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CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, September 25, 2018
5:30 PM

CALL TO ORDER BY THE MAYOR:

- a. Flag Salute Led by the Mayor
- b. Public Input
- c. Proclamation - Domestic Violence Awareness Month - Received by Brooke Powell

CONSENT AGENDA:

- a. Approval of the September 11, 2018, City Commission Meeting minutes.
- b. Approval of Ordinance No. G-1286, amending Section 6-2 of the Pittsburg City Code to permit persons under age 21 to enter the premises of an axe throwing club which dispenses and sells alcoholic liquor or cereal malt beverage in the City of Pittsburg and authorize the Mayor to sign the Ordinance on behalf of the City.
- c. Approval of the application submitted by Michelle Fowler for a 2018 Cereal Malt Beverage License for the Main Street Axe Company, LLC, located at 216 South Broadway, and authorization for the City Clerk to issue the license.
- d. Approval of Change Order No. 1 to Blevins Asphalt of Mt. Vernon, Missouri, for the 2018 Street Improvement Project reflecting an increase of approximately 21,437 square yards of street to be milled and overlaid for the increased cost of \$187,795.97 to the construction cost making a new contract construction amount of \$705,133.15, and authorize the Mayor to sign the necessary documents on behalf of the City.
- e. Approval of final payment in the amount of \$148,209.80 to Capital Paving & Construction LLC of Jefferson City, Missouri, for the Airport Runway 16 Extension and authorize the Mayor to sign the necessary documents on behalf of the City.
- f. Approval of the 2018 auditing contract with Mize Houser & Company P.A. in an amount not to exceed \$35,890 to perform auditing services for the City's 2018 fiscal year end and authorize the Mayor to sign the appropriate documents on behalf of the City.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, September 25, 2018
5:30 PM

- g. Approval of the appointment of Public Utilities Director Matt Bacon to the Crawford County Solid Waste Management Committee.

- h. Approval of the Appropriation Ordinance for the period ending September 25, 2018 subject to the release of HUD expenditures when funds are received. **ROLL CALL VOTE.**

PUBLIC HEARING:

- a. PUBLIC HEARING - The City of Pittsburg advertised for a Public Hearing to be held on Tuesday, September 25th, 2018, at 5:30 p.m. to receive public comment on the establishment of a Rural Housing Incentive District (RHID) and the adoption of a plan for the development of housing and public facilities in such proposed district. **Following Public Hearing, adopt Ordinance No. S-1056 establishing the District, adopting the Silverback Landing Phase I Development Agreement and Development Plan and authorizing the Mayor to sign the necessary documents on behalf of the City.**

NON-AGENDA REPORTS & REQUESTS:

ADJOURNMENT

Office of the Mayor

CITY OF PITTSBURG, KANSAS

Proclamation

WHEREAS: Domestic violence is a widespread, preventable, public health problem impacting all demographics of Kansans, Kansas communities and residents of Pittsburg; and

WHEREAS: Relationships are often counted as life's greatest treasures, and tragically, many are tarnished by one person's entitlement to power and control over the other, resulting in violence and fear; and

WHEREAS: Domestic violence abusers violate an individual's privacy, dignity, security, and humanity - with their intentional, systematic use of financial, psychological, sexual, physical, and coercive control and abuse; and

WHEREAS: The Centers for Disease Control and Prevention (CDC) reports that about 1 in 3 (36.4%) American women and 1 in 3 (33.3%) American men experienced contact sexual violence, physical violence, and/or stalking by an intimate partner during their lifetime; yet only 1 in 4 (24%) American women and 1 in 10 (10.6%) American men experienced domestic violence and also reported some form of related impact from inflictions; and

WHEREAS: The CDC statistic of 1 in 3 people who experienced this violence translates to a third, or 1 in 3 Kansans, amounting to over 1 million people and 35% of the Kansas population; and

WHEREAS: The U.S. Department of Justice reports domestic violence homicides comprise 14% percent of all homicides in the U.S. and that women are more than twice as likely as men to be killed by an intimate partner; and the Kansas Bureau of Investigation reports that domestic violence homicides were 12.8% of all homicides in Kansas in 2016; and

WHEREAS: In Kansas during 2016, one domestic violence arrest was made by law enforcement every 46 minutes, one domestic violence incident occurred every 23 minutes, and one domestic violence murder occurred every 19 days; and

WHEREAS: Members of the City of Pittsburg Governing Body recognize this violence is inconsistent with Pittsburg values and cannot be tolerated.

NOW, THEREFORE, I, Jeremy Johnson, Mayor of the City of Pittsburg, Kansas, do hereby proclaim the month of October 2018, as

Domestic Violence Awareness Month

and call this observance to the attention of all in Pittsburg.

ATTEST:

CITY CLERK

MAYOR

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 11th, 2018

A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, September 11th, 2018, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Jeremy Johnson presiding and the following members present: Sarah Chenoweth, Dawn McNay, Chuck Munsell, and Patrick O'Bryan.

Mayor Johnson led a moment of silence in remembrance of the September 11th, 2001, tragedy.

Mayor Johnson led the flag salute.

APPROVAL OF MINUTES – AUGUST 28th, 2018 – On motion of O'Bryan, seconded by Chenoweth, the Governing Body approved the August 28th, 2018, City Commission Meeting minutes as submitted. Motion carried.

LEAGUE VOTING DELEGATES – On motion of O'Bryan, seconded by Chenoweth, the Governing Body appointed Sarah Chenoweth, Patrick O'Bryan, Jay Byers and Tammy Nagel as voting delegates to represent the City of Pittsburg at the League of Kansas Municipalities Annual Meeting scheduled for October 6th through 8th, 2018, in Topeka, Kansas. Motion carried.

ORDINANCE NO. G-1284 – On motion of O'Bryan, seconded by Chenoweth, the Governing Body approved Ordinance No. G-1284 amending Section 54-41 of the Code of the City of Pittsburg, Kansas, regulating certain public offenses within the corporate limits of the City of Pittsburg, Kansas, by adopting by reference the 2018 Edition of the "Uniform Public Offense Code for Kansas Cities" as published by the League of Kansas Municipalities, save and except such parts or portions as supplemented, deleted or changed; and repealing Ordinance No. G-1270, and authorized the Mayor to sign the Ordinance on behalf of the City. Motion carried.

ORDINANCE NO. G-1285 – On motion of O'Bryan, seconded by Chenoweth, the Governing Body approved Ordinance No. G-1285, repealing Section 78-114 and amending Sections 78-143, 78-144, 78-145, 78-146, 78-149, 78-150, 78-151, 78-153 and 78-154 of the Pittsburg City Code regarding two-hour parking zones, parking enforcement, municipal parking lots and parking fines in the City of Pittsburg, Kansas, and authorized the Mayor to sign the Ordinance on behalf of the City. Motion carried.

APPROPRIATION ORDINANCE – On motion of O'Bryan, seconded by Chenoweth, the Governing Body approved the Appropriation Ordinance for the period ending September 11th, 2018, subject to the release of HUD expenditures when funds are received with the following roll call vote: Yea: Chenoweth, Johnson, McNay, Munsell, and O'Bryan. Motion carried.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
September 11th, 2018

PURCHASE OF VEHICLE – POLICE DEPARTMENT – On motion of O’Bryan, seconded by Munsell, the Governing Body approved staff request to waive the City bid policy for capital purchases in order to purchase one 2019 Dodge Charger police package vehicle utilizing the State of Kansas vehicle purchasing contract as a governmental sub-unit for a total purchase price of \$25,000. Motion carried.

ORDINANCE NO. G-1283 – On motion of O’Bryan, seconded by Chenoweth, the Governing Body approved Ordinance No. G-1283, amending Section 78-31 of the Code of the City of Pittsburg, Kansas, and providing for the protection and health, property and safety, and the regulation of traffic by adopting by reference the 2018 Edition of the "Standard Traffic Ordinances for Kansas Cities" as published by The League of Kansas Municipalities, save and except such parts or portions as supplemented, deleted or changed; and repealing Ordinance No. G-1269, and authorized the Mayor to sign the Ordinance on behalf of the City. Motion carried.

NON-AGENDA REPORTS & REQUESTS:

BI-MONTHLY BUDGET REVIEW - Director of Finance Jamie Clarkson provided the August 31, 2018, bi-monthly budget review.

ADJOURNMENT: On motion of Munsell, seconded by McNay, the Governing Body adjourned the meeting at 5:39 p.m. Motion carried.

Jeremy Johnson, Mayor

ATTEST:

Tammy Nagel, City Clerk

(Summary Published in The Morning Sun September 28, 2018)

ORDINANCE NO. G-1286

AN ORDINANCE, amending Section 6-2 of the Pittsburg City Code to permit persons under age 21 to enter the premises of an axe throwing club which dispenses and sells alcoholic liquor or cereal malt beverage in the City of Pittsburg.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section One. Section 6-2 of the Pittsburg City Code is hereby amended to read:
Sec. 6-2. Prohibiting entry of persons under age 21.

(a) *Definitions.* The following words, terms and phrases, when used in this Section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Alcoholic liquor, caterer, cereal malt beverage, class A club, class B club, club, drinking establishment, and temporary permit mean as set forth in Section 6-181.

Axe throwing club means a premises which include a minimum of four (4) axe throwing lanes and where the axes, throwing lanes, ceiling height, lane width and safety standards adhere to the restrictions and specifications set forth herein in subsection (d).

Dispense or sold means to furnish, transfer, exchange or barter in any manner or by any means whatsoever, with or without a consideration, cereal malt beverage and/or alcoholic liquor.

Food means any raw, cooked or processed edible substance or ingredient, other than alcoholic liquor or cereal malt beverage, used or intended for use or for sale, in whole or in part for human consumption.

Licensee or permit holder means either a partnership, association or corporation including the agents, officers, and employees thereof, or a natural person holding a license or permit to operate a club or drinking establishment, or holding a caterer's license, a temporary permit, or a license to sell cereal malt beverage and/or alcoholic liquor for consumption on the premises.

Pool hall means a premises where the primary business relates to customers engaging in billiards or pool.

Premises means the location of any place, whether or not licensed for the sale of cereal malt beverage and/or alcoholic liquor, where either cereal malt beverage or alcoholic liquor is dispensed or sold for consumption on the premises.

Restaurant means a business that prepares and sells food directly to consumers for immediate consumption on the premises.

(b) *Unlawful entry; licensee or permit holder absolutely liable.*

- (1) It shall be unlawful and the licensee or permit holder shall be absolutely liable, whether with or without consent or knowledge, if any person under 21 years of age enters or remains upon any premises where cereal malt beverage and/or alcoholic liquor is dispensed or sold for consumption on the premises. This Section shall not apply to persons under 21 years of age who are on the premises if accompanied by a parent or a legal guardian.
- (2) It shall be unlawful for any licensee or permit holder, or any owner, officer or employee thereof, to knowingly or unknowingly permit any 21 years of age to enter or remain upon any premises where cereal malt beverage and/or alcoholic liquor is dispensed or sold for consumption on the premises. This Section shall not apply to persons under 21 years of age who are on the premises if accompanied by a parent or legal guardian.
- (3) It shall be a defense to the prosecution hereof if the person under 21 years of age exhibited to the defendant an unexpired driver's license, state nondriver's identification card or other official or apparently official document, containing a photograph of the person which purported to establish that such person was 21 or more years of age.

(c) *Unlawful entry; minor.* It shall be unlawful for any person under 21 years of age to enter or remain upon the premises of a licensee or permit holder where cereal malt beverage and/or alcoholic liquor is dispensed or sold for consumption on the premises. This Section shall not apply to persons under 21 years of age who are on the premises accompanied by a parent or a legal guardian.

(d) *Premises exempted.*

- (1) This Section shall not apply to and shall exempt the following licensees or permit holders, and any owners, officers or employees thereof:
 - i. Premises used primarily as a bowling alley;
 - ii. Any member in good standing of a veteran's organization while on the premises of the veteran's organization if he is a member thereof;
 - iii. A restaurant which derives at least sixty percent (60%) of its gross revenues from the bona fide sale of food for consumption on the premises; and

iv. Premises used primarily as an axe throwing club which shall include; a minimum of four (4) axe throwing lanes with a minimum ceiling height of ten (10) feet and a minimum lane width of six (6) feet within the axe throwing lanes; which prohibits the throwing of axes under twelve (12) inches in length and with a maximum head weight over two (2) pounds; and which complies with the safety standards promulgated by the World Axe Throwing League.

(2) However, none of the premises mentioned in this Section shall be exempt from the provision of this Section if persons under the age of 21 are allowed to enter or remain on the premises while a dance is occurring on the premises.

(e) *Additional exemptions.* Further, this Section shall not apply to and shall exempt from its provisions the following premises:

- (1) Four Oaks Complex, the Memorial Auditorium, Lincoln Center, Schlanger Community Center, and the Senior Center at 3003 North Joplin Street;
- (2) Premises which are furnished to or occupied by any state officer or employee as a residence;
- (3) A private dining room of a hotel or motel, if the dining room is rented or made available on a special occasion only to an individual or organization for a private party and if no sale of alcoholic liquor takes place;
- (4) Lincoln Park during the Fourth of July celebration if cereal malt beverage is sold by a licensee or permit holder who has received permission from the Governing Body to transfer such license or permit for the particular occasion; and

(f) *Additional qualified exemptions.* This Section shall also not apply to and shall exempt from its provisions the following premises only between the hours of 11:00 a.m. and 9:00 p.m.:

- (1) Premises used primarily as a pool hall; and
- (2) A restaurant which derives less than sixty percent (60%) of its gross revenues from the bona fide sale of food for consumption on the premises.

(g) *Underage employees and vendors allowed.* Notwithstanding any provisions of this Section, it shall not be a violation of this Section for an employee of a licensee or permit holder who is at least 18 years of age to enter or remain on the premises, provided that the employee is under the on-premises supervision of the licensee or permit holder or an employee who is 21 years of age or older; or for an employee of a vendor to enter for the

purpose of providing goods and services to the licensee or permit holder and remain only so long as to provide such goods and services.

(h) *Violations; penalty.* Violation of this Section is a misdemeanor punishable by a fine of not less than \$100 and not more than \$250 or imprisonment not exceeding 30 days, or both.

Section Two. This Ordinance shall take effect and be in force from and after its approval and publication in the official city newspaper.

PASSED AND APPROVED BY THE GOVERNING BODY of the City of Pittsburg, Kansas this 25th day of September, 2018.

