)	-	(768,056)
Other financing sources (uses):				
Transfers in	-	849,958	(849,958)	-
Transfers out	(1,321,887)	-	849,958	(471,929)
Payments in lieu of taxes (PILOTS)	905,144	-	-	905,144
Sale of capital assets	5,923	-	-	5,923
Total other financing sources (uses)	(410,820)	849,958	-	439,138
Net change in fund balances	(107,487)	(221,431)	-	(328,918)
Fund balances (deficit), beginning of year	6,272,483	(472,526)	-	5,799,957
Fund balances (deficit), end of year	$ 6,164,996	$ (693,957)	$ -	$ 5,471,039

Schedule 8

City of Harrisonville, Missouri
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2019

	Park Fund	Debt Service Fund	Total
Assets			
Cash and investments	$ 58,180	$ -	$ 58,180
Receivables:			
Taxes	2,645	-	2,645
Prepaids, deposits and other assets	14,575	-	14,575
Restricted cash and investments	-	306,216	306,216
Total Assets	$ 75,400	$ 306,216	$ 381,616
Liabilities			
Accounts payable	$ 2,254	$ -	$ 2,254
Accrued liabilities	8,556	-	8,556
Total Liabilities	10,810	-	10,810
Deferred inflows of resources			
Unavailable revenues	91,408	-	91,408
Fund balances:			
Nonspendable:			
Prepaid items and inventory	14,575	-	14,575
Restricted:			
Debt service	-	306,216	306,216
Unassigned (deficit)	(41,393)	-	(41,393)
Total fund balance (deficit)	(26,818)	306,216	279,398
Total liabilities, deferred inflows of resources and fund balances	$ 75,400	$ 306,216	$ 381,616

Schedule 9

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Park Fund	Debt Service Fund	Total
Revenues:			
Taxes:			
Property	$ 189,305	$ -	$ 189,305
Charges for services	60,682	-	60,682
Investment income	430	3,461	3,891
Other	16,210	-	16,210
Total revenues	266,627	3,461	270,088
Expenditures:			
Current:			
Parks and recreation	518,865	-	518,865
Capital outlay	23,371	-	23,371
Debt service:			
Principal	-	760,000	760,000
Interest and fiscal charges	-	81,060	81,060
Total expenditures	542,236	841,060	1,383,296
Excess of revenues over (under) expenditures	(275,609)	(837,599)	(1,113,208)
Other financing sources (uses):			
Transfers in	263,231	839,831	1,103,062
Total other financing sources (uses)	263,231	839,831	1,103,062
Net change in fund balances	(12,378)	2,232	(10,146)
Fund balances (deficit), beginning of year	(14,440)	303,984	289,544
Fund balances (deficit), end of year	$ (26,818)	$ 306,216	$ 279,398

Schedule 10

City of Harrisonville, Missouri
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Refuse Fund	Aquatic Center Fund	Total
Assets			
Current assets:			
Cash and investments	$ 88,379	$ 8,217	$ 96,596
Accounts receivable, net	37,944	-	37,944
Prepaid expenses	-	1,974	1,974
Total current assets	126,323	10,191	136,514
Noncurrent assets:			
Capital assets:			
Being depreciated, net of depreciation	-	330,750	330,750
Total noncurrent assets	-	330,750	330,750
Deferred Outflow of Resources			
Deferred outflow - OPEB related activity	-	244	244
Liabilities			
Current liabilities:			
Accrued liabilities	$ -	$ 33	$ 33
Total current liabilities:	-	33	33
Long-term liabilities:			
Long-term debt	-	1,634	1,634
Total long-term liabilities:	-	1,634	1,634
Total liabilities	-	1,667	1,667
Deferred Inflow of Resources			
Deferred inflow - OPEB related activity	-	181	181
Net position			
Net investment in capital assets	-	330,750	330,750
Unrestricted	126,323	8,587	134,910
Total net position	$ 126,323	$ 339,337	$ 465,660

Schedule 11

City of Harrisonville, Missouri
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Refuse Fund	Aquatic Center Fund	Total
Operating revenues:			
Charges for services	$ 609,760	$ 152,356	$ 762,116
Total operating revenues	609,760	152,356	762,116
Operating expenses:			
Administration	583,900	187,307	771,207
Depreciation	-	86,666	86,666
Total operating expenses	583,900	273,973	857,873
Operating income (loss)	25,860	(121,617)	(95,757)
Nonoperating revenues (expenses):			
Interest income	344	120	464
Total nonoperating revenues (expenses)	344	120	464
Income (loss) before transfers and payment in lieu of taxes	26,204	(121,497)	(95,293)
Transfers in	-	31,950	31,950
Change in net position	26,204	(89,547)	(63,343)
Total net position, beginning of year	100,119	428,884	529,003
Total net position, end of year	$ 126,323	$ 339,337	$ 465,660

Schedule 12

City of Harrisonville, Missouri
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Refuse Fund	Aquatic Center Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	$ 614,100	$ 152,356	$ 766,45
Payments to suppliers	(583,900)	(106,385)	(690,28
Payments to employees	-	(80,755)	(80,75
Net cash provided by (used in) operating activities	30,200	(34,784)	(4,58
Cash flows from investing activities:			
Interest received	344	120	46
Net cash flows provided by investing activities	344	120	46
Net change in cash and equivalents	30,544	(2,714)	27,83
Cash and equivalents, beginning of year	57,835	10,931	68,76
Cash and equivalents, end of year	$ 88,379	$ 8,217	$ 96,59
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$ 25,860	$ (121,617)	(95,75
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Depreciation and amortization	-	86,666	86,66
Changes in net OPEB liability	-	129	12
Changes in deferred outflows of resources	-	(244)	(24
Changes in deferred inflows of resources	-	9	
Changes in:			
Receivables	4,340	-	4,34
Prepaid expenses and deposits	-	653	65
Accounts payable	-	(413)	(41
Accrued liabilities	-	33	3
Net cash provided by (used in) operating activities	$ 30,200	$ (34,784)	$ (4,58

Schedule 13

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Park Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Property	$ 183,800	$ 189,305	$ 5,505
Charges for services	82,570	60,682	(21,888)
Investment income	200	430	230
Other	13,750	16,210	2,460
Total revenues	280,320	266,627	(13,693)
Expenditures:			
Current:			
Parks and recreation	520,180	518,865	1,315
Capital outlay	27,500	23,371	4,129
Total expenditures	547,680	542,236	5,444
Excess of revenues over (under) expenditures	(267,360)	(275,609)	(8,249)
Other financing sources (uses):			
Transfers in	267,360	263,231	(4,129)
Total other financing sources (uses)	267,360	263,231	(4,129)
Net change in fund balances	$ -	(12,378)	$ (12,378)
Fund balances (deficit), beginning of year		(14,440)	
Fund balance (deficit), end of year		$ (26,818)	

Attachment: 2019 Harrisonville Financial Report (FY 2019 Comprehensive Annual Financial Report)

Schedule 14

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2019

	2019 Final Budget	2019 Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	$ 1,910	$ 3,461	$ 1,551
Total revenues	1,910	3,461	1,551
Expenditures:			
Debt service:			
Principal	760,000	760,000	-
Interest and fiscal charges	81,740	81,060	680
Total expenditures	841,740	841,060	680
Excess of revenues over (under) expenditures	(839,830)	(837,599)	2,231
Other financing sources (uses):			
Transfers in	839,830	839,831	1
Total other financing sources (uses)	839,830	839,831	1
Net change in fund balances	$ -	2,232	$ 2,232
Fund balances, beginning of year		303,984	
Fund balances, end of year		$ 306,216	

Schedule 15

City of Harrisonville, Missouri
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Emergency Service Fund
For the Year Ended December 31, 2019

	2019		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Sales	$ 505,000	$ 540,811	$ 35,811
Charges for services	2,691,240	1,304,517	(1,386,723)
Investment income	-	1,061	1,061
Other	40,820	13,847	(26,973)
Total revenues	3,237,060	1,860,236	(1,376,824)
Expenditures:			
Current:			
Emergency services	3,690,240	2,589,847	1,100,393
Capital outlay	433,000	341,778	91,222
Total expenditures	4,123,240	2,931,625	1,191,615
Excess of revenues over (under) expenditures	(886,180)	(1,071,389)	(185,209)
Other financing sources (uses):			
Transfers in	886,180	849,958	(36,222)
Total other financing sources (uses)	886,180	849,958	(36,222)
Net change in fund balances	$ -	(221,431)	$ (221,431)
Fund balances (deficit), beginning of year		(472,526)	
Fund balance (deficit), end of year		$ (693,957)	

Schedule 16

City of Harrisonville, Missouri
Balance Sheet - Discretely Presented Component Unit
Market Place TIF District Fund
December 31, 2019

Assets		
Cash and cash equivalents	$	92,251
Receivables:		
Taxes		35,247
Due from other governments		34,435
Prepaids, deposits and other assets		2,560
Total Assets	$	164,493
Liabilities and Fund Balances		
Liabilities:		
Due to primary government	$	275,000
Total liabilities		275,000
Fund balances:		
Nonspendable - prepaid items		2,560
Unassigned (deficit)		(113,067)
Total fund balances		(110,507)
Total liabilities and fund balances	$	164,493

Amounts reported in the government-wide statements are different because:

Reconciliation of Balance Sheet - Discretely Presented Component Unit to the Statement of Net Position

Fund balances	$	(110,507)
The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction has any effect on net position. The Commission's governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Long-term debt		(9,000,000)
Developer obligations		(5,326,059)
Accrued interest payable		(105,547)
Net position (deficit) of component unit	$	(14,542,113)

Schedule 17

City of Harrisonville
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Discretely Presented Component Unit - Market Place TIF District Fund
For the Year Ended December 31, 2019

Revenues:		
Taxes:		
Property	$	208,222
Sales		336,672
Total Revenues		615,307
Expenditures:		
Current:		
Community development		7,559
Debt service:		
Interest		605,000
Total expenditures		612,559
Excess of revenues over (under) expenditures		2,748
Net change in fund balances		2,748
Fund balances (deficit), beginning of year		(113,255)
Fund balances (deficit), end of year	$	(110,507)

Schedule 18

City of Harrisonville
Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2019

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Highways 71/291 TDD				
ASSETS:				
Cash and investments	$ 385,423	$ 1,135,029	$ 1,165,474	$ 354,978
Taxes receivable	179,873	1,155,934	1,130,538	205,269
Total assets	$ 565,296	$ 2,290,963	$ 2,296,012	$ 560,247
LIABILITIES:				
Held for others	$ 565,296	$ 2,290,963	$ 2,296,012	$ 560,247
Total liabilities	$ 565,296	$ 2,290,963	$ 2,296,012	$ 560,247
Hospital Interchange TDD				
ASSETS:				
Cash and investments	$ 5,896	$ 724	$ 139	$ 6,481
Taxes receivable	654	70	724	-
Total assets	$ 6,550	$ 794	$ 863	$ 6,481
LIABILITIES:				
Held for others	$ 6,550	$ 794	$ 863	$ 6,481
Total liabilities	$ 6,550	$ 794	$ 863	$ 6,481
Total - All Agency Funds				
ASSETS:				
Cash and investments	$ 391,319	$ 1,135,753	$ 1,165,613	$ 361,459
Taxes receivable	180,527	1,156,004	1,131,262	205,269
Total assets	$ 571,846	$ 2,291,757	$ 2,296,875	$ 566,728
LIABILITIES:				
Held for others	$ 571,846	$ 2,291,757	$ 2,296,875	$ 566,728
Total liabilities	$ 571,846	$ 2,291,757	$ 2,296,875	$ 566,728

CITY OF HARRISONVILLE, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities											
Net investment in capital assets	$	12,728,792	13,911,126	14,660,071	16,629,597	17,372,336	17,620,666	18,094,342	19,097,020	19,696,449	19,592,986
Restricted		2,184,248	2,662,683	1,186,071	1,007,888	1,062,950	1,000,182	3,674,556	3,252,840	2,559,902	2,546,782
Unrestricted (deficit)		859,829	(818,266)	344,053	(1,427,705)	(1,829,279)	2,337,987	(405,005)	(680,762)	(153,985)	98,336
Total governmental activities net position	$	15,772,869	15,755,543	16,190,195	16,209,780	16,606,007	16,606,007	21,363,893	21,669,098	22,102,366	22,238,104
Business-type activities											
Net investment in capital assets	$	21,441,550	22,603,002	22,757,615	24,103,550	25,037,013	25,377,303	27,020,727	27,393,693	27,265,490	26,494,501
Restricted		2,054,861	2,557,484	2,194,593	2,170,113	1,957,857	1,745,814	3,196,059	3,106,087	3,424,730	3,444,181
Unrestricted		4,316,580	5,600,624	7,506,505	7,455,912	7,691,175	9,818,049	7,755,565	8,923,292	10,931,370	12,439,236
Total business-type activities net position	$	27,812,991	30,761,110	32,458,713	33,729,575	34,686,045	36,941,166	37,972,351	39,423,072	41,621,590	42,377,918
Primary government											
Net investment in capital assets	$	34,170,342	36,514,128	37,417,686	40,733,147	42,409,349	42,409,349	45,115,069	46,490,713	46,961,939	46,087,487
Restricted		4,239,109	5,220,167	3,380,664	3,178,001	3,020,807	3,020,807	6,870,615	6,358,927	5,984,632	5,990,963
Unrestricted		5,176,409	4,782,358	7,850,558	6,028,207	5,861,896	5,861,896	7,350,560	8,242,530	10,777,385	12,537,572
Total primary government net position	$	43,585,860	46,516,653	48,648,908	49,939,355	51,292,052	51,292,052	59,336,244	61,092,170	63,723,956	64,616,022

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental activities										
General Government	$ 1,787,553	1,974,816	1,795,064	1,905,925	2,002,426	1,583,748	1,722,897	1,947,920	1,889,277	1,839,069
Administration of Justice	2,643,954	2,663,787	2,688,722	2,662,905	2,902,002	2,645,741	2,877,989	2,944,912	2,888,428	3,080,641
Street	1,398,582	1,217,982	871,419	997,572	1,134,034	1,001,075	1,157,722	1,038,983	1,134,081	1,860,140
Economic Development	197,936	201,891	237,807	306,143	320,186	439,050	504,401	462,686	391,307	379,232
Animal Control	143,878	162,758	167,154	176,656	179,525	192,396	192,369	188,968	214,988	179,637
Airport	331,203	321,968	319,622	359,292	300,459	308,994	339,387	310,155	283,122	243,365
Ambulance	2,237,316	2,489,922	2,472,147	2,273,547	2,346,331	2,310,217	2,497,603	2,465,996	2,568,186	2,776,094
Park	530,106	529,697	590,728	578,777	611,935	550,704	606,756	578,632	534,155	580,630
Community Center	1,367,488	1,450,404	1,506,078	1,650,035	1,617,794	1,458,666	1,488,614	1,478,570	1,478,927	1,493,221
CDBG pass-through expenses	-	753,740	6,500	-	-	-	-	-	-	-
Interest on long-term debt	873,168	860,401	772,777	615,807	581,180	559,742	526,562	535,073	519,512	276,475
Total governmental activities expenses	11,511,184	12,627,366	11,428,018	11,526,659	11,995,872	11,050,333	11,914,300	11,951,895	11,901,983	12,708,504
Business-type activities										
Electric	11,029,794	10,637,961	11,247,956	11,427,822	11,861,775	10,969,788	10,344,770	10,310,545	9,998,594	10,493,564
Water and Sewer	4,214,590	3,652,972	3,703,248	3,693,731	4,102,397	3,953,599	4,079,377	4,140,949	3,995,319	4,286,057
Aquatic Center	229,978	289,610	276,719	260,514	255,901	247,561	262,529	288,454	253,097	583,900
Refuse	452,778	466,719	473,660	468,685	483,766	494,997	505,064	505,148	587,774	273,973
Total business-type activities expenses	15,927,140	15,047,262	15,701,583	15,850,752	16,703,839	15,665,945	15,191,740	15,245,096	14,834,784	15,637,494
Total primary government expenses	$ 27,438,324	27,674,628	27,129,601	27,377,411	28,699,711	26,716,278	27,106,040	27,196,991	26,736,767	28,345,998
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General	$ 2,024,687	1,985,007	1,936,801	1,915,453	1,874,146	1,859,509	1,964,977	1,756,474	1,688,654	1,854,682
Administration of Justice	226,217	239,292	251,138	293,448	282,196	227,768	222,035	219,959	225,969	215,624
Ambulance	1,362,127	1,423,372	1,399,295	1,280,799	1,210,496	1,332,256	1,351,037	1,180,436	1,344,572	1,311,828
Community Center	870,262	850,019	926,252	953,512	949,769	880,798	852,482	843,257	876,717	935,680
Others	22,609	24,015	28,807	60,448	60,478	68,955	125,741	239,739	267,417	259,970
Operating grants and contributions	218,541	939,601	144,163	187,359	258,367	293,635	537,687	521,480	632,508	515,130
Capital grants and contributions	320,525	508,546					352,785	42,678	44,502	16,050
Total governmental activities program revenues	5,044,968	5,969,852	4,686,456	4,691,019	4,635,452	4,662,921	5,406,744	4,804,023	5,080,339	5,108,964
Business-type activities										
Charges for services										
Electric	11,529,975	11,200,157	11,688,342	12,020,203	12,272,400	11,451,836	11,328,726	11,540,159	12,096,928	11,286,318
Water and Sewer	4,588,165	4,458,249	4,581,605	4,313,059	4,351,387	4,747,235	4,864,960	4,885,863	4,816,534	4,752,229
Refuse	451,427	469,763	462,386	465,954	490,664	500,253	504,735	515,499	605,413	609,760
Aquatic Center	125,450	166,394	137,666	109,665	111,505	131,291	147,697	160,654	158,201	152,356
Operating grants and contributions	-	-	-	-	10,000	-	-	232,190	196,493	14,824
Capital grants and contributions	2,017,313	982,687	280,500	-	-	91,811	-	-	-	-
Total business-type activities program revenues	18,712,330	17,277,250	17,150,499	16,908,881	17,235,956	16,922,426	16,846,118	17,334,365	17,873,569	16,815,487
Total primary government program revenues	$ 24,222,448	22,575,247	21,836,955	21,599,900	21,871,408	21,585,347	22,252,862	22,138,388	22,953,908	21,924,451

		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NET (EXPENSE) REVENUE											
Governmental activities	$	(6,657,514)	(6,741,562)	(6,741,562)	(6,835,640)	(7,360,420)	(6,387,412)	(6,507,556)	(7,147,872)	(6,821,644)	(7,599,540)
Business-type activities		3,205,334	2,187,208	1,448,916	1,058,129	532,117	1,256,481	1,654,378	2,089,269	3,038,785	1,177,993
Total primary government net expense	$	(3,452,180)	(4,554,354)	(5,292,646)	(5,777,511)	(6,828,303)	(5,130,931)	(4,853,178)	(5,058,603)	(3,782,859)	(6,421,547)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION											
Governmental activities											
Taxes											
Property taxes	$	896,169	816,771	915,825	965,993	957,930	971,143	780,924	807,004	1,133,550	1,164,401
Sales taxes		3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,215,750	4,151,829	4,193,888	4,435,690
Franchise taxes		1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	545,349	534,629	491,198	450,147
Other taxes		211,217	152,046	157,339	352,997	338,935	345,644	437,378	414,216	403,931	413,943
Unrestricted investment earnings		37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751	158,282	202,604
Miscellaneous		351,344	320,148	294,193	169,275	307,504	271,252	237,768	495,273	124,634	195,329
Transfers			(490,485)	(32,595)	(33,265)	(23,095)		905,183	925,375	974,013	873,194
Total governmental activities		7,237,423	6,640,188	7,176,214	7,314,039	7,756,647	8,064,100	7,178,975	7,453,077	7,479,496	7,735,308
Business-type activities											
Unrestricted investment earnings		228,550	227,646	216,092	149,424	246,333	239,868	246,329	181,214	187,254	423,453
Miscellaneous					130,771	154,925	153,871	60,480	105,613	26,001	28,076
Transfers			490,485	32,595	33,265	23,095	(200,000)	(905,183)	(935,375)	(974,013)	(873,194)
Total business-type activities		228,550	718,131	248,687	313,460	424,353	193,739	(598,374)	(648,548)	(760,758)	(421,665)
Total primary government	$	7,465,973	7,358,319	7,424,901	7,627,499	8,181,000	8,257,839	6,580,601	6,804,529	6,718,738	7,313,643
CHANGE IN NET POSITION											
Governmental activities	$	579,909	(101,374)	434,652	478,399	396,227	1,676,688	671,419	305,205	657,852	135,768
Business-type activities		3,433,884	2,905,339	1,697,603	1,371,589	956,470	1,450,220	1,056,004	1,440,721	2,278,027	756,328
Total primary government	$	4,013,793	2,803,965	2,132,255	1,849,988	1,352,697	3,126,908	1,727,423	1,745,926	2,935,879	892,096

CITY OF HARRISONVILLE, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND											
Nonspendable	$	-	137,711	148,835	170,485	184,885	211,284	222,988	1,087,340	1,331,404	1,097,610
Restricted		-	113,630	114,065	114,159	114,855	115,021	111,610	115,209	115,946	34,217
Unassigned		-	5,930,458	6,304,295	5,384,287	4,784,005	5,336,961	5,810,251	4,814,142	4,352,607	4,339,212
Reserved		101,466	-	-	-	-	-	-	-	-	-
Unreserved		7,202,484	-	-	-	-	-	-	-	-	-
Total General Fund	$	7,303,950	6,181,799	6,567,195	5,668,931	5,083,745	5,663,266	6,144,849	6,016,691	5,799,957	5,471,039
ALL OTHER GOVERNMENTAL FUNDS											
Nonspendable	$	-	112,270	101,248	114,063	113,131	129,281	135,774	31,659	36,827	43,209
Restricted		-	2,549,053	1,073,822	851,553	944,488	1,313,363	1,280,789	1,189,792	498,540	518,325
Committed		-	-	-	-	-	-	-	60,532	-	-
Assigned		-	1,064,581	907,262	772,069	659,243	243,727	308,293	-	-	-
Unassigned (deficit)			(183,323)	(318,367)	(470,882)	(410,099)	-	(70,973)	(70,154)	(158,223)	(186,703)
Reserved		1,107,459	-	-	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds		2,523,616	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$	3,631,075	3,542,581	1,763,965	1,266,803	1,306,763	1,686,371	1,653,883	1,211,829	377,144	374,831

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes										
Property	$ 923,255	891,842	915,825	965,993	957,930	971,143	967,740	807,004	1,133,550	1,164,401
Sales	3,978,397	4,186,070	4,239,538	4,231,748	4,532,729	4,530,932	4,695,188	4,151,829	4,193,888	4,435,690
Franchise	1,762,577	1,622,045	1,572,099	1,590,453	1,601,918	1,904,019	1,450,532	534,629	491,198	450,147
Other	211,217	152,046	157,339	352,997	338,935	345,644	347,882	316,737	321,835	326,325
Licenses, fees, and permits	193,055	162,417	161,692	129,094	124,911	148,648	189,068	156,648	145,427	142,494
Fines and forfeitures	226,217	239,292	251,138	293,448	282,196	227,768	222,035	212,799	216,846	211,234
Charges for services	4,086,630	4,119,996	4,129,463	4,081,118	3,969,978	3,992,870	4,062,842	3,853,708	4,022,356	4,207,472
Grants/Intergovernmental	539,066	1,362,928	229,382	187,359	258,367	293,635	485,312	576,643	651,475	512,553
Investment earnings	37,719	33,593	29,815	36,838	40,726	41,110	56,623	124,751	158,282	202,604
Miscellaneous	351,583	336,855	294,193	169,275	307,504	271,252	241,132	155,757	217,988	312,235
Total revenues	12,309,716	13,107,084	11,980,484	12,038,323	12,415,194	12,727,021	12,718,354	10,890,505	11,552,845	11,965,155
EXPENDITURES										
General Government	1,686,829	1,875,373	1,667,057	1,787,238	1,857,424	1,578,196	1,593,951	1,770,539	1,822,525	1,754,862
Administration of Justice	2,529,476	2,554,360	2,581,042	2,571,510	2,824,957	2,545,685	2,568,837	2,729,997	2,876,073	2,984,290
Street	1,139,023	962,085	635,787	770,736	900,050	759,010	837,799	811,558	826,215	890,508
Economic Development	164,220	176,936	210,273	275,794	296,174	431,365	455,440	412,561	369,190	356,871
Animal Control	137,122	156,002	160,398	171,273	177,458	194,045	178,943	175,523	209,266	175,362
Airport	219,903	180,079	171,867	210,681	162,129	177,497	196,537	179,513	203,025	98,270
Ambulance	2,087,034	2,324,734	2,389,722	2,163,113	2,229,575	2,224,086	2,307,984	2,201,925	2,391,496	2,589,847
Park	462,220	462,593	488,375	463,459	505,454	463,685	474,849	493,664	472,138	518,865
Community Center	1,066,878	1,151,513	1,197,703	1,322,084	1,284,251	1,122,009	1,123,877	1,104,224	1,143,305	1,163,679
Towne Center Project	18,726	10,187	12,766	13,046	8,126	7,654	7,075			
CDBG pass-through expenses		753,740	6,500							
Capital outlay	1,938,203	1,837,010	1,020,483	2,152,920	1,163,730	733,847	950,944	992,525	996,397	1,170,970
Debt service										
Principal	825,000	733,926	815,940	942,088	1,006,082	1,030,336	1,105,726	1,133,777	7,409,843	1,237,399
Interest and fiscal fees	833,404	820,637	699,696	556,542	521,915	500,477	467,297	425,877	497,522	234,580
Total expenditures	13,108,038	13,999,175	12,057,609	13,400,484	12,937,325	11,767,892	12,269,259	12,431,683	19,216,995	13,175,503
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(798,322)	(892,091)	(77,125)	(1,362,161)	(522,131)	959,129	449,095	(1,541,178)	(7,664,150)	(1,210,348)
OTHER FINANCING SOURCES (USES)										
Other sources								441,220	58,718	5,923
Proceeds of long-term debt		171,931							5,580,000	
Payments to escrow agent			(1,283,500)							
Transfers in & PILOTs	3,779,288	2,680,436	2,578,093	2,228,146	3,018,833	2,851,276	2,034,398	2,586,847	2,413,759	2,184,954
Transfers out	(3,779,288)	(3,170,921)	(2,610,688)	(2,261,411)	(3,041,928)	(2,851,276)	(2,034,398)	(1,661,472)	(1,439,746)	(1,311,760)
Total other financing sources (uses)		(318,554)	(1,316,095)	(33,265)	(23,095)			1,366,595	6,612,731	879,117
NET CHANGES IN FUND BALANCES	$ (892,091)	(395,679)	(1,393,220)	(1,395,426)	(545,226)	959,129	449,095	(174,583)	(1,051,419)	(331,231)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	12.8%	13.7%	13.7%	13.3%	13.0%	13.9%	13.9%	13.6%	43.4%	12.3%

CITY OF HARRISONVILLE, MISSOURI
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	$ 93,250,444	$ 25,538,774	$ 118,789,218	$ 0.66
2011	94,022,248	25,241,452	119,263,700	0.67
2012	94,424,728	23,546,390	117,971,118	0.68
2013	95,845,535	22,091,806	117,937,341	0.69
2014	94,552,735	22,682,321	117,235,056	0.69
2015	94,992,339	25,948,277	120,940,616	0.69
2016	96,409,365	25,097,110	121,506,475	0.69
2017	96,807,843	23,807,868	120,615,711	0.69
2018	106,573,191	23,764,255	130,337,446	0.67
2019	118,040,319	29,079,287	147,119,606	0.64

Note: A statewide real property reassessment program was implemented January 1, 1985, to create a more equitable sharing of the property tax burden by owners of real property.

Assessed value was determined by applying one of three percentages to the "Market Value." Those percentages are 32 for commercial, 19 for residential, and 12 for agriculture.

Tax rates are per $100 of assessed value.

CITY OF HARRISONVILLE, MISSOURI
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	City Direct Rates				Overlapping Rates			
Fiscal Year Ended December 31:	General Fund	Ambulance Fund	Park Fund	Total Direct	State	Other	Total Overlapping Rates	Total Direct and Overlapping
2010	0.5422	0.0000	0.1227	0.6649	0.03	6.19	6.22	6.88
2011	0.5422	0.0000	0.1227	0.6649	0.03	6.20	6.23	6.89
2012	0.5501	0.0000	0.1245	0.6746	0.03	6.20	6.23	6.90
2013	0.5585	0.0000	0.1264	0.6849	0.03	6.18	6.23	6.91
2014	0.5658	0.0000	0.1280	0.6938	0.03	6.18	6.21	6.90
2015	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2016	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2017	0.5672	0.0000	0.1283	0.6955	0.03	6.18	6.21	6.91
2018	0.5430	0.0000	0.1228	0.6658	0.03	6.18	6.21	6.88
2019	0.5240	0.0000	0.1185	0.6425	0.03	5.60	5.63	6.27

Source: Missouri Department of Revenue

Note: The City's direct property tax rate may be increased only by a majority vote of the City's residents.

CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

	2019			2009		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Church & Dwight	$ 6,959,075	1	4.73	$ 8,269,790	1	6.96
Wal-Mart	4,796,390	2	3.26	3,627,990	2	3.05
HFMD Properties LLC	2,522,350	3	1.71			
Harrisonville MP II LLC	2,422,730	4	1.65			
Love's Travel Stops & Country Store	1,947,190	5	1.32			
Advanced Drainage Systems	1,905,557	6	1.30			
Mill-Walk Mall	1,753,760	7	1.19	1,373,200	4	1.16
Sutherlands Lumber Co.	1,628,040	8	1.11	1,384,690	3	1.17
Universal Forest Products	1,444,630	9	0.98	1,028,280	6	0.87
Harrisonville Crossings Properties	1,053,250	10	0.01	986,850	7	0.83
AHG, Inc.				839,990	8	0.71
Crown Properties LLC				624,790	10	0.53
Thunderbird Investors-YARCO				646,950	9	0.54
APTUIT (Kansas City) LLC				1,076,610	5	0.91
TOTAL	$ 26,432,972		17.26	$ 17,510,790		16.73

TOTAL CITY ASSESSED VALUE 147,119,606

Data provided by the Cass County Assessor

CITY OF HARRISONVILLE, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2010	$ 792,984	$ 721,512	90.99%	$ 71,472	$ 792,984	100.00%		0.00%
2011	795,833	746,929	93.85%	47,436	794,365	99.82%	1,468	-0.18%
2012	807,753	732,284	90.66%	74,038	806,322	99.82%	1,431	-0.18%
2013	813,377	728,785	89.60%	83,468	812,253	99.86%	1,124	-0.14%
2014	841,142	792,712	94.24%	46,785	839,497	99.80%	1,645	-0.20%
2015	845,078	826,840	97.84%	9,138	835,978	98.92%	9,100	-1.08%
2016	838,882	774,804	92.36%		774,804	92.36%	64,078	-7.64%
2017	856,393	813,075	94.94%	36,498	849,573	99.20%	6,820	-0.80%
2018	892,396	830,520	93.07%	61,877	892,396	100.00%	14,771	0.00%
2019	917,339	857,577	93.49%	52,480	910,057	99.21%	14,340	-0.79%

Source: Collector's Annual Settlement Documentation

CITY OF HARRISONVILLE, MISSOURI
DIRECT AND OVERLAPPING
SALES TAX RATES
LAST NINE FISCAL YEARS

Fiscal Year	City Rate	Cass County	State	Total
2011	1.875	1.250	4.225	7.350
2012	1.875	1.750	4.225	7.850
2013	1.875	1.750	4.225	7.850
2014	1.875	1.750	4.225	7.850
2015	1.875	1.750	4.225	7.850
2016	1.875	1.750	4.225	7.850
2017	1.875	2.000	4.225	8.100
2018	1.875	2.000	4.225	8.100
2019	1.875	1.625	4.225	7.725

Source: Missouri Department of Revenue

2019 Source: Cass County Missouri

CITY OF HARRISONVILLE, MISSOURI
TAXABLE RETAIL SALES
LAST TEN CALENDAR YEARS
(in thousands of dollars)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL RETAIL SALES	$	192,046	201,671	204,736	203,559	213,512	217,311	223,335	225,610	228,237	235,835

Note: This report does not breakout taxable sales by retail category as some detail information is considered confidential by state law.

Source: Missouri Department of Revenue

CITY OF HARRISONVILLE MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-Type Activities				
Fiscal Year Ended December 31,	Certificates of Participation	TIF Revenue Bonds	Promissory Notes	Capital Lease Payable	Revenue Bonds	Promissory Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2010	$ 9,010,000	8,250,000		335,002	9,059,375		26,654,377	13%	2,563
2011	8,530,000	8,030,000	171,931	301,076	11,718,541	380,000	29,131,548	13%	2,908
2012	7,295,000	7,785,000	171,931	265,136	11,556,672	380,000	27,453,739	12%	2,737
2013	6,665,000	7,520,000	162,916	227,063	10,711,700	278,869	25,565,548	11%	2,546
2014	6,015,000	7,220,000	147,165	186,732	9,885,400	250,060	23,704,357	10%	2,361
2015	5,350,000	6,920,000	152,066	144,006	9,045,400	220,526	21,831,998	9%	2,175
2016	4,650,000	6,585,000	126,602	98,744	8,181,700	190,250	19,832,296	9%	1,963
2017	3,930,000	6,245,000	100,774	50,795	11,401,066	159,974	21,887,609	6%	1,555
2018	3,185,000	5,180,000	80,931	-	15,103,034	127,391	23,676,356	9%	2,328
2019	2,425,000	4,720,000	63,532	-	14,555,361	94,771	21,858,664	10%	2,169

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2019
(UNAUDITED)

		General Obligation Bonds		
		Ordinary (1)	Additional (2)	Total
Assessed valuation	$	147,119,606		147,119,606
Constitutional debt limit		14,711,961	14,711,961	29,423,922
Less general obligation bonds payable		-	-	-
		14,711,961	14,711,961	29,423,922
Cash and securities available for retirement				
	$	14,711,961	14,711,961	29,423,922

(1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.

(2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not exceeding the aggregate and additional 10% for the purpose of acquiring rights-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm systems, and purchasing or construction waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING DEBT
DECEMBER 31, 2019

Taxing Jurisdiction	Gross Debt Less Sinking Fund (1)	Approximate Percentage Applicable to Harrisonville (1)	Approximate Amount Applicable to Harrisonville (1)
School Districts, Cass R-IX	$ 15,498,035	65%	10,073,723
Direct debt obligations of the City of Harrisonville (general obligation bonds), net of debt service funds		100%	
Total direct and estimated overlapping debt	$ 15,498,035		10,073,723

(1) On the basis of assessed valuation.

NOTE: Other government entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. This schedule of direct and estimated overlapping ad valorem debt was compiled from information furnished by the jurisdictions responsible for debt. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no representation regarding the reliability of such information is made.

Furthermore, certain entities listed in the statement may have issued additional bonds and such entities may have programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

Lease purchase agreements are not included in this schedule but have been included in the past. This change accounts for the significant difference among this year and previous years' schedules.

CITY OF HARRISONVILLE, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(2) Unemployment Rate
2010	10,400	$ 201,040,000	$ 19,331	2,580	10.00%
2011	10,019	218,915,150	21,850	2,580	7.90%
2012	10,030	230,630,000	23,063	2,585	6.40%
2013	10,040	235,000,000	23,400	2,590	6.40%
2014	10,040	240,000,000	23,750	2,500	6.40%
2015	10,040	232,000,000	23,103	2,459	5.70%
2016	10,104	232,000,000	21,717	2,425	5.70%
2017	10,103	232,000,000	21,335	2,600	4.60%
2018	10,169	251,082,779	24,691	2,375	3.10%
2019	10,078	221,020,618	21,931	2,311	3.50%

Data Sources:

1 Bureau of Census and City estimates
2 KCADC and City estimates
3 School District

CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL EMPLOYERS
THIS FISCAL YEAR AND EIGHT YEARS AGO

	2019		2011	
Employer	Employees	Rank	Employees	Rank
Wal-Mart Distribution Center	680	1	775	1
Cass Medical Center	385	2	397	2
Cass R-IX Schools	306	3	386	4
Wal-Mart	298	4	412	2
Cass County Government	251	5	285	5
Church & Dwight Co., Inc.	230	6	214	6
Casco Area Workshop	194	7	200	8
City of Harrisonville	119	8	231	7
Crown Care Center	105	9	101	9
Family Center	281	10	98	10
Total Employment	2,849		3,099	

CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF PROPERTY VALUE, CONSTRUCTION PERMITS ISSUED
AND TOTAL DOLLARS ON DEPOSIT AT YEAR END
WITH LOCAL BANKS AND SAVINGS AND LOANS
LAST TEN YEARS

	Construction Permits and Value (1) and (2)				Total Year End Deposits	Total Property
	Residential		Commercial		at Local Banks	Value
Year	Number	Value	Number	Value	(Thousands)	(3)
December 2010	276	$ 1,283,561	95	$ 18,650,228	$ 317,327	$ 119,263,700
December 2011	318	1,403,626	98	3,392,188	329,770	117,971,118
December 2012	240	2,103,410	76	3,685,500	341,344	117,937,341
December 2013	176	1,331,781	73	5,293,503	379,785	117,235,056
December 2014	176	1,973,875	66	2,416,903	326,918	120,940,616
December 2015	180	2,202,655	59	8,042,346	348,202	121,506,475
December 2016	241	6,672,912	83	10,622,390	340,592	120,615,711
December 2017	775	7,344,761	110	7,465,028	347,380	130,337,446
December 2018	227	4,262,714	113	6,469,647	348,575	135,221,334
December 2019	187	3,605,901	99	4,672,937	359,057	145,846,397

(1) Permit totals include additions to existing structures.

(2) Information obtained from Codes Administration Department.

(3) Assessed valuation.

CITY OF HARRISONVILLE, MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Patrol units	23	20	20	20	21	21	21	20	24	24
Police stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	678	678	678	678	678	678	678	792	792	792
Streets										
Miles	69	69	69	69	69	69	69	64	66	66
Street lights	900	900	900	900	900	900	900	2,000	2,000	2,000
Miles of storm sewers	9	9	9	9	9	9	9	17	17	17
Parks										
Parks	6	6	6	6	6	6	6	6	6	6
Acreage	250	250	250	250	250	250	250	450	451	451
Golf courses	2	2	2	2	2	2	2	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	7	7	7	7	7	7	7	2	2	2
Sewer										
Sanitary sewer (miles)	54	54	54	54	54	54	54	63	64	64
Plant capacity (mgl)	2	2	2	2	2	2	2	2	2	2
Treatment plants	1	1	1	1	1	1	1	1	1	1
Service connections	4,071	4,037	4,062	4,061	4,073	4,083	4,106	3,629	4,103	4,103
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water										
Miles of water mains	56	56	56	56	56	56	56	63	63	63
Service connections	3,966	3,923	3,937	3,950	3,944	3,955	4,188	4,105	4,178	4,178
Daily average consumption in gallons	950,000	950,000	950,000	950,000	950,000	950,000	950,000	880,000	880,000	880,000

Source: City Department Heads

CITY OF HARRISONVILLE, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Management	5	4	4	3	3	3	3	3	3	4
Finance	6	7	6	7	6	6	7	8	8	10
Codes*	4	4	2	2	-	-	-	-	-	-
Community Development/Codes	2	2	3	3	4	5	5	4	4	3
Police										
Officers	23	25	23	23	24	23	20	23	23	25
Civilians	6	6	6	5	6	6	8	6	6	7
Animal control	2	2	1	2	2	2	2	2	3	3
Court	1	1	1	1	1	1	2	2	2	2
Fire/EMS										
Firefighters*	1	1	1	-	-	1	1	-		
Director/Paramedics/Firefighters	17	15	19	21	19	18	17	20	20	20
Clerk	1	1	1	1	1	1	1	1	1	1
Public Works										
Engineering	1	1	1	1	1	1	-	-	0	0
Streets	7	7	8	8	8	8	8	9	8	8
Electric	8	8	7	8	10	11	8	8	9	9
Water	13	12	12	12	12	12	12	10	13	13
Wastewater	4	4	4	4	4	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	0
Community Center/Parks	11	10	8	10	11	11	11	10	10	10
Total	113	111	108	112	113	114	110	111	115	119

For 2014 the Codes Department is combined with Community Development
For 2014 the Fire Fighter category is combined with Paramedics

CITY OF HARRISONVILLE, MISSOURI
REQUIRED COMMUNICATIONS
AND COMPLIANCE REPORT

For the Year Ended December 31, 2019

City of Harrisonville , Missouri

Required Communications and Compliance Report
For the Year Ended December 31, 2019

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CHV & Co

COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

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(816) 584-9955
Fax (816) 584-9958

Other Offices in
Missouri and Kansas

To the Honorable Mayor and
Board of Aldermen
City of Harrisonville, Missouri

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 1, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant accounting estimates used by the City's management include determining the allowance for doubtful accounts, the estimated historical cost of infrastructure and the related estimated useful lives used in recording depreciation and accumulated depreciation for capital assets, and the estimated obligation relating to pension benefits and other post-employment plans. We evaluated the key factors and assumptions used in developing the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of our audit procedures were corrected by management:

- Adjustments to record accounts payable totaling $651,285.
- Adjustments of $168,927 to report investments at fair market value.
- Adjustments to record bond trust activity and other debt related activities totaling $1,083,930.
- Adjustments to capital assets and related depreciation totaling $366,400.
- Adjustments to interfund amounts due to and from totaling $1,697,010.
- Adjustments to correct accounts receivable and related allowance totaling $321,450.
- Adjustments to record taxes receivable totaling $933,922.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 10, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to City's management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of employer contributions, and schedule of changes in net OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control 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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in the City's internal control described under Financial Reporting to be a material weakness.

As part of our annual audit, we try to identify opportunities for improving the management of financial resources and for improving the internal controls over financial reporting. We are submitting, for your consideration, our observations and recommendations with regard to these matters.

The City's written responses to the recommendations identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

CURRENT YEAR COMMENTS

Financial Reporting – Material Weakness

Management is responsible for establishing, maintaining, and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements. These controls should allow management or employees to prevent, detect, and correct financial statements on a timely basis.

As noted above under *Corrected and Uncorrected Misstatements*, our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

We recommend that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response

Management agrees with this recommendation and has contracted to Baker Tilly US, LLP to assist the City in accounting processes including monthly reporting, GASB implementation and year-end report compilation for Fiscal Year ending December 31, 2020. In addition, as accounting process are reviewed during the upgrade to Incode 10 staff will have the ability to apply improvements to internal controls.

Capital Asset Inventory

During our audit, management indicated that a capital asset inventory had not been completed recently. A physical inventory of capital assets serves as one control to ensure that any items that may have been sold or removed are reflected as such on the City's capital assets accounting records. We recommend that management consider completing a capital asset physical inventory on an annual basis. We also recommend additional training on the use of the City's capital asset software.

Managements Response

Management agrees with this recommendation and will be requiring departments to perform physical year-end inventories of department assets be returned by January 31 each year.

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has recently issued the following statements which may impact the City's financial reporting requirements. In May 2020, in response to COVID-19 pandemic, GASB issued Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance.* The following statements reflect the revised effective dates:

- GASB Statement 83 - *Certain Asset Retirement Obligations,* effective for the fiscal year beginning on January 1, 2020.
- GASB Statement 84 – *Fiduciary Activities*, effective for the fiscal year beginning on January 1, 2020.
- GASB Statement 87 – *Leases*, effective for fiscal year beginning January 1, 2022.
- GASB Statement 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for fiscal year beginning January 1, 2020.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the fiscal year beginning January 1, 2021.
- GASB Statement No. 90 – *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61, effective for the fiscal year beginning January 1, 2020.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the fiscal year beginning January 1, 2022.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the fiscal year beginning January 1, 2022.
- GASB Statement No. 93 - *Replacement of Interbank Offered Rates* effective for the fiscal year beginning January 1, 2021.
- GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for the fiscal year beginning January 1, 2023.
- GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*, effective for the fiscal year beginning January 1, 2023.
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the fiscal year beginning January 1, 2022.

We recommend management review these standards to determine the impact they may have on the City's financial reporting.

Management's Response

Management agrees with this recommendation and has contracted to Baker Tilly US, LLP to assist the City in accounting processes including monthly reporting, GASB implementation and year-end report compilation for Fiscal Year ending December 31, 2021. In addition, as accounting process are reviewed during the upgrade to Incode 10 staff will have the ability to apply improvements to internal controls

Prior Year Comments

In the prior year, we issued certain comments and recommendations in regard to City accounting, internal control and financial reporting issues. The following table summarizes the nature of these comments, the significance of the comments as described in the prior year's reports and our determination of the current year status of those comments.

Financial Reporting	During our testing, we noted adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. We recommended that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, we recommended that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.	Comment repeated in the current year.
Accounts Receivable and Allowance for Doubtful Accounts	During out audit, we noted that the City's accounts receivables related to utility billings, emergency services, and the community center contained old outstanding balances requiring significant adjustments to the allowance for doubtful accounts. We recommended that management periodically analyze and review the receivable accounts and the amounts in the allowance for uncollectible to adjust these accounts for balances that were previously written off and will not be collected. We also suggested that the City review its collections efforts and monitoring of slow paying or past due accounts to improve overall collections.	The Board of Aldermen approved the write-off of certain old outstanding accounts receivable balances.

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

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
August 10, 2020

COMPLIANCE REPORT

CHV & Co

COCHRAN HEAD VICK & CO., P.C.

Certified Public Accountants

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

Other Offices in
Missouri and Kansas

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*

To the Honorable Mayor and Board of Aldermen
City of Harrisonville , Missouri

We have audited, in accordance with the 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, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 10, 2020.

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 control* 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's 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 charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

The City's Response to the Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
August 10, 2020

City of Harrisonville , Missouri
Schedule of Findings and Responses
For the Year Ended December 31, 2019

2019-001 Financial Reporting

Condition
Management is responsible for establishing, maintaining, and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under our professional standards, we have to assess the City's controls over preparing the financial statements. These controls should allow management or employees to prevent, detect, and correct financial statements on a timely basis.

Our audit procedures identified adjustments that were required to properly report certain transactions of the City in accordance with generally accepted accounting principles. These adjustments were not initially identified by the City's internal controls over financial reporting.

Criteria
Internal controls should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles and the City's accounting policies.

Cause
Year-end procedures were not sufficient to identify the adjustments listed above in a timely manner.

Effect
Potential exists for misstatements to the financial statements.

Recommendation
We recommend that management review year-end closing procedures to ensure that transactions are properly recorded in accordance with generally accepted accounting principles. In addition, due to the complexities of financial reporting, we recommend that management explore various alternatives for improving the controls over financial reporting including the use of governmental accounting standards, reference guides and continuing education and training courses.

Management's Response

Management agrees with this recommendation and has contracted to Baker Tilly US, LLP to assist the City in accounting processes including monthly reporting, GASB implementation and year-end report compilation for Fiscal Year ending December 31, 2020. In addition, as accounting process are reviewed during the upgrade to Incode 10 staff will have the ability to apply improvements to internal controls.

A Resolution of the Board of Aldermen of the City of Harrisonville, Missouri to Authorize the City Administrator to accept the annual audit for the year ending December 31, 2019 by Cochran, Head & Vick & Co., P.C. and establishing an effective date.

WHEREAS, the staff of City of Harrisonville, Missouri ("City") recommends that the Board of Aldermen ("Board") accept the annual audit as presented by Cochran, Head & Vick & Co. P.C. for the year ending December 31, 2019;

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

Section 1: That the City Administrator of the City of Harrisonville is hereby authorized and directed to accept the annual audit for the year ending December 31, 2019 as presented by Cochran, Head & Vick & Co., P.C.

Section 2: That this resolution shall become effective immediately upon its passage and approval.

PASSED AND RESOLVED by the Board of Alderman and APPROVED by the mayor of the City of Harrisonville, Missouri this 17th day of August 2020.

____

Judy Bowman, Mayor and Ex-Officio Chairman of the Board of Aldermen

ATTEST:

Randall K. Jones, City Clerk

WITNESS my hand and seal this 17th day of August, 2020

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Kim Hubbard, Finance Manager**

DATE: **August 6, 2020**

SUBJECT: **Tax Levy Ordinance**

Type of Item: *Budget*

Council Bill No.

Ordinance No.

Tax Levy Hearing/ An Ordinance Levying A Tax For The Current Expense Of The City Of Harrisonville, Missouri, Upon Real Property And All Tangible Personal Property Of Whatsoever Nature And Character Subject To Taxation By The City Of Harrisonville For Such Purposes; Also, Levying A Special Tax Upon The Afore Described Properties For Public Parks; For A Total Tax Levy Of $.6612.

NOTICE OF PUBLIC HEARING

A public hearing will be held at 6:00 p.m., August 17, 2020 at Harrisonville Community Center, 2400 S. Jefferson Parkway , Harrisonville, Missouri, at which time citizens may be heard on the property tax rates proposed to be set by the City of Harrisonville, a political subdivision.

Assessed Valuation (By Categories)	**Tax Year 2019**	**Tax Year 2020**	Change
Real Estate	$118,040,319	$118,877,304	$836,985
Personal Property	$29,079,287	$29,405,489	$326,202
Total Assessed Value	**$147,119,606**	**$148,282,793**	**$1,163,187**

Assessed Value of New Construction & Improvements related to Real Estate	$727,154	$2,137,908
Change in Real Estate Values Due to Reassessment	$109,831	$326,202
Change in Personal Property Value	$0	$326,202

The following Tax Rates are Proposed:

Fund	**2019 Tax Rate Per $100**	**Proposed 2020 Tax Rate Per $100**	**Proposed Tax Revenues**
General	$0.5240	$0.5393	$786,400
Park	$0.1185	$0.1219	$177,753
Total	$0.6425	$0.6612	$964,153

	General Fund	**Park Fund**	**Total**
Increase (Decrease) in tax revenue as a result of new construction and improvements, if proposed tax rate is adopted:	$ 11,530	$ 2,606	$ 14,136
Increase (Decrease) in tax revenue as a result of real estate reassessment if proposed tax rate is adopted:	$ 11,044	$ 2,428	$ 13,472
Increase (Decrease) in tax revenue as a result of changes in Personal Property Values if proposed tax rate is adopted:	$6,208	$1,386	$7,595
Grand Total	**$ 28,782**	**$ 6,420**	**$ 35,202**

BOARD OF ALDERMEN
CITY OF HARRISONVILLE
Randall K Jones, City Clerk

Attachment: Tax Levy Hearing Notice (Tax Levy Ordinance)

City of Harrisonville est. 1836

MEMO TO: Mayor, Board of Aldermen and City Administrator

THROUGH: Jeremy Smith, Director of Administrative Services
Kim Hubbard, Finance Manager

FROM: Benjamin Hart, Baker Tilly Municipal Advisors

DATE: 8/17/2020

SUBJECT: 2020 Property Tax Levy
Fiscal Year 2021

BACKGROUND

The property tax levy is set annually per RSMO 67.110.1. Assessed values are received from the County and submitted to the State Auditor for review. The proposed tax levy is calculated and set to maintain revenue at what is called revenue neutral meaning the City does not receive a significant amount more in revenue from year to year.

The proposed levy from the State Auditor as well as the 2020 levy is below.

	APPROVED LEVY 2020 Budget	2021 Budget
General Fund	0.5240	$0.5295
Parks Fund	0.1185	0.1197
Total	$0.6425	$0.6492

DISCUSSION

The State Statute requires each political subdivision to fix its ad valorem property tax rates no later than September 1. The Statute states that the assessed valuation be presented by category of real, personal and other tangible property as entered in the tax book for the fiscal year for which the tax to be levied along with the amount of revenue required to be provided from the property tax set forth in annual budget adopted.

The City is required to hold a public hearing on the proposed rates per RSMO 67.110.1. The City cannot set a levy that will generate substantially more revenue than projected from the year before. Even though the levy itself moves up or down, the amount of tax remains substantially the same. New improvements and reassessment years can result in higher tax revenue.

Pro Forma – State Auditor's Review of Data Submitted
Tax rates proposed are based on the assessed values provided by the County. The County Clerk sends the attached Pro Forma – State Auditor's Review of Data Submitted to the City. This document has been completed by the Missouri State Auditor to calculate the proposed tax levy for General Fund and Parks. I have included the documents received. The maximum prior year adjusted revenue is shown below calculated at $734,252 for General Fund and $166,052 for Parks. Total revenue permitted in current year is $748,203 for General Fund and $169,207 for Parks.

ESTIMATED PROPERTY TAX COLLECTIONS

	2020 Budget	2021 Budget
General Fund	$734,252	$772,111
Parks Fund	166,052	174,578
Total	$900,304	$946,689

ASSESSED VALUES

	2020 Budget Final	2021 Budget As of 8-3-2020
Real Estate	$116,767,110	$118,877,304
Personal Property	29,079,287	29,405,489
Total	145,846,397	$148,282,793
New Improvements:		
Real Estate	$900,504	2,137,908
Personal Property	3,616,015	326,202
Total Improvements	$4,516,519	$2,464,110

ACTION REQUIRED/RECOMMENDATION

Set the tax levy for Fiscal Year 2021 as proposed and outlined in the documents provided. I respectfully request the Board consider the ordinance on first reading to comply with State Statute to set the levy prior to September 1. This action will allow the City to provide the documents to the County for certification in a timely manner to also comply with the State Statute requirement by September 1st.

NOTICE OF AGGREGATE ASSESSED VALUATION

(2nd REPORT AFTER B.O.E. 8-3-2020)

As required by Section 137.245.3, I, Jeff Fletcher, County Clerk of Cass County, State of Missouri, do hereby certify that the following is the Aggregate Assessed Valuation of the

CITY OF HARRISONVILLE

a political subdivision in Cass County, for the year 2020 as shown on the assessment lists on JULY 20 2020. Included are state and local railroad and utility valuations as reported by the State Tax Commission and the Cass County Assessor for your political subdivision.

Real Estate, Residential -	$	74,956,970
Real Estate, Agricultural -		151,880
Real Estate, Commercial -		41,715,781
Real Estate, Local Utilities -		1,363,818
Real Estate, State Utilities -		688,855
TOTAL REAL ESTATE -	**$**	**118,877,304**
Personal Property -	$	27,803,534
Personal Property, Local Utilities -		1,437,260
Personal Property, State Utilities -		164,695
TOTAL PERSONAL Property -	**$**	**29,405,489**
TOTAL ASSESSED VALUE -	**$**	**148,282,793**

This information is transmitted to assist you in complying with Section 67.110, RSMo, which requires that notice be given and public hearings held before tax rates are set. The above figures include state and locally assessed railroad and utility valuations that have been prepared by the County Clerk's Office.

New Construction and Improvements

The following data has been provided by the County Assessor's Office:

Related to Real Estate -	$	2,137,908
Increase in Personal Property-		326,202
TOTAL -	**$**	**2,464,110**

In witness whereof, I have hereunto set my hand and affixed the seal of the County Commission of Cass County at my office in Harrisonville this 3rd day of August, 2020

Jeff Fletcher
Cass County Clerk

Attachment: City of Harrisonville after boe (Tax Levy Ordinance)

NICOLE GALLOWAY, CPA
Missouri State Auditor

MEMORANDUM

August 05, 2020

TO: 09-019-0010 City of Harrisonville

RE: Setting of 2020 Property Tax Rates

The following are the tax rate computational forms that have been reviewed. Please follow the steps below to complete the process of setting your 2020 Property Tax Rate(s).

1. **Lines G - BB on the Summary Page should be completed** to show the actual tax rate(s) to levy.
2. Please **sign and date the Summary Page.**
3. Please **submit the finalized tax rate forms ready for certification to the County Clerk of each county** that your political subdivision resides in. The County Clerk must also sign the Summary Page and indicate the proposed tax rate to be entered on the tax books before submitting rate(s) to the State Auditor's Office for final review and certification.

If the attached calculation differs from the questionnaire submitted for review, please review the following line items for the reason(s) for the difference.

- **Form A, Line 2b - New Construction & Improvements - Personal Property**

  Section 137.073.4, RSMo, states that the aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property.

- **Form A, Line 5 - Prior Year Assessed Valuation**

  If the 2020 questionnaire has a different amount on Form A, Line 5 than was previously submitted, we had to revise the 2019 calculation for this change. The revised 2019 tax rate ceiling is listed on the 2020 Summary Page, Line A. Your primary County Clerk should forward a copy of the revised 2019 calculation; please keep this form for your files.

- **(SCHOOL DISTRICTS ONLY) Form A, Line 14**

  We revised the information the school district submitted on Line 14 to the amount computed by the Department of Elementary and Secondary Education (DESE).

If you have any questions about the enclosed forms, please contact the local government section at (573-751-4213.)

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/5/2020

Summary Page

(2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Harrisonville	09-019-0010	General Revenue
Name of Political Subdivision	Political Subdivision Code	Purpose of Levy

The final version of this form MUST be sent to the county clerk.

The information to complete the Summary Page is available from prior year forms, computed on the attached forms, or computed on this page. Information on this page takes into consideration any voluntary reduction(s) taken in previous even numbered year(s). If in an even numbered year, the political subdivision wishes to no longer use the lowered tax rate ceiling to calculate its tax rate, it can hold a public hearing and pass a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate. The information in the Informational Data, at the end of these forms, provides the rate that would be allowed had there been no previous voluntary reduction(s) taken in an even numbered year(s).

		For Political Subdivision Use in Calculating its Tax Rate
A.	**Prior year tax rate ceiling** as defined in Chapter 137, RSMo, revised if the prior year data changed or a voluntary reduction was taken in a non-reassessment year (Prior year Summary Page, Line F minus Line H in odd numbered year or prior year Summary Page, Line F in even numbered year)	0.5294
B.	**Current year rate computed** pursuant to Article X, Section 22, of the Missouri Constitution and Section 137.073, RSMo, if no voter approved increase (Form A, Line 18)	0.5295
C.	**Amount of rate increase authorized by voters for current year** if same purpose, adjusted to provide the revenue available if applied to the prior year assessed value and increased by the percentage of CPI (Form B, Line 15)	
D.	**Rate to compare to maximum authorized levy to determine tax rate ceiling** (Line B if no election, otherwise Line C)	0.5295
E.	**Maximum authorized levy** the most recent voter approved rate	1.0000
F.	**Current year tax rate ceiling** maximum legal rate to comply with Missouri laws Political subdivisions tax rate (Lower of Line D or E)	0.5295
G1.	**Less required sales tax reduction** taken from tax rate ceiling (Line F), if applicable	
G2.	**Less 20% required reduction 1st class charter county political subdivision NOT submitting an estimated non-binding tax rate to the county(ies)** taken from tax rate ceiling (Line F)	
H.	**Less voluntary reduction by political subdivision** taken from the tax rate ceiling (Line F) WARNING: A voluntary reduction taken in an even numbered year will lower the tax rate ceiling for the following year.	
I.	**Plus allowable recoupment rate** added to tax rate ceiling (Line F) If applicable, attach Form G or H.	
J.	**Tax rate to be levied** (Line F - Line G1 - Line G2 - Line H + Line I)	
AA.	**Rate to be levied for debt service,** if applicable (Form C, Line 10)	
BB.	**Additional special purpose rate authorized by voters** after the prior year tax rates were set, adjusted to provide the revenue available if applied to the prior year assessed value and increased by the percentage of CPI (Form B, Line 15 if a different purpose)	

Certification

I, the undersigned, ______________________ (Office) of ______________________________ (Political Subdivision) levying a rate in ______________________ (County(ies)) do hereby certify that the data set forth above and on the accompanying forms is true and accurate to the best of my knowledge and belief.

Please complete Line G through BB, sign this form, and return to the county clerk(s) for final certification.

(Date)	(Signature)	(Print Name)	(Telephone)

Proposed rate to be entered on tax books by county clerk

based on certification from the political subdivision: Lines **J** ____________ **AA** ____________ **BB** ____________

Section 137.073.7 RSMo, states that no tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

(Date)	(County Clerk's Signature)	(County)	(Telephone)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED 8/5/2020

Form A (2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Harrisonville	09-019-0010	General Revenue
Name of Political Subdivision	Political Subdivision Code	Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Computation of reassessment growth and rate for compliance with Article X, Section 22, and Section 137.073, RSMo.

1. **(2020) Current year assessed valuation**

Include the current state and locally assessed valuation obtained from the county clerk, county assessor, or comparable office finalized by the local board of equalization.

