



**AGENDA
CITY OF HARRISONVILLE
FINANCE/PERSONNEL COMMITTEE
REGULAR MEETING
CITY HALL
DECEMBER 15, 2014
6:00 PM**

- I. Call to Order**
 - A. Present**
- II. Approve Minutes**
 - A. Finance/Personnel Committee - Regular Meeting - Jun 30, 2014 6:00 PM**
- III. Agenda Items**
 - A. Refund of Utility Deposit Request-Edward Swink**
 - B. 291 Highway Phase 2 Funding**
- IV. General Discussion**
- V. Adjournment**

This meeting will be open to the public.

Posted on City Hall Bulletin Board this 11th day of December, 2014

Kim Hubbard, City Clerk



DRAFT
MINUTES
CITY OF HARRISONVILLE
FINANCE/PERSONNEL COMMITTEE
REGULAR MEETING
CITY HALL
JUNE 30, 2014
6:00 PM

I. Call to Order

The meeting was called to order at 6:04 PM by Chair Bill Mollenhour

Attendee Name	Title	Status	Arrived
Kevin Wood	Member	Absent	
Doug Meyer	Member	Present	
Stacey Dahlman	Member	Late	6:09 PM
Morris Coburn	Member	Present	
Marcia Milner	Member	Present	
Bret Reece	Alternate	Absent	
Bill Mollenhour	Chair	Present	

Others Present: City Administrator Keith Moody, Finance Director Mike Tholen, Public Information Officer Sheryl Stanley, Parks & Recreation Director Chris Deal, Community Development Director Rick DeLuca and City Clerk Kim Hubbard

II. Approve Minutes

A. Finance/Personnel Committee - Regular Meeting - Jun 2, 2014 6:00

PMAccepted

Minutes were approved.

III. Agenda Items

**A. A RESOLUTION TO ACCEPT AMENDMENTS TO THE PAY
 COMPENSATION STRUCTURE FOR FISCAL YEAR 2015**Recommended

Mr. Moody distributed pay scale information for the Electric Department and noted this was an item that was left out of the packet. Mr. Moody reviewed the pay scale information, explained the weighted average and asked the committee for a positive recommendation to take this to the full Board.

Recommendation was made to go to the Board of Aldermen.

Minutes Acceptance: Minutes of Jun 30, 2014 6:00 PM (Approve Minutes)

B. A RESOLUTION AMENDING SECTION VII, F OF THE CITY OF HARRISONVILLE PERSONNEL POLICIES MANUAL Recommended

Mr. Moody reported the only change to the personnel manual was to update that an employee needed to have a valid driver's license instead of a valid Missouri driver's license.

A positive recommendation was made to take to the Board of Aldermen.

C. Payroll Services Contract Approved

City Clerk Hubbard and Mr. Moody reviewed that staff is looking at the option of outsourcing payroll, the benefits to the City and the employees, and the timeline that is being considered. Mr. Moody explained once staff has a contract developed then it will be presented to the full Board. Alderman Milner suggested looking at Paylocity and Alderman Dahlman suggested Paychex.

The committee approved that staff proceed with developing a contract and present the contract to the Board for approval.

D. Update on Oakland Cemetery

Mr. Moody stated staff needed direction on how to pursue accepting responsibility of the Oakland Cemetery. Discussion took place regarding maintenance cost, that advertising has been done asking individuals to serve on the cemetery board and there were no responses.

Alderman Coburn stated he would like the opportunity to contact Gerry Collins regarding finding individuals who are interested in serving on the cemetery board.

Alderman Meyer made the motion to move the acceptance of the cemetery to the Board of Aldermen for approval contingent on Alderman Coburn finding others who are interested in serving on the cemetery board. Alderman Milner seconded the motion and it was approved.

E. Update on Twin Pines Golf Course

Director Deal updated the committee on the most recent meetings with members of the Twin Pines Golf Club and the Park Board and that staff was given direction to look at other options. There was discussion regarding the pool at Twin Pines and the operating costs. Director Deal stated once the Park Board meets again regarding the golf course that he will give an update to the Board.