Jeremy Johnson - Mayor

ATTEST:

Tammy Nagel - City Clerk



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: CAMERON ALDEN
Director of Public Works

DATE: September 19, 2018

SUBJECT: Agenda Item – September 25, 2018
Change Order No. 1
2018 Street Improvements

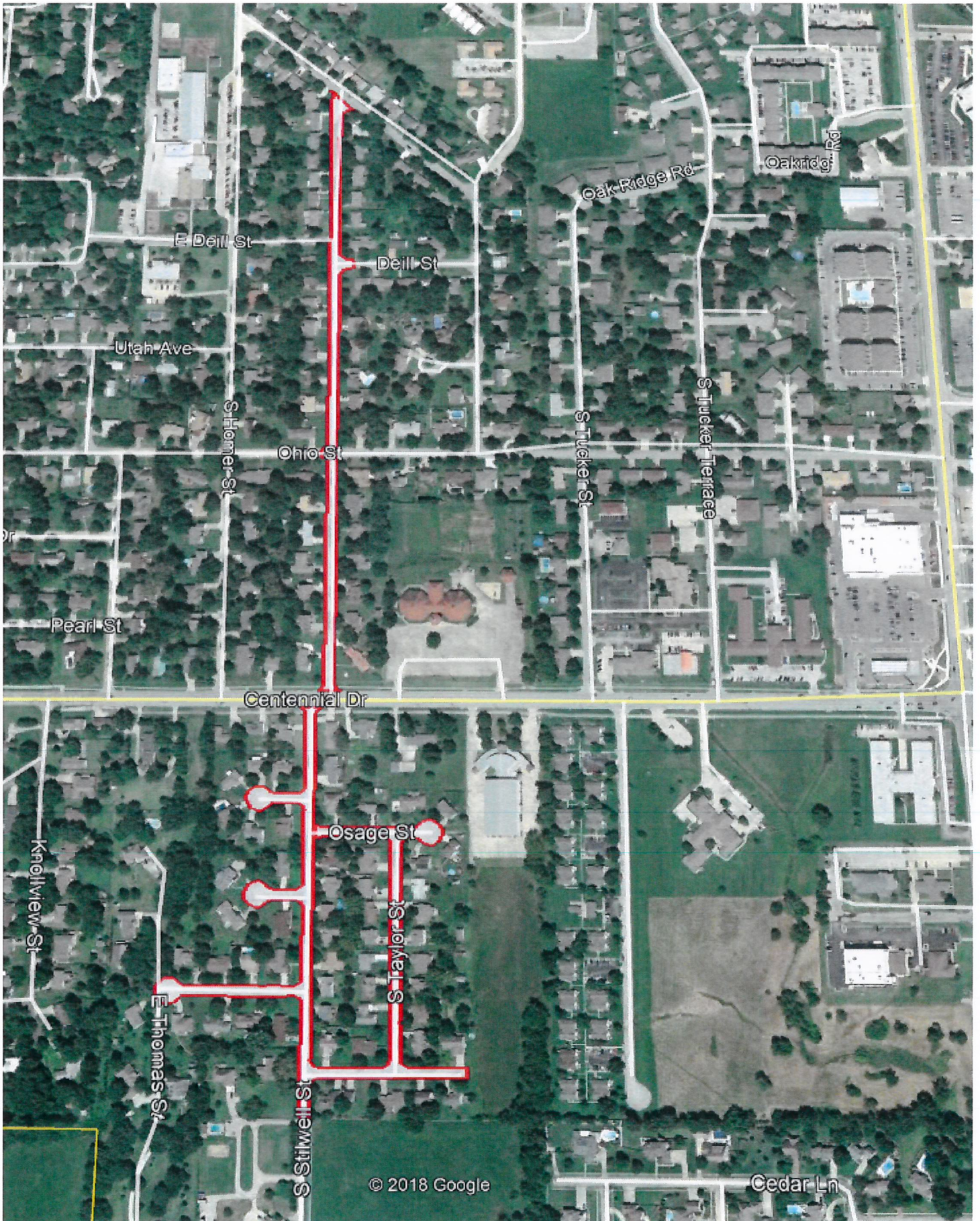
The City Commission approved the award of the 2018 Street Improvements to Blevins Asphalt of Mt. Vernon, Missouri on May 22, 2018 for the amount of \$517,337.18. Since that time, the City and State agreed that the State will be performing and paying for all construction activity with the City's portion of the Highway 69 Bypass at 20th Street in exchange for the City paying for the design of the entire project. This change freed up funding for other projects since the City does not need to set aside dollars to front the Hwy 69 construction then receive reimbursement from the State when the construction is completed. With the freed up funding, staff recommends expanding the scope of the current 2018 Street Improvements program.

Staff has identified additional streets to add to the 2018 Street Improvement Program. Stillwell from Normal Street to the southern end of the street, Thomas Street, South Taylor, Stillwell Circle, and Osage Streets are proposed to be added to the contract. This would add approximately 21,437 square yards of street to be milled and over-laid. The area to be added can be seen in the attached map.

Blevins has proposed to perform the additional work for \$1,221.00 in additional mobilization, \$924.00 for additional traffic control, \$2.11/SY for milling, and \$59.55/ton for the asphalt paving. The total proposed change order would total \$187,795.97. Staff has reviewed the proposal and finds it acceptable and recommends its approval. The new total for the project would be \$705,133.15.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, September 25, 2018. Action necessary will be the approval or disapproval of Change Order No.1 for the changed scope of work for Blevins Asphalt.

Attached map





DEPARTMENT OF PUBLIC WORKS

(620) 231-4170

201 West 4th Street · Pittsburg KS 66762

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: CAMERON ALDEN
Director of Public Works/City Engineer

DATE: September 19, 2018

SUBJECT: Agenda Item – September 25, 2018
Final Payment
Airport Runway 16 Extension
Contract No: AIP 3-20-0069-017

The contractor, Capital Paving & Construction, LLC of Jefferson City, MO, has completed all work on the above-referenced project and is now requesting final payment. Previously approved change orders resulted in a net deduction of \$41,073.96 from the original contract amount of \$914,413.03. The change orders make the final contract construction amount of \$873,339.07.

Would you please place this item on the agenda for the City Commission meeting scheduled for September 25, 2018. Action necessary will be approval or disapproval of final payment to Capital Paving & Construction, LLC in the amount of \$148,209.80. This project is being funded by a FAA grant for with a 90% FAA/10% Local split.

Attachment: Final Payment Estimate

CONTRACTOR'S PROGRESS ESTIMATE

Sheet: 1 of 4

Date: 04/10/17

Lochner Job Number: 11774

Contractor: Capital Paving & Construction, LLC
 Address: POB 104960
 Jefferson City, MO 65110

Estimate No.: 4 FINAL

Contract No.: AIP 3-20-0069-017

and Sponsor: City of Pittsburg, Kansas

Project: Runway 16 Extension

We submit herewith Estimate Number 4 FINAL under contract AIP 3-20-0069-017 for the above-named improvement. A detailed account of the work completed and a record of the materials on site or in an approved storage is attached hereto.

STATEMENT OF ACCOUNT

Original Contract Amount	\$	914,413.03
Contract Revisions:		
(Through Change Order 3)	(\$41,073.96)	
(Through Supplement 0)	\$0.00	
Amount of Contract Revisions		(\$41,073.96)
New Contract Amount		\$873,339.07
Value of Work Performed to Date	\$873,339.07	
Value of Materials on Hand	\$	-
Total Value of Work and Materials		\$873,339.07
Less Previous Due Amount	\$725,129.26	
Less Previous Retainage Amount	\$80,569.92	
Total of Previous Requests		\$805,699.18
Amount of this Request		\$67,639.88
Less Amount to be Retained		\$0.00
Amount of Previous Retainage to be Released		\$80,569.92
BALANCE DUE CONTRACTOR		\$148,209.80

This payment estimate has been verified and payment recommended in accordance with the Specifications.

LOCHNER

CONTRACTOR:
 Capital Paving & Construction, LLC

By:  _____

By: _____

4/10/2018

Dated: _____

Dated: _____

ITEM NO.	DESCRIPTION	ORIGINAL CONTRACT QUANTITY	** QUANTITY OVERRUN/ UNDERRUN	CURRENT CONTRACT QUANTITY	QUANTITY COMPLETE TO DATE	UNIT	UNIT PRICE	EARNED TO DATE
1	Mobilization (See General Provisions Section 105)	100%	0%	100%	100%	L.S.	\$ 93,722.63	\$93,722.63
2	Temporary Marking, Lighting, & Barricades	100%	0%	100%	100%	L.S.	\$ 10,467.87	\$10,467.87
3	Cold Milling (0"-2")	503	44	547	547	S.Y.	\$ 12.00	\$6,564.00
4	Pavement Marking Removal	21,404	14,799	36,203	36,203	S.F.	\$ 0.46	\$16,653.38
5	Removal of Existing Airport Sign Foundations	5	0	5	5	Ea.	\$ 300.00	\$1,500.00
6	Removal of Existing Drainage Structures	100%	0%	100%	100%	L.S.	\$ 5,000.00	\$5,000.00
7	Removal of Existing Lighting System and NAVAIDS	100%	0%	100%	100%	L.S.	\$ 5,000.00	\$5,000.00
8	Unsuitable Subgrade Removal and Replacement	1,500	(1,050)	450	450	C.Y.	\$ 14.00	\$6,300.00
9	Embankment In Place (Obtained On Site)	13,557	350	13,907	13,907	C.Y.	\$ 9.17	\$127,527.19
10	Erosion Control Barrier (Straw Wattle)	1,135	132	1,267	1,267	L.F.	\$ 5.00	\$6,335.00
11	Cement Kiln Dust (CKD)	624	88	712	712	Ton	\$ 87.90	\$62,584.80
12	Cement Kiln Dust (CKD) Treated Subgrade (12")	9,243	0	9,243	9,243	S.Y.	\$ 5.22	\$48,248.46
13	Crushed Aggregate Base Course (4")	9,243	0	9,243	9,243	S.Y.	\$ 4.86	\$44,920.98
14	Bituminous Surface Course	2,122	(1,151.6)	970.4	970.4	Ton	\$ 91.74	\$89,024.50
15	Bituminous Prime Coat	2,700	0	2,700	2,700	Gal.	\$ 3.19	\$8,613.00
16	Bituminous Tack Coat	950	655	1,605	1,605	Gal.	\$ 2.28	\$3,659.40
17	Structural Portland Cement Concrete Mix Design Preparation	100%	-100%	0%	0%	L.S.	\$ 6,500.00	\$0.00
18	Temporary Pavement Marking	14,809	(14,809)	0	0	S.F.	\$ 0.36	\$0.00
19	Reflectorized Pavement Marking	14,809	5,478	20,287	20,287	S.F.	\$ 1.12	\$22,721.44
20	Non-Reflectorized Pavement Marking	2,790	1,815	4,605	4,605	S.F.	\$ 0.35	\$1,611.75
21	Temporary Seeding (Added Per Addendum No. 2)	14.0	(14.0)	0.0	0.0	Ac.	\$ 275.00	\$0.00
22	Permanent Seeding	14.0	0.0	14.0	14.0	Ac.	\$ 495.00	\$6,930.00
23	Topsoiling	100%	0%	100%	100%	L.S.	\$ 30,191.66	\$30,191.66
24	Mulching with Adhesive Binder	14.0	0.0	14.0	14.0	Ac.	\$ 995.00	\$13,930.00

** Quantity Changed by Change Order or Supplemental Agreement.

ITEM NO.	DESCRIPTION	ORIGINAL CONTRACT QUANTITY	** QUANTITY OVERRUN/ UNDERRUN	CURRENT CONTRACT QUANTITY	QUANTITY COMPLETE TO DATE	UNIT	UNIT PRICE	EARNED TO DATE
25	18" Storm Pipe	145.0	38.5	183.5	183.5	L.F.	\$ 51.26	\$9,406.21
26	18" RCP End Section	2	0	2	2	Ea.	\$ 1,298.83	\$2,597.66
27	30" RCP End Section	2	0	2	2	Ea.	\$ 1,531.89	\$3,063.78
28	Conventional Underdrain (4")	1,546	2	1,548	1,548	L.F.	\$ 13.75	\$21,285.00
29	Non-Perforated Outlet Pipe (4")	270	20	290	290	L.F.	\$ 5.00	\$1,450.00
30	Underdrain Cleanout Riser	5	0	5	5	Ea.	\$ 385.00	\$1,925.00
31	Splash Pad	2	0	2	2	Ea.	\$ 400.00	\$800.00
32	Install Cable In Duct (1/c, #8 AWG, 5kV, XLPE/USE)	3,486	308	3,794	3,794	L.F.	\$ 1.65	\$6,260.10
33	Install Cable In Duct (1/c, #6 AWG, 600 Volt, XLPE/USE)	3,130	-3,130	0	0	L.F.	\$ 1.65	\$0.00
34	Install Cable In Duct (1/c, #6 AWG, Bare Ground)	1,565	0	1,565	1,565	L.F.	\$ 1.50	\$2,347.50
35	Bare Counterpoise (#6 AWG) Installed in Separate Trench	2,094	6	2,100	2,100	L.F.	\$ 3.30	\$6,930.00
36	Bare Counterpoise (#6 AWG) Installed in Same Trench as Conductors	2,027	0	2,027	2,027	L.F.	\$ 1.70	\$3,445.90
37	1" PVC Electrical Duct and Trench	4,349	0	4,349	4,349	L.F.	\$ 4.44	\$19,309.56
38	L-867 Junction Box	4	0	4	4	Ea.	\$ 444.00	\$1,776.00
39	Relocate Existing Threshold Lights	8	0	8	8	Ea.	\$ 520.00	\$4,160.00
40	M.I.R.L. (LED), Base Mounted (Clear/Yellow)	6	0	6	6	Ea.	\$ 830.00	\$4,980.00
41	M.I.T.L. (LED), Base Mounted (Blue)	20	0	20	20	Ea.	\$ 730.00	\$14,600.00
42	M.I.R.L. Lens Cover (Clear/Clear)	6	0	6	6	Ea.	\$ 150.00	\$900.00
43	Relocate Existing 1 Module Lighted Sign & Construct New Foundation	1	0	1	1	Ea.	\$ 520.00	\$520.00
44	New 2 Module (LED) Lighted Sign & Foundation	1	0	1	1	Ea.	\$ 4,400.00	\$4,400.00
45	New 1 Module (LED) Runway Distance Remaining Sign	1	0	1	1	Ea.	\$ 3,800.00	\$3,800.00
46	Install New Runway 16 PAPI System	1	-1	0	0.0	Ea.	\$ 26,200.00	\$0.00
47	Relocate Runway 16 REIL System	1	0	1	1.0	Ea.	\$ 1,200.00	\$1,200.00
48	Relocate Runway 16-34 Runway Distance Remaining Signs and Modify Legend Panels	4	0	4	4	Ea.	\$ 520.00	\$2,080.00

** Quantity Changed by Change Order or Supplemental Agreement.

ITEM NO.	DESCRIPTION	ORIGINAL CONTRACT QUANTITY	** QUANTITY OVERRUN/ UNDERRUN	CURRENT CONTRACT QUANTITY	QUANTITY COMPLETE TO DATE	UNIT	UNIT PRICE	EARNED TO DATE
49	Chain-Link Fence (8') with 2 Strand Barbed Wire Overguard	1,166	-1,166	0	0	L.F.	\$ 40.00	\$0.00
50	Relocate Existing Gate	1	0	1	1	Ea.	\$ 1,470.00	\$1,470.00
<u>SUPPLEMENTAL AGREEMENT -- FAA ELIGIBLE ITEMS</u>								
SA1.1	Mobilization for Removal of Displaced Threshold	0	1	1	1	L.S.	\$ 20,000.00	\$20,000.00
SA1.2	Temporary Marking, Lighting, & Barricades for Removal of Displaced Threshold	0	1	1	1	L.S.	\$ 4,500.00	\$4,500.00
SA1.3	Pavement Friction Sealcoat Surface Treatment	9,670	-9,670	0	0	S.Y.	\$ 2.00	\$0.00
SA1.4	Modify Existing 1 Module Sign Panel (Signs P6 & P8)	0	2	2	2	Ea.	\$ 782.50	\$1,565.00
SA1.5	Modify Existing 2 Module Sign Panel (Signs P9)	0	1	1	1	Ea.	\$ 1,525.24	\$1,525.24
SA1.6	Install New Runway 16 PAPI System (L-880, Style A)	0	1	1	1.0	Ea.	\$ 36,180.00	\$36,180.00
SA1.7	Install and Remove Temporary M.I.R.L. Fixture (Yellow/Green)	0	2	2	2	Ea.	\$ 455.08	\$910.16
SA1.8	Reinstall M.I.R.L. Fixture (Red/Green)	0	8	8	8	Ea.	\$ 75.00	\$600.00
SA1.9	Install and Remove Temporary Outboard Threshold Lights, Stake Mounted	0	6	6	6	Ea.	\$ 742.52	\$4,455.12
SA1.10	Install Cable in Duct (1/c, #4 AWG, 600 Volt, XLPE/USE)	0	3,130	3,130	3,130	L.F.	\$ 3.45	\$10,798.50
SA1.14	Chain-Link Fence (10') with Barbed Wire Overguard and Buried Skirt	0	1,184	1,184	1,184	L.F.	\$ 48.00	\$56,832.00
<u>SUPPLEMENTAL AGREEMENT -- FAA INELIGIBLE ITEMS</u>								
SA1.11	Modify Existing 2 Module Sign Panel (Sign P7)	0	1	1	1	Ea.	\$ 1,525.24	\$1,525.24
SA1.12	Install and Remove Temporary M.I.R.L. Fixture (Red/Red)	0	8	8	8	Ea.	\$ 355.84	\$2,846.72
SA1.13	Install and Remove Temporary M.I.R.L. Fixture (Yellow/Red)	0	4	4	4	Ea.	\$ 347.08	\$1,388.32

Total Work Performed to Date: \$873,339.07
Original Contract Amount: \$914,413.03
Total Revisions to Date: -\$41,073.96
Total Value of Contract: \$873,339.07

% Project Complete Dollars: 100.0%
** Quantity Changed by Change Order or Supplemental Agreement.