(a)		(b)		
118,877,304	+	29,405,489	=	148,282,793
(Real Estate)		(Personal Property)		(Total)

2. **Assessed valuation of new construction & improvements**

2(a) - Obtained from the county clerk or county assessor

2(b) - increase in personal property, use the formula listed under Line 2(b)

(a)		(b)		
2,137,908	+	326,202	=	2,464,110
(Real Estate)		Line 1(b) - 3(b) - 5(b) + 6(b) + 7(b) **If Line 2b is negative, enter zero**		(Total)

3. **Assessed value of newly added territory**
obtained from the county clerk or county assessor

(a)		(b)		
0	+	0	=	0
(Real Estate)		(Personal Property)		(Total)

4. **Adjusted current year assessed valuation**
(Line 1 total - Line 2 total - Line 3 total) 145,818,683

5. **(2019) Prior year assessed valuation**

Include prior year state and locally assessed valuation obtained from the county clerk, county assessor, or comparable office finalized by the local board of equalization.

NOTE: If this is different than the amount on the prior year Form A, Line 1, then revise the prior year tax rate form to recalculate the prior year tax rate ceiling. Enter the revised prior year tax rate ceiling on this year's Summary Page, Line A.

(a)		(b)		
116,767,110	+	29,079,287	=	145,846,397
(Real Estate)		(Personal Property)		(Total)

6. **Assessed value of newly separated territory**
obtained from the county clerk or county assessor

(a)		(b)		
0	+	0	=	0
(Real Estate)		(Personal Property)		(Total)

7. **Assessed value of property locally assessed in prior year, but state assessed in current year**
obtained from the county clerk or county assessor

(a)		(b)		
0	+	0	=	0
(Real Estate)		(Personal Property)		(Total)

8. **Adjusted prior year assessed valuation**
(Line 5 total - Line 6 total - Line 7 total) 145,846,397

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/5/2020

Form A

(2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Harrisonville	09-019-0010	General Revenue
Name of Political Subdivision	Political Subdivision Code	Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Computation of reassessment growth and rate for compliance with Article X, Section 22, and Section 137.073, RSMo.

Information on this page takes into consideration any voluntary reduction(s) taken in previous even numbered year(s). If in an even numbered year, the political subdivision wishes to no longer use the lowered tax rate ceiling to calculate its tax rate, it can hold a public hearing and pass a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate. The information in the Informational Data, at the end of these forms, provides the rate that would be allowed had there been no previous voluntary reduction(s) taken in an even numbered year(s).	For Political Subdivision Use in Calculating its Tax Rate
9. **Percentage increase in adjusted valuation** of existing property in the current year over the prior year's assessed valuation (Line 4 - Line 8 / Line 8 x 100)	-0.0190%
10. **Increase in Consumer Price Index (CPI)** certified by the State Tax Commission	2.3000%
11. **Adjusted prior year assessed valuation** (Line 8)	145,846,397
12. **(2019) Tax rate ceiling from prior year** (Summary Page, Line A)	0.5294
13. **Maximum prior year adjusted revenue** from property that existed in both years (Line 11 x Line 12 / 100)	772,111
14. **Permitted reassessment revenue growth** The percentage entered on Line 14 should be the lower of the actual growth (Line 9), the CPI (Line 10) or 5%. A negative figure on Line 9 is treated as a 0 for Line 14 purposes. Do not enter less than 0 or more than 5%.	0.0000%
15. **Additional revenue permitted** (Line 13 x Line 14)	0
16. **Total revenue permitted in current year *** from property that existed in both years (Line 13 + Line 15)	772,111
17. **Adjusted current year assessed valuation** (Line 4)	145,818,683
18. **Maximum tax rate permitted by Article X, Section 22, and Section 137.073, RSMo** (Line 16 / Line 17 x 100) Round a fraction to the nearest one/one hundreth of a cent. **Enter this rate on the Summary Page, Line B**	0.5295

* To compute the total property tax revenues billed for the current year (including revenues from all new construction and improvements and annexed property), multiply Line 1 by the rate on Line 18 and divide by 100. The property tax revenues billed would be used in estimating budgeted revenues.

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/5/2020

Summary Page

(2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Harrisonville	09-019-0010	Parks & Recreation
Name of Political Subdivision	Political Subdivision Code	Purpose of Levy

The final version of this form MUST be sent to the county clerk.

The information to complete the Summary Page is available from prior year forms, computed on the attached forms, or computed on this page. Information on this page takes into consideration any voluntary reduction(s) taken in previous even numbered year(s). If in an even numbered year, the political subdivision wishes to no longer use the lowered tax rate ceiling to calculate its tax rate, it can hold a public hearing and pass a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate. The information in the Informational Data, at the end of these forms, provides the rate that would be allowed had there been no previous voluntary reduction(s) taken in an even numbered year(s).

		For Political Subdivision Use in Calculating its Tax Rate
A.	**Prior year tax rate ceiling** as defined in Chapter 137, RSMo, revised if the prior year data changed or a voluntary reduction was taken in a non-reassessment year (Prior year Summary Page, Line F minus Line H in odd numbered year or prior year Summary Page, Line F in even numbered year)	0.1197
B.	**Current year rate computed** pursuant to Article X, Section 22, of the Missouri Constitution and Section 137.073, RSMo, if no voter approved increase (Form A, Line 18)	0.1197
C.	**Amount of rate increase authorized by voters for current year** if same purpose, adjusted to provide the revenue available if applied to the prior year assessed value and increased by the percentage of CPI (Form B, Line 15)	
D.	**Rate to compare to maximum authorized levy to determine tax rate ceiling** (Line B if no election, otherwise Line C)	0.1197
E.	**Maximum authorized levy** the most recent voter approved rate	0.2000
F.	**Current year tax rate ceiling** maximum legal rate to comply with Missouri laws Political subdivisions tax rate (Lower of Line D or E)	0.1197
G1.	**Less required sales tax reduction** taken from tax rate ceiling (Line F), if applicable	
G2.	**Less 20% required reduction 1st class charter county political subdivision NOT submitting an estimated non-binding tax rate to the county(ies)** taken from tax rate ceiling (Line F)	
H.	**Less voluntary reduction by political subdivision** taken from the tax rate ceiling (Line F) WARNING: A voluntary reduction taken in an even numbered year will lower the tax rate ceiling for the following year.	
I.	**Plus allowable recoupment rate** added to tax rate ceiling (Line F) If applicable, attach Form G or H.	
J.	**Tax rate to be levied** (Line F - Line G1 - Line G2 - Line H + Line I)	
AA.	**Rate to be levied for debt service,** if applicable (Form C, Line 10)	
BB.	**Additional special purpose rate authorized by voters** after the prior year tax rates were set, adjusted to provide the revenue available if applied to the prior year assessed value and increased by the percentage of CPI (Form B, Line 15 if a different purpose)	

Certification

I, the undersigned, ____________ (Office) of ____________ (Political Subdivision) levying a rate in ____________ (County(ies)) do hereby certify that the data set forth above and on the accompanying forms is true and accurate to the best of my knowledge and belief.

Please complete Line G through BB, sign this form, and return to the county clerk(s) for final certification.

(Date)	(Signature)	(Print Name)	(Telephone)

Proposed rate to be entered on tax books by county clerk based on certification from the political subdivision: Lines **J** ______ **AA** ______ **BB** ______

Section 137.073.7 RSMo, states that no tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

(Date)	(County Clerk's Signature)	(County)	(Telephone)

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/5/2020

Form A

(2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Harrisonville	09-019-0010	Parks & Recreation
Name of Political Subdivision	Political Subdivision Code	Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Computation of reassessment growth and rate for compliance with Article X, Section 22, and Section 137.073, RSMo.

1. **(2020) Current year assessed valuation**

Include the current state and locally assessed valuation obtained from the county clerk, county assessor, or comparable office finalized by the local board of equalization.

(a)		(b)		
118,877,304	+	29,405,489	=	148,282,793
(Real Estate)		(Personal Property)		(Total)

2. **Assessed valuation of new construction & improvements**

2(a) - Obtained from the county clerk or county assessor

2(b) - increase in personal property, use the formula listed under Line 2(b)

(a)		(b)		
2,137,908	+	326,202	=	2,464,110
(Real Estate)		Line 1(b) - 3(b) - 5(b) + 6(b) + 7(b) **If Line 2b is negative, enter zero**		(Total)

3. **Assessed value of newly added territory**
obtained from the county clerk or county assessor

(a)		(b)		
0	+	0	=	0
(Real Estate)		(Personal Property)		(Total)

4. **Adjusted current year assessed valuation**
(Line 1 total - Line 2 total - Line 3 total) 145,818,683

5. **(2019) Prior year assessed valuation**

Include prior year state and locally assessed valuation obtained from the county clerk, county assessor, or comparable office finalized by the local board of equalization.

NOTE: If this is different than the amount on the prior year Form A, Line 1, then revise the prior year tax rate form to recalculate the prior year tax rate ceiling. Enter the revised prior year tax rate ceiling on this year's Summary Page, Line A.

(a)		(b)		
116,767,110	+	29,079,287	=	145,846,397
(Real Estate)		(Personal Property)		(Total)

6. **Assessed value of newly separated territory**
obtained from the county clerk or county assessor

(a)		(b)		
0	+	0	=	0
(Real Estate)		(Personal Property)		(Total)

7. **Assessed value of property locally assessed in prior year, but state assessed in current year**
obtained from the county clerk or county assessor

(a)		(b)		
0	+	0	=	0
(Real Estate)		(Personal Property)		(Total)

8. **Adjusted prior year assessed valuation**
(Line 5 total - Line 6 total - Line 7 total) 145,846,397

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/5/2020

Form A

(2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Harrisonville	09-019-0010	Parks & Recreation
Name of Political Subdivision	Political Subdivision Code	Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Computation of reassessment growth and rate for compliance with Article X, Section 22, and Section 137.073, RSMo.

Information on this page takes into consideration any voluntary reduction(s) taken in previous even numbered year(s). If in an even numbered year, the political subdivision wishes to no longer use the lowered tax rate ceiling to calculate its tax rate, it can hold a public hearing and pass a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate. The information in the Informational Data, at the end of these forms, provides the rate that would be allowed had there been no previous voluntary reduction(s) taken in an even numbered year(s).

	For Political Subdivision Use in Calculating its Tax Rate
9. **Percentage increase in adjusted valuation** of existing property in the current year over the prior year's assessed valuation (Line 4 - Line 8 / Line 8 x 100)	-0.0190%
10. **Increase in Consumer Price Index (CPI)** certified by the State Tax Commission	2.3000%
11. **Adjusted prior year assessed valuation** (Line 8)	145,846,397
12. **(2019) Tax rate ceiling from prior year** (Summary Page, Line A)	0.1197
13. **Maximum prior year adjusted revenue** from property that existed in both years (Line 11 x Line 12 / 100)	174,578
14. **Permitted reassessment revenue growth** The percentage entered on Line 14 should be the lower of the actual growth (Line 9), the CPI (Line 10) or 5%. A negative figure on Line 9 is treated as a 0 for Line 14 purposes. Do not enter less than 0 or more than 5%.	0.0000%
15. **Additional revenue permitted** (Line 13 x Line 14)	0
16. **Total revenue permitted in current year** * from property that existed in both years (Line 13 + Line 15)	174,578
17. **Adjusted current year assessed valuation** (Line 4)	145,818,683
18. **Maximum tax rate permitted by Article X, Section 22, and Section 137.073, RSMo** (Line 16 / Line 17 x 100) Round a fraction to the nearest one/one hundreth of a cent. **Enter this rate on the Summary Page, Line B**	0.1197

* To compute the total property tax revenues billed for the current year (including revenues from all new construction and improvements and annexed property), multiply Line 1 by the rate on Line 18 and divide by 100. The property tax revenues billed would be used in estimating budgeted revenues.

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED 8/5/2020

Informational Data (2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

Name of Political Subdivision	Political Subdivision Code	Purpose of Levy
City of Harrisonville	09-019-0010	General Revenue

This page shows the information that would have been on the line items for the Summary Page, Form A, and/or Form B had no voluntary reduction(s) been taken in prior even numbered year(s). The information on this page should not be used in the current year unless the taxing authority wishes to reverse any voluntary reduction(s) taken in prior even numbered year(s) and follows the following steps in an even numbered year.

Step 1 The governing body should hold a public hearing and adopt a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate.

Step 2 Submit a copy of the resolution, policy statement, or ordinance to the State Auditor's Office for review.

		Based on Prior Year Tax Rate Ceiling as if No Voluntary Reductions were Taken
	Informational Summary Page	
A.	**Prior year tax rate ceiling** (Prior year Informational Summary Page, Line F)	0.5392
B.	**Current year rate computed** (Informational Form A, Line 18 below)	0.5393
C.	**Amount of increase authorized by voters for current year** (Informational Form B, Line 15 below)	
D.	**Rate to compare to maximum authorized levy** (Line B if no election, otherwise Line C)	0.5393
E.	**Maximum authorized levy** most recent voter approved rate	1.0000
F.	**Tax rate ceiling if no voluntary reductions were taken in a prior even numbered year** (Lower of Line D or E)	0.5393
	Informational Form A	
9.	**Percentage increase in adjusted valuation** (Form A, Line 4 - Line 8 / Line 8 x 100)	-0.0190%
10.	**Increase in Consumer Price Index (CPI)** certified by the State Tax Commission	2.3000%
11.	**Adjusted prior year assessed valuation** (Form A, Line 8)	145,846,397
12.	**(2019) Tax rate ceiling from prior year** (Informational Summary Page, Line A from above)	0.5392
13.	**Maximum prior year adjusted revenue** from property that existed in both years (Line 11 x Line 12 / 100)	786,404
14.	**Permitted reassessment revenue growth** The percentage entered on Line 14 should be the lower of the actual growth (Line 9), the CPI (Line 10), or 5%. A negative figure on Line 9 is treated as a 0 for Line 14 purposes. Do not enter less than 0, nor more than 5%.	0.0000%
15.	**Additional reassessment revenue permitted** (Line 13 x Line 14)	0
16.	**Total revenue permitted in current year** from property that existed in both years (Line 13 + Line 15)	786,404
17.	**Adjusted current year assessed valuation** (Form A, Line 4)	145,818,683
18.	**Maximum tax rate permitted by Article X, Section 22, and Section 137.073, RSMo,** if no voluntary reduction was taken (Line 16 / Line 17 x 100)	0.5393
	Informational Form B	
6.	**Prior year tax rate ceiling to apply voter approved increase to** (Informational Summary Page, Line A if increase to an existing rate, otherwise 0)	
7.	**Voter approved increased tax rate to adjust** (If an "increase of/by" ballot, Form B, Line 5a + Line 6, if an "increase to" ballot, Form B, Line 5b)	
8.	**Adjusted prior year assessed valuation** (Form A, Line 8)	
9.	**Maximum prior year adjusted revenue** from property that existed in both years (Line 7 x Line 8 / 100)	
10.	**Consumer Price Index (CPI)** certified by the State Tax Commission	
11.	**Permitted revenue growth for CPI** (Line 9 x Line 10)	
12.	**Total revenue allowed from the additional voter approved increase** from property that existed in both years (Line 9 + Line 11)	
13.	**Adjusted current year assessed valuation** (Form A, Line 4)	
14.	**Adjusted voter approved increased tax rate** (Line 12 / Line 13 x 100)	
15.	**Amount of rate increase authorized by voters for the current year** (If Line 7 > Line 14, then Line 7, otherwise, Line 14)	

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/5/2020

Informational Data

(2020)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

Name of Political Subdivision	Political Subdivision Code	Purpose of Levy
City of Harrisonville	09-019-0010	Parks & Recreation

This page shows the information that would have been on the line items for the Summary Page, Form A, and/or Form B had no voluntary reduction(s) been taken in prior even numbered year(s). The information on this page should not be used in the current year unless the taxing authority wishes to reverse any voluntary reduction(s) taken in prior even numbered year(s) and follows the following steps in an even numbered year.

Step 1 The governing body should hold a public hearing and adopt a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate.

Step 2 Submit a copy of the resolution, policy statement, or ordinance to the State Auditor's Office for review.

		Based on Prior Year Tax Rate Ceiling as if No Voluntary Reductions were Taken
	Informational Summary Page	
A.	**Prior year tax rate ceiling** (Prior year Informational Summary Page, Line F)	0.1219
B.	**Current year rate computed** (Informational Form A, Line 18 below)	0.1219
C.	**Amount of increase authorized by voters for current year** (Informational Form B, Line 15 below)	
D.	**Rate to compare to maximum authorized levy** (Line B if no election, otherwise Line C)	0.1219
E.	**Maximum authorized levy** most recent voter approved rate	0.2000
F.	**Tax rate ceiling if no voluntary reductions were taken in a prior even numbered year** (Lower of Line D or E)	0.1219
	Informational Form A	
9.	**Percentage increase in adjusted valuation** (Form A, Line 4 - Line 8 / Line 8 x 100)	-0.0190%
10.	**Increase in Consumer Price Index (CPI)** certified by the State Tax Commission	2.3000%
11.	**Adjusted prior year assessed valuation** (Form A, Line 8)	145,846,397
12.	**(2019) Tax rate ceiling from prior year** (Informational Summary Page, Line A from above)	0.1219
13.	**Maximum prior year adjusted revenue** from property that existed in both years (Line 11 x Line 12 / 100)	177,787
14.	**Permitted reassessment revenue growth** The percentage entered on Line 14 should be the lower of the actual growth (Line 9), the CPI (Line 10), or 5%. A negative figure on Line 9 is treated as a 0 for Line 14 purposes. Do not enter less than 0, nor more than 5%.	0.0000%
15.	**Additional reassessment revenue permitted** (Line 13 x Line 14)	0
16.	**Total revenue permitted in current year** from property that existed in both years (Line 13 + Line 15)	177,787
17.	**Adjusted current year assessed valuation** (Form A, Line 4)	145,818,683
18.	**Maximum tax rate permitted by Article X, Section 22, and Section 137.073, RSMo,** if no voluntary reduction was taken (Line 16 / Line 17 x 100)	0.1219
	Informational Form B	
6.	**Prior year tax rate ceiling to apply voter approved increase to** (Informational Summary Page, Line A if increase to an existing rate, otherwise 0)	
7.	**Voter approved increased tax rate to adjust** (If an "increase of/by" ballot, Form B, Line 5a + Line 6, if an "increase to" ballot, Form B, Line 5b)	
8.	**Adjusted prior year assessed valuation** (Form A, Line 8)	
9.	**Maximum prior year adjusted revenue** from property that existed in both years (Line 7 x Line 8 / 100)	
10.	**Consumer Price Index (CPI)** certified by the State Tax Commission	
11.	**Permitted revenue growth for CPI** (Line 9 x Line 10)	
12.	**Total revenue allowed from the additional voter approved increase** from property that existed in both years (Line 9 + Line 11)	
13.	**Adjusted current year assessed valuation** (Form A, Line 4)	
14.	**Adjusted voter approved increased tax rate** (Line 12 / Line 13 x 100)	
15.	**Amount of rate increase authorized by voters for the current year** (If Line 7 > Line 14, then Line 7, otherwise, Line 14)	

Attachment: Revised Pro Forma Harrisonivlle (Tax Levy Ordinance)

Council Bill No.

Ordinance No.

Tax Levy Ordinance: An Ordinance Levying A Tax For The Current Expense Of The City Of Harrisonville, Missouri, Upon Real Property And All Tangible Personal Property Of Whatsoever Nature And Character Subject To Taxation By The City Of Harrisonville For Such Purposes; Also, Levying A Special Tax Upon The Afore Described Properties For Public Parks; For A Total Tax Levy Of $.6612.

WHEREAS, State statute sets forth a process to fix the City ad valorem property tax rates no later than September 1 each year;

WHEREAS, That the City held a public hearing as required by RSMO 67.110.1;

WHEREAS, That the new calculated tax rates will generate substantially the same revenues as 2019;

WHEREAS, That the County Clerk submitted the approved form to the Missouri State Auditor's Office that calculated the new rates for the General Fund at $0.5393, and for the Park Fund at $0.1219;

WHEREAS, That there will be a slight increase in City revenue primarily due to reassessments along with some new real estate construction;

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

Section 1: That there is hereby levied for the year 2020 a tax upon each $100.00 of the assessed valuation of all real property and all tangible personal property of whatsoever nature and character subject to taxation by the City of Harrisonville, Missouri, at the following rates for the following purposes, to-wit:

(a) For paying the current expense of the City of Harrisonville, Missouri, for said year, a rate of $0.5393

(b) For the establishment and maintenance of public parks in the City of Harrisonville, Missouri, for said year, a rate of $0.1219

Section 2: That following the effective date of the passage of this ordinance, the tax levy so established shall be extended upon the assessment books of the City and collected as provided by law.

Section 3: That this ordinance shall be in full force and effect from and after the date of its passage and approval.

Vote taken as follows:
AYES:
NAYS:
ABSENT:
ABSTAIN:

Read one time by title only on August 17, 2020 and read for the second time by title only on August 17, 2020 and passed by the Board of Aldermen of the City of Harrisonville, Missouri, this 17th day of August 2020.

__________________________________ Judy Bowman,
Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

____
Randall K Jones, City Clerk
APPROVED by the Mayor this 17th day of August 2020

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Jeremy Smith, IT Director**

DATE: **August 12, 2020**

SUBJECT: **Utility Billing Ordinance Adjustments**

Type of Item: *Amendment*

GENERAL INFORMATION

Applicant: Jeremy Smith, Director of Administrative Services

Requested Actions: Approval

Date of Application: 8/12/20

PROPOSAL

Every item that was discussed and decided in the work session on August 3rd, is reflected in this ordinance. Other items that were discussed, were already in the ordinance and will be enforced. They are not repeated in this ordinance.

PREVIOUS ACTIONS

Presentation of known issues to the Board of Alderman at the 8/3/20 Work Session. This was a hour and half discussion by the BOA to move forward on all these items.

KEY ISSUES

As discussed, this will improve the losses to the City as well as, improve items with information to the customers. This does not have any of the issues not discussed by the BOA on 08/03/20.

STAFF COMMENTS AND SUGGESTIONS

These changes to the code represent the issues that were presented that were not adequately covered in the current code. The City Attorney was involved with all the edits and changes to the ordinance.

STAFF RECOMMENDATION

Staff recommends approval.

ATTACHMENTS

- Ordinance

STAFF CONTACT: Jeremy Smith, jsmith@harrisonville.com

Council Bill No.

Resolution No.

AN ORDINANCE OF THE CITY OF HARRISONVILLE ESTABLISHING AND AMENDING SECTIONS OF THE MUNICIPAL CODE OF THE CITY OF HARRISONVILLE MISSOURI REGARDING BILLING OPERATIONS

Whereas,

Ordinance No. _____

AN ORDINANCE OF THE CITY OF HARRISONVILLE ESTABLISHING AND AMENDING SECTIONS OF THE MUNICIPAL CODE OF THE CITY OF HARRISONVILLE MISSOURI REGARDING BILLING OPERATIONS

WHEREAS, the City of Harrisonville, Missouri desires to establish and amend various sections of its municipal code, and;

WHEREAS, a comprehensive review of the municipal code of the City of Harrisonville, Missouri is necessary to effectuate the necessary changes, and;

WHEREAS, the City desires to update the billing operations of Harrisonville utility services.

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

<u>Section 1:</u> The following code sections are hereby reserved, removed, amended and/or created to read as follows:

Section 505.015 Water Service Required for Occupation.

A residential building without an active connection to water service shall be deemed uninhabitable and occupation of said building is prohibited.

Section 700.320 Residential Customers.

A cash deposit of two hundred dollars ($200.00) for total electric homes and one hundred fifty dollars ($150.00) for non-total electric homes and one hundred dollars ($100.00) for water and sewer service shall be required for all permanent residential service connections except where acceptable credit has been established with the City in his/her name. Such deposit may be increased from time to time in accordance with Section **700.410(B)**.

Section 700.325 Rental Customers.

A cash deposit of two hundred twenty five dollars ($225.00) for total electric homes and/or rental units and one hundred seventy five dollars ($175.00) for non-total electric homes and/or rental units and one hundred twenty five dollars ($125.00) for water and sewer service shall be required for all permanent rental service connections. An active lease between the service customer and the owner of the rental property is required before utility services are connected to the home and/or rental unit.

Section 700.395 Billing Dispute Policy

Policy. Any leaks fixed by the customer or a plumber during the sewer average time must be presented to the City in a letter with receipts for parts purchased and/or the plumber's bill, with the date the leak was fixed for the address. Customers shall have until June 1 (two months after the new average) of each year to turn in receipts to be considered for an adjustment on the new sewer rate. Adjustments are not guaranteed and may not be retroactive.

Section 700.400(A) Penalty for Failure to Pay.

All bills for utility services furnished by the City shall be subject to a ten-percent (10%) penalty fee if not received in the City utility billing office by 5:00 P.M. on the 15th day of the month, when the 15th day falls on a regular business day (Monday through Friday).

Section 700.410(B) Disconnection for Non-Payment.

When an order for disconnection of utility services due to non-payment has been written, a service administrative fee of fifty dollars ($50.00) shall be assessed on the account. An additional deposit of twenty-five dollars ($25.00) shall be assessed on the account, to be credited to the customers' existing deposit amount. This administrative service fee and deposit shall be assessed and paid regardless of the status of any actual disconnection of service. All past due amounts including any other amounts or fees due the City for any reason shall be paid in order to maintain or restore utility service. In the event that utility service is disconnected for non-payment of the bill, service shall not be reconnected until all past due bills and applicable fees for municipal services have been paid in full.

Section 700.450(D) Billing During Emergency Weather Conditions

In order to help preserve the health and welfare of Harrisonville electric customers, and to ease the financial burden during emergency weather conditions, the City of Harrisonville has adopted the following policy:

1) Disconnection of electric service for nonpayment, pursuant to this Section of the Harrisonville Code of Ordinances will be postponed during certain weather conditions;

2) A weather emergency condition will be declared, if the City determines, based on weather forecast information provided by the National Weather Service, that during the winter the temperature on the day service is to be discontinued will not exceed 32 degrees Fahrenheit, or that during the summer the temperature on the day service is to be discontinued will exceed 90 degrees Fahrenheit;

3) When discontinuation of electric service is postponed subject to this policy, it will be postponed until the next day of normal business operations where such emergency weather conditions no longer are determined by the City to exist.

Section 2: That the municipal code changes and adoptions herein are effective October 1, 2020.

Read for the first time by title only on the 17th day of August, 2020. Read for the second time by title only on the 17th day of August, 2020.

____
Judy Bowman, Mayor

ATTEST:

____
Randy Jones, City Clerk

APPROVED by the Mayor this 17th day of August, 2020

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Daniel Barnett,**

DATE: **August 12, 2020**

SUBJECT: **Burns & McDonnell Water/Sewer Rate Study Presentation**

Type of Item: *Presentation*

H. Action Item (ID # 3588)

Burns & McDonnell Rate Study Presentation/Resolution of Acceptance A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT THE RESULTS OF WATER/SEWER RATE STUDY FROM BURNS & MCDONNELL, COMPLETED IN AUGUST OF 2020.

Attachments:

Water rate study memo Aug 2020 (DOC)

Harrisonville Report - Final Draft (PDF)

Rate Study Presentation FINAL (PDF)

Accepting findings of Burns & McDonnell rate study 2020 (DOCX)

City of Harrisonville est. 1836

MEMO TO: Mayor, Board of Aldermen and City Administrator

FROM: Brad Ratliff, City Administrator

DATE: 8/17/2020

SUBJECT: Water/Sewer Rate Study

BACKGROUND

The Board of Aldermen approved to enter into an agreement on July 1, 2019 to perform a water & sewer rate study.

DISCUSSION

The study is an analysis of the water/sewer revenue & expenses that provides a recommendation for adjusting the current utility rates to fund projected expenditures and reserve requirements for the future, which includes the City Park dam & spillway rehabilitations, Lake Harrisonville spillway improvements, replacing the South Waste Water Treatment Plant with pump system to the main plant, and Waste Water Treatment Plant disinfection improvements that are required under the State permit.

ACTION REQUIRED/RECOMMENDATION

Approve the resolution accepting the rate study.

Water and Sewer Rate Study

City of Harrisonville, Missouri

Water and Sewer Rate Study
Project No. 117917

Final Draft Report
08/12/2020

Water and Sewer Rate Study

prepared for

City of Harrisonville, Missouri
Water and Sewer Rate Study
Harrisonville, Missouri

Project No. 117917

Final Draft Report
08/12/2020

prepared by

Burns & McDonnell Engineering Company, Inc.

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LIST OF ABBREVIATIONS

Abbreviation	**Term/Phrase/Name**
AWWA	American Water Works Association
BOD	Biochemical oxygen demand
CIP	Capital Improvement Program
COP	Certificates of Participation
CPI	Consumer Price Index
FY	Fiscal year
Kgal	Thousand gallons of water
O&M	Operation & Maintenance Expense
SS	Suspended solids
The City	The City of Harrisonville, Missouri
WEF	Water Environment Federation

1.0 EXECUTIVE SUMMARY

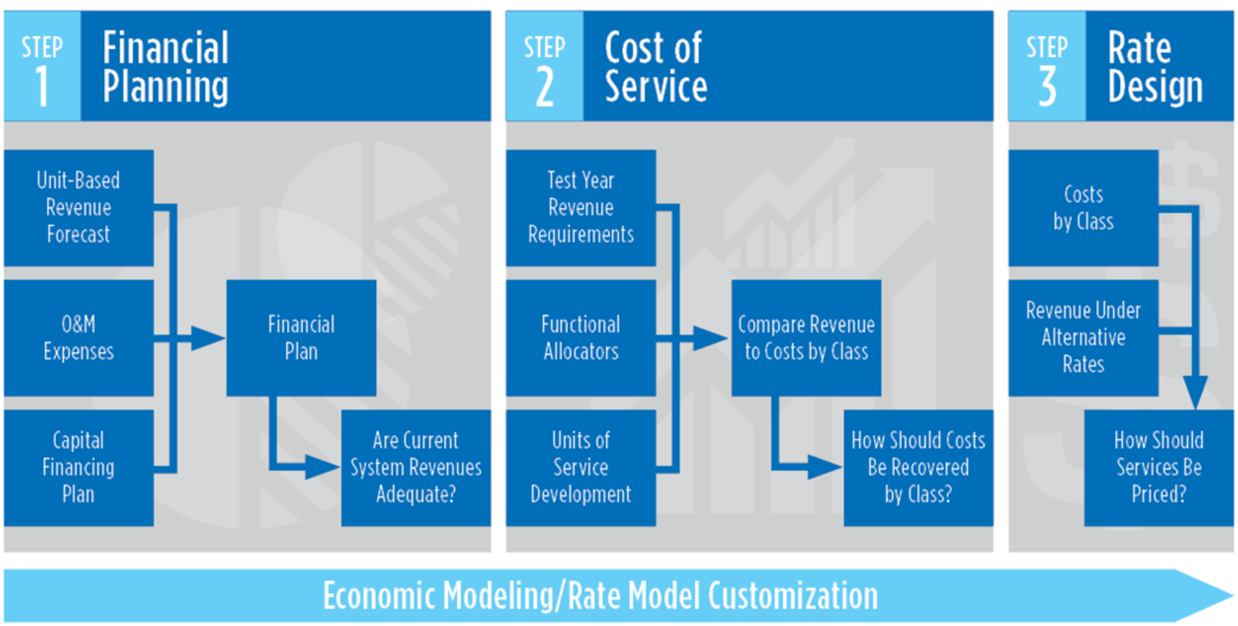
1.1 Project Background

Burns & McDonnell was engaged by the City of Harrisonville (the City) to develop a water and sewer rate study (Study) that (i) evaluates the financial planning implications of future operating costs and anticipated capital improvements, and (ii) proposes rates to adequately and equitably recover costs for the water and sewer utilities. During this process, connection fees were also evaluated. This Report presents the major findings of the Study.

