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**CITY OF PITTSBURG, KANSAS**  
**COMMISSION AGENDA**  
**Tuesday, June 25, 2019**  
**5:30 PM**

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**CALL TO ORDER BY THE MAYOR:**

- a. Flag Salute Led by the Mayor
- b. Public Input
- c. Proclamation - Jim Buche Day

**CONSENT AGENDA:**

- a. Approval of the June 11, 2019, City Commission Meeting minutes.
- b. Approval of Resolution No. 1222, adopting the Kansas Homeland Security Region H Hazard Mitigation Plan, and authorization for the Mayor to sign the Resolution on behalf of the City.
- c. Approval of the Aviation Agreement for Equipment and Associated Facilities between the Kansas Department of Transportation and the City of Pittsburg for an Airport Improvements Project to remove trees in the approach area of Runway 4-22 at the Atkinson Municipal Airport and, if approved, authorize the Mayor to sign the Agreement on behalf of the City.
- d. Approval of the Aviation Agreement for Equipment and Associated Facilities between the Kansas Department of Transportation and the City of Pittsburg for an Airport Improvements Project to replace the AWOS ceilometer and main central data unit at the Atkinson Municipal Airport and, if approved, authorize the Mayor to sign the Agreement on behalf of the City.
- e. Approval of Change Order No. 1 reflecting an increase of \$8,256.00, making a new contract construction amount of \$278,154.78, and final payment due the contractor Heck & Wicker, Inc., of Parsons, Kansas, in the amount of \$28,091.26 for the North Walnut Street Extension Project.
- f. Approval of staff request to submit an application to the Kansas Housing Resources Corporation's (KHRC) Tenant Based Rental Assistance (TBRA) program for a grant in the amount of \$200,000 to be used to provide security deposit and utility deposit assistance to income eligible households and authorization for the Mayor to sign the appropriate documents on behalf of the City.

**CITY OF PITTSBURG, KANSAS**  
**COMMISSION AGENDA**  
**Tuesday, June 25, 2019**  
**5:30 PM**

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- g. Approval of the Appropriation Ordinance for the period ending June 25, 2019 subject to the release of HUD expenditures when funds are received.  
**ROLL CALL VOTE.**

**SPECIAL PRESENTATION:**

- a. FIVE YEAR FINANCIAL FORECAST - City Manager Daron Hall and Finance Director Jamie Clarkson will provide information regarding the City's five year financial forecast. **Receive for file.**

**NON-AGENDA REPORTS & REQUESTS:**

**ADJOURNMENT**

OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
June 11<sup>th</sup>, 2019

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A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, June 11<sup>th</sup>, 2019, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Patrick O'Bryan presiding and the following members present: Sarah Chenoweth, Dan McNally, Dawn McNay and Chuck Munsell.

Mayor O'Bryan led the flag salute.

PUBLIC INPUT –

William Strenth, 1515 Hampton, urged Commissioners to rescind any votes they have taken authorizing the use of City funds for the construction of roads in the Silverback Landing Development.

APPROVAL OF MINUTES – On motion of McNay, seconded by McNally, the Governing Body approved the May 28<sup>th</sup>, 2019, City Commission Meeting minutes as presented. Motion carried.

DISPOSITION OF BIDS – EAST QUINCY AND SOUTH ROUSE TRAFFIC SIGNALIZATION PROJECT – On motion of McNay, seconded by McNally, the Governing Body awarded the bid for the East Quincy Street and South Rouse Street Traffic Signalization Project to CDL Electric Company, Inc., of Pittsburg, Kansas, based on their low bid meeting specifications of \$147,955.00, and authorized the Mayor to execute the contract documents once prepared. Motion carried.

APPROPRIATION ORDINANCE – On motion of McNay, seconded by McNally, the Governing Body approved the Appropriation Ordinance for the period ending June 11<sup>th</sup>, 2019, subject to the release of HUD expenditures when funds are received with the following roll call vote: Yea: Chenoweth, McNally, McNay, Munsell and O'Bryan. Motion carried.

WASTEWATER COLLECTIONS EQUIPMENT PURCHASE AND FINANCING – On motion of Munsell, seconded by Chenoweth, the Governing Body authorized staff to purchase cleaning and inspection equipment for use by the Wastewater Collections Division of the Public Utilities Department in the total amount of \$542,989.65 and to enter into a five-year lease/purchase agreement with Commerce Bank (Clayton Holdings), of Pittsburg, Kansas, based on their low annual payments in the amount of \$114,438.43, and authorized the Mayor to sign the necessary lease/purchase agreement once prepared. Motion carried.

APPOINTMENT TO ACTIVE TRANSPORTATION ADVISORY BOARD – On motion of Munsell, seconded by McNay, the Governing Body appointed Jim Rhodes to fill an unexpired term as a member of the Active Transportation Advisory Board (ATAB) effective immediately and concluding on December 31, 2020. Motion carried.



OFFICIAL MINUTES  
OF THE MEETING OF THE  
GOVERNING BODY OF THE  
CITY OF PITTSBURG, KANSAS  
June 11<sup>th</sup>, 2019

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NON-AGENDA REPORTS AND REQUESTS:

CITY/PSU LUNCHEON – City Manager Daron Hall announced that City representatives would be meeting with Pittsburg State University representatives on June 12<sup>th</sup>, 2019, to discuss items of mutual interest.

SILVERBACK LANDING ROAD CONSTRUCTION FUNDING - Commissioner Munsell motioned to rescind the decision to use Economic Development funds in the amount of \$60,000 and other City funds for the construction of roads associated with the Silverback Landing Project. Motion died for lack of a second.

ADJOURNMENT: On motion of Munsell, seconded by McNally, the Governing Body adjourned the meeting at 5:43 p.m. Motion carried.

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Patrick J. O'Bryan, Mayor

ATTEST:

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Tammy Nagel, City Clerk

## **Resolution No. 1222**

### **Adopting the Kansas Homeland Security Region H Hazard Mitigation Plan**

**Whereas**, the City of Pittsburg recognizes the threat that natural hazards pose to people and property within our community; and

**Whereas**, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

**Whereas**, the U.S. Congress passed the Disaster Mitigation Act of 2000 ("Disaster Mitigation Act") emphasizing the need for pre-disaster mitigation of potential hazards;

**Whereas**, the Disaster Mitigation Act made available hazard mitigation grants to state and local governments; and

**Whereas**, an adopted Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre- and post-disaster mitigation grant programs; and

**Whereas**, the City of Pittsburg fully participated in the FEMA prescribed mitigation planning process to prepare this Multi-Hazard Mitigation Plan; and

**Whereas**, the Kansas Division of Emergency Management and FEMA Region VII officials have reviewed the Kansas Homeland Security Region H Hazard Mitigation Plan, and approved it contingent upon this official adoption of the participating governing body; and

**Whereas**, the City of Pittsburg desires to comply with the requirements of the Disaster Mitigation Act and to augment its emergency planning efforts by formally adopting the Kansas Homeland Security Region H Hazard Mitigation Plan; and

**Whereas**, adoption by the governing body for the City of Pittsburg demonstrates the jurisdictions' commitment to fulfilling the mitigation goals and objectives outlined in this plan, and

**Whereas**, adoption of this legitimizes the plan and authorizes responsible agencies to carry out their responsibilities under the plan.

**Now, therefore, be it resolved**, that the City of Pittsburg adopts the Kansas Homeland Security Region H Hazard Mitigation Plan as an official plan; and

**Be it further resolved**, the City of Pittsburg will submit this Adoption Resolution to the Kansas Division of Emergency Management and FEMA Region VII officials to enable the plan's final approval.

**ADOPTED BY THE GOVERNING BODY** this 25<sup>th</sup> day of June, 2019.

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Mayor – Patrick O'Bryan

ATTEST:

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Deputy City Clerk – Joye VanGorden

(SEAL)

## Interoffice Memorandum

**TO:** DARON HALL  
City Manager

**FROM:** CAMERON ALDEN  
Director of Public Works

**DATE:** June 17, 2019

**SUBJECT:** Agenda Item – June 25, 2019  
KDOT AVIATION AGREEMENT FOR EQUIPMENT AND ASSOCIATED  
FACILITIES – TREE REMOVAL  
Project No. AV-2020-31

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Trees have begun to encroach on the approaches at both ends of Runway 4-22. The City of Pittsburg has received a grant from the KDOT Aviation Division as part of its Kansas Airport Improvement Program (KAIP) to remove trees from the approach area at the ends of Runway 4-22. The scope of work included the clearing, grubbing and removal of the trees within this area. The grant is a 90%KDOT/10% Local Match grant. The grant includes preliminary engineering, construction and construction engineering.

Attached you will find the KDOT Aviation Agreement for Equipment and Associated Facilities, which needs to be approved and submitted back to KDOT. The estimated cost of this project will be \$20,000.00 with a maximum reimbursement of \$18,000.00 from KDOT. The City's portion is approximately \$2,000.00. The City's portion of this project will come from the Airport Operating Budget.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 25, 2019. Action being requested is approval of the Agreement and, if approved, authorize the Mayor to sign the agreement on behalf of the City.

Attachment: KDOT Grant Agreement

## AVIATION AGREEMENT FOR EQUIPMENT AND ASSOCIATED FACILITIES

This Agreement is between the **Secretary of Transportation of the State of Kansas**, Kansas Department of Transportation (KDOT) (the “Secretary”) and the **City of Pittsburg, Kansas** (the “Airport”), **collectively**, the “Parties.”

### RECITALS:

- A. The Airport has applied for and the Secretary has approved an Aviation facilities and equipment project to: remove trees obstructing runways for the Atkinson Municipal Airport.
- B. The Secretary has approved the use of Kansas Airport Improvement Program (KAIP) funds from the State’s General Aviation Airport Development Fund for this purpose, limited to the scope of the Project, as further described below.
- C. The Secretary and the Airport are empowered by the laws of Kansas to enter into agreements for the construction and maintenance of the airport.
- D. The Secretary and the Airport desire to enter into this Agreement to participate in the cost of the Project by use of State funds.

**NOW THEREFORE**, the Parties agree as follows:

### ARTICLE I

#### DEFINITIONS:

As used in this Agreement, the capitalized terms below have the following meanings:

- 1. **“Agreement”** means this written document, including all attachments and exhibits, evidencing the legally binding terms and conditions of the agreement between the Parties.
- 2. **“Airport”** means the City of Pittsburg, Kansas, with its place of business at 201 W. 4<sup>th</sup> Street, Pittsburg KS 66762.
- 3. **“Effective Date”** means the date this Agreement is signed by the Secretary or the Secretary’s designee.
- 4. **“Expiration Date”** means one hundred twenty (120) days after the date the grant offer letter is mailed by the Secretary.
- 5. **“KAIP”** means the Kansas Airport Improvement Program, administered by KDOT’s Division of Aviation.
- 6. **“KDOT”** means the Kansas Department of Transportation, an agency of the state of Kansas, with its principal place of business located at 700 SW Harrison Street, Topeka, KS, 66603-3745.

7. **“Non-Participating Costs”** means the costs of any items or services which the Secretary, reasonably determines are not Participating Costs.
8. **“Participating Costs”** means expenditures for items or services which are an integral part of the Project, as reasonably determined by the Secretary.
9. **“Parties”** means the Secretary of Transportation and KDOT, individually and collectively, and the Airport.
10. **“Project”** means all phases and aspects of the endeavor to be undertaken by the Airport, being as follows: **remove trees obstructing runways for the Atkinson Municipal Airport**, and is the subject of this Agreement.
11. **“Secretary”** means the Secretary of Transportation of the state of Kansas, and his or her successors and assigns.

## ARTICLE II

### SECRETARY RESPONSIBILITIES:

1. **Payment of Costs.** In accordance with KAIP guidelines, the Secretary agrees to reimburse the Airport ninety percent (90%) of the total actual costs of Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering, but not to exceed \$18,000.00 for the Project. The Secretary shall not be responsible for Project costs which exceed the Secretary’s maximum participation. The Secretary shall not be responsible for the total actual costs of Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering that exceed \$18,000.00. The Secretary reserves the right to retain up to five percent (5%) of the Secretary’s maximum participation until the Airport completes its obligations under this Agreement to the satisfaction of the Secretary.

2. **Reimbursement Payments.** The Secretary agrees to make such payment to the Airport as soon as reasonably possible after the Project is completed and after receipt of proper billing and certification by the Airport that the Project was completed.

3. **Verification of Project Start** – The Secretary shall not reimburse the Airport until the Secretary receives verification from the Airport that the Project is underway. Verification for the Project may consist of evidence of construction, proof of hiring consultant or contractor for the Project, or other method deemed acceptable by the Secretary’s authorized representative. Failure to submit verification that the Project has been started within two (2) years of the effective date shall result in the Secretary cancelling the Project. Permission to delay the Project start must be approved by the Secretary and evidenced by a supplemental agreement executed by both Parties.

## ARTICLE III

### AIRPORT RESPONSIBILITIES:

1. **Project Administration.** The Airport agrees to undertake the Project, which entails installation of the facilities and equipment according to FAA standards and Airport’s Project

Application, which is incorporated by this reference and made a part of this Agreement. The Airport further agrees to construct/install facilities and equipment in accordance with the plans and specifications and to administer the Project and the payments due to the contractor, including the portion of cost borne by the Secretary. The Airport will provide to KDOT's Aviation Division certification when the project is complete.

2. **Prevailing Wages.** The Airport will require the Contractor to pay prevailing wages. The Airport will incorporate into the Construction contract the current general wage decision for the county in which the Project is being constructed. The Airport can obtain the current wage decision from KDOT's Bureau of Construction and Materials website.

3. **General Indemnification.** To the extent permitted by law and subject to the maximum liability provisions of the Kansas Tort Claims Act as applicable, the Airport will defend, indemnify, hold harmless, and save the Secretary and the Secretary's authorized representatives from any and all costs, liabilities, expenses, suits, judgments, damages to persons or property, or claims of any nature whatsoever arising out of or in connection with the provisions or performance of this Agreement by the Airport, the Airport's employees, agents, subcontractors or its consultants. The Airport shall not be required to defend, indemnify, or hold the Secretary harmless for negligent acts or omissions of the Secretary or the Secretary's authorized representatives or employees.

4. **Financial Obligation.** In accordance with KAIP guidelines, the Airport will be responsible for ten percent (10 %) of the total actual costs Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering, up to \$20,000.00, which is the estimated total actual costs for the Project. The Airport agrees to be responsible for one hundred percent (100%) of the total actual costs of Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering that exceed \$20,000.00 for the Project. The Airport agrees the total estimated local share costs associated with the Project is \$2,000.00. The Airport shall also pay for any Non-Participating Costs incurred for the Project.

5. **Audit.** The Airport will participate and cooperate with the Secretary in an annual audit of the Project. The Airport shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after date of final payment under this Agreement. If any such audits reveal payments that have been made with state funds by the Airport for items considered Non-Participating Costs, the Airport shall promptly reimburse the Secretary for such items upon notification by the Secretary.