IV. General Discussion

Mr. Moody distributed a draft proposal for the sale of the old police building, explained there would be a selection criteria, and a scoring card. Mr. Moody noted that Police Chief Hofer had expressed interest in keeping the west side of the building for parking. Mr. Moody noted we would need to wait on proposals and go from there. There was discussion that if there are no proposals received then the building can be removed and the lot used for parking. The proposal was scheduled to go out in the paper this week.

Director Tholen reported that an inmate security fund had to be established due to the addition of \$2.00 to tickets which will help offset the cost of housing prisoners. Mr. Tholen also reviewed actions that are being taken to assist in the cost to the City for housing of prisoners.

V. Adjournment

The meeting was closed at 7:11 PM

Alderman Coburn made the motion to adjourn the meeting. Alderman Milner seconded the motion and it was approved by a voice vote.

Kevin Wood, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Kim Hubbard, City Clerk

Minutes Acceptance: Minutes of Jun 30, 2014 6:00 PM (Approve Minutes)



TO: Finance/Personnel Committee
FROM: Kim Hubbard, City Clerk
DATE: December 11, 2014
SUBJECT: Refund of Utility Deposit Request-Edward Swink

Type of Item: *Approval*

As you may recall Alderman Dahlman contacted everyone via-email back in September regarding a letter she had received from Edward Swink, 503 Stella requesting his utility deposit refunded. I forwarded everyone information regarding the discussions that took place at the February 24, 2014 and April 7, 2014 Finance/Personnel Committee meetings concerning the refunding of utility deposits.

The following items are attached:

- Mr. Swink's letter
- Copy of ordinance 3228 from passed February 2013
- Information from the February & April Finance Committee meeting

If you have questions please contact City Administrator Moody or Finance Director Tholen.

A. Action Item (ID # 1683)

Refund of Utility Deposit Request-Edward Swink

Attachments:

Utility deposit refund request (PDF)

Harrisonville Board of Aldermen

Harrisonville, MO 64742

My wife and I bought a house in Harrisonville and started utility services on December, 3, 2012. I didn't expect to have to make a utility deposit, since we had lived in Cass County and had utilities at the same Cass County address for 36 years, while we owned our home in Drexel. Donna at City Hall told me a deposit was required of everyone, but it would be returned in 17 months. The amount of deposit I left on 12-3-12 was \$136.77.

I called a few weeks ago and ask about the return of the deposit and was told that the Board of Aldermen had imposed a ruling in Jan/Feb 2013 to keep security deposits.

I am asking that my deposit be returned, since my deposit was made prior to the 2013 ruling and the fact that I was promised the return of the deposit in 17 months.

I have talked to of my neighbors who do not have a deposit held by the city. It seems unfair that I am having a deposit held while they don't.

I haven't been required to pay a utility deposit for more than 40 years. When we moved to Drexel in 1976 and when we bought weekend property at Lake Fort Scott, KS in 2003, the utility companies checked previous utility providers to determine my credit. I pay Harrisonville utilities by draft and have established 18 months of good credit with you. I would gladly provide you with account numbers for my prior and current utility suppliers, if necessary, that you may use to confirm my credit for the past 40 years.

I am a property owner in Harrisonville with well established credit, not a renter.

Please consider returning my deposit as promised.

Edward A. Swink

503 S. Stella

Harrisonville MO 64701

Attachment: Utility deposit refund request (1683 : Refund of Utility Deposit Request-Edward Swink)

COUNCIL BILL NO. 010

ORDINANCE NO. 3228 (006-13)

AN ORDINANCE AMENDING CHAPTER 700, UTILITIES, OF THE CODE OF THE CITY OF HARRISONVILLE, MISSOURI.

WHEREAS, the City of Harrisonville desires to amend its policies concerning utility deposits in order to further protect ratepayers;

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

Section 1: Section 700.310(B) shall be amended by repealing said section in its entirety and replacing it with the following new Section 700.310(B): When a customer with no deposit on file is disconnected for non-payment of utilities such customer shall be required to place a new utility deposit with the City.

Section 2: Section 700.320 shall be amended by adding the following sentence to its end: Such deposit may be increased from time to time in accordance with Section 700.410(B).

Section 3. Section 700.360 shall be amended by deleting the first sentence, which references refunding deposits after two years.