FINANCE AND ADMINISTRATION

201 West 4th Street · Pittsburg KS
66762

(620) 231-4100

www.pittks.org

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Director of Finance

DATE: September 12, 2018

SUBJECT: Agenda Item – Audit Contract 2018 Fiscal Year

Attached is an engagement contract from Mize Houser & Company P.A. to perform auditing services for the City's 2018 fiscal year. This will be the fifth auditing proposal between the City and Mize Houser & Company P.A. Action necessary will be to approve the attached 2018 auditing contract with Mize Houser & Company P.A. in an amount not to exceed \$35,890. This is a minimal increase of \$355 over the 2017 audit fee.

If you have any questions concerning this matter, please do not hesitate to contact me.

cc: Tammy Nagel, City Clerk



MIZE HOUSER
COMPANY P.A.

September 11, 2018

Mayor and City Commission
City of Pittsburg, Kansas
201 West Fourth Street
Pittsburg, KS 66762

We are pleased to confirm our understanding of the services we are to provide the City of Pittsburg, Kansas, (the City) for the year ended December 31, 2018. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, budgetary comparison schedules and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2018.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management discussion and analysis (MD&A), to supplement the City's 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited: management's discussion and analysis, OPEB information and the Pension Liability.

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: schedule of expenditures of federal awards, combining statements and individual fund statements.

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that information: introductory and statistical sections.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements taken as a whole.

The objectives also include reporting on:

1. Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
2. Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Uniform Guidance; and the Kansas Municipal Audit and Accounting Guide and will include tests of the accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of the Single Audit. Our reports will be addressed to the governing body of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will fully discuss the reasons with you in advance. If for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures-Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards* and the Uniform Guidance.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and

application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include, identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance, (3) that the methods of measurement or presentation have not changed from those used in the prior period; and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period; and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the

timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the written management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. To mitigate these risks, we offer a method for you to send sensitive information to us securely and also one for us to securely send sensitive information to you. We strongly encourage the use of these secure methods, particularly for the transmission of Personally Identifiable Information (PII).

Audit Administration, Fees and Other

When delivered to the City, the audit reports and financial statements produced in connection with this engagement letter are public records and may be used (a) to fulfill the requirements of continuing disclosure under SEC Rule 15c2-12, (b) as inserts or incorporated by reference in offering documents issued by the City, and (c) for any lawful purpose of the City, all without subsequent consent from us. Any official statements in connection with debt issuances which include the above mentioned audit reports and financial statements shall contain the following: "Our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement."

At the conclusion of this engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior auditing findings, auditor's reports and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The audit documentation for this engagement is our property and constitute confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of the firm's personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. During the term of this engagement, we agree to comply with the provisions of K.S.A. 44-1030.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency for audit, or pass through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

You agree that the term "those charged with governance", as used in Statement on Auditing Standards No. 114 for defining our communication responsibilities under that standard, consists of the mayor, city commission, and the city manager.

It is understood that the services provided by our firm necessarily rely, to some extent, on information provided by your organization, including management representations, as well as information and documents. Accordingly, your organization indemnifies our firm and its owners and employees, and holds them harmless from all claims, liabilities, losses or costs in connection with services provided by our firm that are affected in any way by erroneous, misleading, or incomplete information furnished by your organization. This indemnification will survive any terminations under this letter.

Mize Houser & Company P.A. and the City agree that any dispute arising hereunder (other than our efforts to collect unpaid fees and expenses) will, prior to resorting to litigation, be submitted to mediation by the parties. The parties will engage in the mediation process in good faith and such process shall be commenced by the written request by either party to the other to mediate any such dispute or alleged breach of this Agreement. Any mediation initiated as a result shall be administered within the state and county of the Mize Houser & Company P.A. office servicing the City by a mutually agreed-upon mediator in accordance with generally accepted mediation rules. Such mediation shall be binding on both parties only after execution of a written agreement setting forth the terms and conditions agreed to pursuant to such mediation. Any and all costs of mediation shall be divided equally between the parties hereto.

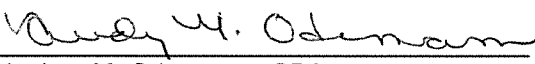
Audrey M. Odermann, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We agree that our gross fee, including all expenses, shall not exceed \$35,890. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including delays resulting from the untimely delivery of and incomplete preparation of schedules and questionnaires we have requested from your staff. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report. Our 2015 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City of Pittsburg, Kansas and believe this letter accurately summarized the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

MIZE HOUSER & COMPANY P.A.
Certified Public Accountants

By 
Audrey M. Odermann, CPA

RESPONSE:

This letter correctly sets forth the understanding of the City of Pittsburg, Kansas.

Management Signature: _____

Title: Daron Hall, City Manager

Date: September 25th, 2018

Governance Signature: _____

Title: Jeremy Johnson, Mayor

Date: September 25th, 2018

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	9/07/2018			183065		
C-CHECK	VOID CHECK	V	9/07/2018			183066		
C-CHECK	VOID CHECK	V	9/07/2018			183075		
C-CHECK	VOID CHECK	V	9/07/2018			183104		
C-CHECK	VOID CHECK	V	9/07/2018			183105		
C-CHECK	VOID CHECK	V	9/07/2018			183106		
C-CHECK	VOID CHECK	V	9/07/2018			183109		
C-CHECK	VOID CHECK	V	9/07/2018			183110		
C-CHECK	VOID CHECK	V	9/07/2018			183111		
C-CHECK	VOID CHECK	V	9/14/2018			183122		
C-CHECK	VOID CHECK	V	9/14/2018			183123		

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	11	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: *	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
		11	0.00	0.00	0.00
BANK: *	TOTALS:	11	0.00	0.00	0.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0026	STANDARD INSURANCE COMPANY	D	9/11/2018			000000		1,309.83
0094	BMO HARRIS BANK	D	9/17/2018			000000		145.00
0224	KDOR	D	9/10/2018			000000		2,143.15
0224	KDOR	D	9/11/2018			000000		7,209.44
0321	KP&F	D	9/07/2018			000000		41,275.58
0728	ICMA	D	9/07/2018			000000		585.00
1050	KPERS	D	9/07/2018			000000		37,825.53
5904	TASC	D	9/07/2018			000000		6,444.47
6415	GREAT WEST TANDEM KPERS 457	D	9/07/2018			000000		4,216.00
6952	ADP INC	D	9/14/2018			000000		757.65
7290	DELTA DENTAL OF KANSAS INC	D	9/07/2018			000000		2,299.80
7290	DELTA DENTAL OF KANSAS INC	D	9/14/2018			000000		3,140.80
7877	CORESOURCE	D	9/06/2018			000000		41,231.57
7877	CORESOURCE	D	9/13/2018			000000		7,062.18
0044	CRESTWOOD COUNTRY CLUB	E	9/10/2018			001857		339.85
0046	ETTINGERS OFFICE SUPPLY	E	9/10/2018			001858		503.66
0084	INTERSTATE EXTERMINATOR, INC.	E	9/10/2018			001859		732.00
0101	BUG-A-WAY INC	E	9/10/2018			001860		10.00
0112	MARRONES INC	E	9/10/2018			001861		42.70
0135	PITTSBURG AREA CHAMBER OF COMM	E	9/10/2018			001862		20,500.00
0194	KANSAS STATE TREASURER	E	9/10/2018			001863		12,165.00
0199	KIRKLAND WELDING SUPPLIES	E	9/10/2018			001864		159.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0207	PEPSI-COLA BOTTLING CO OF PITT	E	9/10/2018			001865		121.90
0534	TYLER TECHNOLOGIES INC	E	9/10/2018			001866		390.00
0746	CDL ELECTRIC COMPANY INC	E	9/10/2018			001867		6,659.03
0806	JOHN L CUSSIMANIO	E	9/10/2018			001868		250.00
0866	AVFUEL CORPORATION	E	9/10/2018			001869		21,266.03
0961	KANSAS JUDICIAL COUNCIL	E	9/10/2018			001870		170.00
2025	SOUTHERN UNIFORM & EQUIPMENT L	E	9/10/2018			001871		812.43
3668	MID AMERICA PROPERTIES OF PITT	E	9/10/2018			001872		1,530.00
4354	LIFESTYLE LEASING INC	E	9/10/2018			001873		1,845.00
4523	TODD A TROWBRIDGE	E	9/10/2018			001874		200.00
5640	CORRECT CARE SOLUTIONS LLC	E	9/10/2018			001875		36.00
5791	HOSPITAL DISTRICT #1 OF CRAWFO	E	9/10/2018			001876		577.49
5855	SHRED-IT US JV LLC	E	9/10/2018			001877		162.00
6117	ALEXANDER OPEN SYSTEMS, INC	E	9/10/2018			001878		87.50
6175	HENRY C MENGHINI	E	9/10/2018			001879		13.00
6203	THE SOUTHWEST PAPER CO INC	E	9/10/2018			001880		461.61
7038	SIGNET COFFEE ROASTERS	E	9/10/2018			001881		41.25
7087	PITTSBURG STATE UNIVERSITY FOU	E	9/10/2018			001882		1,899.34
7237	J & R ENGINEERING / MARKETING	E	9/10/2018			001883		600.00
7283	CORESOURCE, INC	E	9/10/2018			001884		42,796.68
7407	LIMELIGHT MARKETING LLC	E	9/10/2018			001885		3,000.00
7418	NEWEDGE SERVICES, LLC	E	9/10/2018			001886		3,500.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7572	OZARK MOUNTAIN ENERGY, INC	E	9/10/2018			001887		20,229.40
7705	JOANNA L DERFELT	E	9/10/2018			001888		1,000.00
7852	TRIA HEALTH, LLC	E	9/10/2018			001889		1,425.99
0022	DANKO EMERGENCY EQUIPMENT CO.	E	9/17/2018			001891		589.55
0038	LEAGUE OF KANSAS MUNICIPALITIE	E	9/17/2018			001892		315.00
0054	JOPLIN SUPPLY COMPANY	E	9/17/2018			001893		199.80
0101	BUG-A-WAY INC	E	9/17/2018			001894		110.00
0105	PITTSBURG AUTOMOTIVE INC	E	9/17/2018			001895		481.43
0117	THE MORNING SUN	E	9/17/2018			001896		26.18
0133	JIM RADELL CONSTRUCTION INC	E	9/17/2018			001897		12,949.20
0142	HECKERT CONSTRUCTION CO INC	E	9/17/2018			001898		952.50
0203	GADES SALES CO INC	E	9/17/2018			001899		543.93
0207	PEPSI-COLA BOTTLING CO OF PITT	E	9/17/2018			001900		108.54
0231	JAMES CLARKSON	E	9/17/2018			001901		4.00
0272	BO'S 1 STOP INC	E	9/17/2018			001902		93.00
0276	JOE SMITH COMPANY, INC.	E	9/17/2018			001903		494.90
0289	TITLEIST	E	9/17/2018			001904		993.28
0292	UNIFIRST CORPORATION	E	9/17/2018			001905		44.70
0294	COPY PRODUCTS, INC.	E	9/17/2018			001906		125.00
0317	KUNSHEK CHAT & COAL CO, INC.	E	9/17/2018			001907		857.03
0328	KANSAS ONE-CALL SYSTEM, INC	E	9/17/2018			001908		540.00
0332	PITTCRAFT PRINTING	E	9/17/2018			001909		600.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0345	VICTOR L PHILLIPS CO	E	9/17/2018			001910		469.30
0516	AMERICAN CONCRETE CO INC	E	9/17/2018			001911		3,962.63
0577	KANSAS GAS SERVICE	E	9/17/2018			001912		1,258.39
0589	BERRY TRACTOR & EQUIPMENT	E	9/17/2018			001913		685.25
0628	KC BOBCAT	E	9/17/2018			001914		1,416.91
0659	PAYNES INC	E	9/17/2018			001915		105.55
0700	NAMES AND NUMBERS	E	9/17/2018			001916		1,068.00
0726	PITTSBURG STATE UNIVERSITY	E	9/17/2018			001917		787.99
0746	CDL ELECTRIC COMPANY INC	E	9/17/2018			001918		262.66
0753	COUNTY OF CRAWFORD	E	9/17/2018			001919		19,625.00
0806	JOHN L CUSSIMANIO	E	9/17/2018			001920		250.00
0844	HY-FLO EQUIPMENT CO	E	9/17/2018			001921		9.00
0969	SOUTHEAST KANSAS COMMUNITY ACT	E	9/17/2018			001922		15,000.00
1478	KANSASLAND TIRE OF PITTSBURG	E	9/17/2018			001923		912.84
1792	B&L WATERWORKS SUPPLY, LLC	E	9/17/2018			001924		12,421.53
2035	O'BRIEN ROCK CO., INC.	E	9/17/2018			001925		172.99
2707	THE LAWNSCAPE COMPANY, INC.	E	9/17/2018			001926		2,258.25
2733	JASON HUFFMAN	E	9/17/2018			001927		134.07
2921	DP2 BILLING SOLUTIONS, LLC	E	9/17/2018			001928		4,585.64
2960	PACE ANALYTICAL SERVICES INC	E	9/17/2018			001929		340.00
3248	AIRGAS USA LLC	E	9/17/2018			001930		989.30
3802	BRENNTAG MID-SOUTH INC	E	9/17/2018			001931		2,259.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
3964	CALLAWAY GOLF	E	9/17/2018			001932		892.50
4390	SPRINGFIELD JANITOR SUPPLY, IN	E	9/17/2018			001933		177.74
5049	CRH COFFEE INC	E	9/17/2018			001934		40.90
5482	JUSTIN HART	E	9/17/2018			001935		60.00
5883	SPROULS CONSTRUCTION INC	E	9/17/2018			001936		42,711.67
6175	HENRY C MENGHINI	E	9/17/2018			001937		135.00
6547	MO MAX SALES INC	E	9/17/2018			001938		58.60
6846	GREENWAY ELECTRIC, INC.	E	9/17/2018			001939		1,558.30
6851	SCHULTE SUPPLY INC	E	9/17/2018			001940		1,145.20
7028	MATTHEW L. FRYE	E	9/17/2018			001941		400.00
7240	JAY HATFIELD CERTIFIED USED CA	E	9/17/2018			001942		87.99
7514	NTHERM, LLC	E	9/17/2018			001943		223.87
7620	POMP'S TIRE SERVICE INC	E	9/17/2018			001944		886.00
7629	EARLES ENGINEERING & INSPECTIO	E	9/17/2018			001945		6,075.00
7667	BRENT'S ELECTRIC, LLC	E	9/17/2018			001946		65.00
7806	CORE & MAIN LP	E	9/17/2018			001947		3,887.95
7822	SEATTLE SEWING SOLUTIONS INC	E	9/17/2018			001948		1,530.50
7900	CI TECHNOLOGIES, INC	E	9/17/2018			001949		13,500.00
7958	DENNIS OIL COMPANY	E	9/17/2018			001950		303.52
5360	SAFEHOUSE CRISIS CENTER INC	R	9/05/2018			183052		30.00
0175	REGISTER OF DEEDS	R	9/06/2018			183053		20.00
1	LARSEN, CONNOR	R	9/06/2018			183059		50.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1	LUNA, DEREK	R	9/06/2018			183060		25.00
1	SLAY, DUSTY	R	9/06/2018			183061		200.00
6154	4 STATE MAINTENANCE SUPPLY INC	R	9/07/2018			183062		55.52
7398	ARVEST BANK	R	9/07/2018			183063		19,381.72
0523	AT&T	R	9/07/2018			183064		5,755.03
6887	TRAVIS CARLTON	R	9/07/2018			183067		60.00
1616	CITY OF PITTSBURG	R	9/07/2018			183068		75.00
1616	CITY OF PITTSBURG	R	9/07/2018			183069		241.64
6865	MICHAEL S COLE	R	9/07/2018			183070		60.00
4263	COX COMMUNICATIONS KANSAS LLC	R	9/07/2018			183071		37.29
4263	COX COMMUNICATIONS KANSAS LLC	R	9/07/2018			183072		14.07
4263	COX COMMUNICATIONS KANSAS LLC	R	9/07/2018			183073		29.40
4263	COX COMMUNICATIONS KANSAS LLC	R	9/07/2018			183074		2,146.61
7517	CRAW-KAN TELEPHONE COOPERATIVE	R	9/07/2018			183076		979.98
0375	WICHITA WATER CONDITIONING, IN	R	9/07/2018			183077		17.25
6985	DARRICK DEGRUSON	R	9/07/2018			183078		125.00
6088	EMERGENCY RESPONSE SOLUTIONS,	R	9/07/2018			183079		547.79
7345	MIKE FORD	R	9/07/2018			183080		80.00
7935	CANDACE BREWSTER GAYOSO	R	9/07/2018			183081		1,000.00
6703	GT DISTRIBUTORS INC	R	9/07/2018			183082		8.95
7957	HIGHLAND APARTMENTS, LP	R	9/07/2018			183083		990.00
1	HOLTZMAN, JOSH	R	9/07/2018			183084		36.90