6. **Accounting.** Upon request by the Secretary, the Airport will provide the Secretary an accounting of all actual Non-Participating Costs associated with the Project which are paid directly by the Airport to any party outside of the Secretary and costs incurred by the Airport not to be reimbursed by the Secretary. This will enable the Secretary to report all costs of the Project to the legislature.

7. **Legal Authority.** The Airport shall adopt all necessary ordinances and/or resolutions and take such administrative or legal steps as may be required to give full effect to the terms of this Agreement.

8. **Assurance Clause.** At any time that the public is not allowed access to the airport, the Airport agrees to reimburse the Secretary a prorated amount based on a ten (10) year useful life of the

Project. This assurance clause will be valid and enforceable for ten (10) years from the date that the final payment is authorized. This provision is only applicable to closure for non-airport purposes.

## ARTICLE IV

### GENERAL PROVISIONS:

1. **Offer Expiration.** The Secretary's offer to fund the Project, subject to the terms of this Agreement, is contingent upon the Airport executing this Agreement on or before the Expiration Date. In the event the Airport fails to execute this Agreement on or before the Expiration Date, the Secretary will not be obligated to fund the Project and the Secretary may cancel the Project. If the Airport wishes to extend the Expiration Date, the Airport must submit a written extension request to the Secretary at least forty-five (45) days prior to the Expiration Date. After receiving the request, The Secretary may extend the Expiration Date by providing written notice to the Airport.
2. **Civil Rights Act.** The "Special Attachment No. 1, Rev. 09.20.17" pertaining to the implementation of the Civil Rights Act of 1964, is attached and made a part of this Agreement.
3. **Contractual Provisions.** The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this Agreement and made a part hereof.
4. **Headings.** All headings in this Agreement have been included for convenience of reference only and are not be deemed to control or affect the meaning or construction or the provisions herein.
5. **Binding Agreement.** This Agreement and all contracts entered into under the provisions of this Agreement shall be binding upon the Secretary and the Airport and their successors in office.
6. **No Third Party Beneficiaries.** No third party beneficiaries are intended to be created by this Agreement and nothing in this Agreement authorizes third parties to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

IN WITNESS WHEREOF the Parties have caused this Agreement to be signed by their duly authorized officers as of the Effective Date.

AIRPORT

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 KANSAS DEPARTMENT OF TRANSPORTATION (date)  
 Secretary of Transportation



CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
2. **Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges-hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.

6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."
13. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.

## KANSAS DEPARTMENT OF TRANSPORTATION

Special Attachment  
To Contracts or Agreements Entered Into  
By the Secretary of Transportation of the State of Kansas

### PREAMBLE

The Secretary of Transportation for the State of Kansas, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. § 2000d to 2000d-4) and other nondiscrimination requirements and the Regulations, hereby notifies all contracting parties that it will affirmatively ensure that this contract will be implemented without discrimination on the grounds of race, color, national origin, sex, age, disability, income-level or Limited English Proficiency ("LEP").

### CLARIFICATION

Where the term "contractor" appears in the following "Nondiscrimination Clauses", the term "contractor" is understood to include all parties to contracts or agreements with the Secretary of Transportation, Kansas Department of Transportation. This Special Attachment shall govern should this Special Attachment conflict with provisions of the Document to which it is attached.

### ASSURANCE APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in its Federally-assisted programs of the U.S. Department of Transportation, the Federal Highway Administration (FHWA), the Federal Transit Administration ("FTA") or the Federal Aviation Administration ("FAA") as they may be amended from time to time which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontractors, Including Procurements of Material and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FHWA, Federal Transit Administration ("FTA"), or Federal Aviation Administration ("FAA") to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or, the FHWA, FTA, or FAA as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FHWA, FTA, or FAA may determine to be appropriate, including, but not limited to:
  - a. withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. cancelling, terminating or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of the paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any

subcontract or procurement as the Recipient or the FHWA, FTA, or FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

## ASSURANCE APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- The Federal Aid Highway Act of 1973 (23 U.S.C. § 324 et. seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et. seq.) as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et. seq.), prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL No. 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with LEP, and resulting agency guidance, national origin discrimination includes discrimination because of LEP. To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681)

## Interoffice Memorandum

**TO:** DARON HALL  
City Manager

**FROM:** CAMERON ALDEN  
Director of Public Works

**DATE:** June 17, 2019

**SUBJECT:** Agenda Item – June 25, 2019  
KDOT AVIATION AGREEEMNT FOR EQUIPMENT AND ASSOCIATED  
FACILITIES – AWOS CEILOMETER AND MAIN CENTRAL DATA UNIT  
REPLACEMENT  
Project No. AV-2020-32

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The City of Pittsburg owns and operates the Pittsburg Atkinson Municipal Airport. The City of Pittsburg has received a grant from the KDOT Aviation Division to replace the AWOS ceilometer and main central data unit at the Atkinson Municipal Airport. The grant is a 90%KDOT/10% Local Match grant.

Attached you will find the Aviation Agreement for Equipment and Associated Facilities, which needs to be approved and submitted back to KDOT. The estimated cost of this project will be \$48,000.00. KDOT will reimburse a maximum of \$43,200.00 with the City's portion being approximately \$4,800.00. The City's portion of this project will come from the Airport Operating Budget.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 25, 2019. Action being requested is approval of the Agreement and, if approved, authorize the Mayor to sign the agreement on behalf of the City.

Attachment: KDOT Grant Agreement

# AVIATION AGREEMENT FOR EQUIPMENT AND ASSOCIATED FACILITIES

This Agreement is between the **Secretary of Transportation of the State of Kansas**, Kansas Department of Transportation (KDOT) (the “Secretary”) and the **City of Pittsburg, Kansas** (the “Airport”), **collectively**, the “Parties.”

## RECITALS:

- A. The Airport has applied for and the Secretary has approved an Aviation facilities and equipment project to replace the AWOS ceilometer and main central data unit for the Atkinson Municipal Airport.
- B. The Secretary has approved the use of Kansas Airport Improvement Program (KAIP) funds from the State’s General Aviation Airport Development Fund for this purpose, limited to the scope of the Project, as further described below.
- C. The Secretary and the Airport are empowered by the laws of Kansas to enter into agreements for the construction and maintenance of the airport.
- D. The Secretary and the Airport desire to enter into this Agreement to participate in the cost of the Project by use of State funds.

**NOW THEREFORE**, the Parties agree as follows:

## ARTICLE I

### DEFINITIONS:

As used in this Agreement, the capitalized terms below have the following meanings:

1. **“Agreement”** means this written document, including all attachments and exhibits, evidencing the legally binding terms and conditions of the agreement between the Parties.
2. **“Airport”** means the City of Pittsburg, Kansas, with its place of business at 201 W. 4<sup>th</sup> Street, Pittsburg KS 66762.
3. **“Effective Date”** means the date this Agreement is signed by the Secretary or the Secretary’s designee.
4. **“Expiration Date”** means one hundred twenty (120) days after the date the grant offer letter is mailed by the Secretary.
5. **“KAIP”** means the Kansas Airport Improvement Program, administered by KDOT’s Division of Aviation.
6. **“KDOT”** means the Kansas Department of Transportation, an agency of the state of Kansas, with its principal place of business located at 700 SW Harrison Street, Topeka, KS, 66603-3745.

7. **“Non-Participating Costs”** means the costs of any items or services which the Secretary, reasonably determines are not Participating Costs.
8. **“Participating Costs”** means expenditures for items or services which are an integral part of the Project, as reasonably determined by the Secretary.
9. **“Parties”** means the Secretary of Transportation and KDOT, individually and collectively, and the Airport.
10. **“Project”** means all phases and aspects of the endeavor to be undertaken by the Airport, being as follows: **replace the AWOS ceilometer and main central data unit for the Atkinson Municipal Airport**, and is the subject of this Agreement.
11. **“Secretary”** means the Secretary of Transportation of the state of Kansas, and his or her successors and assigns.

## ARTICLE II

### SECRETARY RESPONSIBILITIES:

1. **Payment of Costs.** In accordance with KAIP guidelines, the Secretary agrees to reimburse the Airport ninety percent (90%) of the total actual costs of Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering, but not to exceed \$43,200.00 for the Project. The Secretary shall not be responsible for Project costs which exceed the Secretary’s maximum participation. The Secretary shall not be responsible for the total actual costs of Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering that exceed \$43,200.00. The Secretary reserves the right to retain up to five percent (5%) of the Secretary’s maximum participation until the Airport completes its obligations under this Agreement to the satisfaction of the Secretary.
2. **Reimbursement Payments.** The Secretary agrees to make such payment to the Airport as soon as reasonably possible after the Project is completed and after receipt of proper billing and certification by the Airport that the Project was completed.
3. **Verification of Project Start** – The Secretary shall not reimburse the Airport until the Secretary receives verification from the Airport that the Project is underway. Verification for the Project may consist of evidence of construction, proof of hiring consultant or contractor for the Project, or other method deemed acceptable by the Secretary’s authorized representative. Failure to submit verification that the Project has been started within two (2) years of the effective date shall result in the Secretary cancelling the Project. Permission to delay the Project start must be approved by the Secretary and evidenced by a supplemental agreement executed by both Parties.

## ARTICLE III

### AIRPORT RESPONSIBILITIES:

1. **Project Administration.** The Airport agrees to undertake the Project, which entails installation of the facilities and equipment according to FAA standards and Airport’s Project



Application, which is incorporated by this reference and made a part of this Agreement. The Airport further agrees to construct/install facilities and equipment in accordance with the plans and specifications and to administer the Project and the payments due to the contractor, including the portion of cost borne by the Secretary. The Airport will provide to KDOT's Aviation Division certification when the project is complete.

2. **Prevailing Wages.** The Airport will require the Contractor to pay prevailing wages. The Airport will incorporate into the Construction contract the current general wage decision for the county in which the Project is being constructed. The Airport can obtain the current wage decision from KDOT's Bureau of Construction and Materials website.

3. **General Indemnification.** To the extent permitted by law and subject to the maximum liability provisions of the Kansas Tort Claims Act as applicable, the Airport will defend, indemnify, hold harmless, and save the Secretary and the Secretary's authorized representatives from any and all costs, liabilities, expenses, suits, judgments, damages to persons or property, or claims of any nature whatsoever arising out of or in connection with the provisions or performance of this Agreement by the Airport, the Airport's employees, agents, subcontractors or its consultants. The Airport shall not be required to defend, indemnify, or hold the Secretary harmless for negligent acts or omissions of the Secretary or the Secretary's authorized representatives or employees.

4. **Financial Obligation.** In accordance with KAIP guidelines, the Airport will be responsible for ten percent (10 %) of the total actual costs Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering, up to \$48,000.00, which is the estimated total actual costs for the Project. The Airport agrees to be responsible for one hundred percent (100%) of the total actual costs of Construction (which includes the costs of all Construction Contingency Items) and Construction Engineering that exceed \$48,000.00 for the Project. The Airport agrees the total estimated local share costs associated with the Project is \$4,800.00. The Airport shall also pay for any Non-Participating Costs incurred for the Project.

5. **Audit.** The Airport will participate and cooperate with the Secretary in an annual audit of the Project. The Airport shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after date of final payment under this Agreement. If any such audits reveal payments that have been made with state funds by the Airport for items considered Non-Participating Costs, the Airport shall promptly reimburse the Secretary for such items upon notification by the Secretary.

6. **Accounting.** Upon request by the Secretary, the Airport will provide the Secretary an accounting of all actual Non-Participating Costs associated with the Project which are paid directly by the Airport to any party outside of the Secretary and costs incurred by the Airport not to be reimbursed by the Secretary. This will enable the Secretary to report all costs of the Project to the legislature.

7. **Legal Authority.** The Airport shall adopt all necessary ordinances and/or resolutions and take such administrative or legal steps as may be required to give full effect to the terms of this Agreement.

8. **Assurance Clause.** At any time that the public is not allowed access to the airport, the Airport agrees to reimburse the Secretary a prorated amount based on a ten (10) year useful life of the

Project. This assurance clause will be valid and enforceable for ten (10) years from the date that the final payment is authorized. This provision is only applicable to closure for non-airport purposes.

## ARTICLE IV

### GENERAL PROVISIONS:

1. **Offer Expiration.** The Secretary's offer to fund the Project, subject to the terms of this Agreement, is contingent upon the Airport executing this Agreement on or before the Expiration Date. In the event the Airport fails to execute this Agreement on or before the Expiration Date, the Secretary will not be obligated to fund the Project and the Secretary may cancel the Project. If the Airport wishes to extend the Expiration Date, the Airport must submit a written extension request to the Secretary at least forty-five (45) days prior to the Expiration Date. After receiving the request, The Secretary may extend the Expiration Date by providing written notice to the Airport.
2. **Civil Rights Act.** The "Special Attachment No. 1, Rev. 09.20.17" pertaining to the implementation of the Civil Rights Act of 1964, is attached and made a part of this Agreement.
3. **Contractual Provisions.** The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this Agreement and made a part hereof.
4. **Headings.** All headings in this Agreement have been included for convenience of reference only and are not be deemed to control or affect the meaning or construction or the provisions herein.
5. **Binding Agreement.** This Agreement and all contracts entered into under the provisions of this Agreement shall be binding upon the Secretary and the Airport and their successors in office.
6. **No Third Party Beneficiaries.** No third party beneficiaries are intended to be created by this Agreement and nothing in this Agreement authorizes third parties to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be signed by their duly authorized officers as of the Effective Date.

AIRPORT

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 KANSAS DEPARTMENT OF TRANSPORTATION (date)  
 Secretary of Transportation



CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
2. **Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.

6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."
13. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.

## KANSAS DEPARTMENT OF TRANSPORTATION

Special Attachment  
To Contracts or Agreements Entered Into  
By the Secretary of Transportation of the State of Kansas

### PREAMBLE

The Secretary of Transportation for the State of Kansas, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. § 2000d to 2000d-4) and other nondiscrimination requirements and the Regulations, hereby notifies all contracting parties that it will affirmatively ensure that this contract will be implemented without discrimination on the grounds of race, color, national origin, sex, age, disability, income-level or Limited English Proficiency (“LEP”).

### CLARIFICATION

Where the term “contractor” appears in the following “Nondiscrimination Clauses”, the term “contractor” is understood to include all parties to contracts or agreements with the Secretary of Transportation, Kansas Department of Transportation. This Special Attachment shall govern should this Special Attachment conflict with provisions of the Document to which it is attached.