Section 4: Section 700.410(B) shall be amended by repealing the section in its entirety and replacing it with the following new Section:

B. When an order for disconnection of utility services due to non-payment has been written, a fifty dollar (\$50.00) service administrative fee shall be assessed on the account. An additional twenty-five dollar (\$25.00) deposit shall be assessed on the account but not more than eight (8) times, 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 5. That this ordinance shall become effective with utility bills due and payable March 1, 2013.

Vote taken as follows:

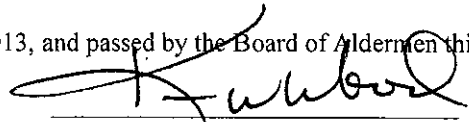
Ayes: Aldermen Reece, Stull, Meyer, Milner, Dickerson, Coburn, Dahlman

Nays: None

Absent: Alderman Mollenhour

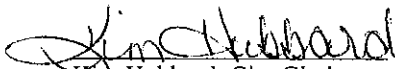
Abstain: None

Read two times by title only on the 4th day of February, 2013, and passed by the Board of Aldermen this 4th day of February, 2013.



Kevin W. Wood, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:



Kim Hubbard, City Clerk

APPROVED by the Mayor this 4th day of February, 2013.

Attachment: Utility deposit refund request (1683 : Refund of Utility Deposit Request-Edward Swink)



Harrisonville City Missouri

Discussion Item

III.B Utility Deposit Amendment Discussion

Information

Department:	City Clerk	Sponsors:	
Category:	Report	Functions:	Finance & Personnel Committee

Attachments

Printout
Ordinance 3228
(Upload New Attachment)

Staff Report

UPDATE-From Director Tholen

The committee asked for information on the number of accounts that could be affected by the change. While any account with a deposit was affected, those over 2 years old at the time of the ordinance change had the opportunity to establish good credit with us.

We looked at accounts established between March 1, 2011 and February 28, 2013 because those accounts would not have had the ability to establish good credit (24 consecutive months with no late payments) before the ordinance changed. There are 683 accounts in that category.

With no method to automatically flag or identify those accounts, we still recommend that the Board handle any appeals about the impact of the ordinance as it does now, on a case-by-case basis.

Alderman Stull asked to have a discussion on Ordinance 3228 which was passed February 4th, 2013.

The amendment eliminated the practice of refunding utility deposits to customers with two years of paying on time. This amendment was a compromise to raising the amount of the deposit to a level that would cover the two months of service that an average customer consumes before they are subject to being turned off and can leave unpaid if they move out. These unpaid utility bills become added expense to the balance of our customers that do pay. Other utility providers do not return customer deposits until final bills have been satisfied. The amendment puts our practices on par with other utilities. Our deposit may be larger than that charged by telephone, gas or cable but that is because the city provides four utility services under one bill (water, sewer, refuse and electric) where the other utilities only bill for one service.

Attached is the ordinance.

Meeting History

Feb 24, 2014 6:00 PM **Finance/Personnel Committee** **Regular Meeting**

Attendance = Kevin, Doug Morris, Marcia, Bill

Director Tholen reviewed the amendment that eliminated the practice of refunding utility deposits to customers after two years of paying on time. Mr. Tholen reported there had been a customer who had come to the committee in July asking for the refund of their deposit and the committee had approved to refund in this one instance.

Alderman Stull noted he had requested this policy be reviewed because a business owner had been told at the time they placed their deposit that the deposit would be refunded after two years of paying on time and it wasn't. Alderman Stull stated he thought the City should honor their word.

There was discussion that there was no grandfathering of those that were customers prior to this amendment and that the directive from the Committee was that refunds would be reviewed on case by case basis.

Directive was given to Mr. Tholen to see how many accounts this policy affected and it will be discussed at the next Finance/Personnel Committee meeting.

SCHEDULED

Apr 7, 2014 6:00 PM **Finance/Personnel Committee** **Regular Meeting**

Attendance = Doug, Stacey, Morris, Marcia, Kevin

This discussion item was carried over from the February meeting.

Director Tholen reported there were 683 accounts opened in the two (2) years prior to when the new policy was put in place. The question was asked if we were going to grandfather those accounts in, and Mr. Tholen stated that would not be his recommendation.

Alderman Stull reported he was contacted by a business who was expecting their deposit back, and he thought the City should honor their word.