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1935	HUTCHINSON COMMUNITY COLLEGE	R	9/07/2018			183085		893.00
7956	JOSEPH WISEMAN	R	9/07/2018			183086		1,100.00
7414	KANSAS GAS SERVICE (ESG)	R	9/07/2018			183087		245.00
2877	KDHE - BUREAU OF WATER	R	9/07/2018			183088		20.00
0226	KDOR LIQUOR TAX	R	9/07/2018			183089		12.25
7529	LEXIPOL, LLC	R	9/07/2018			183090		11,109.00
1554	LITTLE BALKANS FESTIVAL	R	9/07/2018			183091		340.00
1554	LITTLE BALKANS FESTIVAL	R	9/07/2018			183092		2,085.00
6750	HW LOCHNER, BWR DIVISION	R	9/07/2018			183093		13,585.60
7716	JORDAN MEADOWS	R	9/07/2018			183094		1,830.00
7697	MARTIN MEDINA	R	9/07/2018			183095		250.00
7938	ROSANO DEL PILAR MENDEZ	R	9/07/2018			183096		25.00
7480	RODGER PETRAIT	R	9/07/2018			183097		60.00
6863	PITTSBURG STATE UNIVERSITY	R	9/07/2018			183098		15,000.00
0175	REGISTER OF DEEDS	R	9/07/2018			183099		21.00
7270	SECURITY 1ST TITLE, LLC	R	9/07/2018			183100		240.00
0349	UNITED WAY OF CRAWFORD COUNTY	R	9/07/2018			183101		57.85
2916	US CELLULAR	R	9/07/2018			183102		98.86
5589	VERIZON WIRELESS SERVICES, LLC	R	9/07/2018			183103		8,856.89
4897	JOHN VINARDI	R	9/07/2018			183107		2,550.00
1108	WESTAR ENERGY	R	9/07/2018			183108		112,295.21
4636	WESTAR ENERGY, INC. (HAP)	R	9/07/2018			183112		474.82

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5371	PITTSBURG FAMILY YMCA	R	9/07/2018			183113		328.12
1	HARMON, MITCHELL	R	9/13/2018			183114		25.00
1	HUGHES, KATIE	R	9/13/2018			183115		50.00
1	MORALES, CARMEN	R	9/13/2018			183116		200.00
7441	BUTLER COMMUNICATIONS, LLC	R	9/14/2018			183118		160.75
6887	TRAVIS CARLTON	R	9/14/2018			183119		120.00
6865	MICHAEL S COLE	R	9/14/2018			183120		120.00
7657	COPY PRODUCTS, INC.	R	9/14/2018			183121		2,131.08
4263	COX COMMUNICATIONS KANSAS LLC	R	9/14/2018			183124		78.28
4263	COX COMMUNICATIONS KANSAS LLC	R	9/14/2018			183125		86.16
4263	COX COMMUNICATIONS KANSAS LLC	R	9/14/2018			183126		96.14
0375	WICHITA WATER CONDITIONING, IN	R	9/14/2018			183127		6.00
0118	FED EX	R	9/14/2018			183128		49.54
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	9/14/2018			183129		454.85
7444	M & M WRECKER SERVICE OF SW MO	R	9/14/2018			183130		650.00
7305	TAYLOR MARTIN	R	9/14/2018			183131		80.00
7938	ROSANO DEL PILAR MENDEZ	R	9/14/2018			183132		25.00
7392	ASSURECO RISK MANAGEMENT & REG	R	9/14/2018			183133		350.00
6209	MYTOWN MEDIA	R	9/14/2018			183134		144.00
7480	RODGER PETRAIT	R	9/14/2018			183135		80.00
7962	MARTY R RENO	R	9/14/2018			183136		3,380.00
1	SHOOK, DAWNITA	R	9/14/2018			183137		25.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5904	TASC	R	9/14/2018			183138		2,177.10
7053	U.S. PEROXIDE, LLC	R	9/14/2018			183139		950.00
5589	VERIZON WIRELESS SERVICES, LLC	R	9/14/2018			183140		392.50
2350	WASTE CORPORATION OF MISSOURI	R	9/14/2018			183141		200.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	73	215,476.15	0.00	215,476.15
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	14	155,646.00	0.00	155,646.00
EFT:	93	306,268.94	0.00	306,268.94
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS 0.00		
		VOID CREDITS 0.00		
		0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: 80144	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
		180	677,391.09	0.00	677,391.09
BANK: 80144	TOTALS:	180	677,391.09	0.00	677,391.09

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
4618	TRESA MILLER	E	9/10/2018			001890		753.50

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	1	753.50	0.00	753.50
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: EFT TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
	1	753.50	0.00	753.50
BANK: EFT TOTALS:	1	753.50	0.00	753.50

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7579	ROBERT COBB	E	9/05/2018			001743		639.00
7581	REX LINVILLE	E	9/05/2018			001744		205.00
7717	LAWRENCE E GIGER	E	9/05/2018			001745		573.00
7837	CHANTAL SARKY	E	9/05/2018			001746		300.00
0372	CONNER REALTY	E	9/05/2018			001747		702.00
0855	CHARLES HOSMAN	E	9/05/2018			001748		24.00
1008	BENJAMIN M BEASLEY	E	9/05/2018			001749		1,207.00
1231	JOHN LOVELL	E	9/05/2018			001750		625.00
1609	PHILLIP H O'MALLEY	E	9/05/2018			001751		3,610.00
1638	VERNON W PEARSON	E	9/05/2018			001752		540.00
1982	KENNETH N STOTTS, SR	E	9/05/2018			001753		820.00
2304	DENNIS HELMS	E	9/05/2018			001754		335.00
2624	ESTATE OF JAMES ZIMMERMAN	E	9/05/2018			001755		200.00
2850	VENITA STOTTS	E	9/05/2018			001756		550.00
2913	KENNETH N STOTTS JR	E	9/05/2018			001757		272.00
3067	STEVE BITNER	E	9/05/2018			001758		3,335.00
3082	JOHN R JONES	E	9/05/2018			001759		350.00
3114	PATRICIA BURLESON	E	9/05/2018			001760		1,091.00
3142	COMMUNITY MENTAL HEALTH CENTER	E	9/05/2018			001761		1,002.00
3162	THOMAS A YOAKAM	E	9/05/2018			001762		175.00
3193	WILLIAM CROZIER	E	9/05/2018			001763		613.00
3218	CHERYL L BROOKS	E	9/05/2018			001764		612.00

VENDOR SET: 99 City of Pittsburg, KS
 BANK: HAP BMO HARRIS BANK-HAP
 DATE RANGE: 9/05/2018 THRU 9/18/2018

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
3272	DUNCAN HOUSING LLC	E	9/05/2018			001765		3,230.00
3273	RICHARD F THENIKL	E	9/05/2018			001766		344.00
3294	JOHN R SMITH	E	9/05/2018			001767		322.00
3593	REMINGTON SQUARE APARTMENTS ,	E	9/05/2018			001768		5,122.12
3668	MID AMERICA PROPERTIES OF PITT	E	9/05/2018			001769		3,734.00
3724	YVONNE L. ZORNES	E	9/05/2018			001770		597.00
3746	JAROLD BONBRAKE	E	9/05/2018			001771		306.00
3946	THOMAS E SPURGEON	E	9/05/2018			001772		620.00
4054	MICHAEL A SMITH	E	9/05/2018			001773		1,867.00
4177	MT RENTALS LLC	E	9/05/2018			001774		483.00
4218	MEADOWLARK TOWNHOUSES	E	9/05/2018			001775		3,009.00
4492	PITTSBURG SENIORS	E	9/05/2018			001776		3,390.00
4523	TODD A TROWBRIDGE	E	9/05/2018			001777		689.36
4786	JENNIFER STANLEY	E	9/05/2018			001778		418.00
4928	PITTSBURG STATE UNIVERSITY	E	9/05/2018			001779		244.00
5039	VANETA MATHIS	E	9/05/2018			001780		269.00
5227	HELEN R BROYLES	E	9/05/2018			001781		238.00
5393	CARLOS ANGELES	E	9/05/2018			001782		2,464.00
5549	DELBERT BAIR	E	9/05/2018			001783		295.00
5653	PEGGY HUNT	E	9/05/2018			001784		109.00
5658	DEANNA J HIGGINS	E	9/05/2018			001785		166.00
5676	BARBARA TODD	E	9/05/2018			001786		51.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
5796	JOHN A ESLICK	E	9/05/2018			001787		600.00
5834	DENNIS TROUT	E	9/05/2018			001788		221.00
5885	CHARLES T GRAVER	E	9/05/2018			001789		390.00
5906	JOHN HINRICHS	E	9/05/2018			001790		268.00
5957	PASTEUR PROPERTIES LLC	E	9/05/2018			001791		3,615.00
5961	LARRY VANBECELAERE	E	9/05/2018			001792		425.00
6002	SALLY THRELFALL	E	9/05/2018			001793		303.00
6090	RANDAL BENNEFELD	E	9/05/2018			001794		588.00
6130	T & K RENTALS LLC	E	9/05/2018			001795		433.00
6150	JAMES L COX RENTALS	E	9/05/2018			001796		577.00
6161	MICHAEL J STOTTS	E	9/05/2018			001797		171.00
6172	ANDREW ALEX WACHTER	E	9/05/2018			001798		293.00
6227	REGGIE BOLLINGER	E	9/05/2018			001799		736.00
6269	EDWARD SWOR	E	9/05/2018			001800		553.00
6295	DAVID L PETERSON	E	9/05/2018			001801		1,476.00
6298	KEVAN L SCHUPBACH	E	9/05/2018			001802		8,444.00
6306	BALKANS DEVELOPMENT LLC	E	9/05/2018			001803		503.00
6322	R JAMES BISHOP	E	9/05/2018			001804		901.00
6394	KEVIN HALL	E	9/05/2018			001805		3,230.61
6441	HEATHER D MASON	E	9/05/2018			001806		902.00
6464	PRO X PROPERTY SOLUTIONS, LLC	E	9/05/2018			001807		4,033.00
6657	OZARKS AREA COMMUNITY ACTION C	E	9/05/2018			001808		449.63

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
6673	JUDITH A COLLINS	E	9/05/2018			001809		922.75
6694	DELBERT BAIR	E	9/05/2018			001810		474.00
6708	CHARLES MERTZ	E	9/05/2018			001811		90.00
6726	BEAU JEPSON	E	9/05/2018			001812		597.00
6868	DAVID SIMPSON (308)	E	9/05/2018			001813		210.00
6886	DELBERT BAIR	E	9/05/2018			001814		479.00
6916	STILWELL HERITAGE & EDUCATIONA	E	9/05/2018			001815		3,502.00
6953	CARL ULEPICH	E	9/05/2018			001816		302.00
7024	KIMBERLY GRISSOM	E	9/05/2018			001817		550.00
7027	CALVIN THOMAS	E	9/05/2018			001818		179.00
7083	PITTSBURG HEIGHTS, LP	E	9/05/2018			001819		5,468.00
7112	RANDY VILELA	E	9/05/2018			001820		793.00
7220	TIMOTHY ADAM	E	9/05/2018			001821		113.00
7222	MICHAEL WILBER	E	9/05/2018			001822		241.00
7294	AMMP PROPERTIES, LLC	E	9/05/2018			001823		781.00
7312	JASON HARRIS	E	9/05/2018			001824		466.00
7326	RANDY ALLEE	E	9/05/2018			001825		301.00
7344	TERRY O BARTLOW	E	9/05/2018			001826		307.00
7431	RICKEY A & ROBERTA J WHITE	E	9/05/2018			001827		129.52
7524	SOUTHEAST KANSAS COMMUNITY ACT	E	9/05/2018			001828		247.00
7554	TRAVIS R RIDGWAY	E	9/05/2018			001829		290.00
7582	KIRK A DUNCAN	E	9/05/2018			001830		320.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7612	ENDICOTT RENTALS, LLC	E	9/05/2018			001831		720.00
7645	SEWARD RENTALS, LLC	E	9/05/2018			001832		1,146.00
7654	ALICIA PEINE	E	9/05/2018			001833		2,413.00
7659	CHARLES R ALLEN	E	9/05/2018			001834		919.00
7668	JOHN BEST	E	9/05/2018			001835		740.00
7669	CHARLES GILMORE	E	9/05/2018			001836		743.00
7741	SUSAN E ADAMS	E	9/05/2018			001837		206.00
7777	DELBERT BAIR	E	9/05/2018			001838		231.00
7781	TAWIL PROPERTIES, LLC	E	9/05/2018			001839		203.00
7861	CLARENCE M TRENT 2017 FAMILY T	E	9/05/2018			001840		238.00
7864	CB HOMES LLC	E	9/05/2018			001841		904.00
7866	JAMES MICHAEL HORTON	E	9/05/2018			001842		526.00
7913	DANIEL CANADY	E	9/05/2018			001843		192.00
7915	DENNY L GRISSOM	E	9/05/2018			001844		800.00
7918	CITY OF LEAVENWORTH	E	9/05/2018			001845		1,295.54
7934	DIANA L OERTLE	E	9/05/2018			001846		307.00
7936	PITTSBURG HIGHLANDS LP	E	9/05/2018			001847		872.00
7953	MARK HAAS	E	9/05/2018			001848		845.00

** T O T A L S **	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	106	104,922.53	0.00	104,922.53
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: HAP TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
	106	104,922.53	0.00	104,922.53
BANK: HAP TOTALS:	106	104,922.53	0.00	104,922.53

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7651	K & D'S LIQUORS, LLC	R	9/13/2018			183117		124.33

* * T O T A L S * *		NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:		1	124.33	0.00	124.33
HAND CHECKS:		0	0.00	0.00	0.00
DRAFTS:		0	0.00	0.00	0.00
EFT:		0	0.00	0.00	0.00
NON CHECKS:		0	0.00	0.00	0.00
VOID CHECKS:		0	0.00	0.00	0.00
	VOID DEBITS		0.00		
	VOID CREDITS		0.00		

TOTAL ERRORS: 0

VENDOR SET: 99	BANK: MAN	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
			1	124.33	0.00	124.33
BANK: MAN		TOTALS:	1	124.33	0.00	124.33

VENDOR SET: 99 City of Pittsburg, KS
 BANK: TBRA BMO HARRIS BANK-TBRA
 DATE RANGE: 9/05/2018 THRU 9/18/2018

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
3668	MID AMERICA PROPERTIES OF PITT	E	9/05/2018			001849		425.00
4523	TODD A TROWBRIDGE	E	9/05/2018			001850		700.00
5534	SYCAMORE VILLAGE APARTMENTS	E	9/05/2018			001851		647.00
6298	KEVAN L SCHUPBACH	E	9/05/2018			001852		700.00
6394	KEVIN HALL	E	9/05/2018			001853		700.00
7431	RICKEY A & ROBERTA J WHITE	E	9/05/2018			001854		550.00
7669	CHARLES GILMORE	E	9/05/2018			001855		425.00
7936	PITTSBURG HIGHLANDS LP	E	9/05/2018			001856		910.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	8	5,057.00	0.00	5,057.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	

TOTAL ERRORS: 0

VENDOR SET: 99 BANK: TBRA TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
	8	5,057.00	0.00	5,057.00
BANK: TBRA TOTALS:	8	5,057.00	0.00	5,057.00
REPORT TOTALS:	296	788,248.45	0.00	788,248.45

Passed and approved this 25th day of September, 2018.