### ASSURANCE APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the “contractor”), agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in its Federally-assisted programs of the U.S. Department of Transportation, the Federal Highway Administration (FHWA), the Federal Transit Administration (“FTA”) or the Federal Aviation Administration (“FAA”) as they may be amended from time to time which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontractors, Including Procurements of Material and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor will be notified by the contractor of the contractor’s obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FHWA, Federal Transit Administration (“FTA”), or Federal Aviation Administration (“FAA”) to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or, the FHWA, FTA, or FAA as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor’s noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FHWA, FTA, or FAA may determine to be appropriate, including, but not limited to:
  - a. withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. cancelling, terminating or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of the paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any

subcontract or procurement as the Recipient or the FHWA, FTA, or FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

#### ASSURANCE APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- The Federal Aid Highway Act of 1973 (23 U.S.C. § 324 et. seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et. seq.) as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et. seq.), prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL No. 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with LEP, and resulting agency guidance, national origin discrimination includes discrimination because of LEP. To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681)



DEPARTMENT OF PUBLIC WORKS

201 West 4<sup>th</sup> Street · Pittsburg KS 66762

(620) 231-4170

[www.pittks.org](http://www.pittks.org)

## Interoffice Memorandum

**TO:** DARON HALL  
City Manager

**FROM:** CAMERON ALDEN  
Director of Public Works/City Engineer

**DATE:** June 17, 2019

**SUBJECT:** Agenda Item – June 25, 2019  
Final Payment and Change Order No.1  
North Walnut Street Extension – 28<sup>th</sup> Street to 29<sup>th</sup> Street

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The contractor, Heck & Wicker, Inc., of Parsons, Kansas, has completed all work on the above-referenced project and is now requesting final payment. They have also submitted Change Order No. 1 for consideration. This change reflects an increase of \$8,256.00, making a new contract construction amount of \$278,154.78, and covers work not included in the original scope of the project. The additional work included the pouring of new driveway approaches for the owner of the northern parcel. The owner has paid his share for the driveways and the work was added to the project.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 25, 2019. Action necessary will be approval or disapproval of Change Order No. 1 and for final payment to Heck & Wicker, Inc. in the amount of \$28,091.26. This project is being funded through an improvement district consisting of the owners of property adjoining the new street. The City issued general obligation bonds to cover the initial cost of the improvement. The owners included in the improvement district will be assessed the final cost of making said improvements.

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

Attachment: Final Payment Documents



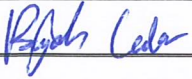
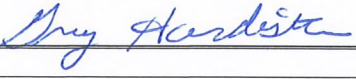
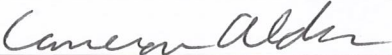


**DEPARTMENT OF PUBLIC WORKS**  
201 W. 4th Street · Pittsburg KS 66762

PROJECT: NORTH WALNUT STREET EXTENSION - 28th Street to 29th Street

DATE: June 10, 2019  
PAY ESTIMATE: FINAL

CONTRACTOR: Heck & Wicker, Inc.  
1900 Southern Blvd.  
Parsons, Kansas 67357

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	CONTRACT AMOUNT	ADD QUANTITY	UNIT	NEW QUANTITY	NEW CONTRACT AMOUNT	% OR UNITS COMPLETE	VALUE
1	Contractor Construction Staking	1	L.S.	\$ 3,650.00	\$ 3,650.00					1	\$ 3,650.00
2	Mobilization	1	L.S.	\$ 10,300.00	\$ 10,300.00					1	\$ 10,300.00
3	Removal of Existing Structures	1	L.S.	\$ 12,800.00	\$ 12,800.00					1	\$ 12,800.00
4	Clearing and Grubbing	1	L.S.	\$ 4,300.00	\$ 4,300.00					1	\$ 4,300.00
5	Erosion Control	1	L.S.	\$ 3,750.00	\$ 3,750.00					1	\$ 3,750.00
6	Common Excavation	1,580	C.Y.	\$ 16.00	\$ 25,280.00					1580	\$ 25,280.00
7	Rock Excavation	500	C.Y.	\$ 5.00	\$ 2,500.00					500	\$ 2,500.00
8	Compaction of Earthwork (Type AA)(MR-0-4)	175	C.Y.	\$ 8.00	\$ 1,400.00					175	\$ 1,400.00
9	Aggregate Ditch Lining (6")	15	Tons	\$ 24.00	\$ 360.00					15	\$ 360.00
10	Connect to Existing Storm Sewer	1	Each	\$ 1,200.00	\$ 1,200.00					1	\$ 1,200.00
11	Inlet (Type 22 Curb)	4	Each	\$ 2,097.09	\$ 8,388.36					4	\$ 8,388.36
12	Inlet (Type 22 Curb)(Radius)	2	Each	\$ 2,244.11	\$ 4,488.22					2	\$ 4,488.22
13	Inlet (Manhole)(Special)	1	Each	\$ 2,588.08	\$ 2,588.08					1	\$ 2,588.08
14	End Section (18")(RC)	1	Each	\$ 606.00	\$ 606.00					1	\$ 606.00
15	Storm Sewer (15")(RCP)	55	L.F.	\$ 26.36	\$ 1,449.80					55	\$ 1,449.80
16	Storm Sewer (18")(RCP)	250	L.F.	\$ 26.92	\$ 6,730.00					250	\$ 6,730.00
17	Sidewalk Construction (4")(AE)	236	S.Y.	\$ 35.00	\$ 8,260.00					236	\$ 8,260.00
18	Sidewalk Ramp	26	S.Y.	\$ 38.00	\$ 988.00					26	\$ 988.00
19	Curb and Gutter, Combined (AE)	1,041	L.F.	\$ 34.50	\$ 35,914.50					1041	\$ 35,914.50
20	Concrete Pavement (8" Uniform)(AE)(NRDI)	1,899	S.Y.	\$ 49.90	\$ 94,760.10					1899	\$ 94,760.10
21	Aggregate Base (AB-1)(6")	2,303	S.Y.	\$ 9.00	\$ 20,727.00					2303	\$ 20,727.00
22	Geosynthetic Reinforcement (For Base)	2,303	S.Y.	\$ 4.90	\$ 11,284.70					2303	\$ 11,284.70
23	Pavement Marking (Multi-Component)(Yellow)(4")	862	L.F.	\$ 1.60	\$ 1,379.20					862	\$ 1,379.20
24	Pavement Marking (Multi-Component)(White)(24")	183	L.F.	\$ 12.54	\$ 2,294.82					183	\$ 2,294.82
25	Permanent Seeding & Mulching	1	L.S.	\$ 3,000.00	\$ 3,000.00					1	\$ 3,000.00
26	Traffic Control	1	L.S.	\$ 1,500.00	\$ 1,500.00					1	\$ 1,500.00
Add	Change Order #1 [New] Drive Approach (6" Concrete)			\$ 80.00		103.2	S.Y.	103.2	\$ 8,256.00	103.2	\$ 8,256.00
										Original Contract Construction Amount	\$ 269,898.78
										Value of Completed Work	\$ 278,154.78
										Less 5% Retainage	\$ -
										Less Previous Estimates	\$ 250,063.52
										Total Deductions	\$ 250,063.52
										Amount Due Contractor on this Estimate	\$ 28,091.26
REQUESTED BY: HECK & WICKER, INC.											
 <div>DATE: 6/12/19</div>											
REVIEWED BY: GREG HARDISTER, ENGINEERING SUPERVISOR, CITY OF PITTSBURG											
 <div>DATE: 6-14-19</div>											
APPROVED BY: CAMERON ALDEN, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER, CITY OF PITTSBURG											
 <div>DATE: 06-14-19</div>											



North Walnut Street Extension  
28th Street to 29th Street  
Change Order No. 1

CONTRACTOR: Heck & Wicker, Inc.

Date: June 10, 2019

1900 Southern Blvd.

Parsons, Kansas 67357

ORIGINAL CONTRACT CONSTRUCTION AMOUNT..... \$ 269,898.78

CHANGE ORDER NO. 1 DATED 06-10-2019..... \$ 8,256.00

NEW CONTRACT CONSTRUCTION AMOUNT..... \$ 278,154.78

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
New	Drive Approach (6" Concrete)	103.2	S.Y.	\$ 80.00	\$ 8,256.00

TOTAL CHANGE ORDER NO. 1..... \$ 8,256.00

NEW CONTRACT CONSTRUCTION AMOUNT..... \$ 278,154.78

ENGINEERING AND INSPECTION (10%)..... \$ -

LEGAL AND ADMINISTRATIVE (5%)..... \$ -

NEW PROJECT TOTAL..... \$ 278,154.78

ACCEPTED BY: HECK & WICKER, INC.

DATE: 6/12/19

SUBMITTED BY: GREG HARDISTER, ENGINEERING SUPERVISOR, CITY OF PITTSBURG

DATE: 6-14-19

APPROVED BY: CAMERON ALDEN, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER, CITY OF PITTSBURG

DATE: 06-14-19

DATE OF APPROVAL BY CITY COMMISSION: \_\_\_\_\_





DEPARTMENT OF PUBLIC WORKS  
201 W. 4th Street • Pittsburg KS 66762

FINAL PAYMENT DUE CONTRACTOR

PROJECT: NORTH WALNUT STREET EXTENSION - 28TH STREET TO 29TH STREET Date: June 10, 2019

CONTRACTOR: Heck and Wicker, Inc.  
1900 Southern Blvd.  
Parsons, Kansas 67357

ORIGINAL CONTRACT CONSTRUCTION AMOUNT.....	\$ 269,898.78
CHANGE ORDER NO. 1 DATED 06-10-2019.....	\$ 8,256.00
TOTAL CONSTRUCTION COST.....	\$ 278,154.78
Less Previous Payments.....	\$ 250,063.52
BALANCE DUE CONTRACTOR (FINAL PAYMENT).....	\$ 28,091.26

ACCEPTED BY: Heck and Wicker, Inc.

DATE: 6/12/19

SUBMITTED BY: Greg Hardister, Engineering Supervisor, City of Pittsburg

DATE: 6-14-19

APPROVED BY: Cameron Alden, Director of Public Works/City Engineer, City of Pittsburg

DATE: 06-14-19

DATE OF APPROVAL BY CITY COMMISSION:



1900 Southern Boulevard  
Parsons, Kansas 67357  
(620) 421-3280  
Fax: (620) 421-4430

**TO BE TYPED  
ON COMPANY LETTERHEAD**

**CONSENT OF SURETY  
TO REDUCTION IN OR  
RELEASE OF RETAINAGE**

Bond No. 30051370

**PROJECT:** North Walnut Street Extension in Pittsburg, KS, City Project # P-18-01, OA Project #017-1053

**TO:** City of Pittsburg, Kansas  
201 West 4th Street, P.O. Box 688  
Pittsburg, KS 66762

**CONTRACT FOR:** Construction

**CONTRACT DATE:**

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the Western Surety Company, 151 N. Franklin St., Chicago, IL 60606, Surety on bond of Heck & Wicker, Inc., 1900 Southern Boulevard, Parsons, KS 67357, Contractor, hereby approves the reduction in or partial release of retainage to the Contractor, as follows: Reduce retainage to \$0.00

The Surety agrees that such reduction in or partial or total release of retainage to the Contractor shall not relieve the Surety of any of its obligations to: City of Pittsburg, Kansas

as set forth in the said Surety's bond. , OWNER,

**IN WITNESS WHEREOF,** Western Surety Company  
the Surety has hereunto set its hand this 12th day of June, 2019.

ATTEST: Keenica [Signature]

(SEAL)

Western Surety Company

Surety

[Signature]  
Signature of Authorized Representative

Rebecca S. Leal, Attorney-in-Fact

Title



# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

**Know All Men By These Presents**, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

**Patrick T. Pribyl, Debra J. Scarborough, Mary T. Flanigan, Christy M. Braile, Jeffrey C. Carey, Charles R. Teter III, Laura M. Buhrmester, Evan D. Sizemore, Charissa D. Lecuyer, Rebecca S. Leal, C. Stephens Griggs, Tahitia M. Fry, Megan L. Burns-Hasty, Individually**

of Kansas City, MO, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

### - In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

**In Witness Whereof**, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 14th day of November, 2017.



WESTERN SURETY COMPANY

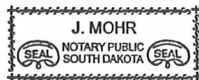
Paul T. Bruflat, Vice President

State of South Dakota }  
County of Minnehaha } ss

On this 14th day of November, 2017, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

June 23, 2021



J. Mohr, Notary Public

### CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 12th day of June, 2019.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

**Authorizing By-Law**

**ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY**

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.



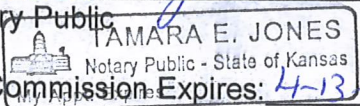
TO BE TYPED  
ON COMPANY LETTERHEAD

Bond No. 30051370  
1900 Southern Boulevard  
Parsons, Kansas 67357  
(620) 421-3280  
Fax: (620) 421-4430

TO: CITY CLERK  
CITY OF PITTSBURG  
PITTSBURG, KANSAS 66762

PROJECT: North Walnut Street Extension in Pittsburg, KS, City  
Project # P-18-01, OA Project #017-1053

In accordance with the provisions of the Contract of the above Project, I/We hereby certify and swear that all subcontractors, vendors, persons or firms who have furnished labor or materials for the work, and all rentals of materials, equipment, or property used in connection with the work, and that all taxes have been paid in full or otherwise satisfied.

State of Kansas, <u>Labette</u> County	Contractor: <u>Heck &amp; Wicker, Inc.</u>
On this <u>13th</u> day of <u>June</u> , 20 <u>19</u> , before me, a Notary Public in and for the aforementioned County and State, personally appeared <u>Kent H. Wicker</u> , to me known to be the identical person who executed the above statement.	By: <u>[Signature]</u> Title: <u>President</u> Seal: _____ (If Corporate)
<u>Tamara E. Jones</u> Notary Public  My Commission Expires: <u>4-13-20</u>	

The Western Surety Company, Surety Company  
on bond for the above project hereby approves the final payment to the Contractor, and  
agrees that the final payment shall not relieve the Surety Company of any of its  
obligations to the City of Pittsburg as set forth in the Surety Company's bond.

IN WITNESS this 12th day of June, 2019.

(SEAL):

Western Surety Company

151 N. Franklin St., Chicago, IL 60606 (312) 822-5000

[Signature]  
Signature of Authorized Representative

ATTORNEY-IN-FACT Rebecca S. Leal

RESIDENT AGENT. Laura M. Buhrmester

cc: Engineering Division

# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

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of Kansas City, MO, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

### - In Unlimited Amounts -

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WESTERN SURETY COMPANY

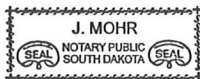
Paul T. Bruflat, Vice President

State of South Dakota }  
County of Minnehaha } ss

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June 23, 2021



J. Mohr, Notary Public

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WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

**Authorizing By-Law**

**ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY**

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Tax Policy Group  
915 SW Harrison St  
Topeka, KS 66612-1588

Samuel M. Williams, Secretary



Department of Revenue

Phone: 785-296-3081

Fax: 785-296-7928

www.ksrevenue.org

Jeff Colyer, M.D., Governor

## STATE OF KANSAS PROJECT COMPLETION CERTIFICATION

TO: City of Pittsburg

Name of Entity to whom Project Exemption Certificate was Issued

201 W 4th St	Pittsburg	KS	66762
Street Address	City	State	Zip Code

This is to certify, to the best of my knowledge and belief, that all materials purchased under **Exemption Certificate Number** 0000074132, issued by the Kansas Department of Revenue, were incorporated into the building or project for which the exemption was issued and were entitled to an exemption pursuant to K.S.A. 79-3606(c), (d), (e), (xx), (aaa), (ccc), (iii), (qqq), (sss), (ttt), (uuu), (xxx) and (yyy) as amended.