Mr. Moody pointed out that owners of any account set up prior to the policy change were told if they made 24 consecutive timely payments, not two (2) years from the deposit date but 24 consecutive payments, that their deposit would be refunded.

It was noted that it was not uncommon for organizations to change policies, and at the time of this change, notifications were sent to all customers.

Mayor Wood stated he would recommend customers who have questions come to the Finance Committee and requests would be evaluated on a case by case basis.

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Attachment: Utility deposit refund request (1683 : Refund of Utility Deposit Request-Edward Swink)



STAFF REPORT

TO: Finance/Personnel Committee
FROM: Keith Moody, City Administrator
DATE: December 2, 2014
SUBJECT: 291 Highway Phase 2 Funding

Type of Item: *Agreement*

Background: Phase 2 of improvements to Highway 291 has been planned to follow Phase 1 construction. Funding has been secured from three different sources totaling \$3.684 million (assuming a 3 lane configuration). One source of funding (Cost Share- \$2.3 million) is no longer offered and must be used by 2017 or be lost, another (STP Funds- \$1.1 million) would be lost if not used by 2018. In order to increase resources to cover Phase 2 the TDD is in the process of extending the collection of a one percent sales tax within the district 5 additional years. This would ensure enough revenue is available to cover Phase 2 costs but those revenues come well past the deadline for when \$3.4 million of state/federal funds must be used. Conventional financing is not possible for Phase 2 as it was for Phase 1 due to insufficient coverage ratio (revenue for debt service divided by debt service).

Review: Staff has worked with the City Attorney, the TDD Attorney, a financial advisor and MoDOT to identify funding options for Phase 2. Our conclusion is that the only options to fund Phase 2 involve the City taking on a position of liability either by backing the debt (where the city is responsible for a shortfall) or by the City advancing payment on the obligations owed by the TDD for Phase 2. Backing bonds does not provide any financial benefit to the City where with the advancing option the City would be paid interest on the advance at a market competitive rate (assume 6%). The attached memo from David Bushek spells out the terms of a City advance and the timing of when the TDD would draw on the advance as not all funds are needed at once. In fact the advancing period would span 2 years. The terms also provide for the TDD to repay the advance amount annually with available resources and when the TDD is able to refinance the bonds for Phase 1 and repay in full the balance of the advance from the City at a lower cost of borrowing that they shall do so. This is designed to shorten the term of the City advance(anticipated to be 8 years from the first advance).

The City's investment policy currently limits the term of an investment to 5 years and to government agency issues. This investment would be an exception to both of these parameters as well as not meeting the liquidity parameter of our policy.

The source of funding for the TDD is sales tax. Therefore if their sales taxes decline so to would the City's sales taxes, which is the primary revenue source of General Fund supported operations.

Their is potential for businesses to leave the TDD district for other locations inside the City as well.

Budget Impact: Currently the City has \$10 million in cash and investments for all funds. Our annual return on investment is .9% and our investments are primarily short term (1 year or less) due to a persistently flat yield curve. The advance would be shared by funds having cash available for investment. Interest paid by the TDD to the City on the advance would be allocated based on the amount advanced by each fund. Assuming a maximum advance amount of \$1.5 million earning a return of 6% the City would earn \$90,000 in a year. This amount would decline as the advance is repaid but is 667% percent better than our current earnings on other investments.

Recommendation: Although I prefer the City not take a position that puts us at risk, I believe providing an advance on a public improvement that is part of addressing congestion concerns identified by citizen's is worth a risk. My willingness to take that risk is motivated by the loss of \$3.684 million in outside funding already secured for Phase 2, where there is no guarantee that we would be able to secure these funds for construction in 2030 which is when TDD funding will be sufficient to proceed on Phase 2 without the need for financing. In addition the terms of the agreement have been designed to minimize the City's risk to the extent possible. The recommendation is based upon three conditions: 1. The three lane design is pursued, 2. The City shall have the authority to approve award of the construction contract and 3. The TDD extends the length of the sales tax collection 5 years. The 5 year extension reduces the City's risk further as the extension would result in \$5 million of additional funds to cover repayment of the City advance.