1.2 Project Approach

Burns & McDonnell conducted the rate study in a three-step approach. This approach, depicted in Figure 1-1, is grounded in the principles established by the American Water Works Association (AWWA) *M1 Rate Manual* and the Water Environment Federation (WEF) *Financing and Charges for Wastewater Systems*.

Figure 1-1: Study Methodology



Step 1: Financial Planning provides an indication of the adequacy of the revenue generated by current rates. The results of the financial forecast analysis answer the questions "Are the existing rates adequate?" and "If not, what level of overall revenue increase is needed?" The Financial Planning Analysis is presented in Section 2.0 of our report.

Step 2: Cost of Service focuses on assigning cost responsibility to customer classes. Each customer class is allocated an appropriate share of the overall system costs based on the level of service provided. The net revenue requirements (costs to be recovered from rates) identified in Step 1 are allocated to customers in accordance with industry standards and principles and system specifics. The Cost of Service Analysis is detailed in Section 3.0 of this report.

Step 3: Rate Design provides for the required revenue recovery. Once the overall level of revenue required is identified and customer class responsibility for that level of revenue is determined, schedules of rates for each rate class are developed that will generate revenues accordingly. The Rate Design Analysis is detailed in Section 4.0 of this report.

1.3 Consideration of the Impact of COVID-19

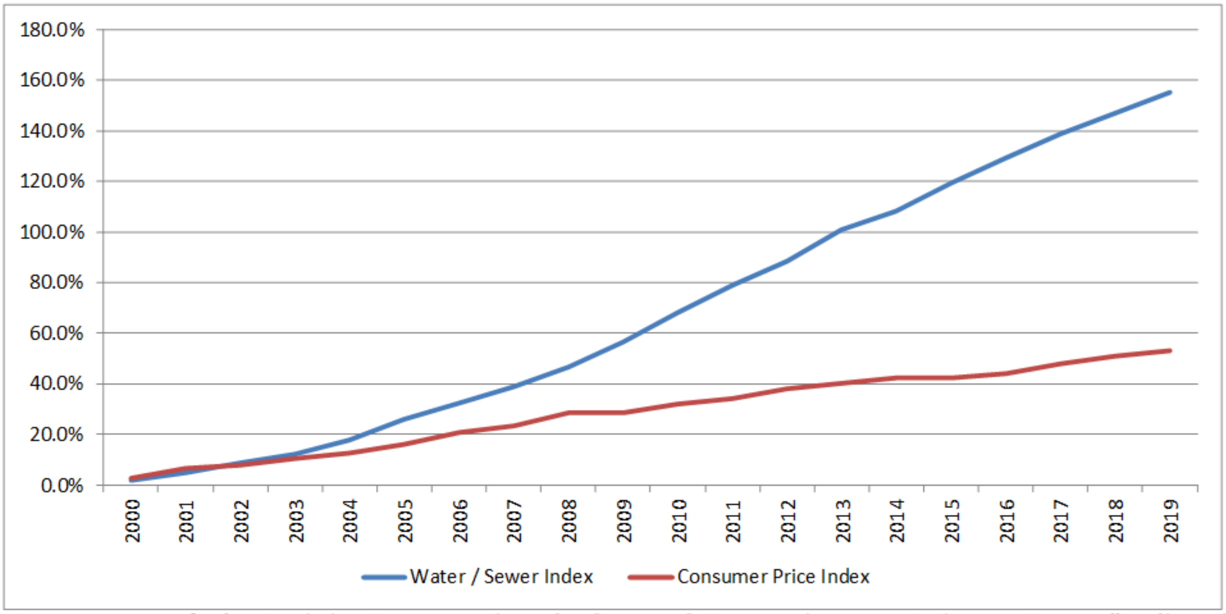
It should be noted that the forecasts prepared in this report do not reflect the potential disruption that COVID-19 may cause. The potential scale and duration of disruptions due to COVID-19 is currently unknown. At this time, it is impossible to foresee or to predict the full impact of COVID-19 and, therefore, forecasts do not include a contingency specifically for COVID-19.

1.4 Industry Trends in Water and Sewer Rates

Nationally, several factors are contributing to rising water and sewer rates. Replacement of aging infrastructure is one of several dynamics impacting water and sewer utility rates. Other dynamics typically include regulatory requirements, inflation on operating and capital costs, and a general trend in declining consumption most often associated with more efficient fixtures and appliances and greater awareness of water conservation.

Each utility is different, and the relative importance of these dynamics will vary by utility. However, there is no doubt that water and sewer rate increases have substantially outpaced general inflation in the United States. The United States Bureau of Labor Statistics (BLS) tracks many facets of inflation. The most commonly referenced measure is the Consumer Price Index for all Urban Consumers (CPI-U) which measures inflation at the consumer level. The BLS also tracks a combined inflation index for consumer water and sewer costs. Figure 1-1 compares changes in the consumer price index to changes in the water and sewer cost index.

Figure 1-2: Changes in General Inflation and Water and Sewer Rates



Source: Bureau of Labor Statistics, Consumer Price Index & Water & Sewer Maintenance Series, Not Seasonally Adjusted

Annually, since 2000 the water and sewer index has risen about 5 percent per year for the water and sewer index, while CPI's annual rate of change is about 2 percent per year.

Each utility may be influenced by specific circumstances that can lead to increases that are higher or lower than these industry trends. However, costs associated with renewal and replacement of existing infrastructure and the increasing cost of regulatory compliance are two of the primary dynamics contributing toward the increases in water and sewer rates. Understanding the reality of increasing costs within the water and sewer industry provides helpful context in evaluating proposed financial plans.

1.5 Financial Planning

Comprehensive financial planning conducted for the water and sewer utilities indicates that revenues under existing rates are not sufficient to meet the projected cash obligations of the utilities over the seven-year study period. The need for revenue adjustments is influenced by the following factors:

- Inflationary impacts on operation and maintenance expenses and future capital improvements.
- Implementation of the proposed capital plans, including renewal and replacement programs for the aging water distribution system and the sewer collection system.

Several financial planning scenarios were evaluated to fund the operating and capital needs of the utilities. Financial planning scenarios were evaluated based on the following guiding principles:

1. Minimize the need for sudden and substantial revenue adjustments.
2. Maintain projected operating reserves each year in an amount equal to a minimum of 180 days of O&M.
3. Mitigate new debt issuance where possible.
4. Reach targeted minimum debt service coverage of 1.50 each year
5. Funding the system renewal/replacement, infiltration/inflow reduction, and stormwater program targets by 2027.

In order to meet these objectives, a program of annual rate increase has been proposed and is summarized in Table 1-1 below.

Table 1-1: Existing and Proposed Water and Sewer Rates

	Water	Sewer	Combined
2021	2.50%	5.00%	3.70%
2022	2.50%	5.00%	3.70%
2023	2.50%	5.00%	3.70%
2024	2.50%	5.00%	3.70%
2025	2.50%	5.00%	3.70%
2026	2.50%	5.00%	3.70%
2027	2.50%	5.00%	3.70%

1.6 Proposed Rates

Section 3.0 of this report shows a detailed cost of service analysis was performed for each utility and provided necessary context for the development of proposed rates. Proposed rates are developed in Section 4.0 of this report. Additionally, utility rate levels were examined for 13 neighboring communities. Existing and proposed water and sewer rates are shown in Table 1-1.

Table 1-2: Existing and Proposed Water and Sewer Rates

Line		Existing	Proposed						
No.	Description	2020	2021	2022	2023	2024	2025	2026	2027
	Water Rates								
1	Base (First 1,000 Gal.)	$ 13.89	$ 14.24	$ 14.59	$ 14.96	$ 15.33	$ 15.72	$ 16.11	$ 16.51
2	Each Additional 1,000 Gal.	$ 8.71	$ 8.93	$ 9.15	$ 9.38	$ 9.61	$ 9.85	$ 10.10	$ 10.35
	Sewer Rates								
3	Base (First 1,000 Gal.)	$ 16.35	$ 17.17	$ 18.03	$ 18.93	$ 19.87	$ 20.87	$ 21.91	$ 23.01
4	Each Additional 1,000 Gal.	$ 9.16	$ 9.62	$ 10.10	$ 10.60	$ 11.13	$ 11.69	$ 12.28	$ 12.89

1.7 Typical Bills

Table 1-3 shows the typical water bill under proposed rates at three different usage levels. As shown on Table 1-3, the total water utility bill for a typical customer using 5,000 gallons would increase by approximately $1.22 per month in 2021.

Table 1-3: Typical Water Bills Under Existing and Proposed Rates

			Monthly Bill Under							
Line No.	Description	Billable Flow (1,000 Gal.)	Existing 2020 Rates $	Proposed 2021 Rates $	Proposed 2022 Rates $	Proposed 2023 Rates $	Proposed 2024 Rates $	Proposed 2025 Rates $	Proposed 2026 Rates $	Proposed 2027 Rates $
1	Residential	2.0	$ 22.60	$ 23.17	$ 23.74	$ 24.34	$ 24.95	$ 25.57	$ 26.21	$ 26.86
2	Residential	5.0	$ 48.73	$ 49.95	$ 51.20	$ 52.48	$ 53.79	$ 55.13	$ 56.51	$ 57.92
3	Residential	8.0	$ 74.86	$ 76.73	$ 78.65	$ 80.62	$ 82.63	$ 84.70	$ 86.81	$ 88.99
	Change in $ over prior year									
4	Residential			$ 0.56	$ 0.58	$ 0.59	$ 0.61	$ 0.62	$ 0.64	$ 0.66
5	Residential			$ 1.22	$ 1.25	$ 1.28	$ 1.31	$ 1.34	$ 1.38	$ 1.41
6	Residential			$ 1.87	$ 1.92	$ 1.97	$ 2.02	$ 2.07	$ 2.12	$ 2.17
	Change in % over prior year									
7	Residential			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8	Residential			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
9	Residential			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Table 1-4 shows the typical sewer bill under proposed rates at three different usage levels. As shown on Table 1-3, the total sewer utility bill for a typical customer using 5,000 gallons would increase by approximately $2.65 per month in 2021.

Table 1-4: Typical Sewer Bills Under Existing and Proposed Rates

			Monthly Bill Under							
Line No.	Description	Billable Flow (1,000 Gal.)	Existing 2020 Rates $	Proposed 2021 Rates $	Proposed 2022 Rates $	Proposed 2023 Rates $	Proposed 2024 Rates $	Proposed 2025 Rates $	Proposed 2026 Rates $	Proposed 2027 Rates $
1	Residential	2.0	$ 25.51	$ 26.79	$ 28.12	$ 29.53	$ 31.01	$ 32.56	$ 34.19	$ 35.90
2	Residential	5.0	$ 52.99	$ 55.64	$ 58.42	$ 61.34	$ 64.41	$ 67.63	$ 71.01	$ 74.56
3	Residential	8.0	$ 80.47	$ 84.49	$ 88.72	$ 93.15	$ 97.81	$ 102.70	$ 107.84	$ 113.23
	Change in $ over prior year									
4	Residential			$ 1.28	$ 1.34	$ 1.41	$ 1.48	$ 1.55	$ 1.63	$ 1.71
5	Residential			$ 2.65	$ 2.78	$ 2.92	$ 3.07	$ 3.22	$ 3.38	$ 3.55
6	Residential			$ 4.02	$ 4.22	$ 4.44	$ 4.66	$ 4.89	$ 5.14	$ 5.39
	Change in % over prior year									
7	Residential			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
8	Residential			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
9	Residential			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

1.8 Regional Comparison

Utility rate levels were examined and compared for 14 regional water utilities. Figure 1-3 shows a comparison of monthly residential water bills for neighboring regional water utilities. This survey indicates the City is close to the average when compared to the surveyed utilities. It is worth noting that the other communities' rates are likely to rise over time.

Figure 1-3: Typical Residential Water Bill Comparison at 5 Kgal per Month

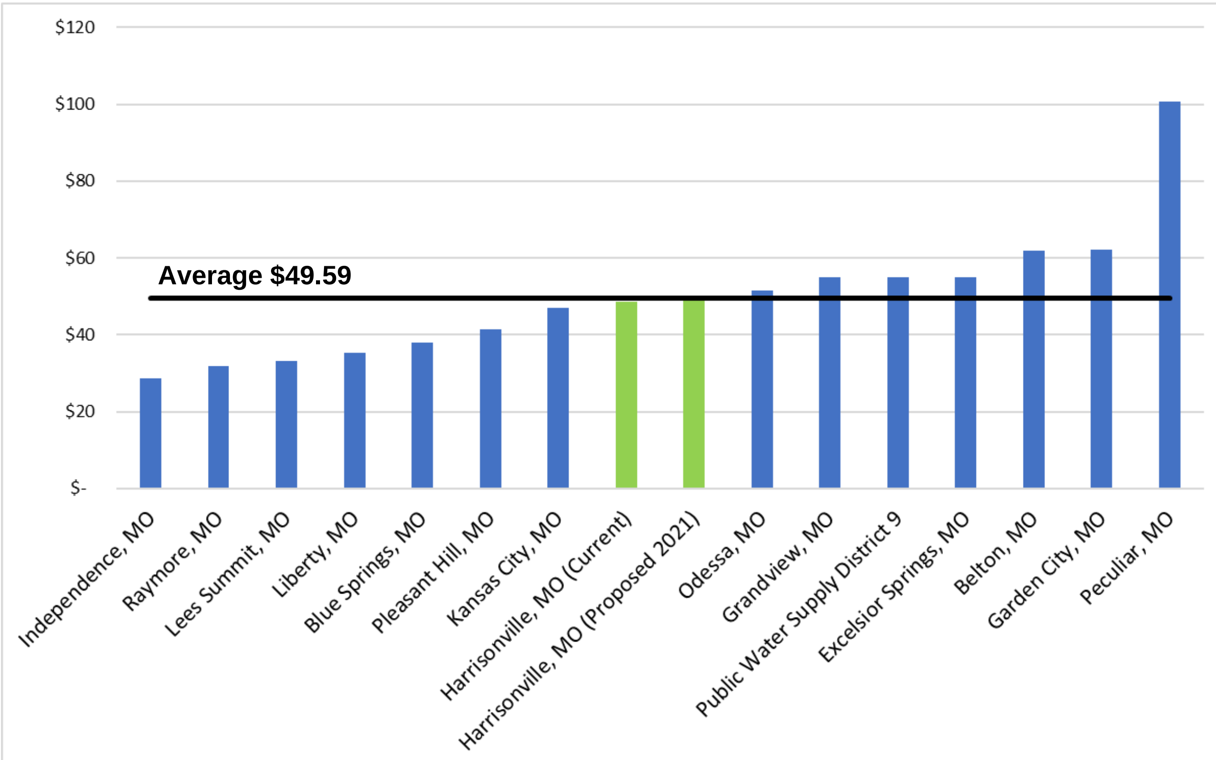


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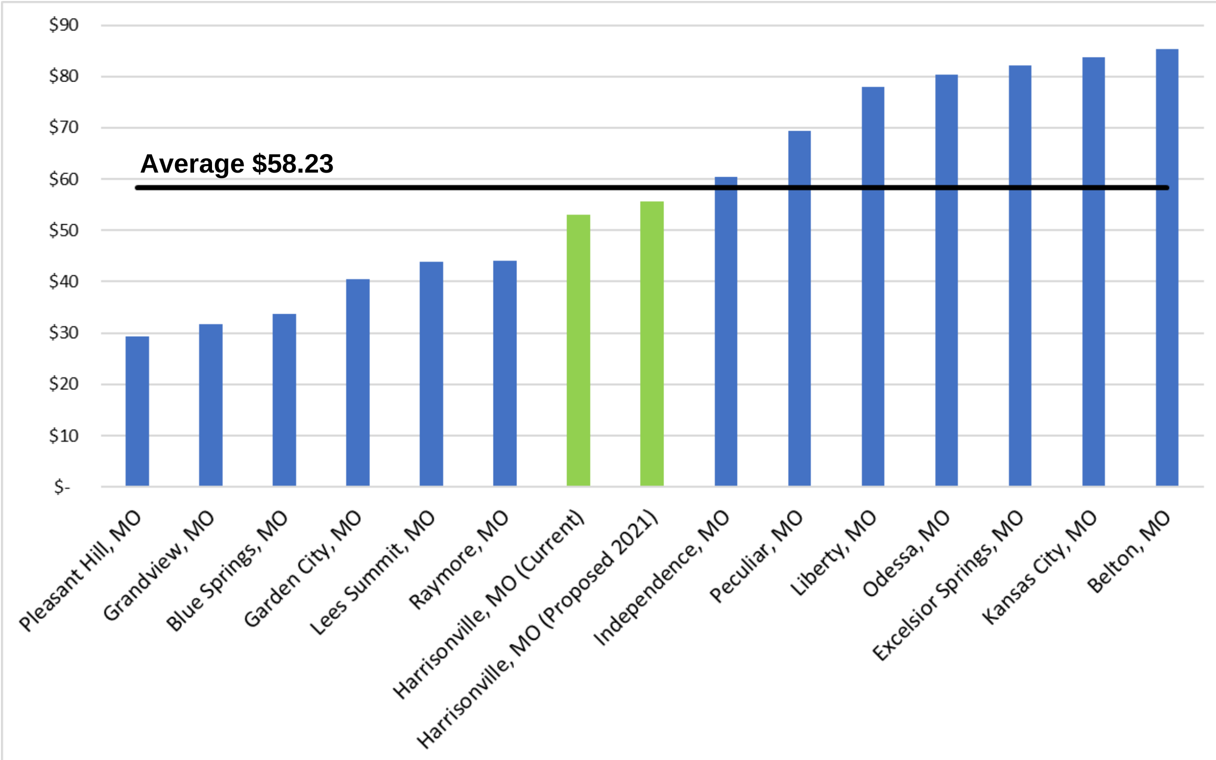
Figure 1-4: Typical Residential Sewer Bill Comparison at 5 Kgal per Month



2.0 FINANCIAL PLANNING ANALYSIS

2.1 Introduction to Financial Planning

The primary issue addressed in the Financial Planning Analysis is revenue sufficiency. The results of the Financial Planning Analysis answer the questions:

- "Are the existing rates sufficient to fund anticipated operating and capital costs?"
- "If not, what level of overall revenue increase is needed?"

To determine if the existing schedule of rates can be expected to generate revenues sufficient to meet the City's future operating and capital costs, Burns & McDonnell prepared a seven-year financial projection of revenues and expenditures for the water and sewer utilities. A comparison of projected revenues and expenditures provides insight into the adequacy of overall revenue levels.

Our approach to Financial Planning involves the following basic steps:

1. Project revenues under existing rates.
2. Project water and sewer utility expenditures, including operating and capital costs.
3. Develop a seven-year financial plan, including the budget year and a nine-year forecast period.

The planning period includes the current fiscal year (FY) 2020 as a budget year and a seven-year forecast period, FY 2020 through FY 2027. The City's fiscal year ends on December 31, and the projected periods in the financial plan recognize the same fiscal year ending December 31.

2.2 Water and Sewer Utility Revenues under Existing Rates

The first step in financial planning was to project revenues under the existing schedule of rates. To complete this effort required an analysis of water and sewer customers, volumes, and revenues.

2.2.1 Historical and Projected Customers

Table 2-1 presents the historical water customers served by the City from 2017 to 2019 and the projection of customers for the 2020 to 2027 planning period. In recent years, The City has experienced minimal change in the number of accounts. Considering this trend in account growth, the projection of accounts assumes no growth in customer accounts across customer classes for 2020 through 2027.

Table 2-2 presents the historical sewer customers served by the City from 2017 to 2019 and the projection of customers for the 2020 to 2027 planning period. Similar to the water utility, the City has experienced minimal change in the number of sewer accounts in recent years. The projection of sewer accounts assumes no growth in customer accounts across customer classes for 2020 through 2027, consistent with the approach to forecasting water accounts.

Table 2-1: Historical and Projected Water Accounts and Volume

Line		Historical			Projected							
No.		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Accounts											
1	Commercial	267	274	279	279	279	279	279	279	279	279	279
2	Governmental	15	14	14	14	14	14	14	14	14	14	14
3	Power and Demand	200	205	205	205	205	205	205	205	205	205	205
4	Residential	3,128	3,131	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,145
5	School	16	14	14	14	14	14	14	14	14	14	14
6	Total Electric	350	351	355	355	355	355	355	355	355	355	355
7	Total Accounts	3,976	3,989	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012
	Billed Volume *(1,000 Gallons)*											
8	Commercial	88,344	89,268	86,647	90,900	90,900	90,900	90,900	90,900	90,900	90,900	90,900
9	Governmental	8,206	4,583	2,871	4,580	4,580	4,580	4,580	4,580	4,580	4,580	4,580
10	Power and Demand	52,499	53,200	52,399	53,200	53,200	53,200	53,200	53,200	53,200	53,200	53,200
11	Residential	134,824	133,349	127,637	133,950	133,950	133,950	133,950	133,950	133,950	133,950	133,950
12	School	4,278	5,253	3,228	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
13	Total Electric	11,782	11,864	11,874	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
14	Total Billed Volume	299,934	297,518	284,656	299,880	299,880	299,880	299,880	299,880	299,880	299,880	299,880

Table 2-2: Historical and Projected Sewer Accounts and Volume

Line		Historical			Projected							
No.		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Accounts											
1	Commercial	250	258	266	266	266	266	266	266	266	266	266
2	Governmental	5	5	7	7	7	7	7	7	7	7	7
3	Power and Demand	188	191	193	193	193	193	193	193	193	193	193
4	Residential	3,179	3,181	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201
5	School	11	11	11	11	11	11	11	11	11	11	11
6	Total Electric	457	457	463	463	463	463	463	463	463	463	463
7	WD9	5	5	5	5	5	5	5	5	5	5	5
8	Total Accounts	4,095	4,108	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146
	Billed Volume *(1,000 Gallons)*											
9	Commercial	31,253	29,650	28,405	28,440	28,440	28,440	28,440	28,440	28,440	28,440	28,440
10	Governmental	1,658	1,360	1,416	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
11	Power and Demand	50,503	50,221	49,275	49,320	49,320	49,320	49,320	49,320	49,320	49,320	49,320
12	Residential	137,153	135,440	130,457	130,440	130,440	130,440	130,440	130,440	130,440	130,440	130,440
13	School	2,462	2,630	2,944	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940
14	Total Electric	14,165	14,591	14,473	14,490	14,490	14,490	14,490	14,490	14,490	14,490	14,490
15	WD9	7,256	5,674	5,925	5,730	5,730	5,730	5,730	5,730	5,730	5,730	5,730
16	Total Billed Volume	244,451	239,567	232,896	232,780	232,780	232,780	232,780	232,780	232,780	232,780	232,780

2.2.2 Historical and Projected Volumes

Table 2-1 and Table 2-2 also present the historical and projected volumes. Table 2-1 presents historical water volumes based on customer class water sales for 2017 to 2019, and the projection of future water sales volumes for the 2020 to 2027 planning period.

Table 2-2 presents historical billed sewer flows based for 2017 to 2019, and the projection of billed sewer flows for the 2020 to 2027 planning period.

2.2.3 Existing Water and Sewer Rates

The water and sewer rate schedule is shown in Table 2-3. During the Study, a proposed sewer rate increase of roughly 3 percent was implemented effective at the beginning of 2021. Table 2-3 shows the rate history for both utilities for 2016 through 2021. The water and sewer rates consist of a base charge which includes the first thousand gallons of billed use and a volumetric charge per each additional thousand gallons.

Table 2-3: Existing Water and Sewer Rates

Line No		
	Water Rates	
1	Residential & Commercial	
2	Base (1st 1000 Gal)	13.89
3	Each Additional 1000 Gal.	8.71
	Sewer Rates	
4	Residential & Commercial	
5	Base (1st 1000 Gal)	16.35
6	Each Additional 1000 Gal.	9.16

2.2.4 User Revenues under Existing Rates

Table 2-4 and Table 2-5 present historical user charge revenues for 2017 to 2019 and a projection of user charge revenues under existing rates for the 2020 to 2027 planning period. The projection of user charge revenues was estimated based on the forecasted accounts and volumes factored by the schedule of existing water and sewer rates.

As can be seen on Table 2-4, since 2017 historical water user charge revenues ranged from $2.8 million to $2.9 million per year, with the decrease in 2019 related to wetter than normal climate. Forecasted user charge revenues reflect normal weather conditions, the anticipated stable levels of customers and volumes previously presented, and the existing water rates. Overall, water user charge revenues under existing rates are projected to remain stable at $2.9 million from 2020 to 2027.

Table 2-4: Historical and Projected Water User Revenues

Line		Historical			Projected							
No.		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	User Revenues under Existing Rates											
1	Commercial	$ 812,824	$ 822,714	$ 801,306	$ 839,800	$ 839,800	$ 839,800	$ 839,800	$ 839,800	$ 839,800	$ 839,800	$ 839,800
2	Governmental	$ 72,742	$ 41,164	$ 26,308	$ 41,400	$ 41,400	$ 41,400	$ 41,400	$ 41,400	$ 41,400	$ 41,400	$ 41,400
3	Power and Demand	$ 471,728	$ 478,509	$ 471,374	$ 478,400	$ 478,400	$ 478,400	$ 478,400	$ 478,400	$ 478,400	$ 478,400	$ 478,400
4	Residential	$1,393,280	$1,380,964	$1,331,630	$1,387,700	$1,387,700	$1,387,700	$1,387,700	$1,387,700	$1,387,700	$1,387,700	$1,387,700
5	School	$ 38,462	$ 46,906	$ 29,233	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000	$ 47,000
6	Total Electric	$ 127,015	$ 127,970	$ 128,572	$ 129,700	$ 129,700	$ 129,700	$ 129,700	$ 129,700	$ 129,700	$ 129,700	$ 129,700
7	Total Revenue Under Existing Rate:	$2,916,051	$2,898,226	$2,788,423	$2,924,000	$2,924,000	$2,924,000	$2,924,000	$2,924,000	$2,924,000	$2,924,000	$2,924,000

Table 2-5 presents the historical sewer user charge revenues, which amounted to about $1.8 million per year from 2017 through 2019. Forecasted user charge revenues reflect normal weather conditions, the anticipated stable levels of customers and volumes previously presented, and the existing sewer rates. In Table 2-5, projected revenues are shown under 2020 rates.. Overall, sewer user revenues under existing 2020 rates are projected to remain stable at $2.5 million from 2020 to 2027.

Table 2-5: Historical and Projected Sewer User Revenues

Line No.		Historical 2017	Historical 2018	Historical 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
	User Revenues under Existing Rates											
1	Commercial	$ 243,312	$ 233,729	$ 226,472	$ 313,500	$ 313,500	$ 313,500	$ 313,500	$ 313,500	$ 313,500	$ 313,500	$ 313,500
2	Governmental	$ 11,500	$ 9,472	$ 9,988	$ 13,700	$ 13,700	$ 13,700	$ 13,700	$ 13,700	$ 13,700	$ 13,700	$ 13,700
3	Power and Demand	$ 354,520	$ 352,672	$ 346,227	$ 472,100	$ 472,100	$ 472,100	$ 472,100	$ 472,100	$ 472,100	$ 472,100	$ 472,100
4	Residential	$1,071,691	$1,058,855	$1,028,181	$1,472,200	$1,472,200	$1,472,200	$1,472,200	$1,472,200	$1,472,200	$1,472,200	$1,472,200
5	School	$ 17,383	$ 18,492	$ 20,586	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000
6	Total Electric	$ 117,849	$ 119,328	$ 119,072	$ 173,300	$ 173,300	$ 173,300	$ 173,300	$ 173,300	$ 173,300	$ 173,300	$ 173,300
7	WD9	$ 49,540	$ 38,807	$ 40,546	$ 53,000	$ 53,000	$ 53,000	$ 53,000	$ 53,000	$ 53,000	$ 53,000	$ 53,000
8	Total Revenue Under Existing Rate:	$1,865,795	$1,831,355	$1,791,072	$2,525,800	$2,525,800	$2,525,800	$2,525,800	$2,525,800	$2,525,800	$2,525,800	$2,525,800

2.3 Water and Sewer Utility Expenditures

Typically, a municipal water or sewer utility's primary cash expenditures include the following direct operating and capital costs:

- Operation and Maintenance (O&M) Expenses
- Capital Improvement Program Expenditures
- Debt Service Principal and Interest Payments

2.3.1 O&M Expenses

Table 2-6 presents the recent water O&M expense history and the projection of water system O&M expenses through the 2027 planning period. Expenses summarized on Table 2-6 reflect operating costs only; costs related to capital projects are excluded from Table 2-6 and are addressed in Section 2.3.2 of this report. In recent history, water O&M expenses remained steady between $1.5 million and $1.6 million from 2017 to 2019. Anticipated 2020 O&M costs are based on the City's approved budget. In general, projected O&M expenses are anticipated to increase from budgeted 2020 amounts at approximately 3.0 percent annually. The inflationary increase assumptions were developed in collaboration with City staff.

Table 2-7 presents the recent sewer O&M expense history and the projection of sewer system O&M expenses through the 2027 planning period. Expenses summarized on Table 2-7 reflect operating costs only; costs related to capital projects are excluded from Table 2-7 and are addressed in Section 2.3.2 of this report. In recent history, sewer O&M expenses varied between $1.3 million and $1.4 million between

2017 and 2019. Anticipated 2020 O&M costs are based on the City's approved budget. Similar to water O&M, projected sewer O&M expenses are anticipated to increase from budgeted 2020 amounts at approximately 3.0 percent annually.