Heck & Wicker, Inc.

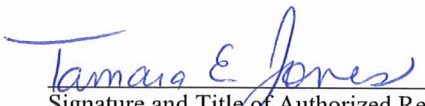
Contractor / Subcontractor

1900 Southern Boulevard

P.O. Box and/or Street Number and Name

Parsons KS 67357

City, State Zip

  
Signature and Title of Authorized Representative

Internal Accts Management

June 13, 2019

Date

### INSTRUCTIONS

Upon completion of a tax exempt project, the contractor must furnish this certification to the exempt entity for which the work was performed. The exempt entity needs to retain this document in their files and record the actual date that the project was completed on-line at <https://www.kdor.ks.gov/apps/kcsc/>. All invoices must be retained by the contractor for a period of five (5) years and are subject to audit by the Kansas Department of Revenue.

PR-77 (Rev. 09/16)

## INTEROFFICE MEMORANDUM

To: Daron Hall, Tammy Nagel  
From: Megan Keener, Community Development & Housing Manager  
CC: Quentin Holmes, Community Development & Housing Director  
Date: June 17, 2019  
Subject: ***Agenda Item - June 25th, 2019***  
Grant Application: Tenant Based Rental Assistance (TBRA to provide security deposit and utility deposit assistance to income eligible households)

The City of Pittsburg is requesting approval to submit a grant application for the 2019 Tenant Based Rental Assistance (TBRA) program, made available through the Kansas Housing Resource Corporation (KHRC) in the amount of \$200,000. The program funds will provide an estimated 250 extremely low-low income households with security deposit and utility deposit assistance. Our office will help with security deposit equal to for one month of rent, with a maximum grant amount of \$700 to each household. The grant funds will be available to income qualifying applicant within the city limits of Pittsburg and are paid directly to the property owners.

The administration funding to administer the TBRA program is 7% of the grant award. The grant award amount of \$200,000 would provide administration funding in the amount of \$14,000 distributed over the three year grant period.

The City of Pittsburg Public Housing Agency under the department of Community Development & Housing has been an administrator of the TBRA program a total of nine grant periods, with the most recent award of \$100,000 in 2018. With the completed 2017 TBRA grant, security deposit assistance was provided to 199 families.

Please place this item on the Commission agenda for approval to submit the grant application to the Kansas Housing Resource Corporation, and to sign all required certifications.

Respectfully Submitted,



Megan Keener  
Community Development & Housing Manager

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	6/07/2019			184743		
C-CHECK	VOID CHECK	V	6/07/2019			184744		
C-CHECK	VOID CHECK	V	6/07/2019			184751		
C-CHECK	VOID CHECK	V	6/07/2019			184767		
C-CHECK	VOID CHECK	V	6/07/2019			184768		
C-CHECK	VOID CHECK	V	6/07/2019			184769		
C-CHECK	VOID CHECK	V	6/07/2019			184771		
C-CHECK	VOID CHECK	V	6/07/2019			184772		
C-CHECK	VOID CHECK	V	6/07/2019			184773		
C-CHECK	VOID CHECK	V	6/14/2019			184788		
C-CHECK	VOID CHECK	V	6/14/2019			184789		

* * 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	

TOTAL ERRORS: 0

	NO		INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: * TOTALS:	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	6/10/2019			000000		1,301.51
0224	KDOR	D	6/06/2019			000000		1,381.49
0224	KDOR	D	6/12/2019			000000		5,946.80
0321	KP&F	D	6/14/2019			000000		49,814.77
0728	ICMA	D	6/14/2019			000000		660.00
1050	KPERS	D	6/14/2019			000000		39,988.75
5904	TASC	D	6/14/2019			000000		6,226.46
6415	GREAT WEST TANDEM KPERS 457	D	6/14/2019			000000		4,513.83
7290	DELTA DENTAL OF KANSAS INC	D	6/07/2019			000000		3,435.40
7290	DELTA DENTAL OF KANSAS INC	D	6/14/2019			000000		1,523.20
7877	CORESOURCE	D	6/06/2019			000000		4,981.85
7877	CORESOURCE	D	6/13/2019			000000		13,599.03
8051	AFLAC GROUP INSURANCE	D	6/11/2019			000000		3,245.42
0077	THE LITTLE SHOP OF FLOWERS	E	6/10/2019			004794		45.00
0084	INTERSTATE EXTERMINATOR, INC.	E	6/10/2019			004795		545.00
0087	FORMS ONE, LLC	E	6/10/2019			004796		229.02
0105	PITTSBURG AUTOMOTIVE INC	E	6/10/2019			004797		616.12
0194	KANSAS STATE TREASURER	E	6/10/2019			004798		3,585.00
0207	PEPSI-COLA BOTTLING CO OF PITT	E	6/10/2019			004799		82.10
0276	JOE SMITH COMPANY, INC.	E	6/10/2019			004800		3,866.00
0292	UNIFIRST CORPORATION	E	6/10/2019			004801		50.60
0335	CUSTOM AWARDS, LLC	E	6/10/2019			004802		249.60

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
0534	TYLER TECHNOLOGIES INC	E	6/10/2019			004803		390.00
0589	BERRY TRACTOR & EQUIPMENT	E	6/10/2019			004804		554.25
0746	CDL ELECTRIC COMPANY INC	E	6/10/2019			004805		150.00
0866	AVFUEL CORPORATION	E	6/10/2019			004806		19,038.98
0870	PENNINGTON SEED INC	E	6/10/2019			004807		1,710.00
1478	KANSASLAND TIRE OF PITTSBURG	E	6/10/2019			004808		746.46
1792	B&L WATERWORKS SUPPLY, LLC	E	6/10/2019			004809		7,294.43
2161	RECORDED BOOKS, LLC	E	6/10/2019			004810		46.65
2186	PRODUCERS COOPERATIVE ASSOCIAT	E	6/10/2019			004811		2,638.24
2554	HENRY C MENGhini	E	6/10/2019			004812		117.72
2994	COMMERCIAL AQUATIC SERVICE INC	E	6/10/2019			004813		1,606.45
4307	HENRY KRAFT, INC.	E	6/10/2019			004814		219.02
4452	RYAN INSURANCE, LLC	E	6/10/2019			004815		404.00
4618	TRESA MILLER	E	6/10/2019			004816		1,041.50
4956	YAMAHA COMMERCIAL FINANCE, U.S	E	6/10/2019			004817		17,100.00
5014	MID-AMERICA SANITATION	E	6/10/2019			004818		2,900.00
5275	US LIME COMPANY-ST CLAIR	E	6/10/2019			004819		9,393.00
5482	JUSTIN HART	E	6/10/2019			004820		60.00
6577	GREENSPRO INC	E	6/10/2019			004821		1,638.50
6875	DARON HALL	E	6/10/2019			004822		180.94
7028	MATTHEW L. FRYE	E	6/10/2019			004823		400.00
7283	CORESOURCE, INC	E	6/10/2019			004824		46,127.27

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7407	LIMELIGHT MARKETING LLC	E	6/10/2019			004825		500.00
7567	MERIDIAN OIL & EQUIPMENT LLC	E	6/10/2019			004826		1,166.44
7629	EARLES ENGINEERING & INSPECTIO	E	6/10/2019			004827		35,646.25
7667	BRENT'S ELECTRIC, LLC	E	6/10/2019			004828		65.00
7705	JOANNA L DERFELT	E	6/10/2019			004829		1,000.00
7776	ANDREW POMMERT	E	6/10/2019			004830		40.00
7806	CORE & MAIN LP	E	6/10/2019			004831		172,845.00
7852	TRIA HEALTH, LLC	E	6/10/2019			004832		1,229.40
7959	ALL ABOARD FOUNDATION	E	6/10/2019			004833		2,448.34
8095	BAKER TILLY VIRCHOW LLP	E	6/10/2019			004834		4,054.00
1222	ALL SEASONS CARPET, LLC	R	6/07/2019			184741		525.00
0523	AT&T	R	6/07/2019			184742		7,037.28
1	BARNETT, GEORGE	R	6/07/2019			184745		507.50
8021	C BRICK OWENS RLA LLC	R	6/07/2019			184746		2,100.00
0146	CHAPMAN'S LOCKSMITHING	R	6/07/2019			184747		379.00
4263	COX COMMUNICATIONS KANSAS LLC	R	6/07/2019			184748		13.23
4263	COX COMMUNICATIONS KANSAS LLC	R	6/07/2019			184749		29.40
4263	COX COMMUNICATIONS KANSAS LLC	R	6/07/2019			184750		2,152.83
4263	COX COMMUNICATIONS KANSAS LLC	R	6/07/2019			184752		96.14
7517	CRAW-KAN TELEPHONE COOPERATIVE	R	6/07/2019			184753		997.30
1	CRITES III, DAVID MCARTHUR	R	6/07/2019			184754		500.00
8074	DEHN DAVENPORT	R	6/07/2019			184755		100.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
7935	CANDACE BREWSTER GAYOSO	R	6/07/2019			184756		1,000.00
7993	GERALD E WARREN, II	R	6/07/2019			184757		2,318.75
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	6/07/2019			184758		211.96
0226	KDOR LIQUOR TAX	R	6/07/2019			184759		1.09
8075	JOHN GARY MADISON	R	6/07/2019			184760		80.00
6948	RANGE SERVANT AMERICA, INC	R	6/07/2019			184761		137.33
8067	HAROLD LEROY SMITH	R	6/07/2019			184762		1,230.00
7270	SECURITY 1ST TITLE, LLC	R	6/07/2019			184763		720.00
8089	JORAN STOUT-MITCHELL	R	6/07/2019			184764		80.00
8096	JENNA SPENCER	R	6/07/2019			184765		1,100.00
5589	VERIZON WIRELESS SERVICES, LLC	R	6/07/2019			184766		9,124.00
1108	WESTAR ENERGY	R	6/07/2019			184770		98,380.74
6154	4 STATE MAINTENANCE SUPPLY INC	R	6/14/2019			184779		240.25
1	ALEXANDER, JEROD	R	6/14/2019			184780		217.56
8099	TODD BIGGS	R	6/14/2019			184781		140.00
7909	DAKOTA CAUDLE	R	6/14/2019			184782		84.00
5283	CLASS LTD	R	6/14/2019			184783		31.50
6865	MICHAEL S COLE	R	6/14/2019			184784		440.00
5759	COMMUNITY HEALTH CENTER OF SEK	R	6/14/2019			184785		10,000.00
0748	CONRAD FIRE EQUIPMENT INC	R	6/14/2019			184786		34.98
7657	COPY PRODUCTS, INC.	R	6/14/2019			184787		2,131.08
4263	COX COMMUNICATIONS KANSAS LLC	R	6/14/2019			184790		39.91

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
4263	COX COMMUNICATIONS KANSAS LLC	R	6/14/2019			184791		91.62
4263	COX COMMUNICATIONS KANSAS LLC	R	6/14/2019			184792		78.28
4263	COX COMMUNICATIONS KANSAS LLC	R	6/14/2019			184793		25.21
0375	WICHITA WATER CONDITIONING, IN	R	6/14/2019			184794		12.50
7682	ISHMAEL ELKAMIL	R	6/14/2019			184795		245.00
0118	FED EX	R	6/14/2019			184796		30.25
8102	COLE FERRARO	R	6/14/2019			184797		175.00
6809	RICHARD GILMORE	R	6/14/2019			184798		103.50
8101	GAVIN GLOVER	R	6/14/2019			184799		175.00
7518	KENDAL LOREN HALE	R	6/14/2019			184800		105.00
6923	HUGO'S INDUSTRIAL SUPPLY INC	R	6/14/2019			184801		90.36
7551	INNOVATIVE CONCESSIONS ENTERPR	R	6/14/2019			184802		1,648.32
8100	JANKO KALAN	R	6/14/2019			184803		175.00
8097	CARMEN KENT	R	6/14/2019			184804		28.00
8082	KASEY MCCOY KING	R	6/14/2019			184805		200.00
7903	TAMMY L KLENKLEN	R	6/14/2019			184806		18.00
1	KLOSTER, LISA	R	6/14/2019			184807		980.42
6750	HW LOCHNER, BWR DIVISION	R	6/14/2019			184808		6,132.18
7904	MICHELLE MCCLURE	R	6/14/2019			184809		8.00
7697	MARTIN MEDINA	R	6/14/2019			184810		1,060.00
7938	ROSANO DEL PILAR MENDEZ	R	6/14/2019			184811		25.00
6246	PATRICK O'BRYAN	R	6/14/2019			184812		27.80

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
1	PARCEL, PEYTON	R	6/14/2019			184813		375.00
7171	NICHOLAS ANTHONY POPEJOY	R	6/14/2019			184814		175.00
0175	REGISTER OF DEEDS	R	6/14/2019			184815		20.00
0175	REGISTER OF DEEDS	R	6/14/2019			184816		20.00
0175	REGISTER OF DEEDS	R	6/14/2019			184817		21.00
0175	REGISTER OF DEEDS	R	6/14/2019			184818		20.00
8103	ANDY ROBERTS	R	6/14/2019			184819		23.00
7270	SECURITY 1ST TITLE, LLC	R	6/14/2019			184820		300.00
8098	AUSTIN SOUDER	R	6/14/2019			184821		210.00
7892	KIRSTEN STEINLE	R	6/14/2019			184822		210.00
7532	CRAIG TAYLOR	R	6/14/2019			184823		160.00
5589	VERIZON WIRELESS SERVICES, LLC	R	6/14/2019			184824		392.46
2350	WASTE CORPORATION OF MISSOURI	R	6/14/2019			184825		934.45
5371	PITTSBURG FAMILY YMCA	R	6/14/2019			184826		392.50

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	70	156,868.68	0.00	156,868.68
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	13	136,618.51	0.00	136,618.51
EFT:	41	342,020.28	0.00	342,020.28
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

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 99 BANK: 80144 TOTALS:	124	635,507.47	0.00	635,507.47
BANK: 80144 TOTALS:	124	635,507.47	0.00	635,507.47
REPORT TOTALS:	124	635,507.47	0.00	635,507.47



Passed and approved this 25<sup>th</sup> day of June, 2019.