B. Action Item (ID # 1672)

291 Highway Phase 2 Funding

Attachments:

Phase 2 Funding Plan (DRAFT 11-21-14) (DOCX)

Phase 2 Funding Plan Scenarios 11-20-14 (PDF)

Job No J4P3002 (PDF)

DRAFT – November 21, 2014

Funding Plan for Phase 2
Harrisonville Highways 71/291 Transportation Development District

General Summary: This is a funding Plan for the Phase 2 improvements on Highway 291. Generally, the City will fund certain costs associated with both Phase 1 and Phase 2 as described below, which will facilitate the full funding of the Phase 2 improvements. As set forth in more detail below, the City will be reimbursed from TDD revenues, with interest, as a second order of priority after semi-annual debt service payments are made on the outstanding bonds from TDD revenues.

A combination of coordinated City payments and TDD payments for specific project costs will produce sufficient funds for all anticipated Phase 2 costs, and will eliminate need for the TDD to issue bonds or incur debt for Phase 2 costs. The table set forth in **Exhibit A** provide an overall summary of the sources and uses of funds for the anticipated project costs that will be funded from local and state sources. The City will have the option of requesting a refunding of the outstanding TDD bonds in future years in order to minimize or eliminate the risk associated with City reimbursement from TDD revenues.

This is a preliminary summary of the terms to accomplish the funding for Phase 2, and the terms and conditions described below are not binding on the parties. The parties may enter into a binding contract to implement the final funding arrangement, which must be approved by the City and TDD governing bodies.

1. Design Costs. The TDD will enter into a contract with the engineering firm for final design associated with Phase 2. The final design costs for Phase 2 are currently estimated to be \$____ (the “**Phase 2 Final Design Costs**”), which assumes that the scope of the Phase 2 improvements does not change substantially from the preliminary design as prepared by TranSystems. The TDD will issue a notice to proceed to the engineering firm on a date as mutually agreed between the TDD, City and MoDOT, which is expected to occur during Spring 2015. The City will pay the Phase 2 Final Design Costs from City funds, and not from TDD funds maintained by the City. These bills are expected to be paid over an approximately 6 month period after the notice to proceed is issued. The billing and payment process that has previously been used by the TDD and the City (TDD Board approval, payment by City Finance Department) will continue to be used for these costs. The amounts that are paid by the City for the Phase 2 Final Design Costs will be reimbursed to the City from TDD funds as described below.

2. ROW Acquisition Costs. The right-of-way acquisition costs for Phase 2 are currently estimated to be \$____ (the “**Phase 2 Acquisition Costs**”). Under the anticipated project schedule, this amount is expected to be deposited with MoDOT in December 2015. MoDOT will provide the final deposit amount prior to such date, which may differ from the amount stated above. The Phase 2 Acquisition Costs will be funded from two sources: (1) half of the Phase 2 Acquisition Costs (estimated to be \$____) is expected to be funded from MoDOT Cost Share funds that are then available on the deposit date, and (2) half of the Phase 2 Acquisition Costs (estimated to be \$____) will be funded from City funds and not from TDD funds maintained by the City. The amounts actually paid by the City for the Phase 2 Acquisition Costs will free up an equal amount

of TDD funds that can be used for Phase 2 construction costs. The amounts that are paid by the City for the Phase 2 Final Design Costs will be reimbursed to the City from TDD funds as described below.

3. Utility Relocation Costs. The utility relocation costs which are scheduled to be incurred by MoDOT for Phase 2 are currently estimated to be \$___ (the “**Phase 2 Utility Relocation Costs**”). Under the current Phase schedule, this amount is expected to be deposited with MoDOT in December 2015. MoDOT will provide the final deposit amount prior to such date, which may differ from the amount stated above. The Phase 2 Utility Relocation Costs will be funded from two sources: (1) half of the Phase 2 Utility Relocation Costs (estimated to be \$___) will be funded from MoDOT Cost Share funds that are then available on the deposit date, and (2) half of the Phase 2 Utility Relocation Costs (estimated to be \$___) will be funded from City funds and not from TDD funds maintained by the City. The amounts actually paid by the City for the Phase 2 Utility Relocation Costs will free up an equal amount of TDD funds that can be used for Phase 2 construction costs. The amounts that are paid by the City for the Phase 2 Utility Relocation Costs will be reimbursed to the City from TDD funds as described below.