Jeremy Johnson, Mayor

ATTEST:

Tammy Nagel, City Clerk

ORDINANCE NO. S-1056

AN ORDINANCE OF THE CITY OF PITTSBURG, KANSAS, ESTABLISHING A RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY AND ADOPTING A PLAN FOR THE DEVELOPMENT OF HOUSING AND PUBLIC FACILITIES IN SUCH DISTRICT, AND MAKING CERTAIN FINDINGS IN CONJUNCTION THEREWITH (SILVERBACK LANDING PHASE 1 RURAL HOUSING INCENTIVE DISTRICT-P & L DEVELOPMENT, LLC).

WHEREAS, K.S.A. 12-5241 *et seq.* (the “Act”) authorizes any city incorporated in accordance with the laws of the state of Kansas (the “State”) with a population of less than 60,000 located in a county with a population of less than 80,000, to designate rural housing incentive districts within such city; and

WHEREAS, prior to such designation the governing body of such city shall conduct a housing needs analysis to determine what, if any, housing needs exist within its community; and

WHEREAS, after conducting such analysis, the governing body of such city may adopt a resolution making certain findings regarding the establishment of a rural housing incentive district and providing the legal description of property to be contained therein; and

WHEREAS, after publishing such resolution, the governing body of such city shall send a copy thereof to the Secretary of the Kansas Department of Commerce (the “Secretary”) requesting that the Secretary agree with the finding contained in such resolution; and

WHEREAS, if the Secretary agrees with such findings, such city may proceed with the establishment of a rural housing incentive district within such city and adopt a plan for the development or redevelopment of housing and public facilities in the proposed district; and

WHEREAS, the City of Pittsburg, Kansas (the “City”) has an estimated population of approximately 20,216, is located in Crawford County, Kansas, which has an estimated population of approximately 39,034, and therefore constitutes a city as the term is defined in the Act; and

WHEREAS, the governing body of the City (the “Governing Body”) has performed a Housing Needs Analysis, dated October 2015 (the “Analysis”), a copy of which is on file in the office of the City Clerk; and

WHEREAS, the Governing Body adopted Resolution No. 1178 on November 10, 2015, which made certain findings relating to the need for financial incentives relating to the construction of quality housing within the City, declared it advisable to establish a rural housing incentive district pursuant to the Act, and authorized the submission of such resolution and the Analysis to the Kansas Department of Commerce in accordance with the Act; and

WHEREAS, the Secretary of the Kansas Department of Commerce, pursuant to a letter dated February 5, 2016, authorized the City to proceed with the establishment of a rural housing incentive district pursuant to the Act; and

WHEREAS, the City has caused to be prepared a plan (the “Plan”) for the development or redevelopment of housing and public facilities in the proposed Silverback Landing Phase 1 Rural Housing

Incentive District (P & L Development, LLC) (the “District”) in accordance with the provisions of the Act; and

WHEREAS, the Plan includes:

1. The legal description and map required by K.S.A. 12-5244(a).
2. The existing assessed valuation of the real estate in the proposed District listing the land and improvement value separately.
3. A list of the names and addresses of the owners of record of all real estate parcels within the proposed District.
4. A description of the housing and public facilities project or projects that are proposed to be constructed or improved in the proposed District, and the location thereof.
5. A listing of the names, addresses, and specific interests in real estate in the proposed District of the developers responsible for development of the housing and public facilities in the proposed District.
6. The contractual assurances, if any, the Governing Body has received from such developer or developers, guaranteeing the financial feasibility of specific housing tax incentive projects in the proposed District.
7. A comprehensive analysis of the feasibility of providing housing tax incentives in the proposed District as provided in the Act, which shows the public benefit derived from the District will exceed the costs and that the income therefrom, together with all public and private sources of funding, will be sufficient to pay for the public improvements that may be undertaken in the District.

WHEREAS, the Governing Body of the City has heretofore adopted Resolution No. 1206, which made a finding that the City is considering the establishment of the proposed District and adopting the proposed Plan pursuant to the Act, set forth the boundaries of the proposed District, provided a summary of the proposed Plan, called a public hearing concerning the establishment of the proposed District for September 25, 2018, and provided for notice of such public hearing as provided in the Act; and

WHEREAS, a public hearing was held on September 25, 2018, after notice was duly published and delivered in accordance with the provisions of the Act; and

WHEREAS, upon and considering the information and public comments received at the public hearing, the Governing Body of the City hereby deems it advisable to make certain findings to establish the proposed District and to adopt the proposed Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section 1. Findings. The Governing Body hereby finds that notice of the public hearing conducted September 25, 2018, was duly made in accordance with the provisions of the Act.

Section 2. Creation of Rural Housing Incentive District. A Rural Housing Incentive District is hereby created within the City in accordance with the provisions of the Act, which shall consist of the following described real property:

Lots 1 through 31, Lots 73-96 and Lots 114-118, Silverback Landing a subdivision in the City of Pittsburg, Crawford County, Kansas.

The District's boundaries do not contain any property not referenced in Resolution No. 1206, which provided notice of the public hearing on the creation of the District and adoption of the Plan.

Section 3. Approval of Development Plan. The Plan for the development or redevelopment of housing and public facilities in the District, as presented to the Governing Body this date, is hereby approved.

Section 4. Adverse Effect on Other Governmental Units. If, within 30 days following the conclusion of the public hearing on September 25, 2018, any of the following occurs, the Governing Body shall take action to repeal this Ordinance:

(a) The Board of Education of Unified School District No. 250, Crawford County, Kansas (Pittsburg) determines by resolution that the District will have an adverse effect on such school district; or

(b) The Board of County Commissioners of Crawford County, Kansas, determines by resolution that the District will have an adverse effect on such county.

As of this date, the City has not received a copy of any such resolution and is not aware of the adoption of any such resolution by the governing body of either Unified School District No. 250, Crawford County, Kansas (Pittsburg) or of Crawford County, Kansas.

Section 5. Further Action. The Mayor, City Clerk, city officials and employees, including the City Attorney, and Gilmore & Bell, P.C., are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

Section 6. Effective Date. This Ordinance shall be effective upon its passage by the Governing Body of the City of Pittsburg, Kansas and publication one time in the official City newspaper.

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PASSED by the Governing Body of the City of Pittsburg, Kansas, and **SIGNED** by the Mayor on September 25, 2018.

(SEAL)

Jeremy Johnson, Mayor

ATTEST:

Tammy Nagel, City Clerk

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**DEVELOPMENT AGREEMENT
SILVERBACK LANDING PHASE 1
RURAL HOUSING INCENTIVE DISTRICT**

THIS DEVELOPMENT AGREEMENT (“**Agreement**”) is entered into effective as of September 25, 2018 (the “**Effective Date**”), by and between the **CITY OF PITTSBURG**, Kansas, a municipal corporation of the State of Kansas (“**City**”), and **P & L DEVELOPMENT, LLC** a Kansas limited liability company (“**Developer**”). The City and the Developer are each a “**Party**” and collectively the “**Parties.**”

RECITALS

A. Developer has entered into a contract with the City for the purchase of real property located within the boundaries of City and described on *Exhibit A* attached hereto and incorporated herein by reference (the “**Property**”).

B. Developer desires to develop the Property by constructing the first phase of the “Silverback Landing” residential development and all related internal infrastructure improvements (“**Silverback Phase 1**”), all as more fully described herein.

C. City has determined that the construction of Silverback Phase 1 will foster the economic development of City and surrounding area of Crawford County, Kansas.

D. The Parties are authorized to enter into this Agreement and to complete the responsibilities set forth herein with respect to Silverback Phase 1.

AGREEMENT

NOW THEREFORE, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION**

1.1 Definitions. As used in this Agreement, the following words and terms have the meaning set forth below:

“**Agreement**” means this Development Agreement, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

“**City**” means the City of Pittsburg, Kansas.

“**City Expenses**” means all legal and professional costs, fees and expenses incurred by City with regard to the preparation of this Agreement, the funding agreement between the City and the Developer dated August 14, 2018, and any and all other Ordinances, Resolutions or other documents necessary for implementation of the District as well as for representation and appearances of legal counsel at any hearings or proceedings required to implement the District.

“Concept Site Plan” means the site development plan prepared by a licensed professional engineer, or firm thereof, acceptable to City, depicting the conceptual program for construction of the Development Project and the Internal Infrastructure Improvements.

“Construction Plans” means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work, together with all supplements, amendments or corrections.

“Developer” means P & L Development, LLC, a Kansas limited liability company, or its permitted successors or assigns.

“Development Costs” means the total amount spent or expected to be spent by Developer to construct the Work.

“Development Plan” means the Development Plan prepared by the City in accordance with the provisions of the Rural Housing Incentive District Act and approved by the Developer, a copy of which is attached hereto at *Exhibit F*.

“Development Project” means single family residential units and auxiliary structures to be constructed on the Property in accordance with the Concept Site Plan.

“District” means the Silverback Landing Phase 1 Rural Housing Incentive District to be established pursuant the Rural Housing Incentive District Act and the RHID Ordinance.

“Eligible Costs” means the City Expenses, the cost of the Property, and that portion of the costs of the Internal Infrastructure Improvements which are reimbursable to the Developer pursuant to the provisions of K.S.A. 12-5249, including associated legal, engineering and project finance costs, all as more specifically described on *Exhibit C* attached hereto and incorporated herein by this reference.

“Governing Body” means the City Commission of the City of Pittsburg, Kansas.

“Internal Infrastructure Improvements” means the streets, water, sanitary sewer, storm water, gas and electric improvements necessary for Silverback Phase 1 and located within the boundaries of the Property, including engineering costs, any costs of right-of-way and appurtenances related thereto, as set forth on the approved plat for Silverback Phase 1, all as more specifically described on *Exhibit C* attached hereto and incorporated herein by this reference.

“Material Change” means any change in the Concept Site Plan that significantly affects the nature of the Internal Infrastructure Improvements, modifies the number of single family residences, or increases/decreases the cost of the Development Project by \$25,000 or more for each change or \$100,000 in the aggregate.

“Mayor” means the Mayor of the City of Pittsburg, Kansas or his/her duly authorized agent.

“Plans and Specifications” means the plans and specifications for the Internal Infrastructure Improvements prepared by a licensed professional engineer, or firm thereof, acceptable to City.

“Property” means the real property (including but not limited to fee interests, leasehold interests, tenant-in-common interests, and such other like or similar interests) on which the Development Project will be located, more specifically described in *Exhibit A* attached hereto and depicted on *Exhibit B* attached hereto.

“Related Party” means any party related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended and any successor entity in which the principals of the Developer (either individually or collectively) or Developer own or control no less than fifty percent (50%) of the voting interest in such successor entity.

“RHID Funds” means those amounts paid from the Crawford County Treasurer to the Treasurer of the City pursuant to K.S.A. 12-5250(b)(2)(A) as a result of Silverback Phase 1.

“RHID Ordinance” means the ordinance passed by the Governing Body approving the Development Plan and establishing the District.

“Rural Housing Incentive District Act” means K.S.A. 12-5241 *et seq.*, as amended.

“Substantial Completion” means the stage in the progress of the Work when the Work or designated portions thereof is sufficiently complete in accordance with the Construction Plans, excepting all punch list items so that Developer can occupy or utilize the Work for its intended purpose.

“Work” means all work necessary to prepare the Property and to construct the Development Project and the Internal Infrastructure Improvements, including; (1) demolition and removal of any existing improvements located on the Property, grading and earthwork; (2) construction, reconstruction and/or relocation of utilities; (3) construction of the single family residences and related structures; (4) construction and installation of site landscaping on the Property, as described in the Concept Site Plan; and (5) all other Work described in the Concept Site Plan, or reasonably necessary to effectuate the intent of this Agreement.

1.2 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for will be made, in accordance with generally accepted accounting principles.
- (c) All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (e) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- (f) The Article and Section headings herein are for convenience only and will not affect the construction hereof.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

2.1 Representations of the City. The City makes the following representations and warranties, which are true and correct on the date hereof, to the best of the City's knowledge:

(a) ***Due Authority.*** The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

(b) ***No Defaults or Violation of Law.*** The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

(c) ***No Litigation.*** There is no litigation, proceeding or investigation pending or, to the knowledge of the City, threatened against the City with respect to this Agreement or affecting the Property. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the City, threatened against the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of the terms and provisions of this Agreement.

(d) ***Governmental or Corporate Consents.*** No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the City of this Agreement.

(e) ***No Default.*** No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

2.2 Representations of the Developers. The Developer makes the following representations and warranties, which are true and correct on the date hereof, to the best of the Developer's knowledge:

(a) ***Due Authority.*** The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Agreement constitutes the legal valid and binding obligation of the Developer, enforceable in accordance with its terms.

(b) ***No Defaults or Violation of Law.*** The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which they are now a party, and do not and will not constitute a default under any of the foregoing.

(c) ***No Litigation.*** No litigation, proceeding or investigation is pending or, to the knowledge of the Developer, threatened against Silverback Phase 1, the Developer or any officer, director, managing

member, member or shareholder of the Developer. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer, of the terms and provisions of this Agreement.

(d) **No Material Change.** (1) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Agreement and (2) there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to perform its obligations pursuant to this Agreement from that shown in the financial information provided by the Developer to the City prior to the execution of this Agreement.

(e) **Governmental or Corporate Consents.** No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution, delivery and performance by the Developer of this Agreement other than as set forth herein.

(f) **No Default.** No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Agreement, or any other material agreement or material instrument to which the Developer is a party or by which Developer is or may be bound.

(g) **Compliance with Laws.** The Developer is in material compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations as contemplated by this Agreement.

(h) **Other Disclosures.** The information furnished to the City by the Developer in connection with the matters covered in this Agreement is true and correct and does not contain any untrue statement of any material fact and does not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

2.3 Maintenance of Existence. During the term of this Agreement the Developer will maintain its legal existence, will continue to be in good standing under the laws of the State of Kansas and will not dissolve consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it.

2.4 Conditions to the Effectiveness of this Agreement. Contemporaneously with the execution of this Agreement, and as a precondition to the effectiveness of this Agreement, the Developer will submit the following documents to the City:

(a) a copy of the Developer's Articles of Organization and a good standing certificate dated within one week of the date of this Agreement, each certified by the Secretary of State of the State of Kansas;

(b) a certified copy of the Operating Agreement of the Developer;

(c) a list of the officers of the Developer;

(d) an executed copy of the Funding Agreement; and

(e) a legal opinion from counsel for the Developer in form and substance acceptable to the City covering: (i) the due organization of the Developer and the power and authority of the Developer to execute this Agreement and the Funding Agreement, and (ii) the enforceability of this Agreement and the Funding Agreement against the Developer.

2.5 Final Approval Required. This Agreement will be void: (a) if the City does not finalize all required steps to create the District pursuant to the Rural Housing Incentive District Act by adoption of the RHID Ordinance within 60 days after the Effective Date; or (b) if the District is nullified in the manner set forth in K.S.A. 12-5246. Until the passage of the RHID Ordinance, the Governing Body retains sole discretion on the Development Project. In addition, the zoning commission and the City retain full discretion within existing ordinances and policy regarding its zoning, planning, permitting and inspection requirements.

ARTICLE III RURAL HOUSING INCENTIVE DISTRICT

3.1 Preliminary Resolution. Governing Body has heretofore adopted Resolution No. 1178 (the “Preliminary Resolution”), which made certain findings pursuant to the Rural Housing Incentive District Act, relative to the need for housing in the City and declaring an intent to establish rural housing incentive districts within the City.