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Patrick J. O'Bryan, Mayor

ATTEST:

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Joye VanGorden, Deputy City Clerk



# **2019 FIVE YEAR FINANCIAL PLAN**

# Five-Year Financial Plan

## May 18, 2019

### **Introduction:**

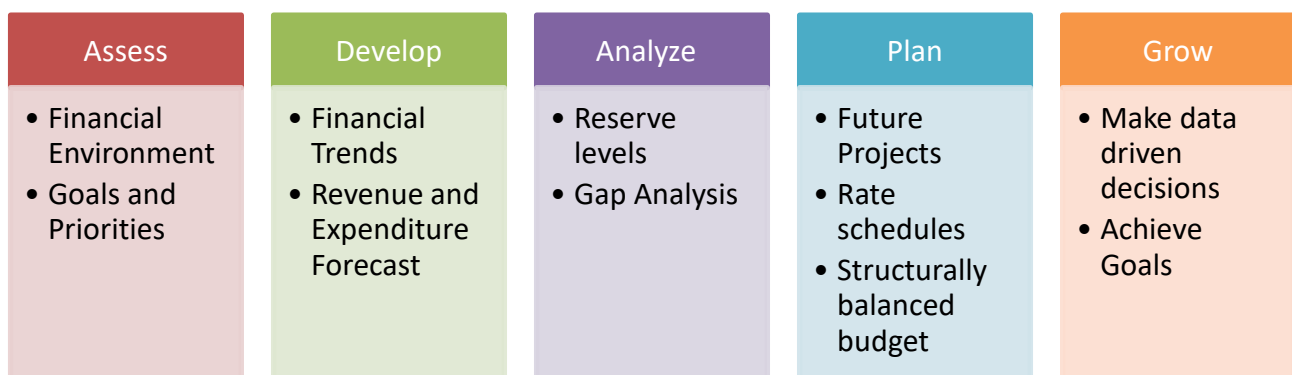
It is the role of the City Commission and the City's management staff to find ways to not just overcome, but also thrive. A long-term financial plan is an important tool that can assist in accomplishing this goal.

There are several reasons to prepare a long-term financial plan.

- Help develop strategies to achieve goals and objectives
- Assess the implications today's decisions have on future financial viability
- Identify programs and services that may be offered or eliminated
- Increase bond ratings by rating agencies
- Analyze revenue and expenditure trends for improved decision-making

A financial forecast is a tool used in developing a long-term financial plan by estimating future revenues and expenditures and identifying the factors that affect them. This forecast is intended to help formulate decisions that encourage financial stability while delivering essential community services.

The information in this forecast includes an analysis of major revenue sources and uses for the primary government and its enterprise funds. The estimates include both quantitative and qualitative information. Quantitative estimates are based on historical data and trends, as well as economic conditions that may affect the City's ability to collect or generate revenue. The qualitative estimates are based on the experience and knowledge of management that will indicate the most likely outcome.



Financial forecasts include many economic variables that can and do change frequently. Other things that will affect the accuracy of the forecast include operational changes, the timing of large capital projects, and policy changes.

### ***Executive Summary:***

The City constantly looks for ways to maximize limited resources in order to address the priorities set by the City Commission. The current areas of focus are the result of the 2030 Visioning process, updated in 2018. The result is a list of areas of focus that allow the City to attain the overall vision of where Pittsburg should be in the year 2030. These goals will continue to be a priority in the 2019 Budget and subsequent years through 2023.



In addition to these areas of focus, the City Commission and Executive Team identified the following priorities for each:



## 2018 Recap

During the 2018 working day session, the following recommendations were made. The actual actions approved by the City Commission are noted at the end of each section.

To ensure our future financial stability we must consider:

- Increasing revenues incrementally
- Monitor and control expenditures
- Build reserves
- Practice long term planning
- Monitor and update written policies
- Make data driven decisions

Specifically, we recommended:

**1. No change to the General Fund mill rate for years 2019-2022**

Action Taken: The City Commission approved the 2019 General Fund with no mill rate increase.

**2. Increasing utility rates by**

- a. 1% for 2019
- b. 1% for 2020
- c. 1% for 2021
- d. 1% for 2022

Action Taken: The City Commission approved a 1% increase in utility rates for the 2019 budget.

**3. Increasing the Debt Service Fund mill rate minimally as needed for the years 2019-2022**

Action Taken: The City Commission approved the 2019 Debt Service Fund with no mill rate increase.

**4. Adopting the following long term plans**

- a. Five Year Capital Improvements Plan
- b. Five Year Equipment Replacement Plan
- c. Five Year Financial Plan

Action Taken: The City Commission adopted a., b. and c. as presented.

**5. Limit salary increases to**

- a. 1.0% COLA in 2019-2022 and 2.0% merit salary increase in 2019 and 2021.

Action Taken: The City Commission approved the 2019 budget with a 1.0% COLA and 2.0% merit salary increase.

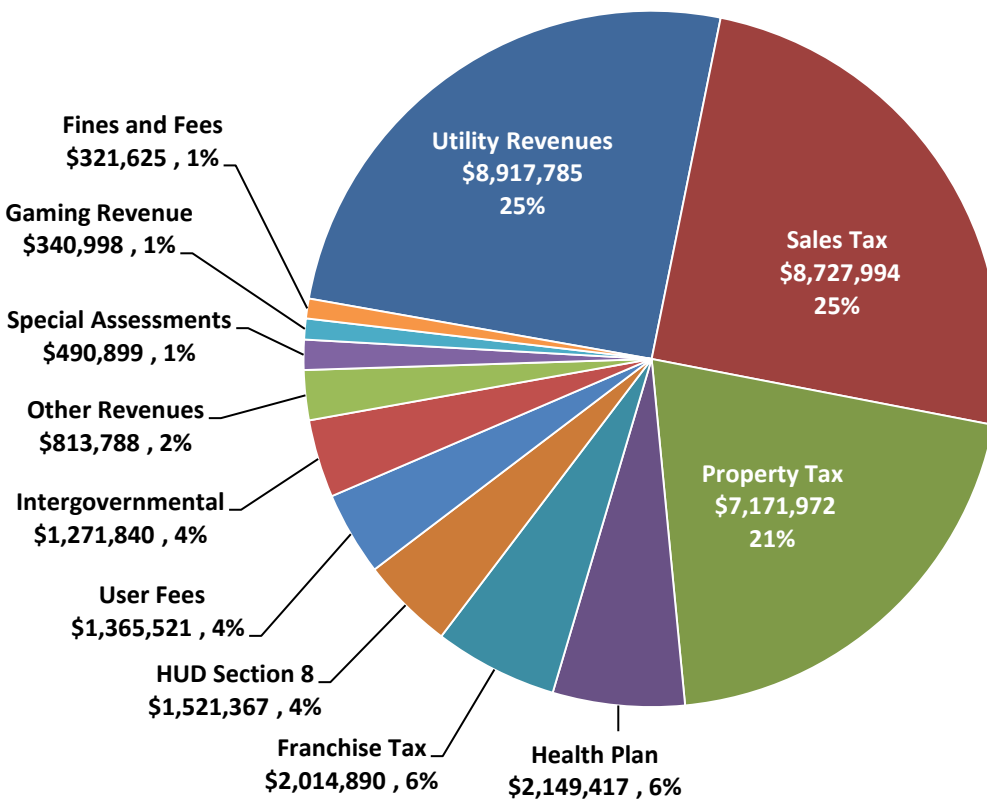
Changes in our economic condition will affect projections. The City management will review the environment every year, and adjust activity to meet the City's needs.



## REVENUES

The City of Pittsburg receives revenue from a variety of sources; however, nearly all revenue is collected into two main funds: the general fund and the public utility fund. When compared to 2017 total revenues, 2018 revenues increased by \$54,615. The following pie chart shows the City's 2018 revenues by source and the percentage of total revenues each source represents. Utility revenue, sales tax revenue and property tax revenue comprise 71% of the City's total revenues.

### 2018 Revenues by Source \$35,108,096



## General Fund

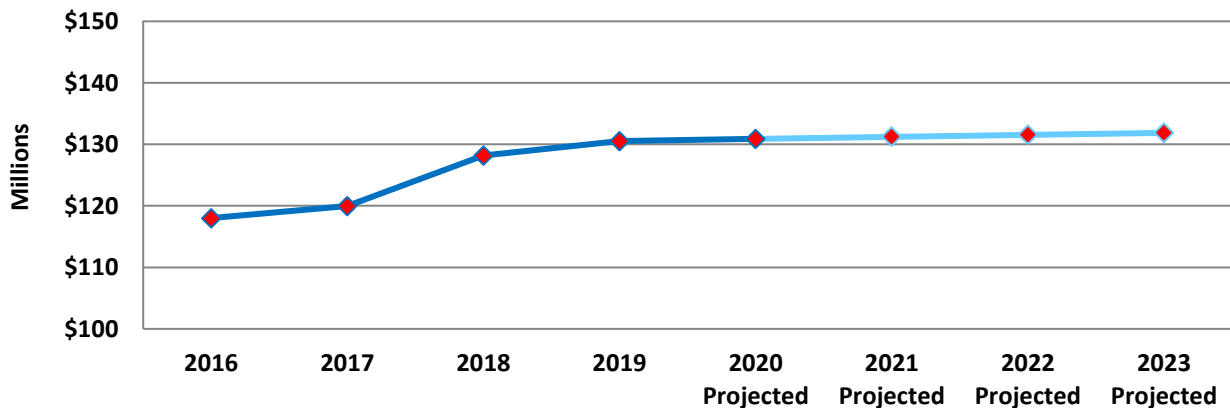
The four main sources of revenue in the general fund are as follows: property tax, sales tax, franchise tax and transfers from the public utility fund. Gaming revenue from the Kansas Crossing Casino is a newer revenue stream in the general fund with the casino opening in April 2017.

### Property Tax

The property tax is an ad valorem tax, meaning, it is based on the value of real estate or personal property owned by an individual or company. There are two components for calculating property taxes: property valuations and the mill levy. The City determines the level of service for the upcoming year and sets the property tax rate at an amount, which will pay for those services.

The City's net assessed valuation has remained relatively flat until 2018 when it increased by \$8.2 million or 6.84% which was mainly due to the construction of the Kansas Crossing Casino and Hampton Inn Hotel. In 2019, assessed valuation grew another \$2.1 million or 1.58% due to the construction of the LaQuinta Hotel, Tractor Supply and additional housing. For the years 2020 through 2023, staff is projecting minimal growth of 0.25% in the City's net assessed valuation. The graph below shows the projected trend in Pittsburg's net assessed valuation.

### Net Assessed Valuation by Year

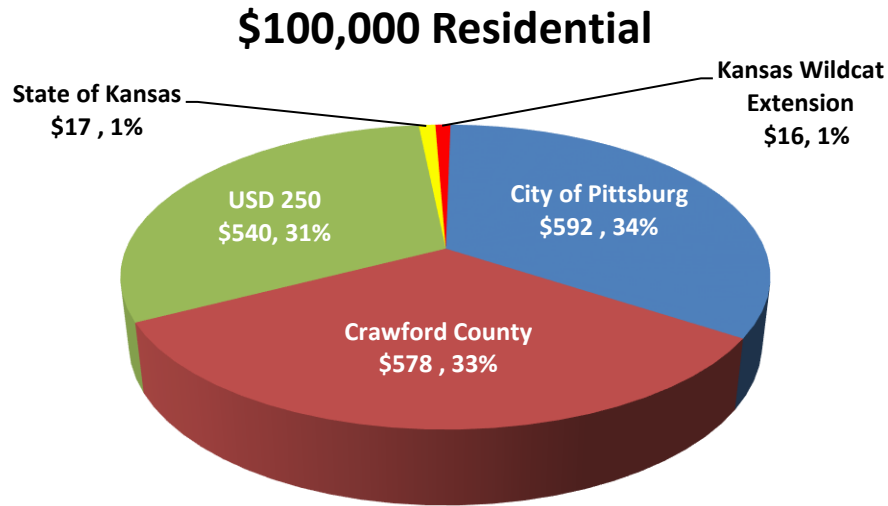


For the 2019 budget year, one mill in the City of Pittsburg generates \$130,553. The City collects approximately 96% of the taxes levied using the last five-year average. The table below shows the general fund mill rate and actual tax dollars generated for the last five years and 2019 estimates.

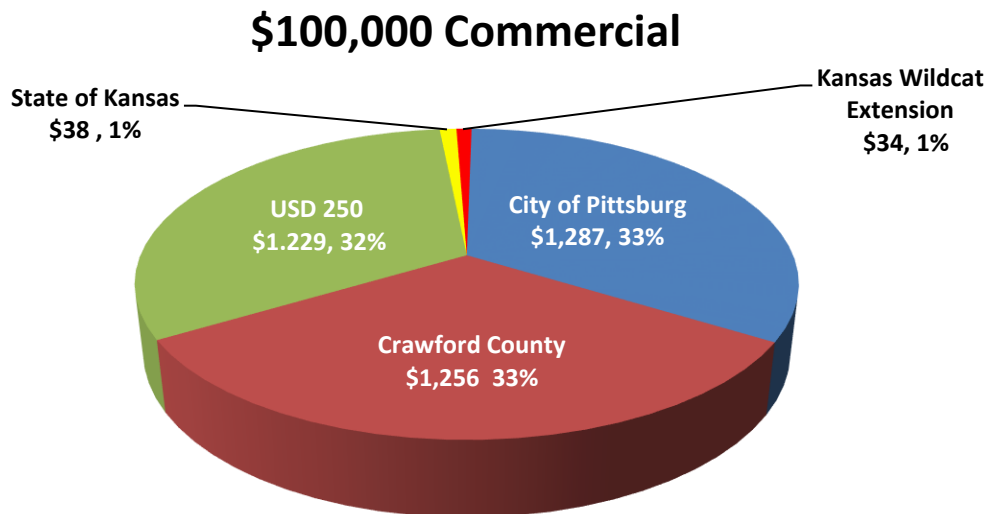
Valued for	Net Valuation	General Fund Mill Rate	Tax Dollars Collected
<b>2014</b>	\$ 117,495,446	31.880	\$ 3,737,708
<b>2015</b>	\$ 118,098,699	33.851	\$ 3,819,508
<b>2016</b>	\$ 118,016,161	33.076	\$ 3,966,486
<b>2017</b>	\$ 119,976,319	36.946	\$ 4,294,357
<b>2018</b>	\$ 128,182,295	36.961	\$ 4,505,260
<b>2019</b>	\$130,553,454	36.984	\$4,611,063 est

The City receives only a portion of the property taxes paid by residents. The State of Kansas, Crawford County, Unified School District #250 and the Kansas Wildcat Extension #14 also assess taxes on property. One mill on a residential property appraised at \$100,000 will generate \$11.50 in property tax annually while one mill on a commercial property appraised at \$100,000 will generate \$25.00 in property tax annually.

The following pie chart shows the various property tax jurisdictions within Pittsburg and their approximate 2019 cost on a residential property with an appraised value of \$100,000.



The following pie chart shows the various property tax jurisdictions within Pittsburg and their approximate 2019 cost on a commercial property with appraised value of \$100,000.