4. Phase 1 Additional Costs. The right-of-way acquisition costs associated with Phase 1 exceeds the amount on deposit with MoDOT for such costs by \$___, and the Phase 1 construction contract amount exceeds the amount of funds on deposit with MoDOT by \$___. As a result, the known Phase 1 additional costs at this time are \$___ (collectively, the “**Phase 1 Additional Costs**”). Additional amounts may be incurred for right-of-way acquisition in connection with the appeals that are pending for acquisition of property from McDonalds and United Petroleum, and additional amounts are expected to be incurred for relocation costs that occur as Phase 1 construction nears completion. Additional amounts may also be incurred for Phase 1 construction costs due to change orders during construction. The actual amount of the Phase 1 Additional Costs will be finally determined by MoDOT after the construction of Phase 1 is completed. It is anticipated that MoDOT will request payment for the final amount of the Phase 1 Additional Costs after the “true-up” occurs in 2016. The City will pay the Phase 1 Additional Costs when requested by MoDOT from City funds and not from TDD funds maintained by the City. The amounts that are paid by the City for the Phase 1 Additional Costs will be reimbursed to the City from TDD funds as described below.

5. Phase 2 Construction Costs. The anticipated amount to be deposited with MoDOT for the Phase 2 construction costs on approximately January 1, 2017 is \$___ (the “**Phase 2 Construction Deposit**”). The actual amount of the Phase 2 Construction Deposit will be determined by MoDOT. This deposit is expected to consist of the following sources:

Construction Deposit Sources	
MoDOT Cost Share Funds	\$___
STP Funds	\$___
District 4 Funds	\$___
TDD Surplus Account Funds	\$___
City Contribution	\$___

	\$___

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If needed, the TDD will incur a short-term loan from the Missouri Highway Transportation Corporation (MHTC) to finance the amount of the MoDOT Cost Share \$___) and the STP \$___) if such funds are not available on the date of the Phase 2 Construction Deposit, although this is not anticipated to be needed based on the timing of the anticipated payments from state sources. On the date of the Phase 2 Construction Deposit, the TDD will pay all funds that are then available in the Surplus Account maintained by the Trustee (as defined below), and the remaining balance that is required for the Phase 2 Construction Deposit will be funded from City funds and not from TDD funds that are maintained by the City. The amounts that are paid by the City for the Phase 2 Construction Deposit will be reimbursed to the City from TDD funds as described below.

6. Reimbursement for Amounts Paid by City.

A. As the City makes the payments described above for the Phase 2 Final Design Costs, the Phase 2 Acquisition Costs, the Phase 2 Utility Relocation Costs, the Phase 1 Additional Costs and the Phase 2 Construction Costs (collectively, the “City Contribution”), the City will add the amount of each City Contribution payment to a balance sheet that is maintained by the City which amount, collectively, shall be called the “Principal”. The Principal is anticipated to be the following payments, which are described in more detail above:

City Contribution Uses	Payment Date
Design Costs	\$___ Starting Spring 2015
ROW Acquisition Deposit	\$___ December 1, 2015
Utility Relocation Deposit	\$___ December 1, 2015
Phase 1 Additional Costs	\$___ July 1, 2016
Phase 2 Construction Deposit	\$___ January 1, 2017

	\$___

Interest shall accrue on the total outstanding amount of the Principal at the rate of ___% per annum (the “Interest”). The Interest shall be calculated on the outstanding amount of Principal on each “Semi-Annual Payment Date” by the City as described below. The calculated Interest shall be simple interest and not compounded.

B. The **Semi-Annual Payment Dates** shall be March 22nd and September 22rd of each year starting in 2017, which are each 40 days before the semi-annual debt service payment dates of May 1st and November 1st pursuant to The Highway 71/291 Partners in Progress Transportation Development District Transportation Sales Tax Revenue Bonds (Interstate 49 / Highway 291 Interchange Project - Harrisonville, Missouri) Series 2014 (the “**Series 2014 Bonds**”). The first Semi-Annual Payment Date will be March 22, 2017. On each Semi-Annual Payment Date, the TDD will request that the trustee for the Series 2014 Bonds (the “**Trustee**”) transfer all funds that are then available in the Surplus Account for the Series 2014 Bonds to the City as reimbursement for the City Contribution. The amount of the payment from the Trustee on each Semi-Annual Payment Date shall be first used to reimburse the City for the Interest that has then accrued to such date, and all remaining amount of each payment, if any, from the Trustee on each Semi-Annual Payment Date shall be used to reduce the total amount of the Principal then outstanding on such date.