3.2 Department of Commerce Finding. Pursuant to the Preliminary Resolution, the City caused to be prepared a Housing Needs Analysis and forwarded the same with the Preliminary Resolution, to the Kansas Secretary of Commerce. On February 5, 2016, the Kansas Secretary of Commerce issued a letter to the City making certain findings required by the Rural Housing Incentive District Act, and approved the City’s ability to establish rural housing incentive districts.

3.3 Further Proceedings. City has caused to be prepared the Development Plan in accordance with the provisions of the Rural Housing Incentive District Act, and plans to consider a resolution calling a public hearing relative to the Development Plan, conduct a public hearing, and consider the RHID Ordinance approving the Development Plan and establishing the District. The District will be deemed to be established at the time the RHID Ordinance is passed by the Governing Body and published as required by law. The Parties acknowledge that the creation of the District is subject to nullification in the manner set forth in K.S.A. 12-5246.

ARTICLE IV CONSTRUCTION

4.1 Concept Site Plan.

(a) Developer, at its cost, has had prepared the Concept Site Plan, which is hereby approved by the Parties. Notwithstanding anything to the contrary herein, the City’s acceptance of the Concept Site Plan is not acceptance of the final site plan as required by the City ordinances and the City retains full and complete discretion to review, modify and approve or not approve such final site plan through its normal planning, zoning and permitting process.

(b) Developer will promptly notify City in writing of any proposed Material Changes to the Concept Site Plan at least 30 days prior to the implementation of any such Material Change, including a description of the Material Change and reasons therefore, including any supporting documentation

requested by the City. Developer may implement a proposed Material Change to the Concept Site Plan only with the advance written consent of the City.

(c) Developer may make changes which are not Material Changes to the Concept Site Plan or any aspect thereof as site conditions or other issues of feasibility may dictate or as may be necessary or desirable in the sole determination of Developer to enhance the economic viability of the Development Project, with approval from the City's planning and zoning board.

4.2 Schedule. Developer will commence construction of the Internal Infrastructure Improvements not more than 90 days after the RHID Ordinance is passed by the Governing Body. Developer will diligently pursue Substantial Completion of the Internal Infrastructure Improvements and must obtain Substantial Completion of the Internal Infrastructure Improvements within 12 months of approval of the final site plan or the Developer will be in material breach of this Agreement. Developer will diligently pursue Substantial Completion of the Development Project and must obtain Substantial Completion of the Development Project within 5 years of approval of the final site plan or the Developer will be in material breach of this Agreement.

4.3 Development Project Construction.

(a) Developer will construct the Development Project in a good and workmanlike manner in accordance with the terms of the Development Plan and this Agreement and as set forth in the Construction Plans. Notwithstanding anything to the contrary herein, all work on the Development Project will comply with existing City codes, rules and regulations. If Developer serves as general contractor for the Development Project, Developer will not charge more for such services than a third-party contractor would customarily charge for such services. All work on the Development Project will be inspected by City staff during construction as if this Agreement did not exist.

(b) Developer may enter into one or more construction contracts to compete the Development Project. Prior to the commencement of construction of the Development Project, Developer will obtain, or will require that any such contractor obtain, the insurance required in *Section 6.8* hereof and will deliver evidence of such insurance to City.

4.4 Internal Infrastructure Improvements Construction.

(a) Developer will construct, at its cost, the Internal Infrastructure Improvements in a good and workmanlike manner in accordance with the Plans and Specifications approved by City consistent with the construction of the Development Project so that the Substantial Completion of the Internal Infrastructure Improvements associated with the Development Project will be completed on or before Substantial Completion of the Development Project. If Developer serves as general contractor for the Internal Infrastructure Improvements, Developer will not charge more for such services than a third-party contractor would customarily charge for such services.

(b) Developer is responsible for securing any rights-of-way and/or easement rights from private parties necessary to improve or build the Internal Infrastructure Improvements and City will reasonably cooperate with Developer with respect to any such acquisition. All costs associated with the acquisition of rights-of-way and/or easements will be considered an Eligible Cost. City will reasonably cooperate with Developer in obtaining all necessary permits for construction of the Internal Infrastructure Improvements in accordance with the City's standard permitting process.

(c) Developer may enter into one or more construction contracts to compete the Work for the Internal Infrastructure Improvements. Prior to the commencement of construction of the Internal

Infrastructure Improvements, Developer will obtain or will require that any such contractor obtain, the insurance required by **Section 6.8** hereof and will deliver evidence of such insurance to City.

(d) Promptly after Substantial Completion of the Work with respect to the Internal Infrastructure Improvements, or a phase thereof, in accordance with the provisions of this Agreement, Developer will furnish to City a Certificate of Substantial Completion in the form attached hereto as **Exhibit D**. The City will, within thirty (30) days following delivery of each Certificate of Substantial Completion, carry out such inspections as it deems necessary to (i) verify reasonable satisfaction with, and the accuracy of, the certifications contained in each Certificate of Substantial Completion, and (ii) verify, in the City's sole discretion, that the Internal Infrastructure Improvements have been constructed to meet or exceed City quality standards and comply with all applicable City code and permitting requirements. Each Certificate of Substantial Completion will be deemed accepted by City unless, prior to the end of such 30-day period after delivery to City of each Certificate of Substantial Completion, City furnishes Developer with specific written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail.

(e) After Substantial Completion of the Internal Infrastructure Improvements and verification by the City, in the City's sole discretion, that the Internal Infrastructure Improvements have been constructed to meet or exceed City quality standards and comply with all applicable City code and permitting requirements, Developer will dedicate to the City, and the City will accept, title to the Internal Infrastructure Improvements. Following such dedication, City will be responsible, at its sole cost and expense, for all operating and capital costs for the dedicated Internal Infrastructure Improvements from that date forward, and will maintain the dedicated Internal Infrastructure Improvements in a manner consistent with similar public improvements in the City. Notwithstanding the foregoing, Developer may, at its sole discretion and expense, enhance the maintenance of operation of the Internal Infrastructure Improvements for the betterment of the Development Project with prior consent of the City.

ARTICLE V FINANCING OBLIGATIONS

5.1 Financing of Internal Infrastructure Improvements. All costs of the Internal Infrastructure Improvements will be paid in cash or financed by Developer. The City will use RHID Funds to reimburse Developer for all or a portion of the Eligible Costs, subject to the terms of this Agreement. Reimbursements will be made solely to the Developer. So long as the total amount of Eligible Costs requested for reimbursement does not exceed the actual amount expended for such use or 110% of the total set forth on **Exhibit C**:

(a) the Developer may seek reimbursement of any particular line item on **Exhibit C** not exceeding 120% of the amount stated therein; and

(b) the Developer will be permitted to adjust the amounts estimated as Eligible Costs within and between each line item with the written consent of the City Representative.

5.2 Request for Reimbursement. The Developer will certify all costs and expenditures to be made in connection with the Eligible Costs in accordance with the following:

(a) The Developer will submit to the City a Request for Reimbursement in the form attached hereto as **Exhibit E** setting forth the amount for which reimbursement is sought and an itemized listing of the related Internal Infrastructure Improvements.

(b) Each Request for Reimbursement will be accompanied by such bills, contracts, invoices, or other evidence reasonably satisfactory to the City to document that payment has been made by the Developer for such Eligible Costs.

5.3 Reimbursement. The City will have 30 calendar days after receipt of any Request for Reimbursement to review and respond by written notice to the Developer. If the submitted documentation demonstrates that: (1) the Request for Reimbursement shows payment of the Eligible Costs; (2) the expense was incurred; (3) the Developer is not in default under this Agreement; and (4) the City has not discovered any fraud on the part of the Developer, then the City will approve the Request for Reimbursement and promptly reimburse the Developer for the Eligible Costs pursuant to the terms of this Agreement if sufficient RHID Funds are available, and quarterly as funds become available in the event that RHID Funds in the City's possession are at that time insufficient. In the event the City does not respond within such 30-day period, the Request for Reimbursement will be deemed approved. If the City disapproves of the Request for Reimbursement, the Parties will meet to resolve any such differences. If a resolution is not found regarding specific cost(s), the denied cost will not be Eligible Costs unless and until a final order from a court of competent jurisdiction is received by the City requiring the cost to be accepted as an Eligible Cost or other written agreement of the Parties. Reimbursements will cease upon the earlier of (a) such time as the Eligible Costs have been fully reimbursed to Developer, or (b) 15 years after the date of the establishment of the District. The City will have no liability and/or responsibility to Developer for any payment greater than the amounts received from the Crawford County Treasurer pursuant to the provisions of K.S.A. 12-5250(b)(2)(A) as a result of the creation of the District.

5.4 Payment of City Expenses. Upon execution of this Agreement, Developer and City will enter into a Funding Agreement substantially in the form attached as *Exhibit G*, requiring the Developer to reimburse the City for City Expenses. All City Expenses paid by the Developer will be Eligible Costs.

ARTICLE VI GENERAL PROVISIONS

6.1 City's Right to Terminate. In addition to all other rights of termination as provided herein, City may terminate this Agreement at any time if:

(a) Developer defaults in or breaches any material provision of this Agreement and fails to cure such default or breach within thirty (30) days after receipt of written notice from City of such default or breach; or

(b) Developer fails to close on the purchase of the Property within 60 days after the creation of the District.

6.2 Developer's Right to Terminate. In addition to all other rights of termination as provided herein, Developer may terminate this Agreement at any time if City defaults in or breaches any material provision of this Agreement (including any City default under *Article V* hereof) and fails to cure such default or breach within 30 days after receipt of written notice from Developer of such default or breach.

6.3 Successors and Assigns.

(a) This agreement will be binding on and inure to the benefit of the Parties and their respective heirs, administrators, executors, personal representatives, agents, successors and assigns.

(b) Until Substantial Completion of the Development Project has occurred, the obligations of Developer under this Agreement may not be assigned in whole or in part without the prior written approval

of City, which approval will not be unreasonably withheld, conditioned, or delayed upon a reasonable demonstration by Developer of the proposed assignee's experience and financial capability to undertake and complete all portions of the Work with respect to the Development Project and the Internal Infrastructure Improvements, all in accordance with this Agreement. Notwithstanding the foregoing, Developer is permitted to subcontract the construction of any portion of the Development Project or Internal Infrastructure Improvements without the consent of City but Developer will remain liable under this Agreement.

(c) The City hereby approves, and no prior consent will be required in connection with:

(1) the right of Developer to encumber or collaterally assign its interest in the Property or any portion thereof or any interest in the Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Eligible Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment;

(2) the right of Developer to assign Developer's rights, duties and obligations under the Agreement to a Related Party; or

(3) the right of Developer to sell or lease individual portions of the Property in the ordinary course of the development of the Development Project;

provided that in each such event Developer named herein will remain liable hereunder for the Substantial Completion of the Development Project, and will be released from such liability hereunder only upon Substantial Completion of the Development Project.

6.4 Remedies.

(a) Except as otherwise provided in this Agreement and subject to Developer's and City's respective rights of termination, in the event of any breach of any term or condition of this Agreement by either Party, or any successor, the breaching Party (or successor) will, upon written notice from the other Party specifying such claimed breach, proceed immediately to cure or remedy such breach, and will, in any event, within 30 days after receipt of notice, cure or remedy such default. If the breach is not cured or remedied, the aggrieved Party may hold the breaching Party in default of this Agreement and there upon may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to proceedings to compel specific performance by the defaulting or breaching Party, withholding funds received pursuant to K.S.A. 12-5250(b)(2)(A) and/or repeal of the ordinance establishing the District. For purposes of this **Section 6.4**, no Party may be deemed in default of this Agreement unless and until it has received notice of any claimed breach and has been given an opportunity to cure the same.

(b) Notwithstanding any other provision of this Agreement, in no event will the Developer or the City ever be liable for any punitive, special, incidental, or consequential damages in connection with this Agreement, or otherwise. For purposes of this **Section 6.4**, consequential damages include, but are not limited to, lost profits, lost tax revenue, or other similar losses which are not direct out-of-pocket costs incurred by the non-defaulting Party. Any monetary damages owed by the City will be limited to and will only be payable from RHID Funds actually received by the City as a result of the creation of the District.

6.5 Force Majeure. Neither City nor Developer nor any successor in interests will be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder will be extended in the event of any delay caused by force majeure, including, without limitation, damage or destruction by fire or casualty; strike; lockout; civil disorder; act

of terror; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by any governmental entity necessary for the Developer to proceed with construction of the Work or any portion thereof, shortage of delay in shipment of material or fuel; acts of God; unusually adverse weather or soil conditions; unforeseen site conditions that render the site economically or physically undevelopable (as a result of additional cost or delay), or any other cause or contingency similarly; or other causes beyond the Parties' reasonable control, including but not limited to, any litigation, court order or judgment resulting from any litigation affecting the validity of this Agreement; provided that such event of force majeure will not be deemed to exist as to any matter initiated or unreasonably sustained by Developer, and further provided that Developer notifies city in writing within thirty (30) days of the commencement of such claimed event of force majeure.

6.6 Notices. Any notice, demand or other communication required by this Agreement to be given by either Party hereto to the other will be in writing and will be sufficiently given or delivered if dispatched by certified United State first class mail, postage prepaid, or delivered personally,

a. In the case of Developer, to:

P & L Development, LLC
Attention: Mick Vena
14100 Belinder
Leawood, Kansas 66224
Email: fivechiefs@aol.com
Phone: (913) 710-6425

b. In the case of City, to:

City of Pittsburg, Kansas
Attention: City Manager
P.O. Box 688
Pittsburg, Kansas 66762
Email: daron.hall@pittks.org
Phone: (620) 231-4100

With a copy to:
City of Pittsburg, Kansas
Attn: City Attorney
P.O. Box 1988
Pittsburg, Kansas 66762
Email: henry.menghini@pittks.org
Phone: (620) 231-6030

Or to such other address with respect to either Party as that Party may, from time to time, designate in writing and forward to the other as provided in this **Section 6.6**.

6.7 Conflict of Interest. No member of the Governing Body or any branch of City's government who has any power of review or approval of any of Developer's undertakings, or of City's contracting for goods or services for Silverback Phase 1, will participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interests will immediately, upon knowledge of such possible conflict, disclose, in writing, to the Governing Body the nature of such interest and seek a determination by the Governing Body with respect to such interest and, in the meantime, will not participate in any actions or discussions relating to the activities herein proscribed. City represents to Developer that no such conflicts of interest exist as of the date hereof.

6.8 Insurance; Damage or Destruction.

(a) Developer will cause there to be insurance coverage as hereinafter set forth at all times during the process of constructing the Work and, from time to time at the request of City, will furnish City with proof of payment of premiums on:

(1) Builder's Risk insurance, written on the so called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Work at the date of completion, and with coverage available in non-reporting form on the so called "all risk" form of policy. The interest, if any, of City will be protected in accordance with a clause in form and content satisfactory to City; and,

(2) Comprehensive general liability insurance (including operations, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than Five Million Dollars (\$5,000,000.00) for all claims arising out of a single accident or occurrence and Two Million Dollars (\$2,000,000.00) for any one person in a single accident or occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

(3) Workers Compensation insurance, with statutorily required coverage.

(b) The policies of insurance required pursuant to clauses (1) and (2) above will be in form and content reasonably satisfactory to City and will be placed with financially sound and reputable insurers licensed to transact business in the State of Kansas with general policy holder's rating of not less than A- and a financial rating of A- as rated in the most current available "Best's" insurance reports. The policy of insurance delivered pursuant to clause (1) above will contain an agreement of the insurer to give not less than 30 days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder. All policies of insurance required pursuant to this section will name City as an additional insured. Developer will deliver to City evidence of all insurance to be maintained hereunder.

6.9 Inspection. Developer will allow City and its employees, agents and representatives to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as City determines is reasonable and necessary to verify Developer's compliance with the terms of this Agreement.

6.10 Choice of Law. This Agreement will be deemed to have been fully executed, made by the Parties in, and governed by the laws of State of Kansas for all purposes and intents.

6.11 Entire Agreement; Amendment. The Parties agree that this Agreement, the Development Plan, the Real Estate Sales Contract between the City and the Developer, 2018, and the Funding Agreement between the City and the Developer dated August 14, 2018, collectively constitute the entire agreement between the Parties and that no other agreements or representations other than those contained in this Agreement have been made by the Parties. This Agreement may be amended only in writing and effective when signed by the authorized agents of the Parties.