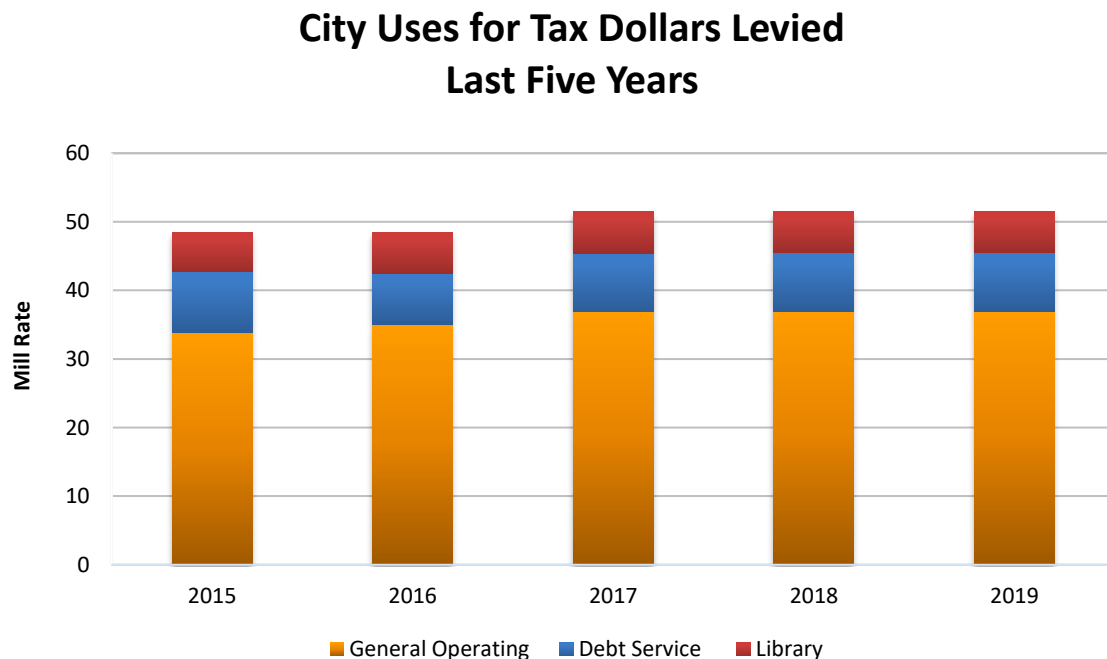


The following table shows the various property tax jurisdictions within Pittsburg and their respective 2019 mill rates.

Entity	Mill Rate
<b>City of Pittsburg</b>	51.493
<b>Crawford County</b>	50.228
<b>USD 250*</b>	50.990
<b>State of Kansas</b>	1.500
<b>Kansas Wildcat Extension #14</b>	1.353
<b>TOTAL</b>	<b>155.564</b>

\*Per Kansas statute, Unified School Districts are exempt from the 20 mill statewide Portion of the mill rate which equates to \$46.00 annually

The following graph shows the breakdown of the City property taxes levied for the last five years.

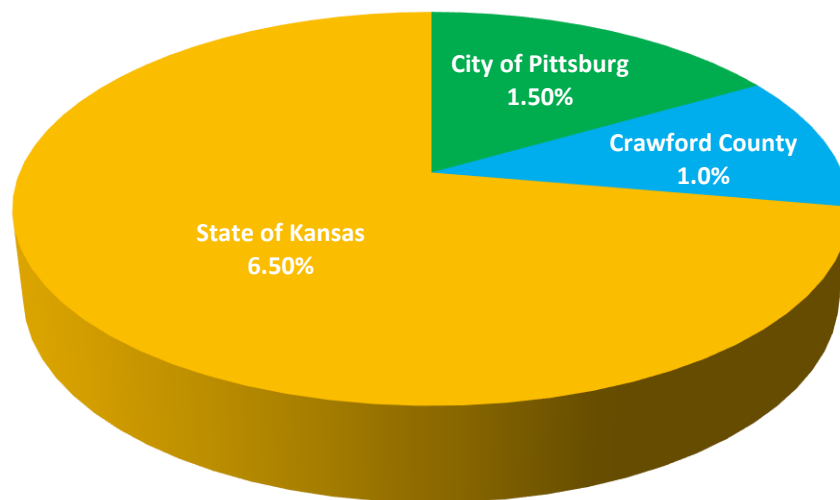


## Sales Tax

Sales taxes are a source of revenue paid to a government entity for the sales of certain goods and services. For most sales in Kansas, the law requires the seller to collect the tax from the consumer at the point of sale. Generally, sales tax is collected one month, then the sales tax collected is remitted to the state the following month and then the state remits the appropriate share of the tax to the appropriate governmental entity in the third month.

The following pie chart shows the total sales tax rate within the Pittsburg city limits (excluding the Tax Increment Financing District).

### Overall Sales Tax Rate - 9.00%





Sales taxes are the leading sole source revenue stream for the City of Pittsburg. However, all the City sales taxes are earmarked for specific uses. The portion of the Crawford County sales tax received by the City is unrestricted and is used to support the General Fund operations. Staff is projecting the City will receive approximately \$2.44 million of the Crawford County sales tax in 2019.

There are five programs funded by dedicated sales taxes in Pittsburg. Three have renewal or end dates. The original sales tax for street maintenance was approved by voters for another five years in 2015 and will expire March 31, 2021. An additional quarter-cent street sales tax was approved by voters in 2017 and will expire September 30, 2022. The half-cent sales tax to enhance public safety was approved by voters in 2013 and will expire December 31, 2023. The quarter-cent for economic development and the eighth-cent for the auditorium and capital outlay have no expiration date.

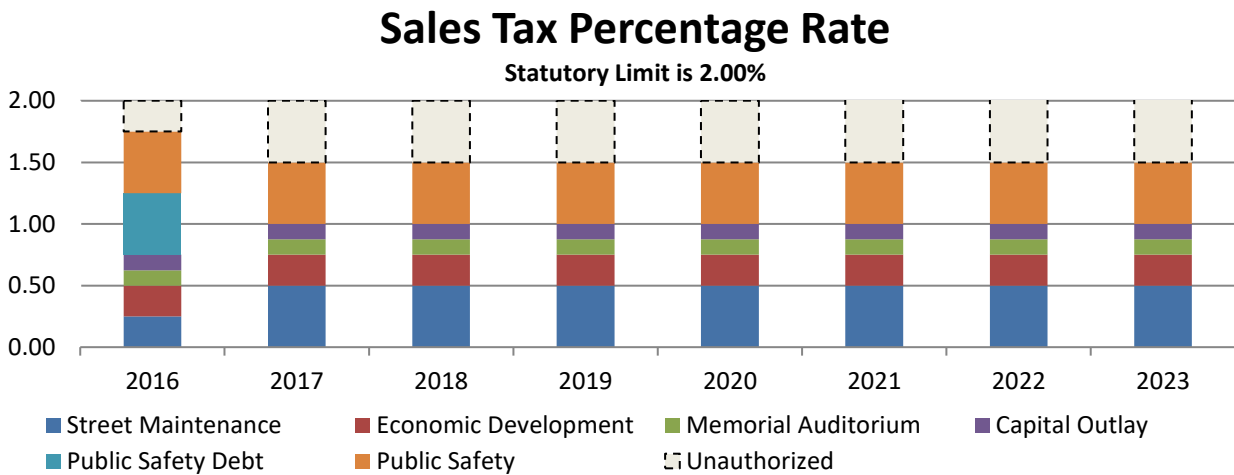
The State of Kansas statutory limit on sales tax rates is two percent for municipalities. The City's portion of the sales tax rate is currently one and a half percent.

Pittsburg Sales Tax Earmarks		
<u>Purpose</u>	<u>Rate</u>	<u>End Date</u>
Street Maintenance	.25	3-31-2021
Street Maintenance	.25	9-30-2022
Public Safety	.50	12-31-2023
Economic Development	.25	Ongoing
Capital Outlay	.125	Ongoing
Memorial Auditorium	.125	Ongoing
<b>Total</b>	<b>1.50</b>	



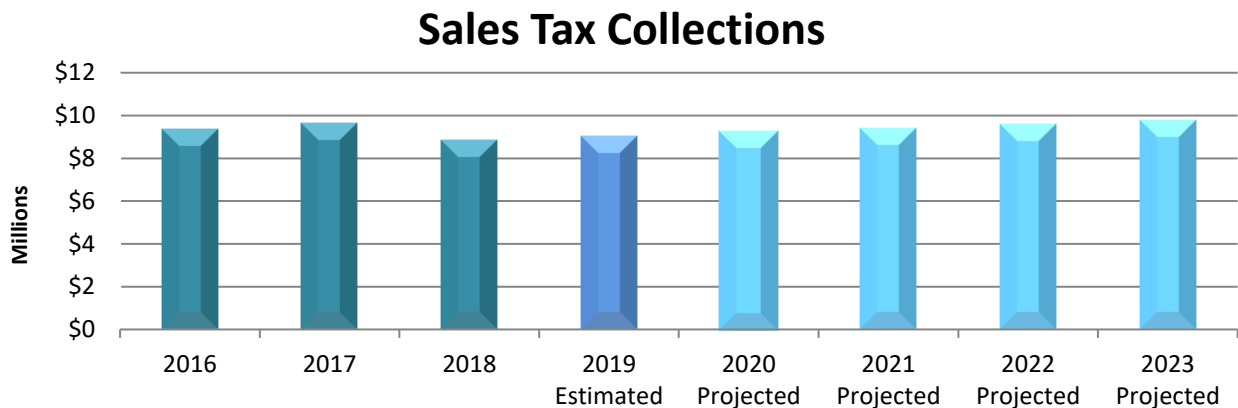
The City's Tax Increment Financing District has an additional .30 sales tax rate and is used to repay the Transportation Development District (TDD) debt which is expected to be retired in 2027. Historically, the TDD sales tax has not been sufficient to pay the annual debt payments and the general fund has to make transfers of \$15,000 to \$20,000 annually.

The graph below shows the City's dedicated sales tax rates over time. The projections assume the street sales taxes will be renewed.



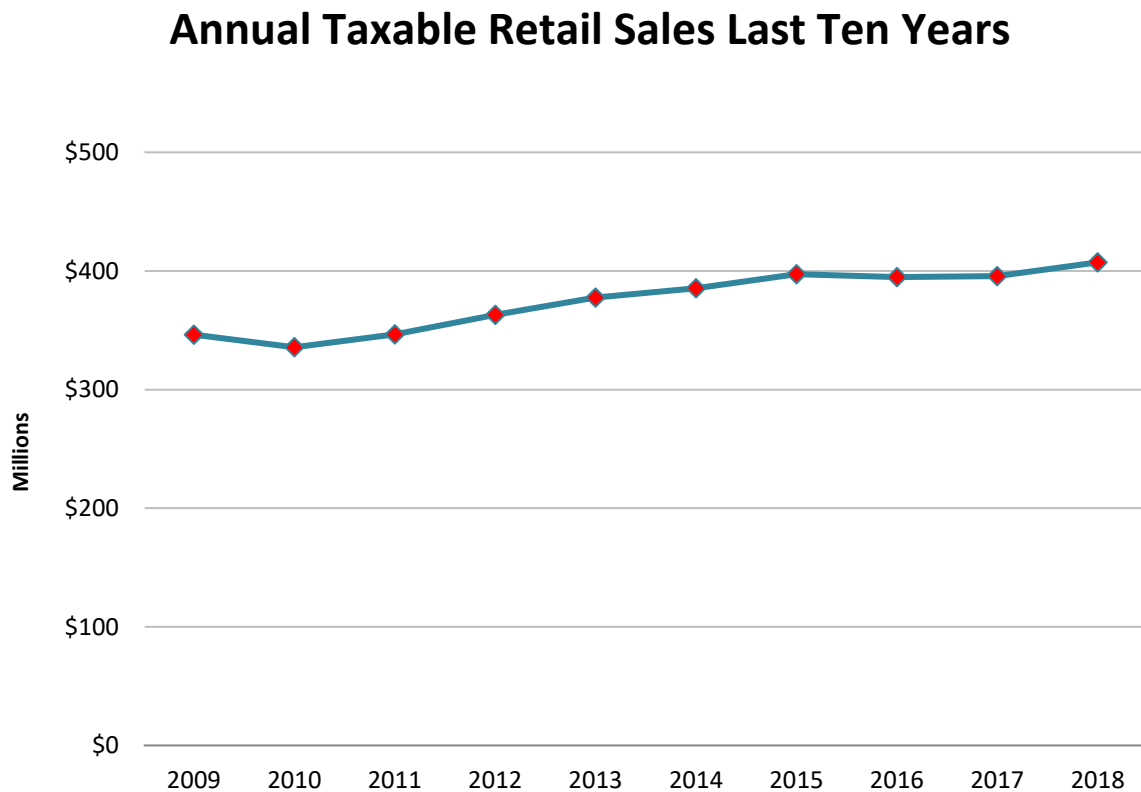
Sales tax revenue collections for 2018 were down when compared to 2017 due to a large 2017 exemption made in 2018 by the State of Kansas; the following sales tax graphs have been adjusted to reflect the adjustment in the correct periods. The revised estimate for 2019 is a 2.0% growth over 2018 and an additional 2.0% growth for years 2020-2023.

The graph below shows actual and projected sales tax revenue collections for the City through 2023. The drop in sales tax revenue from 2017 to 2018 reflect the Public Safety debt sales tax retirement in the fall of 2017.



## Annual Retail Sales

The following graph shows the City's annual taxable retail sales for the last ten years.



Due to the great recession taxable retail sales bottomed out in 2010; dropping by over \$11 from 2009. Since then, taxable retail sales have steadily increased. Keep in mind, however, that sales tax collections include costs of inflation, so not all of the taxable sales growth is due to increased volume. However, retail sales do indicate that the economy in Pittsburg is showing strong growth.