Attachment: Phase 2 Funding Plan (DRAFT 11-21-14) (1672 : 291 Highway Phase 2 Funding)

DRAFT – November 21, 2014

C. The payments to the City from the Surplus Account by the Trustee as described above shall continue until the earlier of (1) all accrued Interest and all outstanding Principal has been fully reimbursed to the City, (2) a “Refinancing” has occurred as described below, or (3) the Series 2014 Bonds have been fully redeemed. If the Series 2014 Bonds have been fully redeemed and any amount of Interest or Principal for the City Contribution remains outstanding, then the City shall be entitled to payment directly from available TDD funds after the TDD Administrative Costs and the TDD Maintenance Costs have been fully funded from available TDD revenues. The **“TDD Administrative Costs”** shall mean an amount that does not exceed \$30,000 per year for routine TDD administration as budgeted by the TDD Board of Directors. The **“TDD Maintenance Costs”** shall mean an amount the does not exceed \$35,000 for the maintenance of road improvements by the TDD as required by contract and as budgeted by the TDD Board of Directors.

7. Refinancing.

A. Starting in 2019, the TDD shall engage a financial advisor to prepare a **“Refunding Report”** which shall provide an analysis of the ability to refinance the Series 2014 Bonds and reduce or eliminate the reimbursement payments for the City Contribution. The costs of the Refunding Report shall be paid by the TDD from funds budgeted by the TDD for District administration, and the report shall be provided to the City. The Refunding Report shall be completed by August 15th of each year, in order to provide time to review the report and then discuss the report at the TDD annual meeting which will be held prior to December 31st of each year.

B. Based on the Refunding Report, the City may request that the TDD refund the Series 2014 Bonds. The purpose of the refunding will be to achieve the most favorable financial terms for the TDD debt and reduce or eliminate, to the greatest extent feasible, the outstanding Principal associated with the City Contribution. The TDD will work in good faith with the City to facilitate a refunding when such action becomes financially feasible and advantageous to the parties based on the Refunding Report. The parties acknowledge that a refunding requires legislative action by the TDD Board of Directors, and the TDD Board of Directors cannot be bound by contract to take future legislative action.

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Exhibit A

Attachment: Phase 2 Funding Plan (DRAFT 11-21-14) (1672 : 291 Highway Phase 2 Funding)

Funding Plan for Phase 2 -- Full 5-Lane Scope
Updated on December 20, 2014

Sources

MoDOT Cost Share Funds	\$2,305,904
STP Funds	\$1,100,000
District 4 Funds	\$500,000
TDD Surplus Account Funds	\$400,000
City Contribution	\$2,073,783
	<hr/>
	\$6,379,687

Uses

Design	\$365,978
ROW Acquisition Deposit	\$472,280
Utility Relocation Deposit	\$125,000
Phase 1 Additional Costs	\$504,959
Construction Deposit	\$4,911,470
	<hr/>
	\$6,379,687

City Contribution Uses

Design Costs	\$365,978
ROW Acquisition Deposit	\$236,140
Utility Relocation Deposit	\$62,500
Phase 1 Additional Costs	\$504,959
Phase 2 Construction Deposit	\$904,206
	<hr/>
	\$2,073,783

Payment Date

Starting Spring 2015
December 1, 2015
December 1, 2015
July 1, 2016
January 1, 2017

Construction Deposit Sources

MoDOT Cost Share Funds	\$2,007,264
STP Funds	\$1,100,000
District 4 Funds	\$500,000
TDD Surplus Account Funds	\$400,000
City Contribution	\$904,206
	<hr/>
	\$4,911,470

All amounts are based on estimates from MoDOT as of November 19, 2014. The amounts due from the City for ROW Acquisition, Utility Relocation, Phase 1 Additional Costs and the Phase 2 Construction will be based on actual amounts that are determined at a later date. The amounts under the City Contribution for the ROW Acquisition Deposit and the Utility Relocation Deposit are 50% of those items, with MoDOT Cost Share Funds covering the other 50% at the time of each deposit.