The City reports results for the water and sewer utility in a single, consolidated enterprise, which is common in the industry. Evaluate the water and sewer utilities as individual sub-enterprises provides insight into each utility's existing rates to meet future costs. In doing so, certain shared costs were allocated from the total enterprise to the water and sewer utility based on input from City staff shown below.

Category	Water	Sewer
Administrative Expense	50%	50%
Collection/ Distribution Expense	70%	30%
Sewer Plant Expense	0%	100%
Water Plant Expense	100%	0%

Table 2-6: Historical and Projected Water Operation and Maintenance Expenses

Line		Historical			Budgeted	Projected						
No.		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Administration Expenses [1]											
1	Personnel Services	129,020	76,708	68,508	63,983	65,950	67,950	70,000	72,050	74,200	76,400	78,650
2	Contractual Services	2,248	4,982	9,273	13,855	14,300	14,700	15,150	15,600	16,050	16,500	17,000
3	Commodities	4,955	4,717	4,339	12,700	13,100	13,500	13,900	14,350	14,800	15,250	15,700
4	Other Charges	549,159	395,756	483,834	467,305	481,300	495,700	510,550	525,900	541,700	557,950	574,650
5	Capital Outlay	-	284	-	-	-	-	-	-	-	-	-
6	Total Adminstrative	685,382	482,447	565,953	557,843	574,650	591,850	609,600	627,900	646,750	666,100	686,000
		10.5%	*-29.6%*	*17.3%*	*-1.4%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
	Distribution Expenses [2]											
7	Personnel Services	287,685	291,151	335,605	337,806	347,900	358,400	369,180	380,310	391,720	403,550	415,730
8	Contractual Services	31,767	45,033	49,324	45,315	46,690	48,160	49,630	51,100	52,640	54,180	55,720
9	Commodities	52,347	77,743	99,359	80,206	82,600	85,050	87,570	90,230	92,960	95,760	98,630
10	Capital Outlay	2,639	7,596	-	-	-	-	-	-	-	-	-
11	Total Distribution	374,437	421,523	484,289	463,327	477,190	491,610	506,380	521,640	537,320	553,490	570,080
		-19.8%	*12.6%*	*14.9%*	*-4.3%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
	Water Plant Expenses											
12	Personnel Services	287,006	312,257	269,425	285,940	294,600	303,500	312,600	322,000	331,600	341,500	351,700
13	Contractual Services	132,946	156,750	168,164	192,100	197,900	203,800	209,900	216,200	222,700	229,400	236,300
14	Commodities	130,389	150,424	131,937	146,130	150,600	155,100	159,700	164,400	169,300	174,400	179,600
15	Other Charges	100	210	200	120	100	100	100	100	100	100	100
16	Capital Outlay	30,274	2,603	-	32,000	33,000	34,000	35,000	36,100	37,200	38,300	39,400
17	Total Water Plant	580,715	622,244	569,726	656,290	676,200	696,500	717,300	738,800	760,900	783,700	807,100
		-6.1%	*7.2%*	*-8.4%*	*15.2%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
18	Total Water O&M	1,640,534	1,526,215	1,619,967	1,677,459	1,728,040	1,779,960	1,833,280	1,888,340	1,944,970	2,003,290	2,063,180

[1] Attributes 50% of total administrative costs to the water utility.
[2] Attributes 70% of the total distribution costs to the water utility

Table 2-7: Historical and Projected Sewer Operation and Maintenance Expenses

Line		Historical			Budgeted	Projected						
No.		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Administration Expenses [1]											
1	Personnel Services	129,020	76,708	68,508	63,983	65,950	67,950	70,000	72,050	74,200	76,400	78,650
2	Contractual Services	2,248	4,982	9,273	13,855	14,300	14,700	15,150	15,600	16,050	16,500	17,000
3	Commodities	4,955	4,717	4,339	12,700	13,100	13,500	13,900	14,350	14,800	15,250	15,700
4	Other Charges	549,159	395,756	483,834	467,305	481,300	495,700	510,550	525,900	541,700	557,950	574,650
5	Capital Outlay	-	284	-	-	-	-	-	-	-	-	-
6	Total Adminstrative	685,382	482,447	565,953	557,843	574,650	591,850	609,600	627,900	646,750	666,100	686,000
		10.5%	*-29.6%*	*17.3%*	*-1.4%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
	Distribution Expenses [2]											
7	Personnel Services	123,293	124,779	143,831	144,774	149,100	153,600	158,220	162,990	167,880	172,950	178,170
8	Contractual Services	13,614	19,300	21,139	19,421	20,010	20,640	21,270	21,900	22,560	23,220	23,880
9	Commodities	22,434	33,319	42,582	34,374	35,400	36,450	37,530	38,670	39,840	41,040	42,270
10	Capital Outlay	1,131	3,255	-	-	-	-	-	-	-	-	-
11	Total Distribution	160,473	180,653	207,552	198,569	204,510	210,690	217,020	223,560	230,280	237,210	244,320
		-19.8%	*12.6%*	*14.9%*	*-4.3%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
	Wastewater Treatment Expenses											
12	Personnel Services	289,326	295,389	302,423	306,705	316,000	325,400	335,100	345,000	355,300	365,900	377,000
13	Contractual Services	277,200	337,693	222,333	405,650	417,900	430,500	443,500	456,800	470,500	484,600	499,200
14	Commodities	10,869	13,227	21,854	20,710	21,400	22,000	22,600	23,200	23,800	24,400	25,000
15	Other Charges	1,000	-	135	500	500	500	500	500	500	500	500
16	Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
17	Total Wastewater Treatment	578,395	646,309	546,744	733,565	755,800	778,400	801,700	825,500	850,100	875,400	901,700
		-6.7%	*11.7%*	*-15.4%*	*34.2%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
18	Total Sewer O&M	1,424,250	1,309,409	1,320,249	1,489,976	1,534,960	1,580,940	1,628,320	1,676,960	1,727,130	1,778,710	1,832,020

[1] Attributes 50% of total administrative costs to the sewer utility.
[2] Attributes 30% of total distribution costs to the sewer utility.

2.3.2 Projected Capital Improvement Expenditures

Table 2-8 shows the projected water Capital Improvement Plan expenditures (CIP) for the 2020 to 2027 planning period. The water CIP includes $13.9 million in projects over the planning period. The CIP is inflated at 3 percent compounding annually starting in 2021 and totals $15.8 million in total inflated projects. The largest project is the New Raw Water Line which is anticipated to cost $10.6 million with the design work starting in 2023 and construction work slated to start in 2025.

Table 2-9 shows the projected sewer CIP for the 2020 to 2027 planning period. The sewer CIP includes $15.3 million in projects over the planning period. The CIP is inflated at 3 percent compounding annually starting in 2021 and totals $16.1 million in total inflated projects.

Table 2-8: Water Capital Improvement Program

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027	Total
	Budgeted Projects									
1	Waterline Replacement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	800,000
2	Utility Meter Read Software 50%	-	-	750,000	-	-	-	-	-	750,000
3	Lake Harrisonville Spillway Rebuild	-	1,000,000	-	-	-	-	-	-	1,000,000
4	2012 Bobcat 65%	-	-	71,500	-	-	-	-	-	71,500
5	2002 Dump Truck 65%	-	-	65,000	-	-	-	-	-	65,000
6	2010 Extend-a-hoe 50%	55,000	-	-	-	-	-	-	-	55,000
7	2013 F150	-	-	-	-	-	40,000	-	-	40,000
8	2010 3/4 ton	-	-	-	-	-	40,000	-	-	40,000
9	2010 box v-plow	-	-	-	-	-	6,000	-	-	6,000
10	New Raw Water Line	-	-	-	1,375,000	-	9,279,000	-	-	10,654,000
11	Mower	7,000	-	-	-	-	-	-	-	7,000
12	2002 John Deere Tractor 70 hp 50%	-	-	-	-	-	-	-	25,000	25,000
13	Clarifier Covers	-	-	-	-	400,000	-	-	-	400,000
14	Total	162,000	1,100,000	986,500	1,475,000	500,000	9,465,000	100,000	125,000	13,913,500
15	Total Inflated CIP [1]	162,000	1,133,000	1,046,600	1,611,800	562,800	10,972,500	119,400	153,700	15,761,800

[1] 3% inflation compunding annually starting in 2021

Table 2-9: Sewer Capital Improvement Program

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027	Total
	Budgeted Projects									
1	Sewerline Replacement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	800,000
2	UV Treatment at WWTP's	500,000	3,000,000	-	-	-	-	-	-	3,500,000
3	Utility Meter Read Software 50%	-	-	750,000	-	-	-	-	-	750,000
4	Lift Station Set Aside	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	200,000
5	Replace South & Main Plant Improvements	-	3,900,000	-	-	-	-	-	-	3,900,000
6	2001 Pump/Jet Truck	-	120,000	-	-	-	-	-	-	120,000
7	Camera Truck - used	-	90,000	-	-	-	-	-	-	90,000
8	2010 Extend-a-hoe 50%	55,000	-	-	-	-	-	-	-	55,000
9	2005 Gator	-	-	-	-	12,000	-	-	-	12,000
10	2012 Bobcat 35%	-	-	38,500	-	-	-	-	-	38,500
11	2002 Dump Truck 35%	-	-	35,000	-	-	-	-	-	35,000
12	2010 1/2 ton	-	-	-	-	-	40,000	-	-	40,000
13	2013 Z-Turn Mower	-	-	-	-	-	-	-	15,000	15,000
14	2002 John Deere Tractor 70 hp 50%	-	-	-	-	-	-	-	25,000	25,000
15	Infiltration/Inflow Reduction	-	-	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
16	Replace scum pump	-	16,000	-	-	-	-	-	-	16,000
17	City Lake and Dam Spillway Rehab	350,000	2,300,000	-	-	-	-	-	-	2,650,000
18	Replace 2 fairnks morris dry wthr pumps lift station 2	-	100,000	-	-	-	-	-	-	100,000
19	Mower	3,000	-	-	-	-	-	-	-	3,000
20	Sewer Plant Boom Truck	125,000	-	-	-	-	-	-	-	125,000
21	SCADA Replacement	50,000	-	-	-	-	-	-	-	50,000
22	Replace 2 blowers at digesters	65,000	-	-	-	-	-	-	-	65,000
23	Stormwater Improvements	-	-	150,000	150,000	150,000	150,000	150,000	150,000	900,000
24	Total	1,273,000	9,651,000	1,398,500	575,000	587,000	615,000	575,000	615,000	15,289,500
25	Total Inflated CIP [1]	1,273,000	9,940,500	1,483,700	628,300	660,700	713,000	686,600	756,400	16,142,200

[1] 3% inflation compunding annually starting in 2021

2.4 Water and Sewer Utility Financial Plan

During the Study, multiple financial planning scenarios were examined to understand the impact of the projected operating and capital costs, with specific emphasis on funding renewal and replacement of water and sewer mains. To consistently evaluate the financial performance of the scenarios, the following guiding principles were considered in the development of financial plans.

1. Minimize the need for sudden and substantial revenue adjustments.

2. Maintain projected operating reserves each year in an amount equal to a minimum of 180 days of O&M.
3. Mitigate new debt issuance where possible.
4. Reach targeted minimum debt service coverage of 1.50 each year
5. Funding the system renewal/replacement, infiltration/inflow reduction, and stormwater program targets by 2027.

Several scenarios were evaluated that examined alternatives including the speed with which renewal and replacement programs were implemented. After collaboration with City staff, a preferred financial plan was developed. The recommended plan is detailed herein, including recommendations regarding overall increase in revenues needed to meet the City's financial objectives.

2.4.1 Existing and Proposed Debt

Table 2-10 summarizes the water utility's existing debt and the proposed debt service payments associated with the proposed plan. For the water utility, a debt issue is anticipated in 2025 to help fund the raw water line construction, with net proceeds amounting to $8.5 million. The proposed debt service payments are assumed to start in the year of issuance with two years of interest only payments and full principal and interest payments starting in 2027. The proposed water debt is for a 20-year term at 2.50 percent interest and a 1.0 percent cost of issuance. These estimated payments are estimated solely for the purpose of depicting future revenue requirements and evaluating the sufficiency of revenues under approved and future rates. The actual structure of future debt may vary based on the recommendations of the City's Municipal Advisor and market conditions at the time of issuance.

Table 2-10: Existing and Proposed Water Debt

Line		Projected							
No.		2020	2021	2022	2023	2024	2025	2026	2027
	Existing Debt Issues								
1	2017	575,789	575,719	575,525	575,223	575,798	574,250	574,594	574,806
2	Gross Debt Service	575,789	575,719	575,525	575,223	575,798	574,250	574,594	574,806
	Proposed Debt*								
3	2025 Bond [1]	-	-	-	-	-	106,250	212,500	545,300
4	Total Proposed Debt	-	-	-	-	-	106,250	212,500	545,300
5	Total Gross Debt Service	575,789	575,719	575,525	575,223	575,798	680,500	787,094	1,120,106

[1] Assumed debt issuance with equal annual payments with Interest only in the first two years
Terms reflect 1% issuance expense, 20 year term and 2.50% interest on $8.5M loan
* Assumes proposed debt to be SRF

Table 2-11 summarizes the sewer utility's existing debt and the proposed debt service payments associated with the proposed plan. The net proceeds from the proposed debt amount for the sewer utility is $10.60 million which is anticipated to be issued in 2020. The proposed debt service payments are assumed to start the year following the issuance and is anticipated to be a Certificate of Participation (CO) debt instrument. The proposed sewer debt amortization was provided by the City's financial advisor, Baker Tilley. The proposed sewer debt is for a 20-year term.

Table 2-11: Existing and Proposed Water Debt

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027
	Existing Debt Issues								
1	2002	280,228	279,101	277,854	276,487	-	-	-	-
2	2003	230,496	235,083	239,445	243,997	248,492	-	-	-
3	2005	110,969	108,461	110,946	108,291	110,626	107,818	-	-
4	2010	251,503	251,516	251,446	251,593	251,454	251,530	251,517	251,612
5	Net Debt Service	873,196	874,161	879,690	880,368	610,571	359,348	251,517	251,612
	Proposed Debt*								
6	2020 Bond [1]	-	231,463	277,755	277,755	472,755	753,843	853,898	858,188
7	Total Proposed Debt	-	231,463	277,755	277,755	472,755	753,843	853,898	858,188
8	Total Debt Service	873,196	1,105,624	1,157,445	1,158,123	1,083,326	1,113,190	1,105,414	1,109,799

[1] Proposed debt is COP with a 20 year term - amortization provided by Baker Tilly

2.4.2 Water Utility Flow of Funds

Detailed cash flow tables were developed individually for the water and sewer utility, and then combined to show the consolidated utility cash flow under the proposed plan. Table 2-12 presents the water utility cash flow, Table 2-13 presents the sewer utility cash flow, and Table 2-14 shows the consolidated utility cash flow.

Beginning with the water utility, Line 1 of Table 2-12 shows user revenues under 2020 rates, identified previously in Table 2-4. Lines 2 through 9 present the revenue increases proposed which are assumed to be effective January 1 of each year indicated. Total user revenues are summarized on Line 11.

Line 12 presents other water fund revenue. All other water revenues shown on Line 12 are estimated to remain at 2020 budgeted levels. Line 13 shows the total operating revenue forecasted over the study period. Including the proposed revenue adjustments, total revenue is projected to range from $3.12 million in 2020 to $3.67 million in 2027.

Water utility revenue requirements are represented on Lines 14 through 20 and summarized on Line 21. Total revenue requirements are deducted from Line 13 total revenue to determine the annual operating balance shown on Line 22. With the proposed revenue adjustments, the operating balance on Line 22 is positive throughout the forecast.

Lines 23 through 27 project future operating reserves for the water utility. For 2020, a beginning balance of approximately $3.37 million was available for the water utility for operating and capital purposes. For this study, $0.8 million was assumed to be available for operations as shown on Line 23, with the remainder assigned to fund capital projects as shown on Line 28. The annual operating balance is added to this amount to reflect cash produced by ongoing operations of the water utility. The utility intends to maintain a minimum operating balance of 180 days (or about 50 percent) of the next fiscal year's O&M, shown as the target on Line 27. Any balances exceeding this minimum are considered available for use on capital projects and are transferred for that purpose on Line 25. The water capital flow of funds is shown in Table 2-12 on Lines 28 through 36.

Sources of funds for the capital plan include beginning balances, the transfer of available cash from operations and the issuance of debt. In 2020, the transfer from operating funds is approximately $0.86 million as shown on Line 29. As noted previously, one debt issue is identified for the water utility, amounting to about $8.50 million in net proceeds in 2025 which can be seen on Line 31.

Water capital improvement projects shown on Line 33 are consistent with that shown previously in Table 2-8.

Line 36 of Table 2-12 shows the annual capital balance. The forecast shows there are enough funding sources to fund the capital plan in each year which leaves a positive capital balance each year.

Financial debt instruments usually include covenants regarding financial performance that generally require net revenues (defined as total utility revenue less O&M) to exceed annual debt service payments by a factor that may range from 1.10x to 1.35x. The City has a minimum debt service coverage requirement of 1.10x and an internal planning target of 1.50x. This coverage level provides assurances to bond holders that the utility has the financial wherewithal to meet its annual debt payment. Municipal bond rating agencies evaluate many criteria regarding the credit worthiness of utility debt. Debt service coverage is one of the primary indicators that is examined, and rating agencies generally reserve their stronger ratings for debt service coverage ratios that exceed 1.50x to 2.00x. As shown on Line 38, the water utility is anticipated to be well above the internal target of 1.50x in each year with the exception of 2027 where it dips slightly below the internal target but remains above the required 1.10x.

Table 2-12: Water Utility Financial Plan

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027
	Water Utility Operating Flow of Funds								
1	Revenue Under Existing Water Rates	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000
	Proposed Revenue Adjustments								
	Year Month Increase								
2	2020 1 0.0%	-	-	-	-	-	-	-	-
3	2021 1 2.5%		73,100	73,100	73,100	73,100	73,100	73,100	73,100
4	2022 1 2.5%			74,900	74,900	74,900	74,900	74,900	74,900
5	2023 1 2.5%				76,800	76,800	76,800	76,800	76,800
6	2024 1 2.5%					78,700	78,700	78,700	78,700
7	2025 1 2.5%						80,700	80,700	80,700
8	2026 1 2.5%							82,700	82,700
9	Total Proposed Additional Revenue	-	73,100	148,000	224,800	303,500	384,200	466,900	551,700
10	Total Water User Charge Revenue	2,924,000	2,997,100	3,072,000	3,148,800	3,227,500	3,308,200	3,390,900	3,475,700
11	Other Water Fund Revenue	193,930	193,930	193,930	193,930	193,930	193,930	193,930	193,930
12	**Grand Total Water Revenue**	**3,117,930**	**3,191,030**	**3,265,930**	**3,342,730**	**3,421,430**	**3,502,130**	**3,584,830**	**3,669,630**
	Revenue Requirements								
13	Water Administrative	557,843	574,650	591,850	609,600	627,900	646,750	666,100	686,000
14	Water Plant	656,290	676,200	696,500	717,300	738,800	760,900	783,700	807,100
15	Water Distribution/ Collection	463,327	477,190	491,610	506,380	521,640	537,320	553,490	570,080
16	Total Operation and Maintenance Expense	1,677,459	1,728,040	1,779,960	1,833,280	1,888,340	1,944,970	2,003,290	2,063,180
	Debt Service								
17	Existing Debt	575,789	575,719	575,525	575,223	575,798	574,250	574,594	574,806
18	Proposed Debt	-	-	-	-	-	106,250	212,500	545,300
19	Total Debt Service	575,789	575,719	575,525	575,223	575,798	680,500	787,094	1,120,106
20	**Total Revenue Requirements**	**2,253,248**	**2,303,759**	**2,355,485**	**2,408,503**	**2,464,138**	**2,625,470**	**2,790,384**	**3,183,286**
21	**Annual Operating Balance**	**864,682**	**887,272**	**910,446**	**934,227**	**957,292**	**876,661**	**794,447**	**486,345**
22	Beginning Balance [1]	827,288	827,271	852,142	877,788	904,114	931,206	959,167	987,913
23	Annual Operating Balance	864,682	887,272	910,446	934,227	957,292	876,661	794,447	486,345
24	Transfers to Capital	(864,771)	(862,342)	(884,788)	(907,914)	(930,206)	(848,667)	(765,713)	(456,758)
25	Ending Balance	827,200	852,200	877,800	904,100	931,200	959,200	987,900	1,017,500
26	Op. Reserve Target [2]	827,200	852,200	877,800	904,100	931,200	959,200	987,900	1,017,500
	Water Utility Capital Flow of Funds								
	Sources								
27	Beginning Capital Balance	2,539,318	3,242,018	2,971,418	2,809,618	2,105,718	2,473,118	764,318	1,410,618
28	Transfer from Operations	864,771	862,342	884,788	907,914	930,206	848,667	765,713	456,758
29	Anticipated Grants	-	-	-	-	-	-	-	-
30	Debt Issuance [3]	-	-	-	-	-	8,500,000	-	-
31	**Total Capital Sources**	**3,404,089**	**4,104,360**	**3,856,206**	**3,717,532**	**3,035,924**	**11,821,785**	**1,530,031**	**1,867,376**
	Uses								
32	Total Inflated CIP	162,000	1,133,000	1,046,600	1,611,800	562,800	10,972,500	119,400	153,700
33	Debt Issuance Expense	-	-	-	-	-	85,000	-	-
34	**Total Capital Uses**	**162,000**	**1,133,000**	**1,046,600**	**1,611,800**	**562,800**	**11,057,500**	**119,400**	**153,700**
35	**Annual Capital Balance**	**3,242,089**	**2,971,360**	**2,809,606**	**2,105,732**	**2,473,124**	**764,285**	**1,410,631**	**1,713,676**
36	Total End of Year Cash	4,069,289	3,823,560	3,687,406	3,009,832	3,404,324	1,723,485	2,398,531	2,731,176
37	Debt Service Coverage [4]	2.50	2.54	2.58	2.62	2.66	2.29	2.01	1.43

[1] Beginning Balance is split evenly across water and wastewater utilities
[2] Based on 180 days operation and maintenance expense
[3] Debt is net of DSRF and issuance cost
[4] Minimum debt service coverage is 1.10: Targeting 1.50

2.4.3 Sewer Utility Flow of Funds

Line 1 of Table 2-13 shows user revenues under 2020 rates, identified previously in Table 2-5. Lines 2 through 9 present the revenue increases proposed which are assumed to be effective January 1 of each year indicated. Total user revenues are summarized on Line 11.

Line 12 presents other sewer fund revenue. All other sewer revenues shown on Line 12 are estimated to remain at 2020 budgeted levels. Line 13 shows the total operating revenue forecasted over the study period. Including the proposed revenue adjustments, total revenue is projected to range from $2.67 million in 2020 to $3.70 million in 2027.

Sewer utility revenue requirements are represented on Lines 14 through 20 and summarized on Line 21. Total revenue requirements are deducted from Line 13 total revenue to determine the annual operating balance shown on Line 22. With the proposed revenue adjustments, the operating balance on Line 22 is positive throughout the forecast.

Lines 23 through 27 project future operating reserves for the sewer utility. For 2020, a beginning balance of approximately $3.37 million was available for the sewer utility for operating and capital purposes. For this study, $0.7 million was assumed to be available for operations as shown on Line 23, with the remainder assigned to fund capital projects as shown on Line 28. The annual operating balance is added to this amount to reflect cash produced by ongoing operations of the sewer utility. The utility intends to maintain a minimum operating balance of 180 days (or about 50 percent) of the next fiscal year's O&M, shown as the target on Line 27. Any balances exceeding this minimum are considered available for use on capital projects and are transferred for that purpose on Line 29. The sewer capital flow of funds is shown in Table 2-13 on Lines 28 through 36.

Sources of funds for the capital plan include beginning balances, the transfer of available cash from operations and the issuance of debt. In 2020, the transfer from operating funds is approximately $0.3 million as shown on Line 29. As noted previously, one debt issue is identified for the sewer utility, amounting to about $10.60 million in net proceeds in 2020 which can be seen on Line 31.

Sewer capital improvement projects shown on Line 33 are consistent with that shown previously in Table 2-9.

Line 36 of Table 2-13 shows the annual capital balance. The forecast shows there are enough funding sources to fund the capital plan in each year which leaves a positive capital balance each year.

Financial debt instruments usually include covenants regarding financial performance that generally require net revenues (defined as total utility revenue less O&M) to exceed annual debt service payments by a factor that may range from 1.10x to 1.35x. The City has a minimum debt service coverage requirement of 1.10x and an internal planning target of 1.50x. This coverage level provides assurances to bond holders that the utility has the financial wherewithal to meet its annual debt payment. Municipal bond rating agencies evaluate many criteria regarding the credit worthiness of utility debt. Debt service coverage is one of the primary indicators that is examined, and rating agencies generally reserve their stronger ratings for debt service coverage ratios that exceed 1.50x to 2.00x. As shown on Line 38, the sewer utility is anticipated to be well above the minimum of 1.10x in each year and exceeds the 1.50x target in the last two years of the plan.

2.4.4 Consolidated Utility Flow of Funds

A combined water and sewer utility detailed cash flow table is presented in Table 2-14. On a consolidated basis, proposed revenue adjustments remain constant at 3.70 percent from 2020 through 2027, as shown on Lines 4 through 11. Ending operating balances meet the 180-day operating reserve in each year. The CIP is fully funded by the available cash and proposed debt issuance, and debt service coverage is above the internal target of 1.50x through 2027.

Table 2-13: Sewer Utility Financial Plan

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027
	Sewer Utility Operating Flow of Funds								
1	Revenue Under Existing Sewer Rates	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800
	Proposed Revenue Adjustments								
	Year / Month / Increase								
2	2020 / 1 / 0.00%	-	-	-	-	-	-	-	-
3	2021 / 1 / 5.00%		126,300	126,300	126,300	126,300	126,300	126,300	126,300
4	2022 / 1 / 5.00%			132,600	132,600	132,600	132,600	132,600	132,600
5	2023 / 1 / 5.00%				139,200	139,200	139,200	139,200	139,200
6	2024 / 1 / 5.00%					146,200	146,200	146,200	146,200
7	2025 / 1 / 5.00%						153,500	153,500	153,500
8	2026 / 1 / 5.00%							161,200	161,200
9	2027 / 1 / 5.00%								169,200
10	Total Proposed Additional Revenue	-	126,300	258,900	398,100	544,300	697,800	859,000	1,028,200
11	Total Sewer User Charge Revenue	2,525,800	2,652,100	2,784,700	2,923,900	3,070,100	3,223,600	3,384,800	3,554,000
12	Other Sewer Fund Revenue	138,765	138,765	138,765	138,765	138,765	138,765	138,765	138,765
13	**Grand Total Water Revenue**	**2,664,565**	**2,790,865**	**2,923,465**	**3,062,665**	**3,208,865**	**3,362,365**	**3,523,565**	**3,692,765**
	Revenue Requirements								
14	Sewer Administrative	557,843	574,650	591,850	609,600	627,900	646,750	666,100	686,000
15	Sewer Plant	733,565	755,800	778,400	801,700	825,500	850,100	875,400	901,700
16	Sewer Distribution/ Collection	198,569	204,510	210,690	217,020	223,560	230,280	237,210	244,320
17	Total Operation and Maintenance Expense	1,489,976	1,534,960	1,580,940	1,628,320	1,676,960	1,727,130	1,778,710	1,832,020
	Debt Service								
18	Existing Debt	873,196	874,161	879,690	880,368	610,571	359,348	251,517	251,612
19	Proposed Debt	-	231,463	277,755	277,755	472,755	753,843	853,898	858,188
20	Total Debt Service	873,196	1,105,624	1,157,445	1,158,123	1,083,326	1,113,190	1,105,414	1,109,799
21	**Total Revenue Requirements**	**2,363,172**	**2,640,584**	**2,738,385**	**2,786,443**	**2,760,286**	**2,840,320**	**2,884,124**	**2,941,819**
22	**Annual Operating Balance**	**301,393**	**150,281**	**185,080**	**276,222**	**448,579**	**522,045**	**639,441**	**750,946**
23	Beginning Balance [1]	734,799	734,800	757,000	779,600	803,000	827,000	851,700	877,200
24	Annual Operating Balance	301,393	150,281	185,080	276,222	448,579	522,045	639,441	750,946
25	Transfers to Capital	(301,392)	(128,081)	(162,480)	(252,822)	(424,579)	(497,345)	(613,941)	(724,646)
26	Ending Balance	734,800	757,000	779,600	803,000	827,000	851,700	877,200	903,500
27	Op. Reserve Target [2]	734,800	757,000	779,600	803,000	827,000	851,700	877,200	903,500
	Sewer Utility Capital Flow of Funds								
	Sources								
28	Beginning Capital Balance	2,631,807	12,260,207	2,447,807	1,126,507	751,107	515,007	299,307	226,707
29	Transfer from Operations	301,392	128,081	162,480	252,822	424,579	497,345	613,941	724,646
30	Anticipated Grants	-	-	-	-	-	-	-	-
31	Debt Issuance [3]	10,600,000	-	-	-	-	-	-	-
32	**Total Capital Sources**	**13,533,199**	**12,388,288**	**2,610,287**	**1,379,329**	**1,175,686**	**1,012,352**	**913,248**	**951,353**
	Uses								
33	Total Inflated CIP	1,273,000	9,940,500	1,483,700	628,300	660,700	713,000	686,600	756,400
34	Debt Issuance Expense	-	-	-	-	-	-	-	-
35	**Total Capital Uses**	**1,273,000**	**9,940,500**	**1,483,700**	**628,300**	**660,700**	**713,000**	**686,600**	**756,400**
36	**Annual Capital Balance**	**12,260,199**	**2,447,788**	**1,126,587**	**751,029**	**514,986**	**299,352**	**226,648**	**194,953**
37	Total End of Year Cash	12,994,999	3,204,780	1,906,160	1,554,082	1,341,961	1,151,005	1,103,846	1,098,392
38	Debt Service Coverage [4]	1.35	1.14	1.16	1.24	1.41	1.47	1.58	1.68

[1] Beginning Balance is split evenly across water and wastewater utilities
[2] Based on 180 days operation and maintenance expense
[3] Debt is net of DSRF and issuance cost
[4] Minimum debt service coverage is 1.10: Targeting 1.50