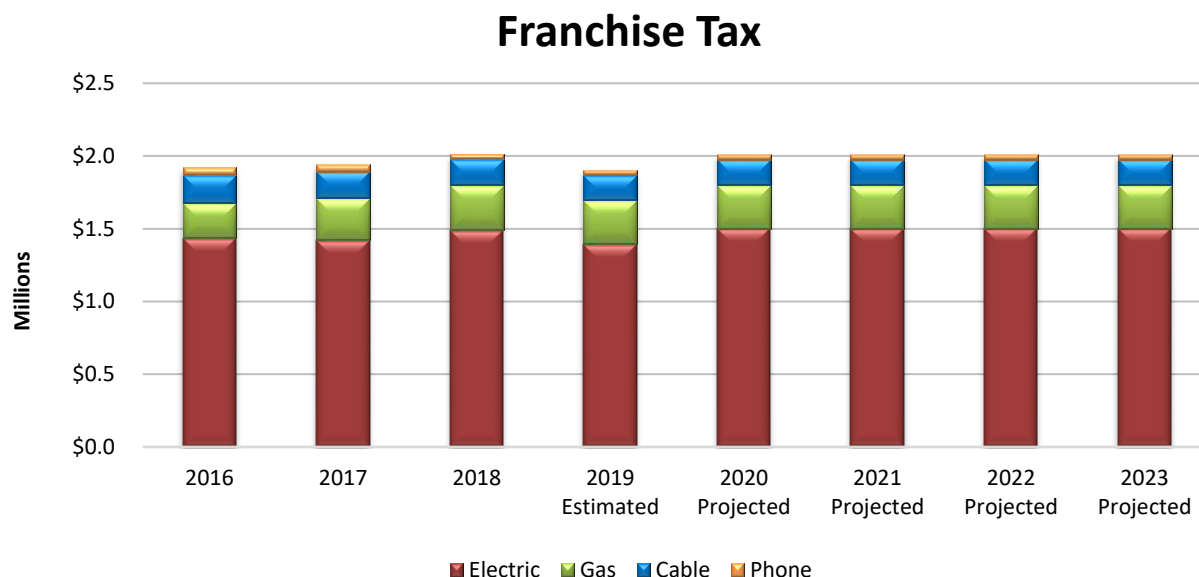
## Franchise Taxes

Franchise taxes are the general governments' third largest revenue source; and the second largest unrestricted revenue source - second only to property taxes. Franchise taxes for the City include:

- Electric
- Natural Gas
- Cable
- Telephone

Franchise taxes are not consistent; their unpredictability is based more on annual climatic conditions and the commodities market instead of the economy. The electric franchise taxes comprised 74% of the total franchise taxes collected in 2018 and are specifically driven by the climate and stockholder demands. Natural gas franchise tax collections increased 7% in 2018 compared to 2017 due to weather conditions and the commodities markets. Cable franchise taxes have been declining for several years and cell phones have reduced the dependence on landline telephones, so that portion of franchise tax continues to decline. Staff is projecting a 5% decline in 2019 franchise tax collections due to electric merger credits between Westar and Kansas City Power and Light. Franchise collections are expected to return to the 2018 level in 2020 and then have flat growth for years 2021-2023.

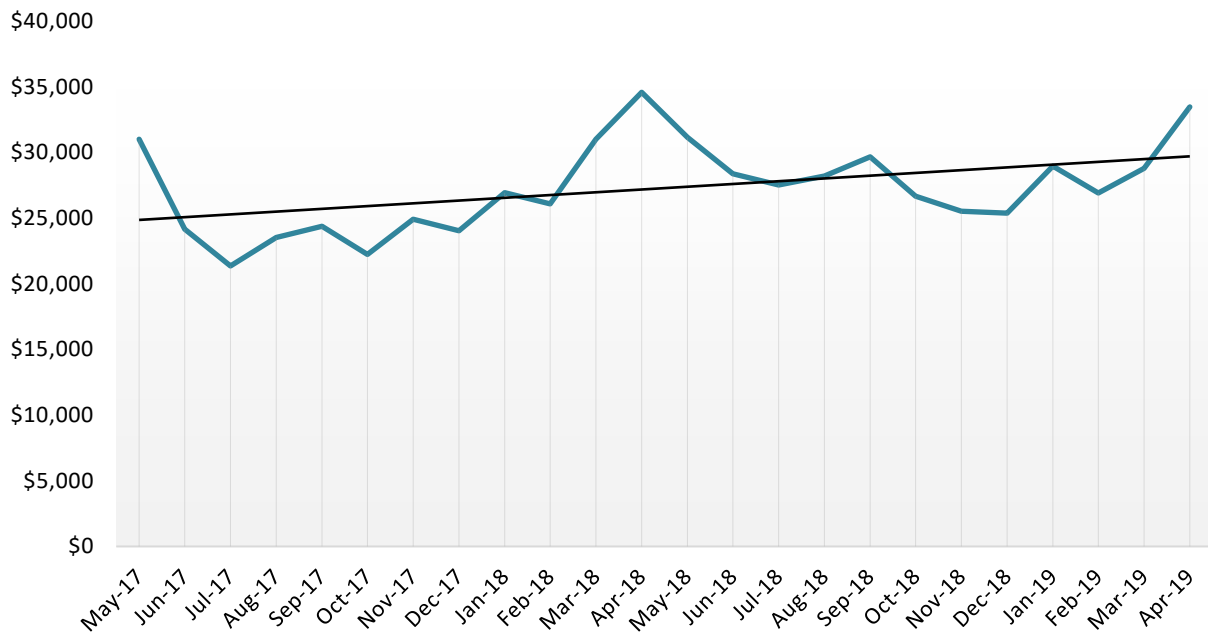
The graph below shows actual and projected franchise tax collections.



## Casino Gaming Revenue

The City receives one percent of the gaming revenues generated by the Kansas Crossing Casino plus property taxes and utility charges for service. In 2018, the City collected \$340,988 of gaming revenue. Staff is estimating \$345,000 in gaming revenue for years 2019 through 2023.

### Casino Gaming Revenues Collections by Month



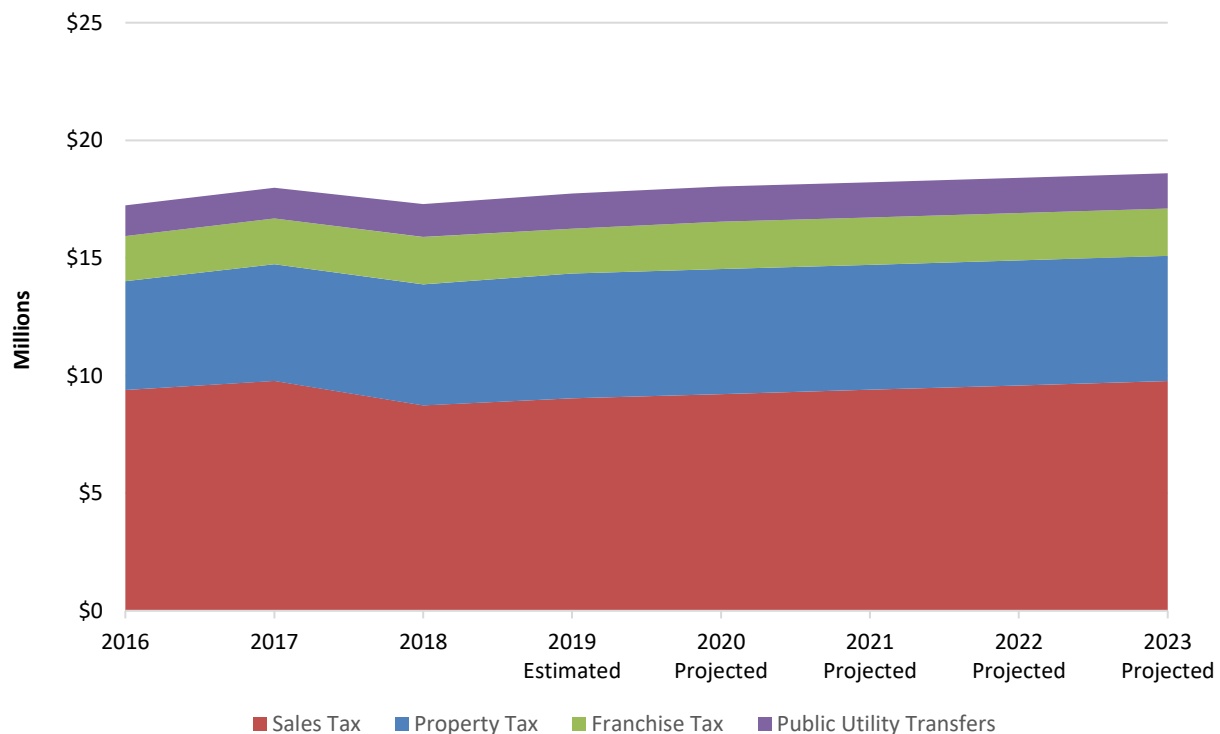
## Other types of Revenues

The City receives other types of revenue; however, the total is insignificant compared to property taxes, sales taxes, and franchise taxes. Other revenue sources are:

- Intergovernmental Revenues
- Investment Income
- Fines and Fees
- User fees
- Licenses and permits
- Miscellaneous revenues

The following graph depicts the City's major sources of revenue for the General Fund with sales taxes being the largest source. The slight dip in 2018 sales tax is due to the Public Safety debt being paid off one year early and the dedicated half-cent sales tax ending on October 1, 2017.

### General Fund Major Revenue Trend

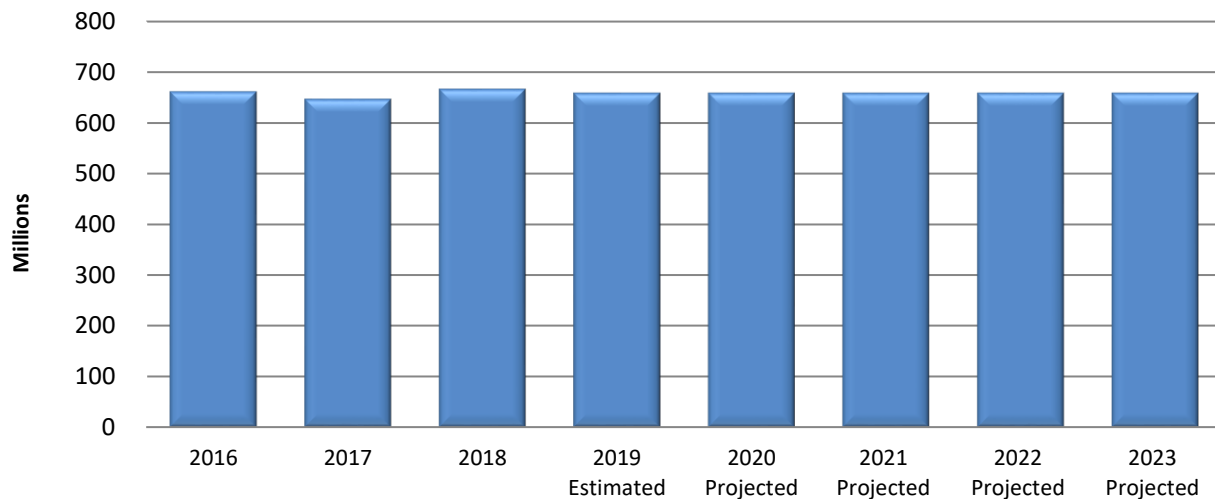


## Public Utilities

The primary revenue source for public utility activities is user fees. In the case of water and wastewater, the levels of usage are volatile and based on climatic conditions, as well as types of consumer base. Also, if the season is mild and wet, water use is lower than during high heat and drought conditions.

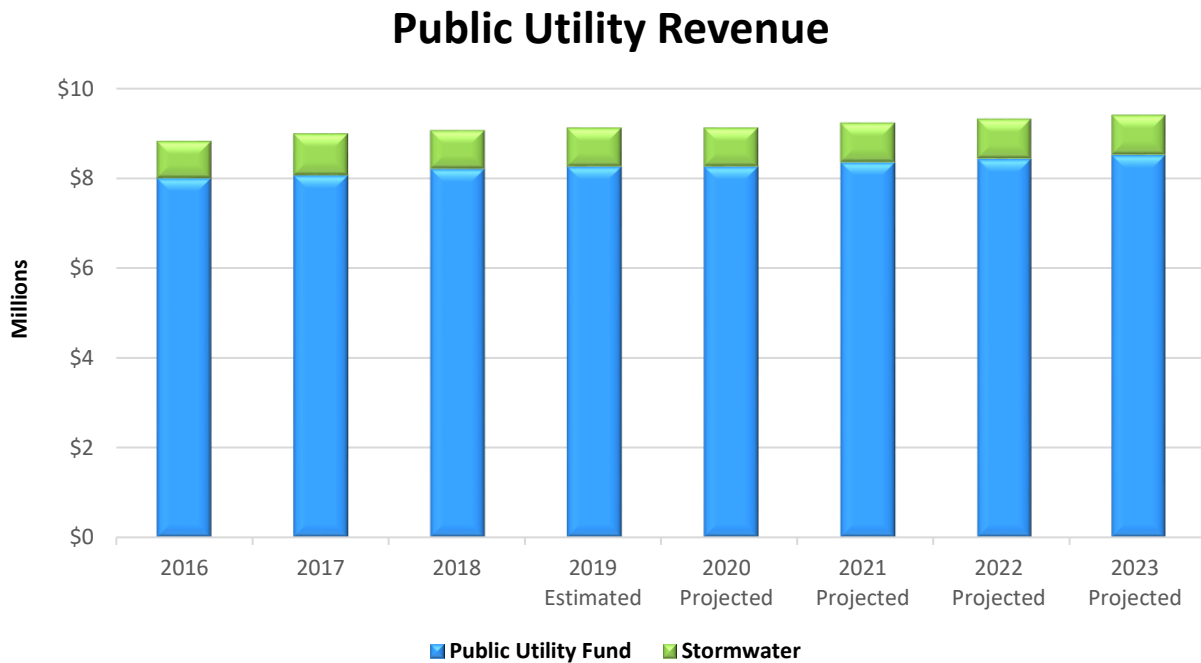
The graph below depicts actual and projected billed water consumption for the City's water utility. The billed 2017 water consumption level is slightly lower than the 2016 level due to a cooler and wetter year in 2017. Since we cannot predict what climate conditions will be or what economic development will occur to impact water and wastewater usage, consumption is projected to remain at the average of the years 2016 thru 2018 for years 2019 through 2023.

### Billed Water Consumption in Gallons





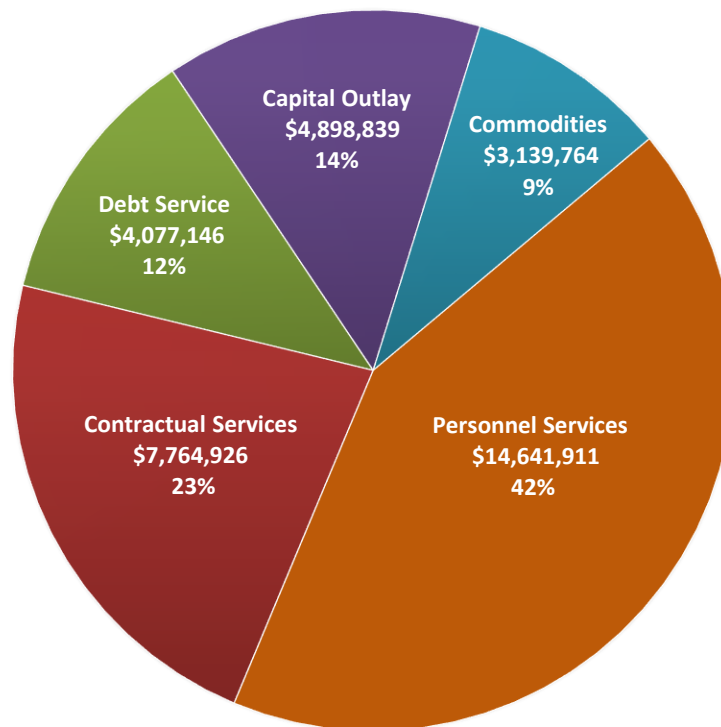
Things that affect utility revenues are annual climate conditions, water loss, whether through aged meters or unidentified leaks, changes in impervious areas, and rate changes. During the 2019 budget process, the City Commission approved a 1% increase in rates that became effective January 1, 2019. The graph below shows actual and projected utility revenue. The slight revenue increase in 2017 is due to excess stormwater project funds being transferred in the Stormwater Fund. The assumptions used in the graph below are no rate increase in 2020 and for years 2021 through 2023 an annual rate increase of 1% to cover annual operating cost increases.