Funding Plan for Phase 2 -- Reduced 3-Lane Scope
Updated on December 20, 2014

Sources

MoDOT Cost Share Funds	\$2,305,904
STP Funds	\$1,100,000
District 4 Funds	\$284,176
TDD Surplus Account Funds	\$400,000
City Contribution	\$1,310,863
	<hr/>
	\$5,400,943

Uses

Design	\$425,000
ROW Acquisition Deposit	\$472,280
Utility Relocation Deposit	\$125,000
Phase 1 Additional Costs	\$504,959
Construction Deposit	\$3,873,704
	<hr/>
	\$5,400,943

City Contribution Uses

Design Costs	\$425,000
ROW Acquisition Deposit	\$236,140
Utility Relocation Deposit	\$62,500
Phase 1 Additional Costs	\$504,959
Phase 2 Construction Deposit	\$82,264
	<hr/>
	\$1,310,863

Payment Date

Starting Spring 2015
December 1, 2015
December 1, 2015
July 1, 2016
January 1, 2017

Construction Deposit Sources

MoDOT Cost Share Funds	\$2,007,264
STP Funds	\$1,100,000
District 4 Funds	\$284,176
TDD Surplus Account Funds	\$400,000
City Contribution	\$82,264
	<hr/>
	\$3,873,704

All amounts are based on estimates from MoDOT as of November 19, 2014. The amounts due from the City for ROW Acquisition, Utility Relocation, Phase 1 Additional Costs and the Phase 2 Construction will be based on actual amounts that are determined at a later date. The amounts under the City Contribution for the ROW Acquisition Deposit and the Utility Relocation Deposit are 50% of those items, with MoDOT Cost Share Funds covering the other 50% at the time of each deposit.

Missouri Department of Transportation

600 Northeast Colbern Rd.
816.622.6500
Fax: 816.622.0369
1.888.ASK MODOT (275.6636)
Lee's Summit, Missouri 64086

December 12, 2014

Mr. Keith Moody
City Administrator
P. O. Box 367
Harrisonville, MO 64701

Dear Mr. Moody,

The purpose of this letter is to outline revised commitments regarding the cost share project on Route 291 from the north city limits to Royal St in Cass County, Job No. J4P3002. At the City's request, MoDOT has agreed to limit the City's risk and financial contribution to the project as follows:

- The City will be responsible for all design costs, which is currently estimated at \$425,000.
- The City will be responsible for \$800,000 for Right of Way acquisition, utility relocation, construction and construction contingency. The funds for Right of Way acquisition and utility relocation, \$300,000 shall be deposited prior to beginning those activities, anticipated December 2015 and the funds for construction and construction contingency, \$500,000 shall be deposited prior to project advertisement for construction.
- The City will authorize MoDOT to utilize the \$1,100,000 of STP-Urban funds programmed through the Mid-America Regional Council.
- MoDOT will be responsible for \$2,305,904 from the Cost Share Program.
- MoDOT will be responsible for any cost overruns and will receive any cost underruns for the project in excess of the above mentioned project funding of \$4,205,904. This does not include the design costs which will be the City's responsibility.

As a condition of this revision, the following applies:

- The scope will be revised from a 5-lane typical section to a 3-lane typical section from Waters Road to South Walmart Drive.
- Right of Way will only be acquired for what is necessary to build the 3-lane typical section.
- Sidewalk will be constructed from Waters Road to South Walmart Drive on the east side of Route 291 and from Timber Drive to South Walmart Drive on the west side.
- Turn lanes on Waters Road will not be constructed.

Please respond in writing if you agree to these terms and conditions in order to move the project forward. Upon receipt of your acceptance letter, we will prepare a supplemental agreement to the existing cost share agreement that reflects these new terms.



Our mission is to provide a world-class transportation experience that delights our customers and promotes a prosperous Missouri.

www.modot.org

Attachment: Job No J4P3002 (1672 : 291 Highway Phase 2 Funding)

If you have any questions, please contact Lee Ann Kell at 816-607-2264.

Sincerely,



Daniel Niec, P.E.
District Engineer

Copy: Mr. Jerry Gibbs, City of Harrisonville
Mr. David Bushek, 291/71 TDD

Attachment: Job No J4P3002 (1672 : 291 Highway Phase 2 Funding)