6.12 Counterparts. This Agreement is executed in multiple counterparts, each of which constitute one and the same instruments.

6.13 Severability. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder will continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

6.14 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of City will be personally liable to Developer in the event of any default or breach by any Party under this Agreement or for any amount which may become due to any Party or on any obligations under the terms of this Agreement.

6.15 Legal Actions. If a third party brings an action against City, or any officials, agents, employees or representatives thereof contesting the validity or legality of any of the terms of this Agreement, or the ordinance approving this Agreement, Developer may, at Developer's option but only with City's consent, assume the defense of such claim or action (including without limitation, to settle or compromise any claim or action for which Developer has assumed the defense) with counsel of Developer's choosing. The Parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent City and Developer in any such proceeding; provided, Developer and its counsel will consult with City throughout the course of any such action and Developer will pay all reasonable and necessary costs incurred by City in connection with such action. If such defense is assumed by Developer, all costs of any such action incurred by City will be promptly paid by Developer. If City refuses to permit Developer to assume the defense of any action, then costs incurred by City will be paid by City.

6.16 Release and Indemnification. Notwithstanding the expiration, termination or breach of this Agreement by either Party, the indemnifications and covenants contained in this Section 6.16 will, except as otherwise expressly set forth herein, survive such expiration, termination or breach of this Agreement by Parties hereto.

(a) Notwithstanding anything herein to the contrary, City and its Governing Body members, officers, agents, servants, employees and independent contractors will not be liable to Developer for damages or otherwise in the event that any ordinance, order or resolution adopted in connection with this Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either City is prevented from performing any of the covenants and agreements herein or Developer is prevented from enjoying the rights and privileges hereof.

(b) Developer releases from, agrees to indemnify and hold harmless City, its Governing Body members, officers, agents, servants and employees against, and covenants and agrees that City and its Governing Body members, officers, agents, servants, employees and independent contractors will not be liable for, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the acquisition of the Property or construction of the Work including any and all claims arising from the acquisition of the Property, including, but not limited to, location of hazardous wastes, hazardous materials or other environmental contaminants on the Property, including all costs of defense, including attorney's fees, except for those matters rising out of the willful and/or wanton negligence of City and its governing body members, officers, agents, servants, and employees.

(c) City and its Governing Body members, officers, agents, servants and employees will not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Property or the Work except for matters arising out of the willful and/or wanton negligence of City and its Governing Body members, officers, agents, servants and employees.

(d) All covenants, stipulations, promises, agreements and obligations of City contained herein will be deemed to be the covenants, stipulations, promises, agreements and obligations of City and not of any of its Governing Body members, officers, agents, servants or employees in their individual capacities.

(e) No official, employee or representative of City will be personally liable to Developer in the event of a default or breach by any Party to this Agreement.

(f) Developer releases from and covenants and agrees the City, its Governing Body members, officers, employees, agents and independent contractors will not be liable for, and agrees to indemnify and hold City, its Governing Body, members, officers, employees, agents and independent contractors harmless from and against any and all suits, interest, claims and cost of attorney fees incurred by any of them, resulting from, arising out of, or in any way connected with: (1) the Development Project or its approval, (2) the construction of the Work, (3) the negligence or willful misconduct of Developer, its employees, agents or independent contractors in connection with the management, development, and construction of the Work, (4) the compliance by Developer with all applicable state, federal and local environmental laws, regulations, ordinances and orders, (5) underground storage tanks located on or about the Property, (6) friable asbestos or asbestos-containing materials at, on, or in the Property, (7) the operation of all or any part of the Property, or the condition of the Property, including, without limitation, any environmental cost or liability, or (8) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of Developer or its agents in connection with or leading to the Development Project or the Property; except that the foregoing release and indemnification will not apply in the case of such liability arising directly out of the willful and/or wanton negligence of City or its authorized Governing Body members, officers, employees and agents or which arises out of matters undertaken by City following termination of this Agreement.

[BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, City and Developer have caused this Agreement to be executed in their respective names and City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF PITTSBURG, KANSAS

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

P & L DEVELOPMENT, LLC

By: _____
Name: _____
Title: _____

SCHEDULE OF EXHIBITS

Exhibit A	Property Description
Exhibit B	Property Map
Exhibit C	Eligible Costs for Silverback Phase 1
Exhibit D	Certification of Substantial Completion Form
Exhibit E	Request for Reimbursement Form
Exhibit F	Development Plan
Exhibit G	Funding Agreement

EXHIBIT A

**PROPERTY DESCRIPTION
SILVERBACK LANDING PHASE 1 RURAL HOUSING INCENTIVE DISTRICT**

Lots 1 through 31, Lots 73-96 and Lots 114-118, Silverback Landing a subdivision in the City of Pittsburg, Crawford County, Kansas.

EXHIBIT B

**PROPERTY MAP
SILVERBACK LANDING PHASE 1 RURAL HOUSING INCENTIVE DISTRICT**

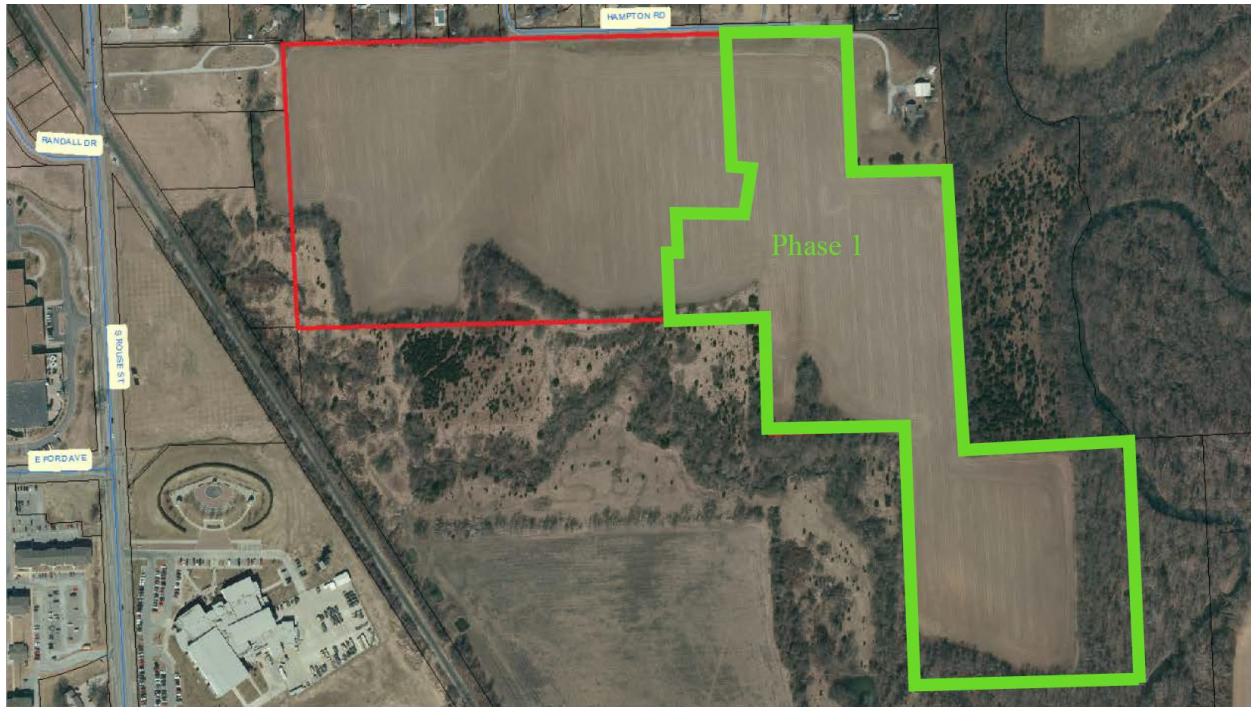


EXHIBIT C

**ELIGIBLE COSTS FOR
SILVERBACK LANDING PHASE 1 RURAL HOUSING INCENTIVE DISTRICT**

Category	Estimated Amount
Land Acquisition	\$ 100,000
Sewers, Streets, and Grading	1,600,000
Electric, Gas and Water Utilities	170,000
Engineering Design, Inspection, Surveying	90,000
Land Planner	60,000
Entrance Package	125,000
Crash Gate	50,000
Interest Expense and Banking Fees	155,000
Miscellaneous & City Expenses	<u>150,000</u>
<i>Total</i>	<i>\$2,500,000</i>

EXHIBIT D

CERTIFICATION OF SUBSTANTIAL COMPLETION FORM

The undersigned, on behalf of P & L Development, LLC (the “Developer”), pursuant to **Section 4.4** of the Development Agreement dated as of September 25, 2018 (the “Development Agreement”) by and among the City of Pittsburg, Kansas, and the Developer, hereby certifies as follows. All capitalized terms used herein have the meaning attributable to such terms in the Development Agreement.

1. The Internal Infrastructure Improvements are sufficiently complete in accordance with the Construction Plans, excepting all punch list items, such that the Developer can occupy or utilize the Work for its intended purpose.
2. Such portion of the Work has been completed in a good and workmanlike manner.
3. There are no mechanic’s or materialmen’s liens or other statutory liens on file encumbering title to the Property; all bills for labor and materials furnished for such portion of the Work which could form the basis of a mechanic’s, materialmen’s or other statutory lien against the Property have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.
4. All applicable building codes have been complied with in connection with the Work.

Dated _____

P & L DEVELOPMENT, LLC

By: _____
Name: _____
Title: _____

EXHIBIT E

REQUEST FOR REIMBURSEMENT

City of Pittsburg, Kansas
Attention: City Administrator

You are hereby requested by the undersigned, an authorized representative of P & L Development, LLC (the “Developer”) to disburse funds held by the City in the special revenue fund created pursuant the authority in K.S.A. 12-5250(b)(2)(A) for the Silverback Phase 1 project (the “Fund”) and set forth in the Development Agreement between the City of Pittsburg, Kansas and the Developer for the Silverback Landing Phase 1 Rural Housing Incentive District dated September 25, 2018 (the “Agreement”) to reimburse expenditures made by the Developer for Eligible Costs (as defined in the Agreement) as described on and in the amounts set forth in the Schedules attached to this invoice and incorporated herein by this reference (the “Schedules”).

I hereby certify that the amounts requested in the attached Schedules have been paid by the Developer in payment of costs that are Eligible Costs, as defined in the Agreement.

I further certify that no part of the amounts set forth in the Schedules have been the basis for any previous withdrawal of any moneys from the Fund.

Attached to the Schedules is a description of the nature of the item billed, a reference to which type of Eligible Cost the expense applies to under the Rural Housing Incentive Act and the Agreement, and a copy of the contract, invoice or other billing for the Eligible Costs for which Developer seeks reimbursement, along with copies of checks, evidence of wire transfers or other evidence of payment by the Developer of such Eligible Costs and hereby certify that such copies are true and accurate copies of the original documents.

DATED _____.

P & L DEVELOPMENT, LLC

By: _____
Name: _____
Title: _____

Invoice Reimbursement Schedule

Pursuant *Section 5.2* of the Agreement, I hereby request reimbursement of the amounts specified below and I certify that the description of the purchase or nature of each payment is reasonable, accurate and complete and that Developer has previously paid such Eligible Costs:

	Payee Name	Date of Payment	Purpose or Nature of Payment	Amount
1.				\$
2.				\$
3.				\$
4.				\$
5.				\$
6.				\$

Total Expenses \$ _____

Developer Signature

Note: Copies of bills, contracts, checks and other evidence reflecting the amounts shown above (as described in Section 5.2 of the Agreement) should be attached to this Schedule.

EXHIBIT F
DEVELOPMENT PLAN

EXHIBIT G
FUNDING AGREEMENT

**FUNDING AGREEMENT
(SILVERBACK LANDING PHASE 1)**

This Funding Agreement (“Agreement”) is entered into this 14th day of August, 2018, between the **CITY OF PITTSBURG, KANSAS** (“City”), and **P & L DEVELOPMENT, LLC** (“Developer”).

RECITALS

WHEREAS, the City is a political subdivision organized and existing under the laws of the State of Kansas (the “State”); and

WHEREAS, the Developer is a Kansas limited liability company engaged in the business of development with its principal office located at 14100 Belinder, Leawood, Kansas 66224, and the Developer and the City anticipate negotiating and entering into a Development Plan and Agreement, whereby the Developer will develop real property by constructing the first phase of the “Silverback Landing” residential development into approximately 50 single family houses and all related internal infrastructure improvements (the “Project”); and

WHEREAS, Developer has entered into a real estate contract with the City to purchase the real property where the Project (and anticipated subsequent phases of the Silverback Landing residential development) will be developed and has requested the City create a rural housing incentive district pursuant to K.S.A. 12-5241 *et seq.* to finance all or a portion of the public infrastructure to serve the Project (the “Request”); and

WHEREAS, the City has requested the Developer to negotiate and enter into a Development Agreement for the Project in exchange for the City performing certain services set forth herein; and

WHEREAS, the City does not have a source of funds to finance costs incurred by the City for legal, financial, planning, inspection, and other services, or for direct out-of-pocket expenses and other reasonable costs resulting from services rendered to the Developer to review, evaluate, process, and inspect the Project and the Request (collectively, the “Charges”); and

WHEREAS, the parties desire to enter into this Agreement to provide for the funding of consultants used by the City to review, evaluate, process and inspect the Project and the Request and to provide an inducement to the Developer to assume such costs.

AGREEMENT

1. Services to be Performed by the City. The City shall:
 - A. Consult with the Developer on the Project in a timely manner and prepare or consult with the Developer on the preparation of and consider the Request in accordance with the provisions of State law, give all notices in a timely manner, make all legal publications and hold hearings as required by State law;
 - B. Provide necessary staff, legal, financial, and planning assistance to prepare and present the Request to the City Commission and to prepare and present required resolutions and ordinances to the City Commission, including the use of outside counsel and consultants;
 - C. If the City Commission approves the Request, to provide the necessary staff, legal, financial, planning and inspection assistance to prepare and negotiate a definitive agreement

between the City and the Developer for the implementation of the Request and the development of the Project (the “Development Agreement”);

D. If a Development Agreement is entered into, provide the necessary staff, legal, financial, planning and inspection assistance to administer and carry out the terms of such Development Agreement.

E. Provide necessary support to Developer while Developer constructs public infrastructure to include Silverback Way, a road connecting Centennial Drive with Silverback Landing, including a boulevard roadway approximately 1,925 feet in length with curb and gutter, a box culvert, storm sewer, sidewalk, earthwork and other related improvements.

2. Initial Deposit. In order to ensure the prompt and timely payment of the Charges, the Developer shall establish a fund in the initial amount of Twenty-Five Thousand Dollars (\$25,000.00) (the “Deposit”) by paying such amount to the City contemporaneously with the execution of this Agreement. The City shall pay, in accordance with this Agreement, initial Charges from the Deposit, including the charges for preparation of this Agreement, and shall promptly submit an itemized statement therefor to the Developer to re-establish the Deposit so that there is always at least Fifteen Thousand Dollar (\$15,000.00) cash balance available against which additional charges and payments may be applied on a current basis. The City shall submit monthly statements itemizing the Charges paid from the Deposit during the preceding month.

3. Additional Funding.

A. The City shall submit to Developer an itemized statement for actual and reasonable expenses necessary to perform its obligations hereunder. Such statements shall be submitted on a monthly basis. The Developer shall pay the City the amounts set forth on such statements (the “Additional Funds”) within thirty (30) days of receipt thereof. If such funds are not so received, the City may draw upon the Deposit and if, after such draw, there remains an unpaid balance, such unpaid balance shall be subject to a penalty of one percent (1%) per month until paid, but in no event shall such penalty exceed twelve percent (12%) per annum, and City shall, upon thirty (30) days’ notice and failure to cure, be relieved of any and all obligations hereunder and under the Development Agreement until paid in full, or may terminate this Agreement pursuant to Section 5.A. Developer shall supply the Additional Funds in a timely manner so that City activities and assistance may continue without interruption.