Table 2-14: Combined Water and Sewer Utility Financial Plan

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027
	Combined Utility Operating Flow of Funds								
1	Revenue Under Existing Water Rates	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000	2,924,000
2	Revenue Under Existing Sewer Rates	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800	2,525,800
3	Total User Charge Revenue	5,449,800	5,449,800	5,449,800	5,449,800	5,449,800	5,449,800	5,449,800	5,449,800
	Proposed Revenue Adjustments								
	Year / Month / Increase								
4	2020 / 1 / 0.00%	-	-	-	-	-	-	-	-
5	2021 / 1 / 3.70%		199,400	199,400	199,400	199,400	199,400	199,400	199,400
6	2022 / 1 / 3.70%			207,500	207,500	207,500	207,500	207,500	207,500
7	2023 / 1 / 3.70%				216,000	216,000	216,000	216,000	216,000
8	2024 / 1 / 3.70%					224,900	224,900	224,900	224,900
9	2025 / 1 / 3.70%						234,200	234,200	234,200
10	2026 / 1 / 3.70%							243,900	243,900
11	2027 / 1 / 3.70%								254,000
12	Total Proposed Additional Revenue	-	199,400	406,900	622,900	847,800	1,082,000	1,325,900	1,579,900
13	Total User Charge Revenue	5,449,800	5,649,200	5,856,700	6,072,700	6,297,600	6,531,800	6,775,700	7,029,700
14	Other Fund Revenue	332,695	332,695	332,695	332,695	332,695	332,695	332,695	332,695
15	**Grand Total Revenue**	**5,782,495**	**5,981,895**	**6,189,395**	**6,405,395**	**6,630,295**	**6,864,495**	**7,108,395**	**7,362,395**
	Revenue Requirements								
16	Water O&M	1,677,459	1,728,040	1,779,960	1,833,280	1,888,340	1,944,970	2,003,290	2,063,180
17	Sewer O&M	1,489,976	1,534,960	1,580,940	1,628,320	1,676,960	1,727,130	1,778,710	1,832,020
18	Total Operation and Maintenance Expense	3,167,435	3,263,000	3,360,900	3,461,600	3,565,300	3,672,100	3,782,000	3,895,200
	Debt Service								
19	Existing Debt	1,448,985	1,449,880	1,455,215	1,455,591	1,186,370	933,597	826,110	826,417
20	Proposed Debt	-	231,463	277,755	277,755	472,755	860,093	1,066,398	1,403,488
21	Total Debt Service	1,448,985	1,681,342	1,732,970	1,733,346	1,659,125	1,793,690	1,892,508	2,229,905
22	**Total Revenue Requirements**	**4,616,420**	**4,944,342**	**5,093,870**	**5,194,946**	**5,224,425**	**5,465,790**	**5,674,508**	**6,125,105**
23	**Annual Operating Balance**	**1,166,075**	**1,037,553**	**1,095,525**	**1,210,449**	**1,405,870**	**1,398,705**	**1,433,887**	**1,237,290**
24	Beginning Balance	1,562,088	1,562,100	1,609,200	1,657,500	1,707,100	1,758,200	1,810,900	1,865,100
25	Annual Operating Balance	1,166,075	1,037,553	1,095,525	1,210,449	1,405,870	1,398,705	1,433,887	1,237,290
26	Transfers to Capital	(1,166,100)	(990,500)	(1,047,200)	(1,160,800)	(1,354,800)	(1,346,000)	(1,379,700)	(1,181,400)
27	Ending Balance	1,562,100	1,609,200	1,657,500	1,707,100	1,758,200	1,810,900	1,865,100	1,921,000
28	Op. Reserve Target [1]	1,562,000	1,609,200	1,657,400	1,707,100	1,758,200	1,810,900	1,865,100	1,920,900
	Combined Utility Capital Flow of Funds								
	Sources								
29	Beginning Capital Balance	5,171,125	15,502,225	5,419,225	3,936,125	2,856,825	2,988,125	1,063,625	1,637,325
30	Transfer from Operations	1,166,100	990,500	1,047,200	1,160,800	1,354,800	1,346,000	1,379,700	1,181,400
31	Anticipated Grants	-	-	-	-	-	-	-	-
32	Debt Issuance	10,600,000	-	-	-	-	8,500,000	-	-
33	**Total Capital Sources**	**16,937,225**	**16,492,725**	**6,466,425**	**5,096,925**	**4,211,625**	**12,834,125**	**2,443,325**	**2,818,725**
	Uses								
34	Total Inflated CIP	1,435,000	11,073,500	2,530,300	2,240,100	1,223,500	11,685,500	806,000	910,100
35	Debt Issuance Expense	-	-	-	-	-	85,000	-	-
36	**Total Capital Uses**	**1,435,000**	**11,073,500**	**2,530,300**	**2,240,100**	**1,223,500**	**11,770,500**	**806,000**	**910,100**
37	**Annual Capital Balance**	**15,502,225**	**5,419,225**	**3,936,125**	**2,856,825**	**2,988,125**	**1,063,625**	**1,637,325**	**1,908,625**
38	Total End of Year Cash	17,064,288	7,028,340	5,593,565	4,563,914	4,746,285	2,874,490	3,502,377	3,829,568
39	Debt Service Coverage	1.80	1.62	1.63	1.70	1.85	1.78	1.76	1.55

[1] Based on 180 days operation and maintenance expense
[2] Minimum debt service coverage is 1.10: Targeting 1.50

3.0 COST OF SERVICE ANALYSIS

3.1 Introduction

The cost of service analysis is focused on determining revenue responsibility. Once the overall need for revenue increases is identified through financial planning, the results of the cost of service analysis help answer the following question:

- "Which customer class or classes are responsible for the costs incurred to provide service?"

To determine each customer class' equitable share of the cost of providing utility service, the cost of service analysis compares the revenues received from each customer class under the existing schedule of rates with the allocated cost responsibility for that class.

The cost of service analysis was developed in the following steps:

1. Determine the net revenue requirements to be recovered from user charges.
2. Allocate test period operating and capital costs.
3. Estimate the system test period units of service.
4. Develop test period unit costs of service by class.
5. Assign the costs of service to customer classes.

To equitably develop rates for water and sewer service, the water and sewer utility's customer classes are allocated their respective share of the total cost of service according to their use of the system. Cost are assigned through consideration of volume, peak water demand characteristics, wastewater strength, customer costs, and other relevant factors. Ultimately, proposed rates must be sufficient to meet the net revenue requirements forecasted for the water and sewer utility.

3.2 Water Cost of Service

3.2.1 Net Revenue Requirements

As described in Section 2.0 of this report, the cash needs of the water utility were projected over a seven-year study period. The test period for the cost of service analysis is 2021, which corresponds to the first year for which revenue adjustments are proposed. For the water utility, the revenue adjustment amounts to a 2.5 percent increase.

Table 3-1 summarizes the development of the net revenue requirements to be recovered from water rates in the 2021 test year. The net revenue requirements represent the level of costs that must be recovered from water sales under the established water rate schedule and are equal to total operating and capital cost expenditures less all sources of other revenue. As presented in Table 3-1, the net operating costs are equal to $1,558,982 and the net capital costs are equal to $1,438,119 for a total net revenue requirement of $2,997,100. This is 2.5 percent higher than revenues under existing water rates which is consistent with the 2021 revenue increase identified in the recommended water utility financial plan.

Table 3-1: Test Year 2021 Water Net Revenue Requirements

Line No.	Description	Operating Expense	Capital Cost	Total
		$	$	$
	Revenue Requirements			
1	Operating Expense	1,728,040	-	1,728,040
2	Debt Service	-	575,719	575,719
3	Revenue Capital Financing	-	862,400	862,400
4	Total	1,728,040	1,438,119	3,166,159
	Revenue Requirements Met from Other Sources			
5	Other Miscellaneous Revenue	193,930	-	193,930
6	Use of / (Deposit to) Reserves	(24,872)	-	(24,872)
7	Total	169,059	-	169,059
8	Cost of Service to be met by User Charges	1,558,982	1,438,119	2,997,100
9	Revenue under Existing Rates			2,924,000
10	Indicated System Revenue Adjustment			2.5%

3.2.2 Cost of Service Methodology

Two alternative water cost allocation methodologies are generally accepted by the American Water Works Association as described in AWWA *Manual M1, Principles of Water Rates, Fees, and Charges*: (1) the Base-Extra Capacity Method, and (2) the Commodity-Demand Method. Both methods are similar in that each customer class' average water usage requirements and peak demand water usage requirements are reflected in the allocation process. Although the allocation approach varies slightly in the assignment of costs, both approaches are centered on the recovery of costs related to both average and peak conditions.

For this Study, the Base-Extra Capacity method was followed. Under the Base-Extra Capacity method, costs are assigned to functional components including base, extra capacity, customer costs and fire protection. Base costs vary directly with the volume of water used and reflect the costs associated with serving customers under average load conditions. Base costs tend to include items such as power and chemicals costs.

Extra capacity costs reflect costs incurred to meet the peak demand at both a maximum day and a maximum hour. These costs include operating and capital costs necessary to provide additional capacity beyond average load conditions.

Customer costs are those that generally vary in accordance with the quantity of customers served. Such costs typically include meter reading, billing, customer care, and related support costs.

3.2.3 Functional Cost Assignment

The water utility system includes a variety of facilities that work in concert with one another to meet the average and peak demands of the system. Water systems are designed to meet peak coincidental demands of the system as a whole. For every volume-related element within the water system, an average demand is served and therefore a portion of such costs is attributable to the base cost component. Water system elements designed to primarily meet average day demand are assigned 100 percent to the base component. Extra capacity requirements exceeding the base are further distinguished between maximum day and maximum hour demands.

3.2.3.1 Operating Expenses

Operating expenses for the water system are budgeted and actual expenses are recorded to reflect costs associated with administrative costs, water treatment and the distribution system. These costs were forecasted previously in Table 2-6 of this report. Test year 2021 operating costs are assigned to functional components in Table 3-2.

Table 3-2: Allocation of Test Year 2021 Water Operation and Maintenance Expenses

Line No.	Description	Test Year 2021 Total	Base	Maximum Day	Maximum Hour	Meters	Billing
		$	$	$	$	$	$
	Administration						
1	Personnel Services	65,950	38,332	16,015	8,895	-	2,708
2	Contractual Services	14,300	8,314	3,470	1,928	-	588
3	Commodities	13,100	7,615	3,181	1,767	-	537
4	Office Facilities and Service - Billing	49,400	-	-	-	-	49,400
5	Other Charges	431,900	251,026	104,875	58,259	-	17,740
6	Capital Outlay	-	-	-	-	-	-
7	Total Administrative	574,650	305,287	127,541	70,849	-	70,973
	Water Plant						
8	Personnel Services	294,600	194,824	99,776	-	-	-
9	Contractual Services	197,900	130,874	67,026	-	-	-
10	Chemicals	128,800	128,800	-	-	-	-
11	Other Commodities	150,600	143,216	7,384	-	-	-
12	Other Charges	100	66	34	-	-	-
13	Capital Outlay	33,000	21,823	11,177	-	-	-
14	Total Water Plant	676,200	490,803	185,397	-	-	-
	Distribution						
15	Personnel Services	347,900	151,845	77,768	118,287	-	-
16	Contractual Services	46,690	20,379	10,437	15,874	-	-
17	Commodities	82,600	36,052	18,464	28,084	-	-
18	Other Charges	-	-	-	-	-	-
19	Capital Outlay	-	-	-	-	-	-
20	Total Distribution	477,190	208,276	106,669	162,245	-	-
21	Total Water O&M	1,728,040	1,004,366	419,607	233,094	-	70,973
		100%	58%	24%	13%	0%	4%
	Less Other Operating Revenue						
22	Miscellaneous Revenue	193,930	112,715	47,091	26,159	-	7,965
23	Use of / (Deposit to) Reserves	(24,872)	(14,456)	(6,039)	(3,355)	-	(1,022)
24	Total	169,059	98,260	41,051	22,804	-	6,943
25	Net Water O&M Expense	1,558,982	906,106	378,556	210,290	-	64,030

Water utility operating costs were allocated based on several considerations, including:

- Water utility input regarding the functional purpose of certain costs.
- The design basis of the supply infrastructure, which is influenced primarily by average and maximum day service requirements.
- The design basis of the transmission and distribution system, which is influenced primarily by the maximum day and maximum hour service requirements.
- Directly assignable costs such as customer billing.

3.2.3.2 Capital Costs

Cash capital costs for the water utility include pay-as-you-go (or revenue-financed) capital projects and payments on existing and proposed debt. As shown on Table 3-3, the costs of the existing debt in 2021 are allocated using Base-Maximum Day basis, reflecting the use of 2017 debt to fund for the water treatment plant improvements. Revenue financed capital is allocated using a five-year outlook of the CIP as the next five years of water CIP are anticipated to be funded by available cash. Capital costs are allocated on a project by project basis, taking into consideration the cost-causative design associated with these projects.

Table 3-3: Allocation of Test Year 2021 Water Capital Costs

Line No.	Description	Test Year 2021	Common to All Customers: Base	Maximum Day	Maximum Hour	Customer Meters	Billing
		$	$	$	$	$	$
1	Existing Debt [1]	575,719	380,719	195,000	-	-	-
2	Proposed Debt	-	-	-	-	-	-
3	Revenue Financed Capital [2]	862,400	461,200	236,100	11,700	-	153,400
4	Net Water Capital Expense	1,438,119	841,919	431,100	11,700	-	153,400

[1] Existing debt was allocated using a Base-Max Day methodology reflecting the expansion and improvement of the water treatment plant
[2] Allocated using the capital improvement plan

3.2.4 Units of Service

Functional costs responsibility of each customer class may be established based on the respective service requirements of each class. These service requirements are referred to as units of service and are summarized in Table 3-4.

Base cost responsibility is determined by the water volume used under average day conditions. Average day quantities reflect historical and forecasted demand. Extra capacity costs are assigned to classes based on the estimate of individual class peak demand characteristics and the relationship of these peaks to average use. The estimated capacity factors were developed based on an examination of peak to average demand available from the water utility’s billing data, experience with the City’s system, and judgment.

Table 3-4: Water Units of Service

Line No.	Description	Total Annual Usage Kgal	Average Day Kgal/ day	Maximum Day: Capacity Factor %	Maximum Day: Total Capacity Kgal/ day	Maximum Day: Extra Capacity (a) Kgal/ day	Maximum Hour: Capacity Factor %	Maximum Hour: Total Capacity Kgal/ day	Maximum Hour: Extra Capacity (b) Kgal/ day	Customers: Equivalent Meters	Customers: Billed Units
1	Commercial	90,900	249	200%	498	249	425%	1,058	809	312	3,348
2	Governmental	4,580	13	200%	25	13	425%	53	41	15	168
3	Power and Demand	53,200	146	200%	292	146	425%	620	474	225	2,460
4	Residential	133,950	367	225%	826	459	450%	1,651	1,284	3,145	37,740
5	School	5,250	14	200%	29	14	425%	61	47	15	168
6	Total Electric	12,000	33	225%	74	41	450%	148	115	392	4,260
7	Total	299,880	822		1,743	922		3,592	2,770	4,103	48,144

Projected customers for Test Year 2021 are the basis for the customer-related units of service. Equivalent meter ratios documented in the AWWA M1 manual reflect the relationship of the costs to install and maintain various sized meters to a standard 5/8-inch. These ratios are used to estimate 5/8-inch equivalents for each customer class. Billing costs are allocated to classes based on the projected number of billed units.

3.2.5 Unit Cost Development

Based on the functionalized operation and maintenance expenses and capital costs shown in Tables 3-2 and 3-3, respectively, and the units of service developed in Table 3-4, unit costs of service for each functional cost component may be determined. Table 3-5 indicates, for each functional component, the unit of measure and applicable unit cost.

Table 3-5: Water Unit Cost Development

Line No.	Description	Test Year 2021 Total	Base Kgal	Maximum Day Kgal/day	Maximum Hour Kgal/day	Customer Meters Equivalent Meters	Billing Bills
1	Total Units of Service		299,880	922	2,770	4,103	48,144
2	Net Operating Expense - $	1,558,982	906,106	378,556	210,290	-	64,030
3	Unit Cost - $/Unit		3.0216	410.7544	75.9166	-	1.3300
4	Net Capital Costs - $	1,438,119	841,919	431,100	11,700	-	153,400
5	Unit Cost - $/Unit		2.8075	467.7679	4.2238	-	3.1863
6	Total Cost of Service	2,997,100	1,748,025	809,656	221,990	-	217,430
7	Unit Cost - $/Unit		5.8291	878.5223	80.1404	-	4.5162

3.2.6 Allocation of Costs to Customer Classes

Applying the unit costs by function to each customer class' units of service allows for the distribution of costs to customer classes, as shown in Table 3-6. Units of service for each class are as developed previously in Table 3-5. By applying the unit cost for each function against the level of service provided to each customer class, the total cost of service by customer class may be determined.

Table 3-6: Water Cost Allocation to Customer Classes

Line No.	Description	Test Year 2021 Total	Base	Maximum Day	Maximum Hour	Meters	Billing
1	Unit Cost of Service - $/Unit		$ 5.829	$ 878.522	$ 80.140	$ -	$ 4.516
	Commercial						
2	Units of Service		90,900	249	809	312	3,348
3	Allocated Cost - $	828,700	529,900	218,800	64,900	-	15,100
	Governmental						
4	Units of Service		4,580	13	41	15	168
5	Allocated Cost - $	41,800	26,700	11,000	3,300	-	800
	Power and Demand						
6	Units of Service		53,200	146	474	225	2,460
7	Allocated Cost - $	487,200	310,100	128,000	38,000	-	11,100
	Residential						
8	Units of Service		133,950	459	1,284	3,145	37,740
9	Allocated Cost - $	1,457,100	780,800	403,000	102,900	-	170,400
	School						
10	Units of Service		5,250	14	47	15	168
11	Allocated Cost - $	47,800	30,600	12,700	3,700	-	800
	Total Electric						
12	Units of Service		12,000	41	115	392	4,260
13	Allocated Cost - $	134,400	69,900	36,100	9,200	-	19,200
14	Total Units of Service		299,880	922	2,770	4,103	48,144
15	Total Cost of Service	2,997,000	1,748,000	809,600	222,000	-	217,400

After Test Year 2021 costs are assigned to customer classes, they may be compared against revenue under existing rates. This comparison provides an indication of equity in the recovery of costs through revenues under existing 2020 rates. As shown in Table 3-7, the total system adjustment is indicated to be 2.5 percent, with impacts varying at the customer class level.

Table 3-7: Comparison of Revenue Under Existing Rates to Allocated Cost of Service

Line No.	Description	Revenue Under Existing Rates $	Total Allocated Cost of Service $	Indicated Increase / (Decrease) $	Indicated Increase / (Decrease) %
1	Commercial	839,800	828,700	(11,100)	-1.3%
2	Governmental	41,400	41,800	400	1.0%
3	Power and Demand	478,400	487,200	8,800	1.8%
4	Residential	1,387,700	1,457,100	69,400	5.0%
5	School	47,000	47,800	800	1.7%
6	Total Electric	129,700	134,400	4,700	3.6%
7	Total	2,924,000	2,997,000	73,000	2.5%

It is important to note that cost of service results are instructive but for many reasons should not be interpreted as prescriptive in the development of proposed rates. Section 4.0 will discuss proposed rates for the water utility.

3.3 Sewer Cost of Service

3.3.1 Net Revenue Requirements

As described in Section 2.0 of this report, the cash needs of the sewer utility were projected over a seven-year study period. The test period for the cost of service analysis is 2021, which corresponds to the first year for which revenue adjustments are proposed. For the sewer utility, the revenue adjustment amounts to a 5 percent increase.

Table 3-8 summarizes the development of the net revenue requirements to be recovered from sewer rates in the 2021 test year. The net revenue requirements represent the level of costs that must be recovered from sewer rates and are equal to total operating and capital cost expenditures less all sources of other revenue. As presented in Table 3-8, the net operating costs are equal to $1,418,376 and the net capital costs are equal to $1,233,724 for a total net revenue requirement of $2,652,100. This is 5.0 percent higher than revenues under existing sewer volume rates, consistent with the 2021 revenue increase identified in the recommended sewer utility financial plan.

Table 3-8: Test Year 2021 Sewer Net Revenue Requirements

Line No.	Description	Operating Expense	Capital Cost	Total
		$	$	$
	Revenue Requirements			
1	Operating Expense	1,534,960	-	1,534,960
2	Debt Service	-	1,105,624	1,105,624
3	Revenue Capital Financing	-	128,100	128,100
4	Total	1,534,960	1,233,724	2,768,684
	Revenue Requirements Met from Other Sources			
5	Other Miscellaneous Revenue	138,765	-	138,765
6	Use of / (Deposit to) Reserves	(22,181)	-	(22,181)
7	Total	116,584	-	116,584
8	Cost of Service to be met by User Charges	1,418,376	1,233,724	2,652,100
9	Revenue under Existing Rates			2,525,800
10	Indicated System Revenue Adjustment			5.0%

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3.3.2 Cost of Service Methodology

According to the Water Environment Federation (WEF) publication *Financing and Charges for Wastewater Systems*, three cost allocation methodologies are generally used in the identification and allocation of wastewater utility costs. They are:

- Design-Basis Cost Allocation Methodology, whereby costs are allocated to functions based on engineering design considerations that influence the size and purpose of facilities.
- Functional Cost Allocation Methodology, whereby costs are allocated to functions based on the operational purpose of facilities rather than engineering design.
- Hybrid Approach, where in general capital costs are allocated on the design basis while operating costs are allocated on the functional basis.

For this analysis, the functional cost allocation basis was followed, which aligns well with the current sewer cost structure and services related to its collection and treatment systems.

3.3.3 Functional Cost Assignment

The sewer utility system includes a variety of facilities that work in concert with one another to meet necessary service requirements. For the City, sewer system expenses include administrative, wastewater treatment, and collection costs which can be spread on the functional cost recovery basis of volume, treatment plant, customer, and general system.

Volume costs are those which vary directly with the quantity of wastewater contributed. Treatment plant includes the strength of wastewater as measured in biochemical oxygen demand (BOD) and suspended solids (SS). Customer costs are those that generally vary in accordance with the quantity of customers served. Such costs may include a portion of billing, customer care, and related support costs. General system are all other costs incurred by the utility which are spread on the basis of all other direct costs.

3.3.3.1 Operating Expenses

Operating expenses for the sewer system were forecasted previously in Table 2-7 of this report. Test year 2021 operating costs are assigned to functional components in Table 3-9.

In general operation and maintenance costs were allocated based on several considerations, including:

- The cost causative or functional nature of the underlying expense.
- Directly assignable costs such as customer costs.
- City input regarding the functional purpose of certain costs.

Table 3-9: Allocation of Test Year 2021 Sewer Operation and Maintenance Expenses

Line No.	Description	Test Year 2021 Total $	Volume $	BOD $	Suspended Solids $	Customer $
	Administration					
1	Personnel Services	65,950	44,950	8,900	8,900	3,200
2	Contractual Services	14,300	9,800	1,900	1,900	700
3	Commodities	13,100	8,800	1,800	1,800	700
4	Office Facilities and Service - Billing	49,400	-	-	-	49,400
5	Other Charges	431,900	292,800	59,000	59,000	21,100
6	Capital Outlay	-	-	-	-	-
7	Total Administrative	574,650	356,350	71,600	71,600	75,100
	Wastewater Plant					
8	Personnel Services	316,000	157,600	79,200	79,200	-
9	Utilities	205,000	205,000	-	-	-
10	Other Contractual Services	212,900	106,300	53,300	53,300	-
11	Commodities	21,400	10,600	5,400	5,400	-
12	Total Other Charges	500	300	100	100	-
13	Capital Outlay	-	-	-	-	-
14	Total Wastewater Plant	755,800	479,800	138,000	138,000	-
	Distribution					
15	Personnel Services	149,100	149,100	-	-	-
16	Contractual Services	20,010	20,010	-	-	-
17	Commodities	35,400	35,400	-	-	-
18	Other Charges	-	-	-	-	-
19	Capital Outlay	-	-	-	-	-
20	Total Distribution	204,510	204,510	-	-	-
21	Total Wastewater O&M	1,534,960	1,040,660	209,600	209,600	75,100
		100%	68%	14%	14%	5%
	Less Other Operating Revenue					
22	Miscellaneous Revenue	138,765	94,100	18,900	18,900	6,800
23	Use of / (Deposit to) Reserves	(22,181)	(15,000)	(3,000)	(3,000)	(1,100)
24	Total	116,584	79,100	15,900	15,900	5,700
25	Net Wastewater O&M Expense	1,418,376	961,560	193,700	193,700	69,400

3.3.3.2 Capital Costs

Cash capital costs for the sewer utility include pay-as-you-go (or revenue-financed) capital projects and payment on existing and proposed debt. As shown in Table 3-10, Test Year 2021 capital costs include both revenue-financed capital and a payment on existing and proposed revenue bonds. These costs are assigned to functional components in Table 3-10 on the basis of existing debt using fixed asset data and the planned investment from the CIP and the cost-causative design associated with these projects over the first five years of the study period.

Table 3-10: Allocation of Test Year 2021 Sewer Capital Costs

Line No.	Description	Test Year 2021 Total $	Volume $	BOD $	Suspended Solids $	Customer $
1	Existing Debt [1]	874,161	653,561	110,200	110,200	200
2	Proposed Debt [2]	231,463	207,163	5,600	4,300	14,400
3	Revenue Financed Capital [2]	128,100	114,700	3,100	2,400	7,900
4	Net Sewer Capital Expense	1,233,724	975,424	118,900	116,900	22,500

[1] Existing debt was allocated using fixed asset data
[2] Allocated using the capital improvement plan

3.3.4 Units of Service

Functional costs responsibility of each customer class may be established based on the respective service requirements of each class. These service requirements are referred to as units of service and are summarized in Table 3-11.

Billable flow or volume is that portion of each customer's annual water use discharged directly into the sewer system. Billable flow is based upon utility billing records. An additional consideration for system wide treatment costs is Infiltration/ Inflow (I/I) which is the amount of volume treated at the plant beyond billable flow. This wastewater is related to wet weather events, where additional volume enters the system via leaks, cracks, direct downspout connections and other means, and is ultimately treated at the wastewater treatment plant. Billing costs are allocated to classes based on the projected number of billed units.

Table 3-11: Sewer Units of Service

Line No.	Description	Billable Flow Kgal	Infiltration/Inflow Volume 50%	Infiltration/Inflow Customer 50%	Treated Flow Kgal	Strength BOD lbs	Strength SS lbs.	Meters	Billed Units
1	Commercial	28,440	16,037	8,421	52,898	111,835	123,694	266	3,192
2	Governmental	1,420	801	222	2,443	5,543	6,135	7	84
3	Power and Demand	49,320	27,811	6,110	83,241	192,170	212,737	193	2,316
4	Residential	130,440	73,553	101,342	305,335	362,826	362,826	3,201	38,412
5	School	2,940	1,658	348	4,946	11,452	12,678	11	132
6	Total Electric	14,490	8,171	14,658	37,319	41,014	41,014	463	5,556
7	WD9	5,730	3,231	158	9,119	22,211	24,601	5	60
8	Units of Service	232,780	131,262	131,259	495,301	747,052	783,685	4,146	49,752

3.3.5 Unit Cost Development

Based on the functionalized operation and maintenance expenses and capital costs shown in Tables 3-9 and 3-10, respectively, and the units of service developed in Table 3-11, unit costs of service for each functional cost component may be determined. Table 3-12 indicates, for each functional component, the unit of measure and applicable unit cost.

Table 3-12: Sewer Unit Cost Development

Line No.	Description	Test Year 2021 Total	Volume	BOD	Suspended Solids	Customer
1	Total Units of Service		495,301	747,052	783,685	49,752
2	Unit of Measure		Treated Kgal	Lbs	Lbs	Bills
3	Net Operating Expense - $	1,418,360	961,560	193,700	193,700	69,400
4	Unit Cost - $/Unit		1.9414	0.2593	0.2472	1.3949
5	Net Capital Costs - $	1,233,724	975,424	118,900	116,900	22,500
6	Unit Cost - $/Unit		1.9694	0.1592	0.1492	0.4522
7	Total Cost of Service	2,652,084	1,936,984	312,600	310,600	91,900
8	Unit Cost - $/Unit		3.9108	0.4185	0.3964	1.8471

3.3.6 Allocation of Costs to Customer Classes

Applying the unit costs by function to each customer class' units of service allows for the distribution of costs to customer classes, as shown in Table 3-13. Units of service for each class are as developed previously in Table 3-11. By applying the unit cost for each function against the level of service provided to each customer class, the total cost of service by customer class may be determined.

After Test Year 2021 costs are assigned to customer classes, they may be compared against revenue under existing rates. This comparison provides an indication of equity in the recovery of costs through revenues under existing 2020 rates. As shown in Table 3-14, the total system adjustment is indicated to be 5.0 percent overall, with impacts varying at the customer class level.

Table 3-13: Sewer Cost Allocation to Customer Classes

Line No.	Description	Test Year 2021 Total	Common to All Customers Volume	BOD	Suspended Solids	Meter Reading
1	Unit Cost of Service - $/Unit		$ 3.911	$ 0.419	$ 0.396	$ 1.847
	Commercial					
2	Units of Service		52,898	111,835	123,694	3,192
3	Allocated Cost - $	308,600	206,900	46,800	49,000	5,900
	Governmental					
4	Units of Service		2,443	5,543	6,135	84
5	Allocated Cost - $	14,500	9,600	2,300	2,400	200
	Power and Demand					
6	Units of Service		83,241	192,170	212,737	2,316
7	Allocated Cost - $	494,500	325,500	80,400	84,300	4,300
	Residential					
8	Units of Service		305,335	362,826	362,826	38,412
9	Allocated Cost - $	1,560,700	1,194,100	151,800	143,800	71,000
	School					
10	Units of Service		4,946	11,452	12,678	132
11	Allocated Cost - $	29,300	19,300	4,800	5,000	200
	Total Electric					
12	Units of Service		37,319	41,014	41,014	5,556
13	Allocated Cost - $	189,700	145,900	17,200	16,300	10,300
	WD9					
14	Units of Service		9,119	22,211	24,601	60
15	Allocated Cost - $	54,900	35,700	9,300	9,800	100
16	Total Units of Service		495,301	747,052	783,685	49,752
17	Total Cost of Service	2,652,200	1,937,000	312,600	310,600	92,000

Table 3-14: Comparison of Revenue Under Existing Rates to Allocated Cost of Service

Line No.	Description	Revenue Under Existing Rates	Total Allocated Cost of Service	Indicated Increase / (Decrease)	Indicated Increase / (Decrease)
		$	$	$	%
1	Commercial	313,500	308,600	(4,900)	-1.6%
2	Governmental	13,700	14,500	800	5.8%
3	Power and Demand	472,100	494,500	22,400	4.7%
4	Residential	1,472,200	1,560,700	88,500	6.0%
5	School	28,000	29,300	1,300	4.6%
6	Total Electric	173,300	189,700	16,400	9.5%
7	WD9	53,000	54,900	1,900	3.6%
8	Total	2,525,800	2,652,200	126,400	5.0%

Similar to the water utility, it is important to note that cost of service results are instructive but for many reasons should not be interpreted as prescriptive in the development of proposed rates. Section 4.0 will discuss proposed rates for the sewer utility.