B. The City and the Developer agree that the Developer shall reimburse the City for the actual and reasonable expenses necessary to perform the City’s obligations hereunder including the services of Henry C. Menghini and Nichols & Wolfe Chartered as legal counsel for the City, Gilmore & Bell, P.C. as special counsel for the City, Springsted Incorporated as financial advisor for the City, and such other special consultants and advisors as the City reasonably deems necessary to perform its obligations under this Agreement.

4. Disbursement of Funds. The City shall disburse the Deposit and Additional Funds for reimbursement of costs to the City on or before the thirtieth (30th) day of each month, and for consulting fees and the payment of all out-of-pocket expenses incurred by the City in connection with the performance of its obligations under this Agreement as payment for such expenses become due. Upon reasonable notice, the City shall make its records available for inspection by Developer with respect to such disbursements.

5. Termination.

A. In the event the Developer fails to perform any of its obligations herein, the City may terminate this Agreement, and any other agreement between the parties, at its sole discretion if the Developer fails to cure the default within thirty (30) days after written notice to the Developer of the default. Termination by the City for reasons of an uncured default by Developer shall also terminate any duties and obligations of the City with respect to the Development Agreement, any other agreements between the parties, and the processing of the Developer's Request. Upon such termination, the City shall retain the Deposit and Additional Funds, if any, necessary to reimburse the City for all reasonable expenses incurred under this Agreement to the date of termination and any monies due and owing to the City pursuant to any other agreements between the parties.

B. The parties hereto acknowledge that the Developer may determine to abandon the Project. Upon notice of abandonment by the Developer, this Agreement shall terminate and the City may terminate any other agreements between the parties and shall retain the Deposit and Additional Funds, if any, necessary to reimburse the City for all expenses incurred under this Agreement to the date of termination and any monies due and owing to the City pursuant to any other agreements between the parties. Any amounts remaining from the Deposit and the Additional Funds after all amounts have either been paid as directed by, or reimbursed to, the City shall be returned to the Developer.

C. In the event the Deposit and Additional Funds are insufficient to reimburse the City for the outstanding expenses of the City payable hereunder, the Developer shall reimburse the City as set forth in Section 3. Any amounts remaining from the Deposit and the Additional Funds after all amounts have either been paid as directed by, or reimbursed to, the City shall be returned to the Developer.

6. Notice. Any notice, approval, request or consent required by or asked to be given under this Agreement shall be deemed to be given if in writing and mailed by United States mail, postage prepaid, or delivered by hand, and addressed as follows:

To the City:
City of Pittsburg
Attn: City Manager
City Hall
201 N. 4th Street
Pittsburg, Kansas 66762

With a copy to:

City of Pittsburg
Attn: City Attorney
P.O. Box 1988
Pittsburg, Kansas 66762

To the Developer:

P & L Development. LLC
Attn: Mick Vena
14100 Belinder
Leawood, Kansas 66224

Each party may specify that notice be addressed to any other person or address by giving to the other party ten (10) days prior written notice thereof.

7. This Agreement shall be governed by and construed according to the laws of the State of Kansas.

8. Counterparts. This Agreement may be executed in multiple originals or counterparts, each of which will be an original and when all of the parties to this Agreement have signed at least one (1) copy, such copies will constitute a fully executed and binding Agreement.

The parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

CITY OF PITTSBURG, KANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

P & L DEVELOPMENT, LLC

By: _____
Mick Vena, Managing Member

STATE OF _____)
) ss:
_____ COUNTY)

BE IT REMEMBERED, that on this _____ day of _____, 2018, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came Mick Vena, the duly authorized Managing Member of P & L Development, LLC, a Kansas limited liability company, on behalf of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year last above written.

Notary Public

My Appointment expires: _____

**DEVELOPMENT PLAN
OF THE CITY OF PITTSBURG, KANSAS
SILVERBACK LANDING PHASE 1
RURAL HOUSING INCENTIVE DISTRICT
(P & L DEVELOPMENT, LLC)**

SEPTEMBER 25, 2018

INTRODUCTION

On November 10, 2015 the City Commission (the “Governing Body”) of the City Pittsburg, Kansas (the “City”) adopted Resolution 1178, which that found and determined that:

1. There is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.
4. The future economic wellbeing of the City depends on the Governing Body providing additional incentives for the construction of/or renovation of quality housing in the City.

Based on these findings and determinations, the Governing Body proposed the establishment of a Rural Housing Incentive District within the City pursuant to K.S.A. 12-5241 *et seq.* (the “Act”).

Following the adoption of Resolution 1178, a certified copy was submitted to the Secretary of Commerce for approval of the establishment of the Rural Housing Incentive District in the City as required by K.S.A. 12-5244(c). On February 5, 2016, the Secretary of Commerce provided written confirmation approving the establishment of the Rural Housing Incentive District within the City.

DEVELOPMENT PLAN ADOPTION

K.S.A. 12-5245 states that once a city receives approval from the Secretary of Commerce for the development of a rural housing incentive district, the governing body must adopt a plan for the development of housing and public facilities within the proposed district.

DEVELOPMENT PLAN

As a result of the shortage of quality housing, the City proposes this development plan (the “Development Plan”) to assist in the development of quality housing within the City.

(1) ***Legal Description and Map of the District.*** The legal description of the Silverback Landing Phase 1 Rural Housing Incentive District (P & L Development, LLC) (the “District”) is as follows:

Lots 1 through 31, Lots 73-96 and Lots 114-118, Silverback Landing a subdivision in the City of Pittsburg, Crawford County, Kansas.

A map of the District is attached as ***Exhibit A*** to this Development Plan.

(2) ***Existing Assessed Valuation of the District.*** The assessed valuation of all real estate within the District for 2017 is \$12,216.

(3) ***Owners of Record.*** The name and address of the owner of record for the real estate within the District is:

City of Pittsburg, Kansas
P.O. Box 688
Pittsburg, Kansas 66762-0688

(4) **Description of Housing and Public Facilities Projects.** The housing and public facilities projects that are proposed to be constructed include the following:

Housing Facilities – Phase 1

The housing facilities will consist of constructing approximately 60 single family residential homes with two to four bedrooms, two to three baths, one or two stories, and two or three car garages. These homes will have the option of a basement, and may range in size from 1,200 square feet to 3,000 square feet. There will be at least three or four floor plans, which can be varied in design to create at least eight different street elevations. A monument at the south entry to the subdivision and a public park will also be constructed.

Public Facilities – Phase 1

The public facilities will include the construction of all infrastructure improvements within the District, including water, sanitary sewer, storm water, streets, curbs, gutters, sidewalks, other utilities including but not limited to electric and fiber. These infrastructure improvements will be constructed concurrently with the project.

A copy of the Site Plan is attached as **Exhibit B** to this Development Plan.

(5) **Developer’s Information.** The names, addresses and specific interests in the real estate in the District of the developers responsible for development of the housing and public facilities is:

Owner of Real Property: City of Pittsburg, Kansas
P.O. Box 688
Pittsburg, Kansas 66762-0688

Developer: P & L Development, LLC
14100 Belinder
Leawood, Kansas 66224

Individuals with specific interest: City of Pittsburg, Kansas

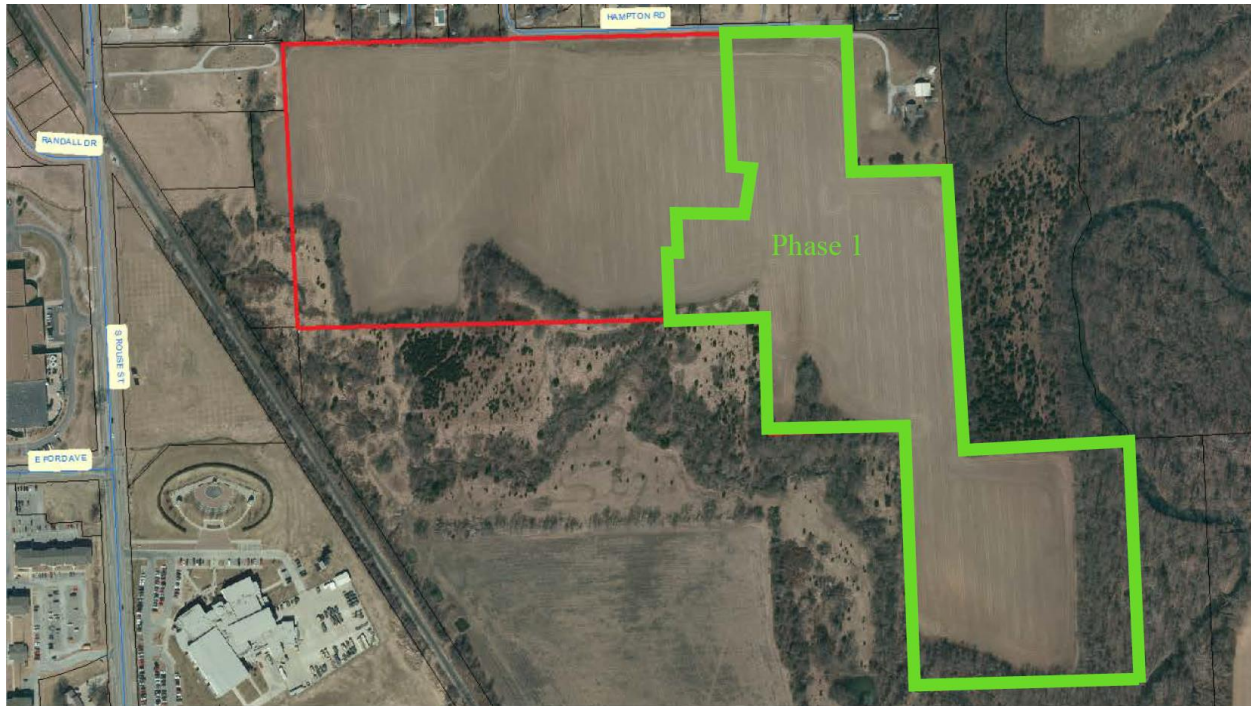
(6) **Contractual Assurances.** The Governing Body entered into a Development Agreement, dated September 25, 2018 (the “Development Agreement”), with P & L Development, LLC, a Kansas limited liability company (the “Developer”). The Development Agreement, as supplemented and amended, includes the project construction schedule, a description of projects to be constructed, financial obligations of the developer, and financial and administrative support from the City. The Development Agreement includes contractual assurances, if any, the Governing Body has received from the Developer guaranteeing the financial feasibility of specific housing tax incentive projects in the proposed district. A copy of the Development Agreement is attached as **Exhibit C** to this Development Plan.

(7) **Comprehensive Analysis of Feasibility.** A comprehensive analysis was conducted to determine whether the public benefits derived from the District will exceed the costs and that the income from the District, together with other sources of revenue, would be sufficient to pay for the public improvements to be undertaken in the District. A copy of the analysis is attached as **Exhibit D** to this Development Plan. The analysis estimates the property tax revenues that will be generated from the District, less existing property taxes, to determine the revenue stream available to support reimbursement to the Developer for all or a portion of the costs of financing the public infrastructure. The estimates indicate that the revenue realized from the project would be adequate to pay the eligible costs.

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EXHIBIT A
DEVELOPMENT PLAN
SILVERBACK LANDING PHASE 1
RURAL HOUSING INCENTIVE DISTRICT (P & L DEVELOPMENT, LLC)

MAP OF THE DISTRICT



**EXHIBIT B
DEVELOPMENT PLAN
SILVERBACK LANDING PHASE 1
RURAL HOUSING INCENTIVE DISTRICT (P & L DEVELOPMENT, LLC)**

SITE PLAN

**PRELIMINARY PLAT OF
SILVERBACK LANDING**

to the City of Pittsburg
A subdivision in a portion of SECTION 33,
TOWNSHIP 30 SOUTH, RANGE 25 EAST of the 6th P.M.
CRAWFORD COUNTY, KANSAS

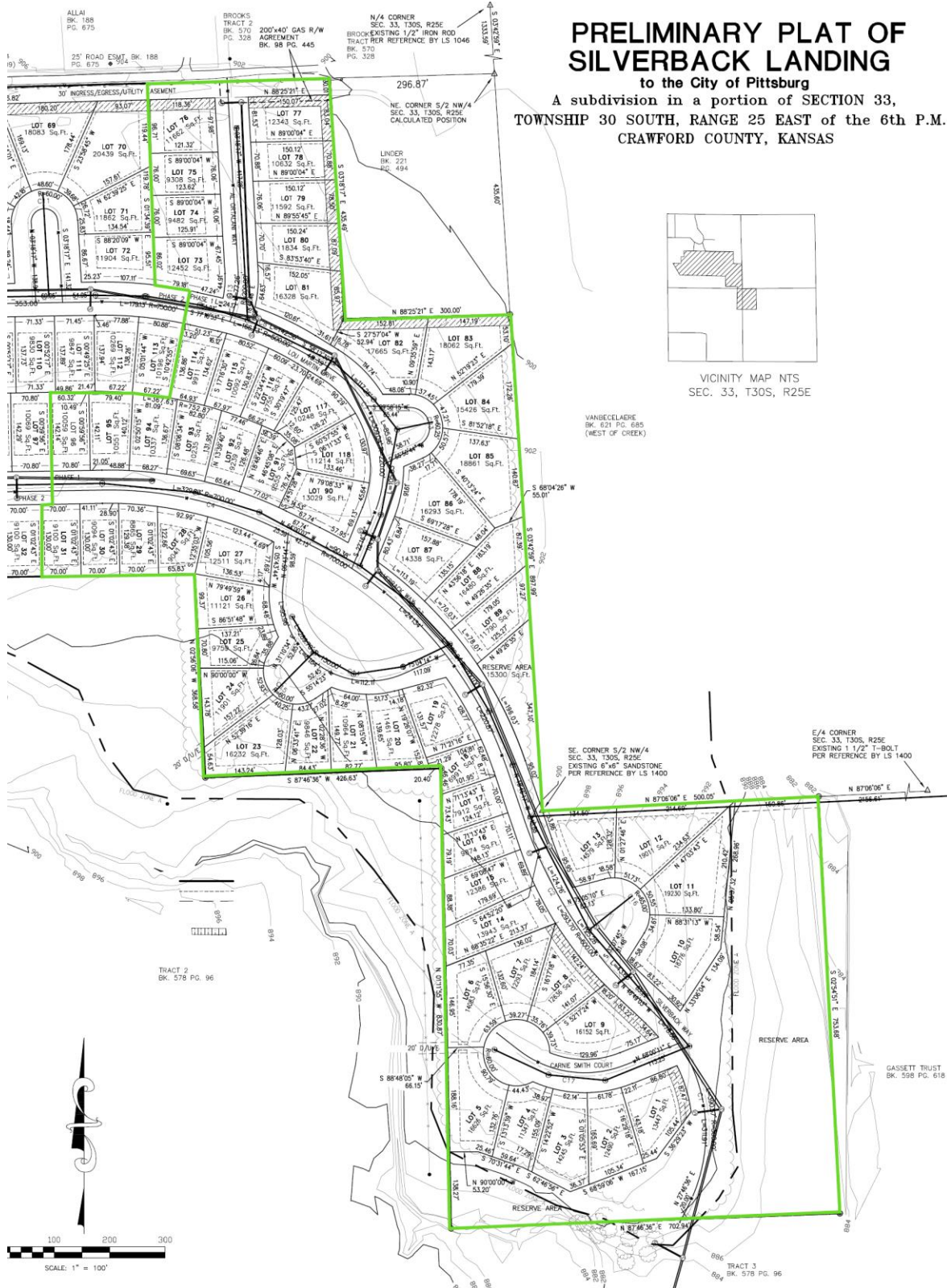


EXHIBIT C
DEVELOPMENT PLAN
SILVERBACK LANDING PHASE 1
RURAL HOUSING INCENTIVE DISTRICT (P & L DEVELOPMENT, LLC)
DEVELOPMENT AGREEMENT

EXHIBIT D
DEVELOPMENT PLAN
SILVERBACK LANDING PHASE 1
RURAL HOUSING INCENTIVE DISTRICT (P & L DEVELOPMENT, LLC)

COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