4.0 PROPOSED RATE DESIGN

4.1 Introduction

The primary focus of Step 3, Rate Design is the examination of revenue recovery. Generally speaking, the objective is to design rates for each utility to progress toward the following goals:

- Generate adequate revenues to meet the projected operating and capital costs, while maintaining sound financial performance.
- Provide revenue stability.
- Provide cost recovery that is reasonably commensurate with the cost of providing service.

4.2 Existing Rates

The current 2020 rate schedule is shown in Table 4-1. The water and sewer rate consists of a volumetric charge per thousand gallons and a fixed fee which includes the first 1,000 gallons.

Table 4-1: Current Water and Sewer Rates

Line No	Water Rates	
1	Residential & Commercial	
2	Base (1st 1000 Gal)	13.89
3	Each Additional 1000 Gal.	8.71
	Sewer Rates	
4	Residential & Commercial	
5	Base (1st 1000 Gal)	16.35
6	Each Additional 1000 Gal.	9.16

Three advantages of the current rate structure are that it is understood by water and sewer customers, it is easy to explain, and it provides for fixed cost recovery. The fixed cost recovery built into the existing rates is beneficial because it provides a degree of alignment with the predominately fixed nature of the utility's costs.

4.3 Proposed Rates

Table 4-2 represents the existing and proposed water and sewer rates over the forecast period, maintaining the existing rate structure.

Table 4-2: Proposed Water and Sewer Rates

Line No.	Description	Existing 2020	Proposed 2021	2022	2023	2024	2025	2026	2027
	Water Rates								
1	Base (First 1,000 Gal.)	$ 13.89	$ 14.24	$ 14.59	$ 14.96	$ 15.33	$ 15.72	$ 16.11	$ 16.51
2	Each Additional 1,000 Gal.	$ 8.71	$ 8.93	$ 9.15	$ 9.38	$ 9.61	$ 9.85	$ 10.10	$ 10.35
	Sewer Rates								
3	Base (First 1,000 Gal.)	$ 16.35	$ 17.17	$ 18.03	$ 18.93	$ 19.87	$ 20.87	$ 21.91	$ 23.01
4	Each Additional 1,000 Gal.	$ 9.16	$ 9.62	$ 10.10	$ 10.60	$ 11.13	$ 11.69	$ 12.28	$ 12.89

4.4 Typical Bills

Table 4-3 shows the typical water bill under proposed rates at three different usage levels. As shown on Table 4-3, the total water utility bill for a typical customer using 5,000 gallons would increase by approximately $1.22 per month in 2021.

Table 4-3: Typical Water Bills Under Existing and Proposed Rates

Line No.	Description	Billable Flow (1,000 Gal.)	Monthly Bill Under Existing 2020 Rates $	Proposed 2021 Rates $	Proposed 2022 Rates $	Proposed 2023 Rates $	Proposed 2024 Rates $	Proposed 2025 Rates $	Proposed 2026 Rates $	Proposed 2027 Rates $
1	Residential	2.0	$ 22.60	$ 23.17	$ 23.74	$ 24.34	$ 24.95	$ 25.57	$ 26.21	$ 26.86
2	Residential	5.0	$ 48.73	$ 49.95	$ 51.20	$ 52.48	$ 53.79	$ 55.13	$ 56.51	$ 57.92
3	Residential	8.0	$ 74.86	$ 76.73	$ 78.65	$ 80.62	$ 82.63	$ 84.70	$ 86.81	$ 88.99
	Change in $ over prior year									
4	Residential			$ 0.56	$ 0.58	$ 0.59	$ 0.61	$ 0.62	$ 0.64	$ 0.66
5	Residential			$ 1.22	$ 1.25	$ 1.28	$ 1.31	$ 1.34	$ 1.38	$ 1.41
6	Residential			$ 1.87	$ 1.92	$ 1.97	$ 2.02	$ 2.07	$ 2.12	$ 2.17
	Change in % over prior year									
7	Residential			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8	Residential			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
9	Residential			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Table 4-4 shows the typical sewer bill under proposed rates at three different usage levels. As shown on Table 4-3, the total sewer utility bill for a typical customer using 5,000 gallons would increase by approximately $2.65 per month in 2021.

Table 4-4: Typical Sewer Bills Under Existing and Proposed Rates

			Monthly Bill Under							
Line No.	Description	Billable Flow (1,000 Gal.)	Existing 2020 Rates $	Proposed 2021 Rates $	Proposed 2022 Rates $	Proposed 2023 Rates $	Proposed 2024 Rates $	Proposed 2025 Rates $	Proposed 2026 Rates $	Proposed 2027 Rates $
1	Residential	2.0	$ 25.51	$ 26.79	$ 28.12	$ 29.53	$ 31.01	$ 32.56	$ 34.19	$ 35.90
2	Residential	5.0	$ 52.99	$ 55.64	$ 58.42	$ 61.34	$ 64.41	$ 67.63	$ 71.01	$ 74.56
3	Residential	8.0	$ 80.47	$ 84.49	$ 88.72	$ 93.15	$ 97.81	$ 102.70	$ 107.84	$ 113.23
	Change in $ over prior year									
4	Residential			$ 1.28	$ 1.34	$ 1.41	$ 1.48	$ 1.55	$ 1.63	$ 1.71
5	Residential			$ 2.65	$ 2.78	$ 2.92	$ 3.07	$ 3.22	$ 3.38	$ 3.55
6	Residential			$ 4.02	$ 4.22	$ 4.44	$ 4.66	$ 4.89	$ 5.14	$ 5.39
	Change in % over prior year									
7	Residential			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
8	Residential			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
9	Residential			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

4.5 Regional Comparison

Utility rate levels were examined and compared for 13 neighboring communities. Figure 4-1 shows a comparison of monthly residential water bills for neighboring regional water utilities. This survey indicates the City is close to the average when compared to the surveyed utilities. Proposed rates for 2021 do not change the competitive position of the City. It is worth noting that the water rates for these surveyed communities are likely to rise over time.

Figure 4-1: Typical Residential Water Bill Comparison at 5 Kgal per Month

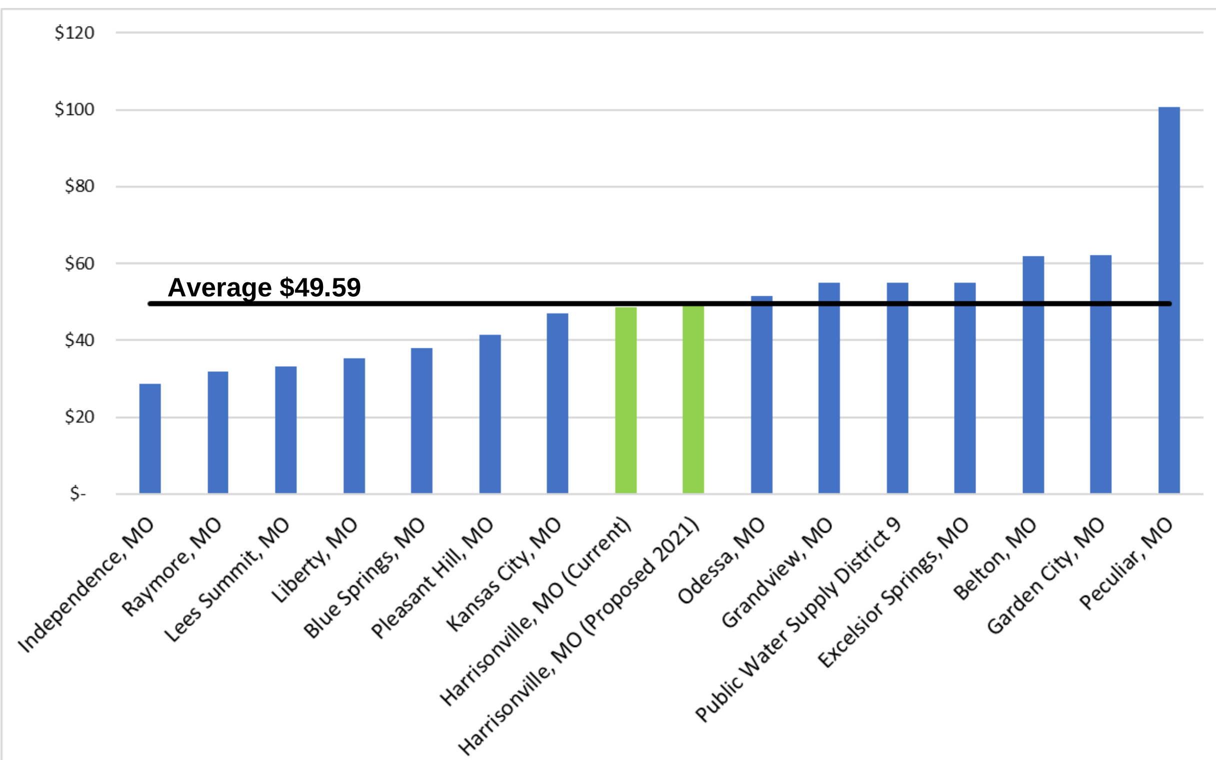
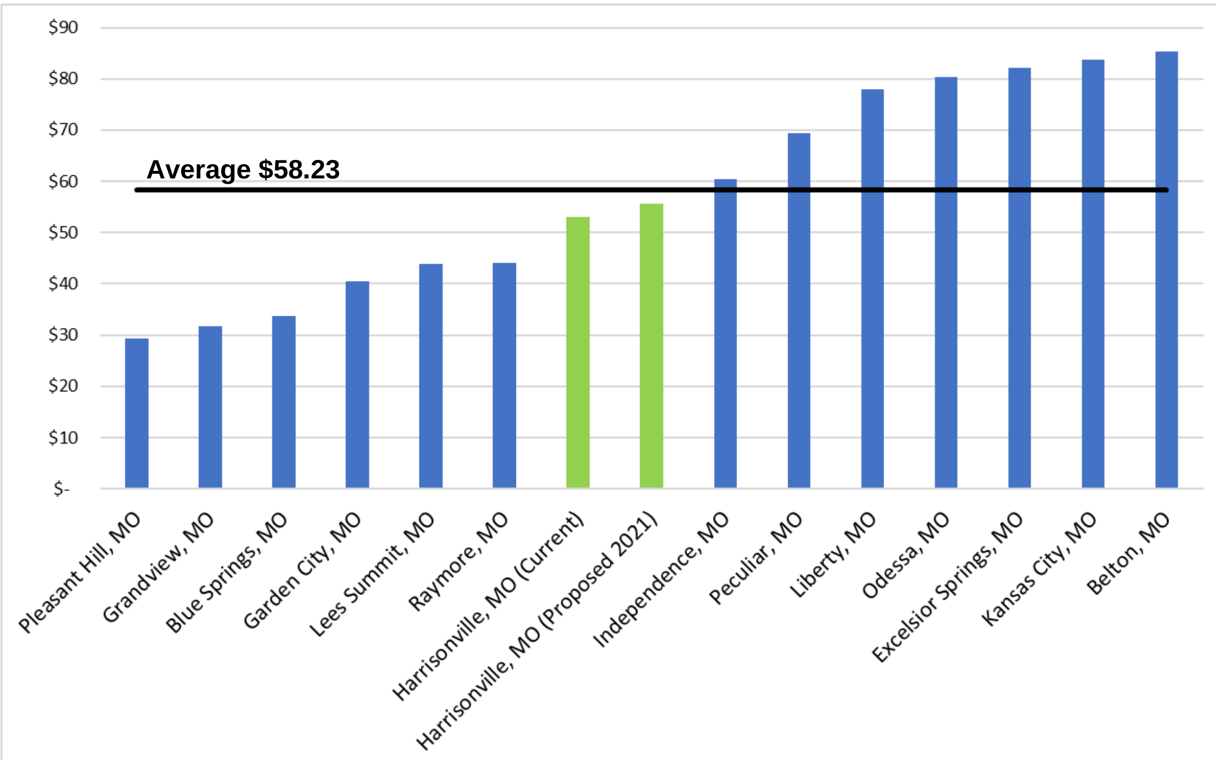


Figure 4-2 shows a comparison of monthly residential sewer bills for neighboring regional sewer utilities. Comparable to water, this survey indicates the City is close to the average when compared to the surveyed utilities. Proposed rates for 2021 do not change the competitive position of the City. It is worth noting that the other communities' rates are likely to rise over time.

Figure 4-2: Typical Residential Sewer Bill Comparison at 5 Kgal per Month



4.6 Statement of Limitations

In preparation of the City of Harrisonville Rate Study (Study), Burns & McDonnell relied upon information provided by the City. The information included various analyses, computer-generated information and reports, audited financial reports, and other financial and statistical information, as well as other documents such as operating budgets and current retail water rate schedules. In addition, input to key assumptions regarding expected future levels of revenue, sales, and expenditures was provided by City staff to Burns & McDonnell. While Burns & McDonnell has no reason to believe that the information provided, and upon which Burns & McDonnell has relied, is inaccurate or incomplete in any material respect, Burns & McDonnell has not independently verified such information and cannot guarantee its accuracy or completeness.

Estimates and projections prepared by Burns & McDonnell relating to financial forecasting and costs are based on Burns & McDonnell's experience, qualifications, and judgment as a professional consultant. Since Burns & McDonnell has no control over weather, cost and availability of labor, material and equipment, labor productivity, contractors' procedures and methods, unavoidable delays, economic conditions, government regulations and laws (including interpretation thereof), competitive bidding, and market conditions or other factors affecting such estimates or projections, Burns & McDonnell does not guarantee the accuracy of its estimates or predictions.

It should be noted that the forecasts prepared in this report do not reflect the potential disruption that COVID-19 may cause. The potential scale and duration of disruptions due to COVID-19 is currently unknown. At this time, it is impossible to foresee or to predict the full impact of COVID-19 and, therefore, forecasts do not include a contingency specifically for COVID-19.

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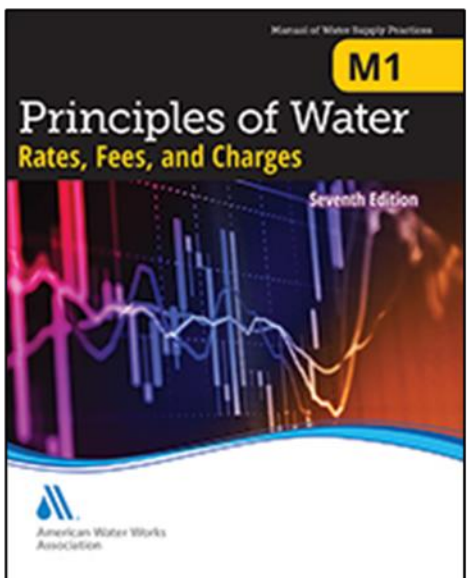
Water & Sewer Rate Study Briefing

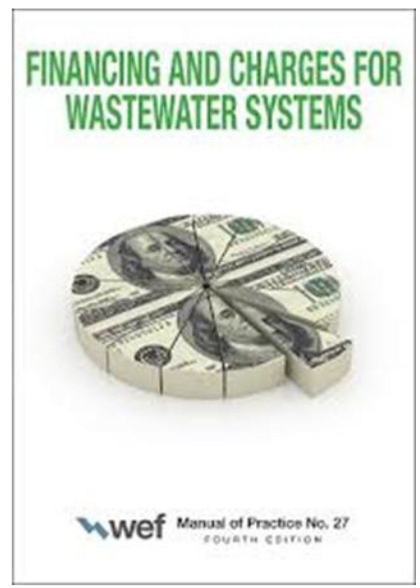
City of Harrisonville, Missouri

August 17, 2020

Agenda

- Background Information
- Study Approach & Recommendations
- Questions / Answers





Background Information

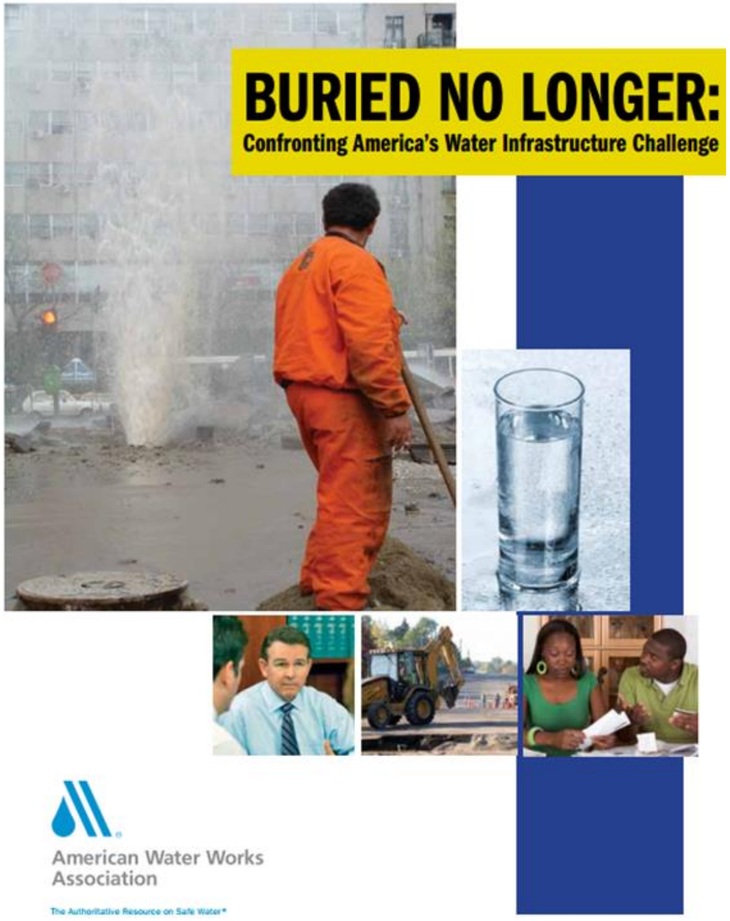
Nationally, water and sewer utility rate increases are outpacing inflation

Survey or Publication	Period	Historical Increase per Year
Water and Sewer Index, BLS	1986-2019	5%
NACWA Cost of Clean Water	1986-2019	5%
AWWA Rate Survey	1996-2018	5%+

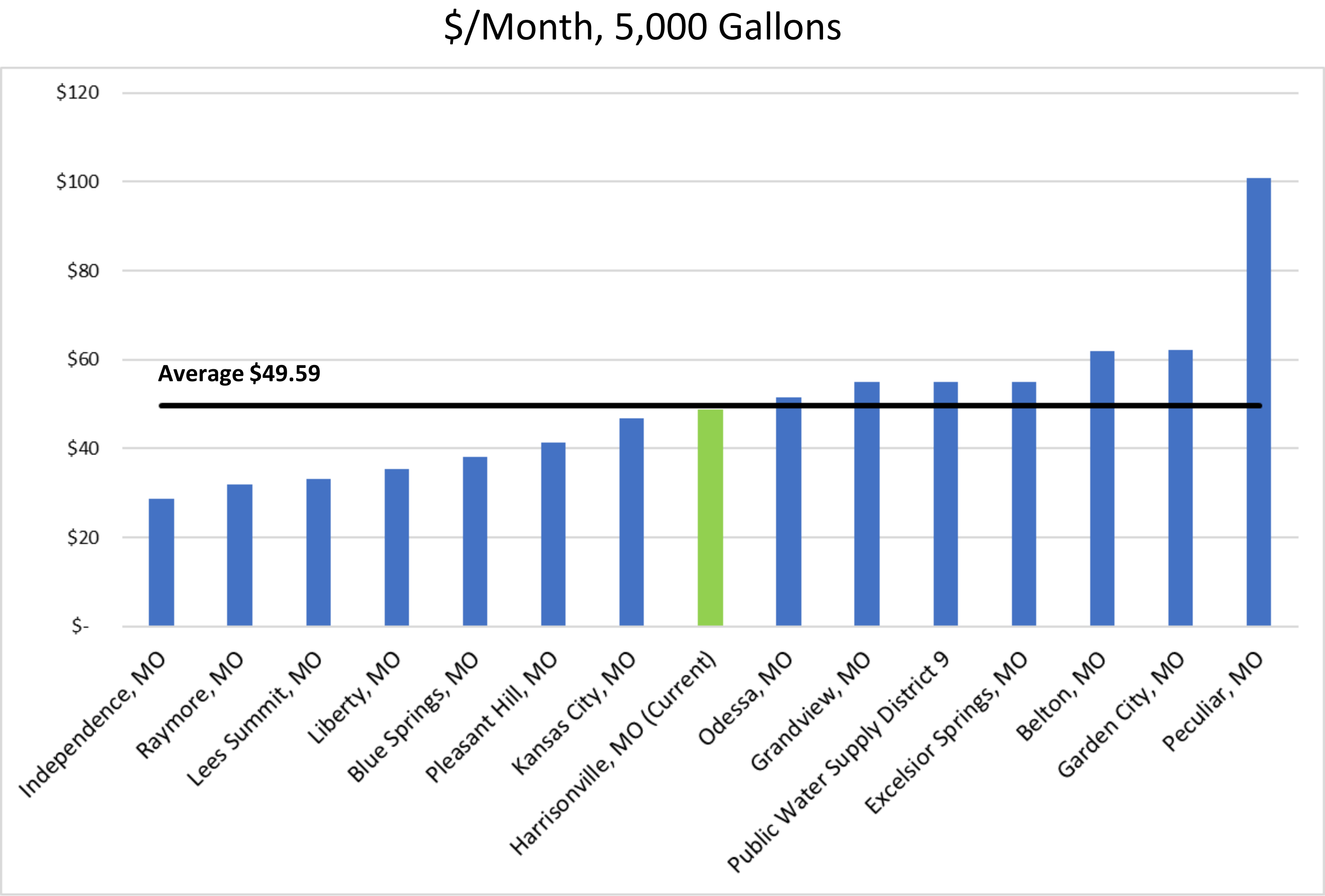
- Other industry surveys also in the 5-6% range
- Despite these industry increases, renewal and replacement is underfunded for many communities

Factors contributing to rising utility rates

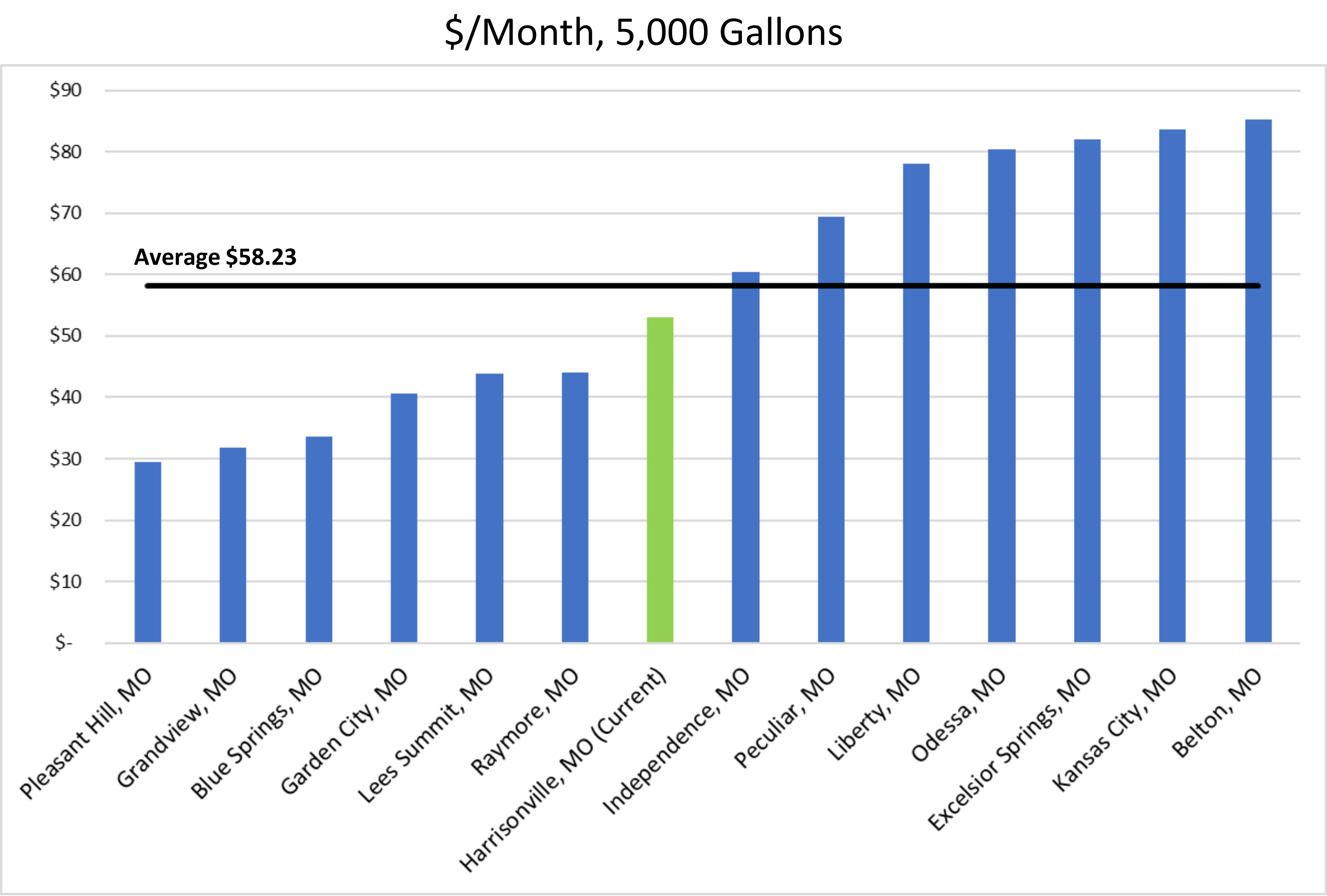
- General trend in lower use per account can pressure revenue streams
- Inflation on operating and capital/construction costs
- Increasing regulations
- Aging infrastructure requires renewal and replacement



Harrisonville's current residential water bill is near the middle of the region

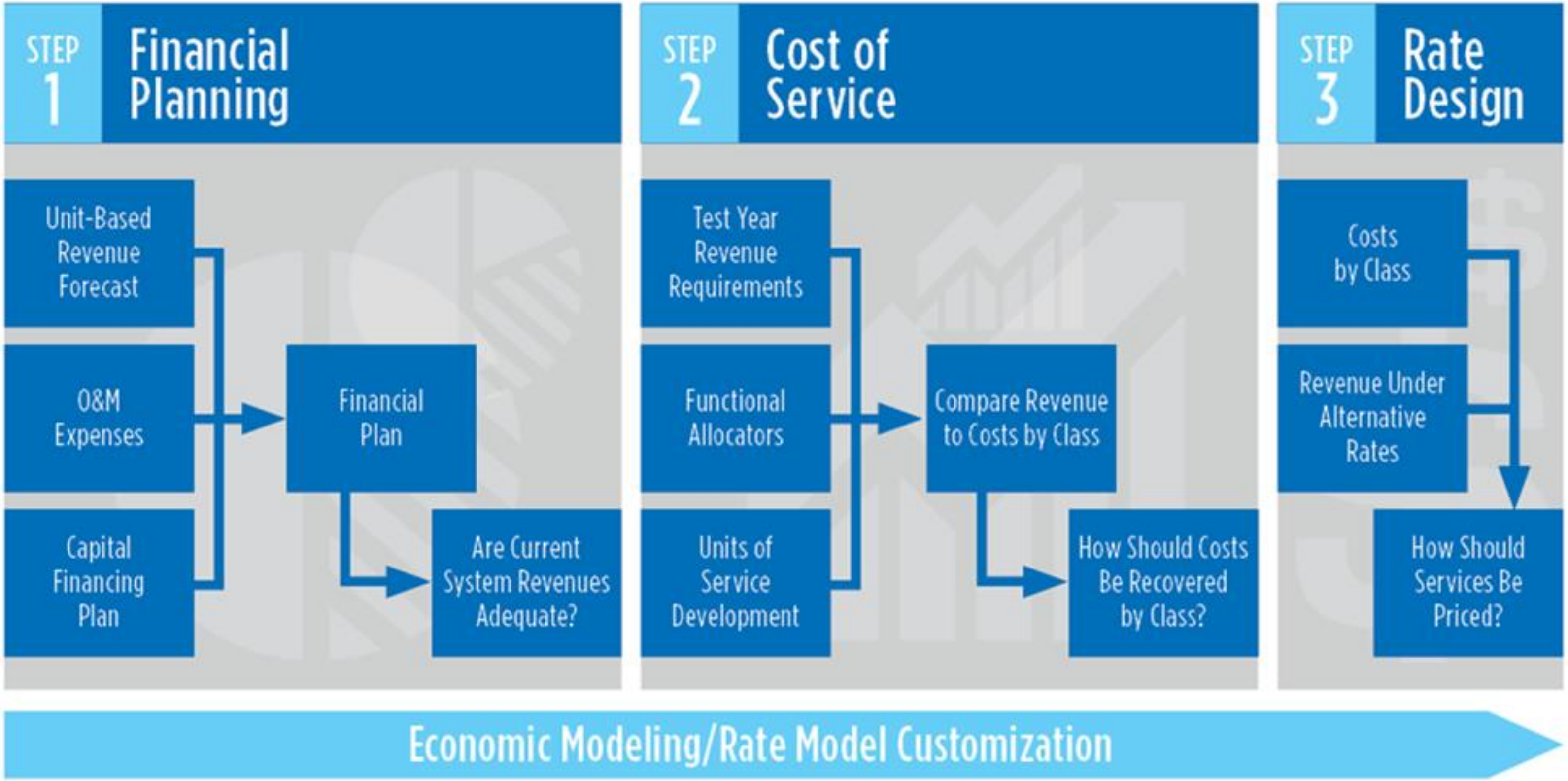


Harrisonville's current sewer bill is also in the middle of the region



Study Approach & Recommendations

Rate Study Process



Financial planning guiding principles

- Evaluate water and sewer as self-sufficient utilities
- Mitigate rate shock
- Sustain a minimum of 180 days of operation and maintenance expense in reserve
- Prudent use of debt
- Achieve debt service coverage of 1.50x or higher over time
- Fund capital plans with key priorities

Proposed Water Capital Plan

Line		Projected								
No.		2020	2021	2022	2023	2024	2025	2026	2027	Tot
	Budgeted Projects									
1	Waterline Replacement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	800,00
2	Utility Meter Read Software 50%	-	-	750,000	-	-	-	-	-	750,00
3	Lake Harrisonville Spillway Rebuild	-	1,000,000	-	-	-	-	-	-	1,000,00
4	2012 Bobcat 65%	-	-	71,500	-	-	-	-	-	71,50
5	2002 Dump Truck 65%	-	-	65,000	-	-	-	-	-	65,00
6	2010 Extend-a-hoe 50%	55,000	-	-	-	-	-	-	-	55,00
7	2013 F150	-	-	-	-	-	40,000	-	-	40,00
8	2010 3/4 ton	-	-	-	-	-	40,000	-	-	40,00
9	2010 box v-plow	-	-	-	-	-	6,000	-	-	6,00
10	New Raw Water Line	-	-	-	1,375,000	-	9,279,000	-	-	10,654,00
11	Mower	7,000	-	-	-	-	-	-	-	7,00
12	2002 John Deere Tractor 70 hp 50%	-	-	-	-	-	-	-	25,000	25,00
13	Clarifier Covers	-	-	-	-	400,000	-	-	-	400,00
14	Total	162,000	1,100,000	986,500	1,475,000	500,000	9,465,000	100,000	125,000	13,913,50
15	Total Inflated CIP [1]	162,000	1,133,000	1,046,600	1,611,800	562,800	10,972,500	119,400	153,700	15,761,80

[1] 3% inflation compunding annually starting in 2021

Proposed Debt
Issuance

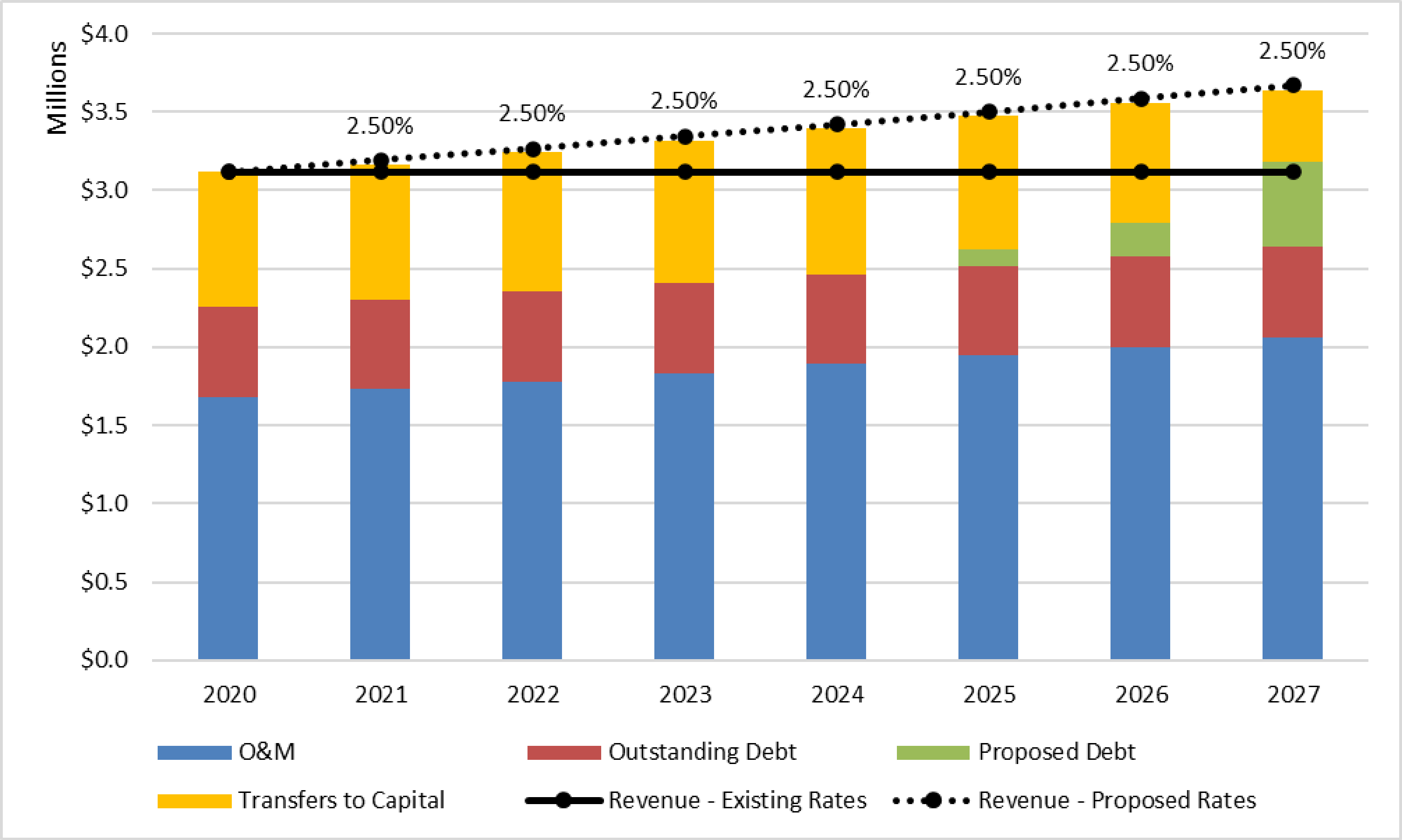
Proposed Sewer Capital Plan

Line No.		Projected 2020	2021	2022	2023	2024	2025	2026	2027	T
	Budgeted Projects									
1	Sewerline Replacement	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	800,0
2	UV Treatment at WWTP's	500,000	3,000,000	-	-	-	-	-	-	3,500,0
3	Utility Meter Read Software 50%	-	-	750,000	-	-	-	-	-	750,0
4	Lift Station Set Aside	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	200,0
5	Replace South & Main Plant Improvements	-	3,900,000	-	-	-	-	-	-	3,900,0
6	2001 Pump/Jet Truck	-	120,000	-	-	-	-	-	-	120,0
7	Camera Truck - used	-	90,000	-	-	-	-	-	-	90,0
8	2010 Extend-a-hoe 50%	55,000	-	-	-	-	-	-	-	55,0
9	2005 Gator	-	-	-	-	12,000	-	-	-	12,0
10	2012 Bobcat 35%	-	-	38,500	-	-	-	-	-	38,5
11	2002 Dump Truck 35%	-	-	35,000	-	-	-	-	-	35,0
12	2010 1/2 ton	-	-	-	-	-	40,000	-	-	40,0
13	2013 Z-Turn Mower	-	-	-	-	-	-	-	15,000	15,0
14	2002 John Deere Tractor 70 hp 50%	-	-	-	-	-	-	-	25,000	25,0
15	Infiltration/Inflow Reduction	-	-	300,000	300,000	300,000	300,000	300,000	300,000	1,800,0
16	Replace scum pump	-	16,000	-	-	-	-	-	-	16,0
17	City Lake and Dam Spillway Rehab	350,000	2,300,000	-	-	-	-	-	-	2,650,0
18	Replace 2 fairnks morris dry wthr pumps lift station 2	-	100,000	-	-	-	-	-	-	100,0
19	Mower	3,000	-	-	-	-	-	-	-	3,0
20	Sewer Plant Boom Truck	125,000	-	-	-	-	-	-	-	125,0
21	SCADA Replacement	50,000	-	-	-	-	-	-	-	50,0
22	Replace 2 blowers at digesters	65,000	-	-	-	-	-	-	-	65,0
23	Stormwater Improvements	-	-	150,000	150,000	150,000	150,000	150,000	150,000	900,0
24	Total	1,273,000	9,651,000	1,398,500	575,000	587,000	615,000	575,000	615,000	15,289,5
25	Total Inflated CIP [1]	1,273,000	9,940,500	1,483,700	628,300	660,700	713,000	686,600	756,400	16,142,2

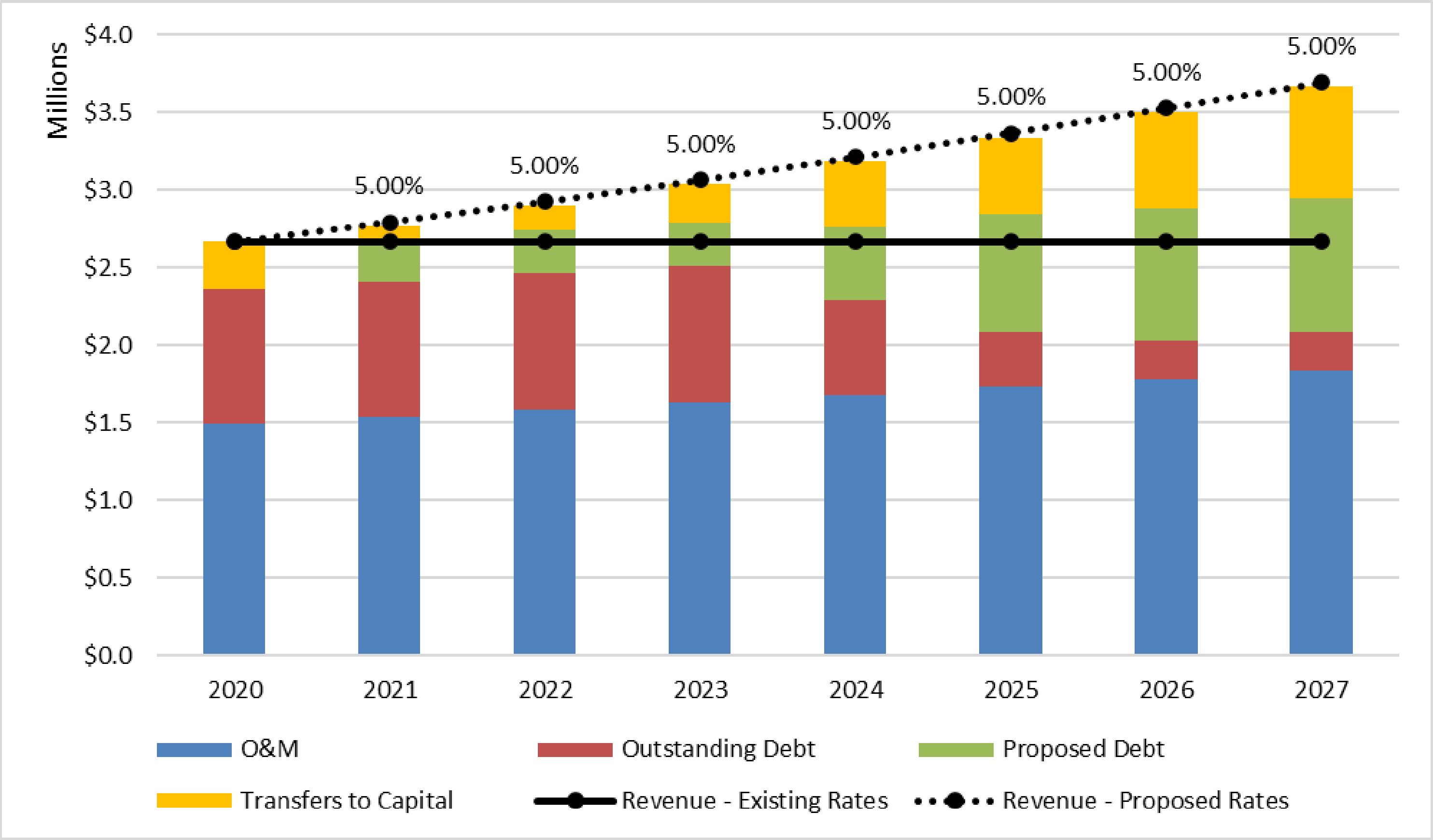
[1] 3% inflation compunding annually starting in 2021

Proposed Debt Issuance

Summary of Proposed Water Financial Plan



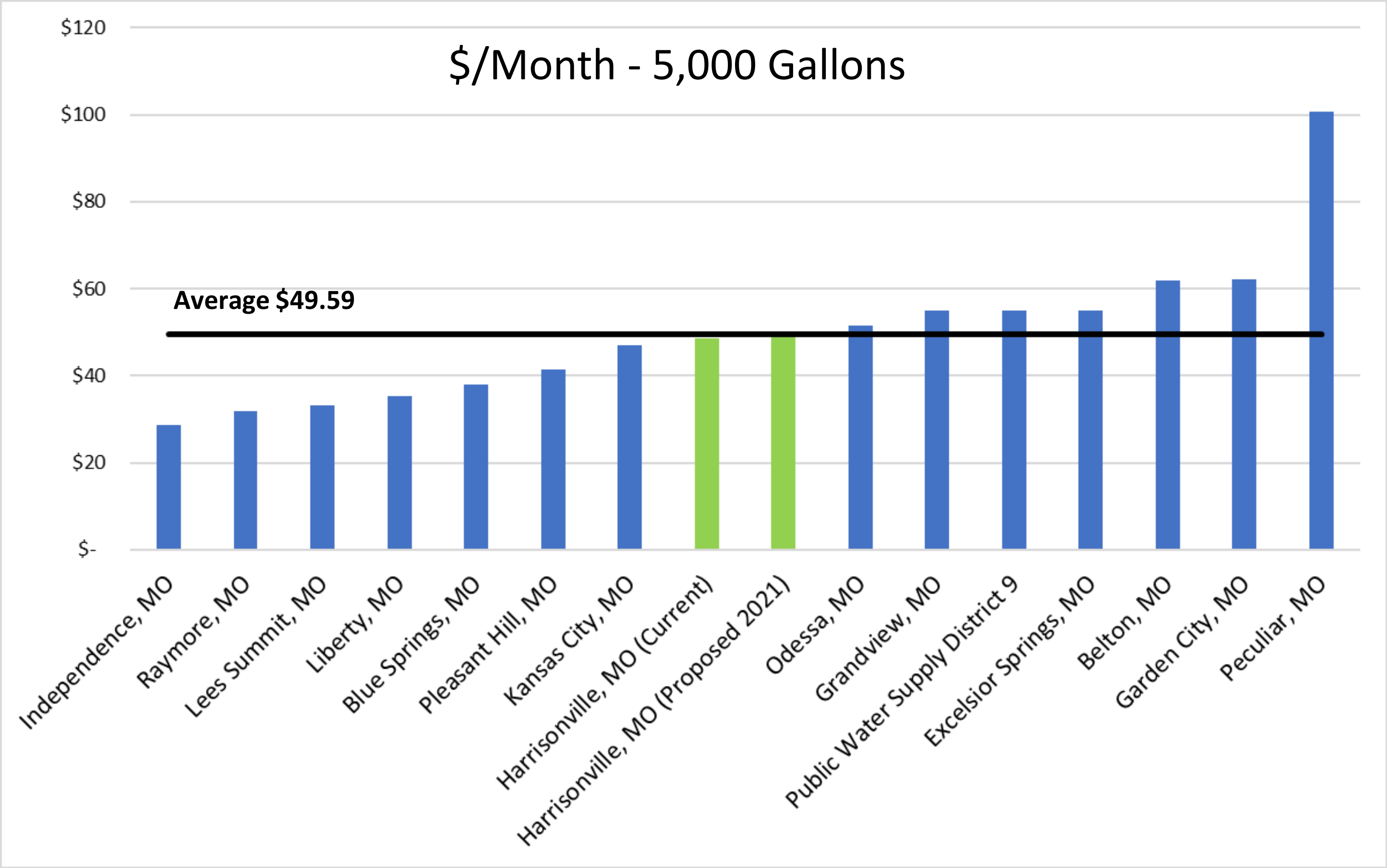
Summary of Proposed Sewer Financial Plan



Proposed Water & Sewer Rates

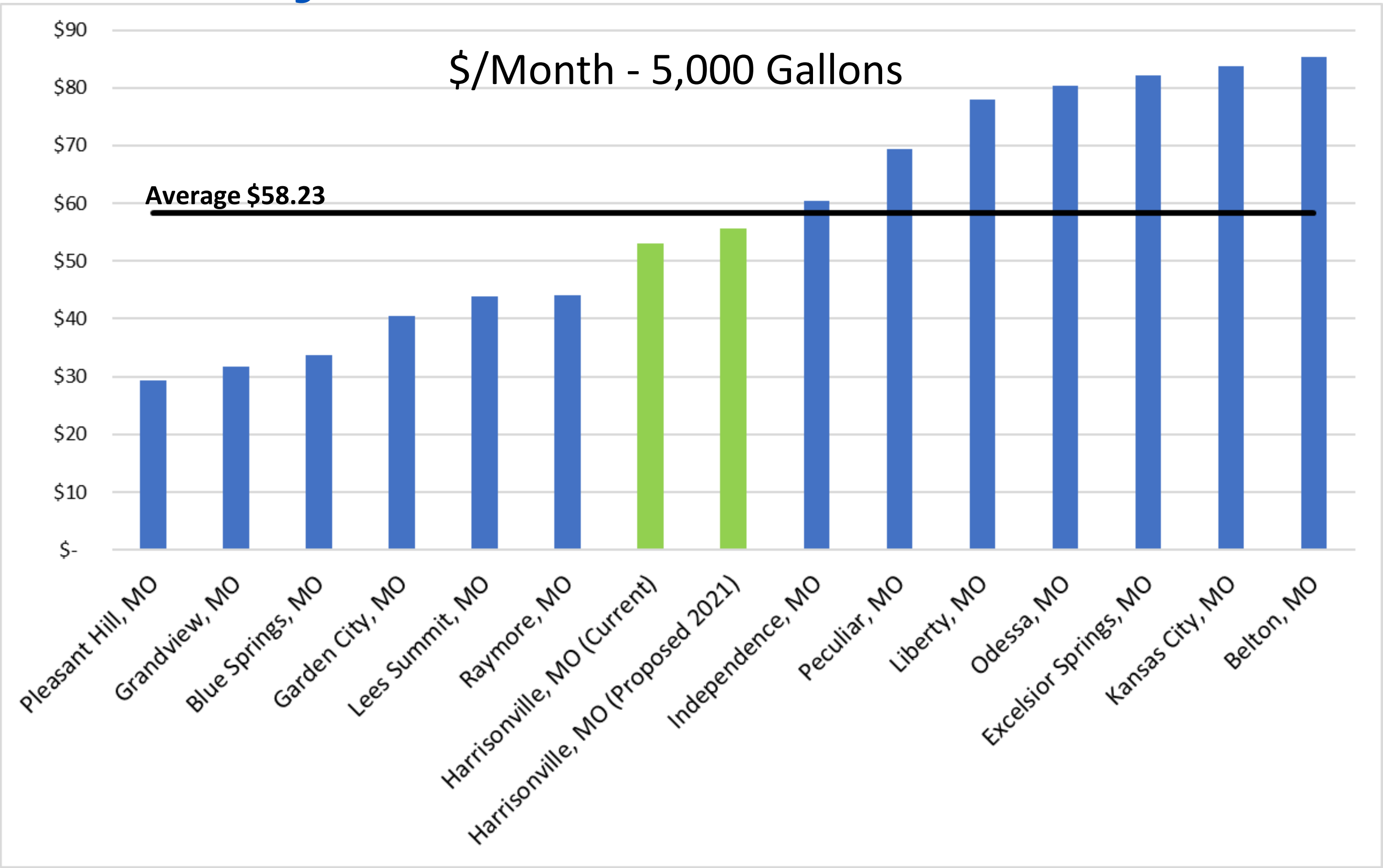
Line No.	Description		Existing 2020		Proposed 2021		2022		2023		2024		2025		2026		2027
	Water Rates																
1	Base (First 1,000 Gal.)	$	13.89	$	14.24	$	14.59	$	14.96	$	15.33	$	15.72	$	16.11	$	16.51
2	Each Additional 1,000 Gal.	$	8.71	$	8.93	$	9.15	$	9.38	$	9.61	$	9.85	$	10.10	$	10.35
	Sewer Rates																
3	Base (First 1,000 Gal.)	$	16.35	$	17.17	$	18.03	$	18.93	$	19.87	$	20.87	$	21.91	$	23.01
4	Each Additional 1,000 Gal.	$	9.16	$	9.62	$	10.10	$	10.60	$	11.13	$	11.69	$	12.28	$	12.89

Proposed 2021 Water Rates Do Not Change the City's Survey Position



- Average residential water bill will increase about $1.22/month in FY 2021
- Other utilities will likely increase their rates over time as well

Proposed 2021 Sewer Rates Do Not Change the City's Survey Position



- Average residential sewer bill will increase about $2.65/month in FY 2021
- Other utilities will likely increase their rates over time as well

In Closing

- Proposed rate increases achieve guiding principles
  - Water and sewer utilities stand on their own
  - Programmatic rate increases are at or below industry averages
  - 180 days O&M reserve sustained
  - Debt used to fund peak capital needs, cash finances the rest
  - Enterprise debt service coverage at 1.50x or greater
- Critical infrastructure investments are funded
- Typical residential bills remain regionally competitive

Questions

BURNS McDONNELL SM

COUNCIL BILL

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT THE RESULTS OF WATER/SEWER RATE STUDY FROM BURNS & MCDONNELL, COMPLETED IN AUGUST OF 2020.

WHEREAS, the City of Harrisonville has determined that Burns & McDonnell is competent to perform services for the City of Harrisonville; and

WHEREAS Burns & McDonnell, was engaged by the City of Harrisonville to develop a water and sewer rate study that evaluates the financial planning implications of future operating costs and anticipated capital improvements, and proposes rates to adequately and equitably recover costs for the water and sewer utilities; and

WHEREAS Burns & McDonnell, conducted the rate study in a three-step approach, grounded in the principles established by the American Water Works Association (AWWA) M1 Rate Manual and the Water Environment Federation (WEF) Financing and Charges for Wastewater Systems;

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

Section 1: That the City Administrator of the City of Harrisonville is hereby authorized and directed to accept the results of the Water/Sewer Rate Study from Burns and McDonnell, completed in August of 2020.

Section 2: That this resolution shall become effective immediately upon its passage and approval.

PASSED AND RESOLVED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Harrisonville, Missouri, this 17th day of August 2020.

____
Judy Bowman, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

____
Randall Jones, City Clerk

WITNESS my hand and seal this 17th day of August 2020.

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Randy Jones, City Clerk**

DATE: **July 31, 2020**

SUBJECT: **Lake Luna Reimbursement Resolution**

Type of Item: *Approval*

I. Action Item (ID # 3572)

Lake Luna Reimbursement Resolution A RESOLUTION TO DECLARE THE OFFICIAL INTENT OF THE CITY OF HARRISONVILLE, MISSOURI.

Attachments:

Harrisonville - Reimbursement Resolution (DOC)

BOA Cover Letter (DOC)

**A RESOLUTION TO DECLARE THE OFFICIAL INTENT
OF THE CITY OF HARRISONVILLE, MISSOURI**

WHEREAS, the City of Harrisonville, Missouri (the "City"), intends to finance the costs of a spillway replacement project at Lake Luna and a dam and spillway rehabilitation project at City Lake (collectively, the "Project").

BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HARRISONVILLE, MISSOURI, AS FOLLOWS:

Section 1. The Board of Aldermen hereby finds it necessary and declares its intent to finance the costs of the Project. The City has made, or expects to make, expenditures in connection with the Project, and the City may reimburse itself for such expenditures with the proceeds of a tax-exempt financing issued by, or on behalf of, the City. The maximum principal amount of the tax-exempt financing expected to be issued for the Project is $2,600,000, plus costs of issuance.

Section 2. The officers and representatives of the City are hereby authorized and directed to take such other action as may be necessary to carry out the financing.

PASSED by the Board of Aldermen of the City of Harrisonville, Missouri, this _____ day of August, 2020.

CITY OF HARRISONVILLE, MISSOURI

____
Mayor

[SEAL]

ATTEST:

____
City Clerk

City of Harrisonville est. 1836

MEMO TO: Mayor, Board of Aldermen and City Administrator

FROM: Benjamin Hart, Baker Tilly Municipal Advisors

DATE: 8/17/2020

SUBJECT: Certificates of Participation 2020A/Reimbursement Resolution

On July 6 staff presented an option of long-term financing for the repair of City Lake and Lake Luna dam and spillway repairs. The estimated cost of these repairs is $2,600,000 and was used in the rate model Burns & Mcdonnell brought to staff.

Since the spillway is currently failing there is a need to begin this repair quicker than what the financing process will allow. Tonight, for your approval is a reimbursement resolution that would allow staff to begin the repair prior to the issuance of financing and reimburse the City from proceeds of the financing.

The City's municipal advisors, Baker Tilly Municipal Advisors is currently working with staff to issue tax exempt Certificates of Participation (COPs) to finance the City Lake and Lake Luna dam and spillway repairs. In addition to these repairs the COPs will include financing for a regional retention basin $1.0m and Sewer Plant Improvements $7.0m both of which have been modeled in the Burns & Mcdonnell rate study.

Staff expects to come back to the Board in September with an underwriter selection for the issuance of the COPs. Once the underwriter is on board, we will be moving toward permanent funding of the aforementioned projects.

ACTION REQUIRED/RECOMMENDATION

Consideration and approval of the reimbursement resolution for the City Lake and Lake Luna dam and spillway repairs. This action will allow staff to proceed with the repair prior to failure of the dam/spillway.

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Randy Jones, City Clerk**

DATE: **August 5, 2020**

SUBJECT: **July 2020 Municpal Court Report**

Type of Item: *Approval*

A. Action Item (ID # 3574)

July 2020 Municpal Court Report

Attachments:

July 2020 Municipal Court Report (PDF)

IN THE MUNICIPAL COURT OF HARRISONVILLE, MISSOURI
CASS COUNTY

I certify that the attached is a report on all cases heard or tried before the Judge of the Circuit Court of Cass County Missouri, Municipal Division at Harrisonville during the month of **July 2020** and that the information and statements contained in said report are true and correct according to my best information, knowledge and belief.

Kevin K. Anderson
Municipal Court Judge

8/5/20
Date

Presented and reviewed as required by Court Operating Rule 4.29.

City Clerk

8-5-20
Date

Subscribed and sworn to before me this 5th day of August, 2020.

Notary

CAROLINE E. VAUGHN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cass County
My Commission Expires: March 14, 2023
Commission Number: 19500796

Municipal Division Summary Reporting

17th Judicial Circuit - Cass County - Harrisonville Municipal Division

I. COURT INFORMATION

Reporting Period:			
July	2020	**Court activity occurred in reporting period: Yes**	
Clerk's Physical Address:		**Mailing Address:**	**Vendor**
300 E. Pearl St. Harrisonville, MO 64701		PO Box 367 Harrisonville, MO 64701	Incode (Tyler Technologies)
Telephone Number:		**Fax Number:**	
(816) 380-8903			
Prepared by:		**Prepared by E-mail Address:**	**Municipal Judge(s) Active During Reporting Period:**
MICHELLE SHAFFER		michelle.shaffer@courts.mo.gov	Kevin Anderson

II. MONTHLY CASELOAD INFORMATION		**Alcohol & Drug Related Traffic**	**Other Traffic**	**Non-Traffic Ordinance**
A. Cases (citations / informations) pending at start of month		118	764	793
B. Cases (citations / informations) filed		16	95	49
C. Cases (citations / informations) disposed				
	1. jury trial (Springfield, Jefferson County, and St. Louis County only)	0	0	0
	2. court / bench trial - GUILTY	0	0	5
	3. court / bench trial - NOT GUILTY	0	0	0
	4. plea of GUILTY in court	1	15	36
	5. violations Bureau Citations (i.e., written plea of guilty) and bond forfeitures by court order (as payment of fines / costs)	1	15	1
	6. dismissed by court	0	0	6
	7. nolle prosequi	1	12	7
	8. certified for jury trial (not heard in the Municipal Division)	0	0	0
	9. TOTAL CASE DISPOSITIONS	3	42	55
D. Cases (citations / informations) pending at end of month [pending caseload = (A + B) – C9]		131	817	787
E. Trial de Novo and / or appeal applications filed		0	0	0

III. WARRANT INFORMATION (pre- & post-disposition)		IV. PARKING TICKETS	
1. # Issued during reporting period:	119	Does court staff process parking tickets? Yes	
2. # Served/withdrawn during reporting period:	102	1. # Issued during reporting period:	0
3. # Outstanding at end of reporting period:	949		

V. DISBURSEMENTS	
Excess Revenue (minor traffic and municipal ordinance violations, subject to the excess revenue percentage limitation)	
Fines – Excess Revenue	$2,823.50
Clerk Fee – Excess Revenue	$372.00
Crime Victims Compensation (CVC) Fund surcharge – Paid to City/Excess Revenue	$11.47
Bond forfeitures (paid to city) – Excess Revenue	$217.00
Total Excess Revenue	**$3,423.97**
Other Revenue (non-minor traffic and ordinance violations, not subject to the excess revenue percentage limitation)	
Fines – Other	$3,481.00
Clerk Fee – Other	$288.50
Judicial Education Fund (JEF) Court does not retain funds for JEF: Yes	
Peace Officer Standards and Training (POST) Commission surcharge	$56.00
Crime Victims Compensation (CVC) Fund surcharge – Paid to State	$399.28
Crime Victims Compensation (CVC) Fund surcharge – Paid to City/Other	$9.25
Law Enforcement Training (LET) Fund surcharge	$106.50
Domestic Violence Shelter surcharge	$106.00
Inmate Prisoner Detainee Security Fund surcharge	$108.00
Sheriffs' Retirement Fund (SRF) surcharge	$159.00
Restitution	$0.00
Parking ticket revenue (including penalties)	$0.00
Bond forfeitures (paid to city) – Other	$1,000.00
Total Other Revenue	**$5,713.53**
Other Disbursements: Enter below additional surcharges and/or fees not listed above. Designate if subject to the excess revenue percentage limitation. Examples include, but are not limited to, arrest costs, witness fees, and board bill/jail costs.	
DWI RECOUPMENT FEE	$55.50
Total Other Disbursements	**$55.50**
Total Disbursements of Costs, Fees, Surcharges and Bonds Forfeited	**$9,193.00**
Bond Refunds	$120.00
Total Disbursements	**$9,313.00**

Attachment: July 2020 Municipal Court Report (July 2020 Municipal Court Report)