## EXPENDITURES

The City directs its financial focus to program-based initiatives and is budgeting expenditures accordingly, in order to accomplish goals. The following chart shows the expenditures by category for 2018 excluding inter-fund transfers.

### 2018 Expenditures by Category \$34,522,586



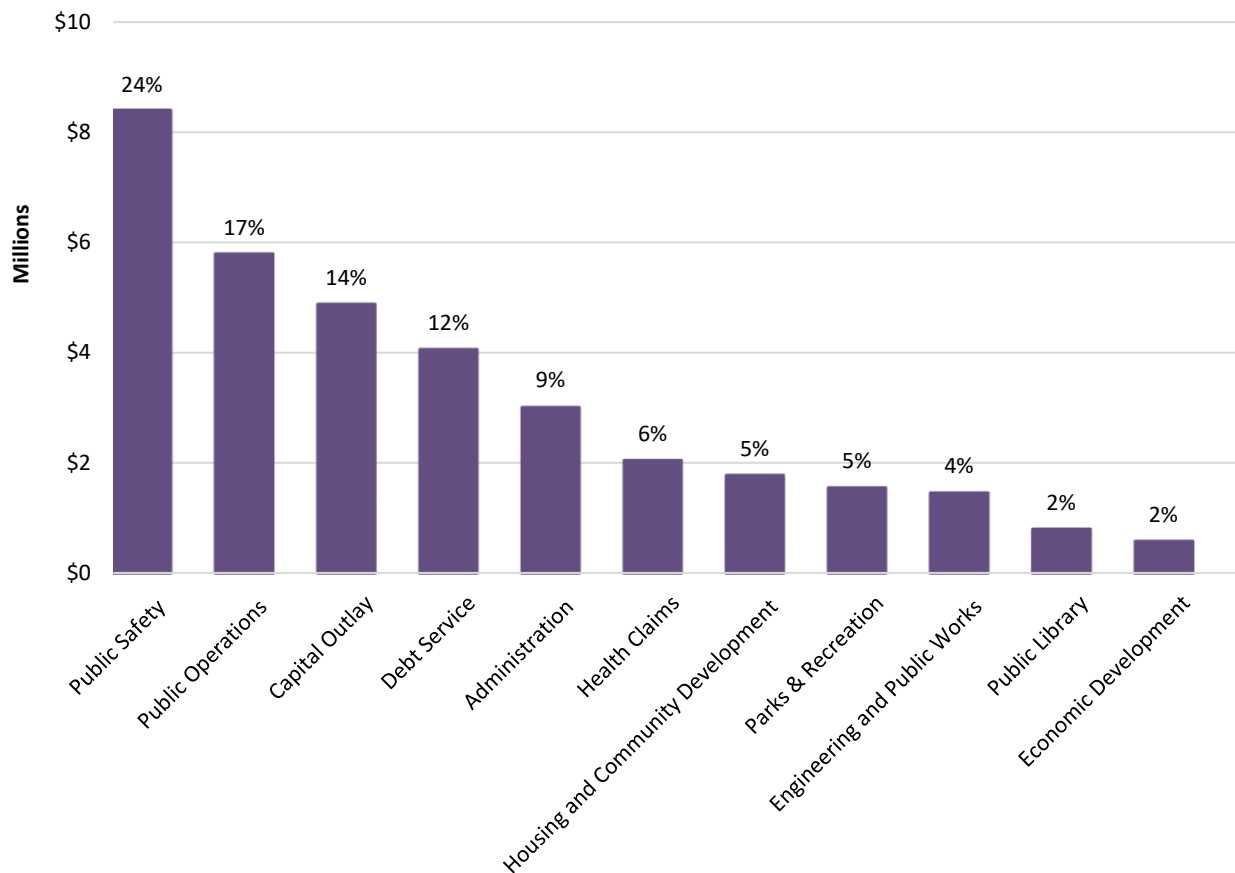
Personnel expenditures, as is the case with most entities, represent the majority of the City's expenditures. The personnel costs include salaries and benefits. For 2019 there are approximately 295 full time equivalent employees, with 242 positions having full time status. The City's benefit costs include health insurance, pensions, social security, worker's compensation insurance, Medicare and unemployment insurance.

Contractual services include a variety of expenses including but not limited to property and liability insurance, group health claims expense, software license agreements, utility costs, professional services and lease payments for certain equipment.

Commodities include operating materials needed to perform City services and include but are not limited to equipment maintenance, gas and oil, chemicals, concrete, rock, computer and network materials, uniforms, janitorial supplies and office supplies.

Another useful way to view the City's expenditures is by program. The 2018 expenditures by program excluding inter-fund transfers are shown below. In 2018 four program categories comprise 67% of City expenditures. They are Public Safety at 24%, Public Operations (utilities and streets) at 17%, Capital Outlay at 14% and Debt Service at 12%.

### 2018 Expenditures by Program \$34,522,586



## City Health Insurance Plan

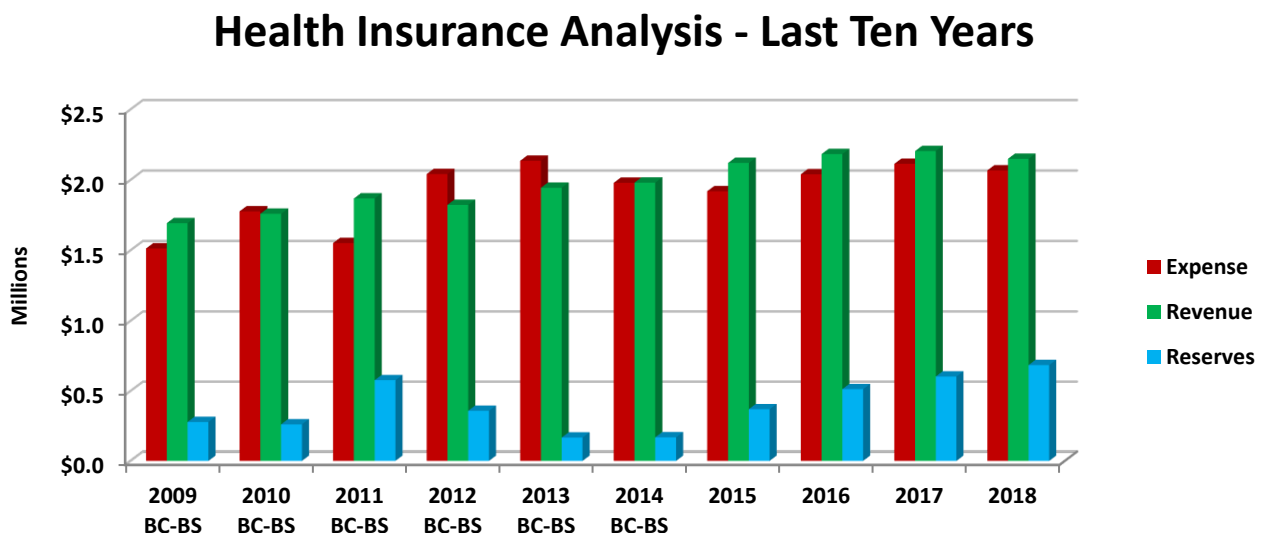
The City offers health insurance coverage to active employees and their dependents. Retired employees have the option to remain on the City's plan until they are eligible for Medicare or become covered or are eligible to be covered under another plan.

The City's health insurance plan is a self-funded plan paid for by employer and employee contributions to the plan based upon the tier of coverage selected. Self-insured plans are often referred to as "pay as you go." This is because the claims are paid as they are incurred rather than paying premiums. Any balance that is unused stays in the fund to help offset future costs.

While being self-funded has the advantage of paying for only what is used, health care costs generally increase annually. Based on the City's annual costs for the past five years, the average annual increase in health plan costs were three percent.

In 2015, the City changed its health insurance plan from a single provider and carved out the provider's network, the pharmaceutical provider, the dental provider, the stop loss insurance provider and the third party administrator with the expectation of getting better service and saving money. The City's health plan reserves were \$168,669 at the start of 2015 and were \$685,319 at the end of 2018, an increase of \$516,650. The Five Year Financial Plan projections are for 3% cost increases for years 2019 through 2023. Due to the volatility of health insurance costs, staff will review the City's health plan every fiscal year to address affordability and cost containment.

The graph below shows a comparison of revenues to expenditures for the last ten years of the City's health insurance program.



## Capital Improvements

Capital expenditures are resources used to acquire, maintain, repair, replace, or upgrade fixed assets. Fixed assets are typically those assets with a life span exceeding a normal business cycle and whose cost exceeds a minimum dollar threshold established by management.

These assets are used to provide services to the public and during the course of their lifetime will require maintenance to keep them operating safely and efficiently. The performance and continued use of assets is essential to the health, safety, economic development, and quality of life for the public.

Budgetary pressures often cause maintenance to be delayed due to lack of resources. This is referred to as deferred maintenance. Prolonged deferred maintenance results in higher costs, asset failure, and health and safety issues. Therefore, in order to adequately address these issues, a capital improvement plan is essential.

Currently, the City's fixed assets have a net value of approximately \$99.4 million dollars. It is estimated that the city should spend about 5% of the value of assets annually on maintenance. This equates to approximately \$5 million dollars each year.

In the City's 2018 Five Year Capital Improvements Plan, staff identified approximately \$64 million of needs for years 2019 through 2023 and beyond; \$36 million of this total is unfunded. During the 2018 budget year the following major needs were addressed for approximately \$8 million:

- The south Rouse street improvements project which will consist of a new three lane road with center turn lane with curb and gutters from the Centennial and Rouse intersection south to the City limits began - **\$3,000,000**
- In conjunction with the south Rouse street project, construction began on a new ten foot wide hike and bike trail on the west side of south Rouse - **\$325,000**
- New block of North Walnut Street between 29<sup>th</sup> and 30<sup>th</sup> expanding development opportunities in the north shopping district- **\$370,000**
- Milled and paved West Quincy from Broadway to Georgia - **\$120,000**
- Milled and paved the Countryside addition streets - **\$359,000**
- Repaved south Olive from Kansas to the U.S. 69 bypass - **\$177,000**
- Concrete panel repairs were made on Rouse from Quincy to 23<sup>rd</sup> Street - **\$197,000**
- Construction began on Silverback Way, a new street connecting East Centennial to the planned Silverback Landing housing development - **\$1,500,000**
- Downtown fiber and security cameras were installed - **\$275,000**
- New turf was installed at Jaycee Ball Park - **\$153,000**
- New construction completed on a 600 foot runway taxiway at the airport - **\$200,000**



- Sandblasted/repainted the northeast industrial park and south water towers - **\$824,000**
- New water lines on Homer and Deill including the Fieldcrest area - **\$150,000**
- New water lines on east 7th and 8th Streets from Water to Fairview - **\$63,000**
- Various sanitary sewer improvements - **\$101,000**
- Various water meter and fire hydrant replacements - **\$182,000**
- Various stormwater improvements - **\$47,000**

## DEBT SERVICE

Effective financial management includes analyzing several funding mechanisms to determine what option is the most beneficial to the City. In some cases, issuing debt is the best available option. The City of Pittsburg traditionally uses debt for infrastructure improvements, which have a long useful life and are unable to be paid from the operating budget. The revenues for making the debt payments are derived from the following sources based upon the nature of the improvement and the type of debt that has been issued:

- Property Taxes
- Charges for Services
- Sales Taxes
- Special Assessments
- Transfers

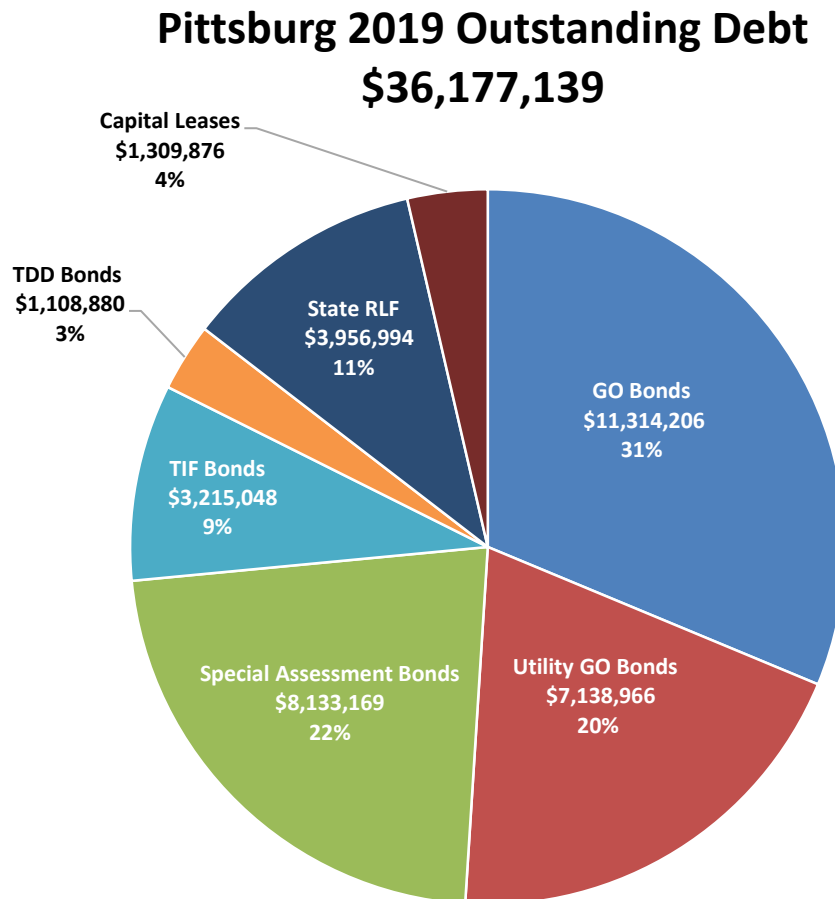
The City's bond rating was upgraded from A+ to AA- by Standard and Poor's in 2015 and reaffirmed in 2019. The upgraded bond rating was due to the City's enhanced financial management practices coupled with stable budgetary performance and projected stability in future years.

The current plan is for the City to issue new debt in 2021 and 2023 for needed capital projects and to keep the debt service fund mill levy rate between 8 and 10 mills annually. This levy is used to fund debt payments.



## Types of Debt

The City of Pittsburg uses several types of debt to pay for capital improvements and expensive equipment. The total debt amount of outstanding debt including principal and interest is \$36,177,139. The graph on the following page shows the type of debt and the category percentage of the City's total debt.



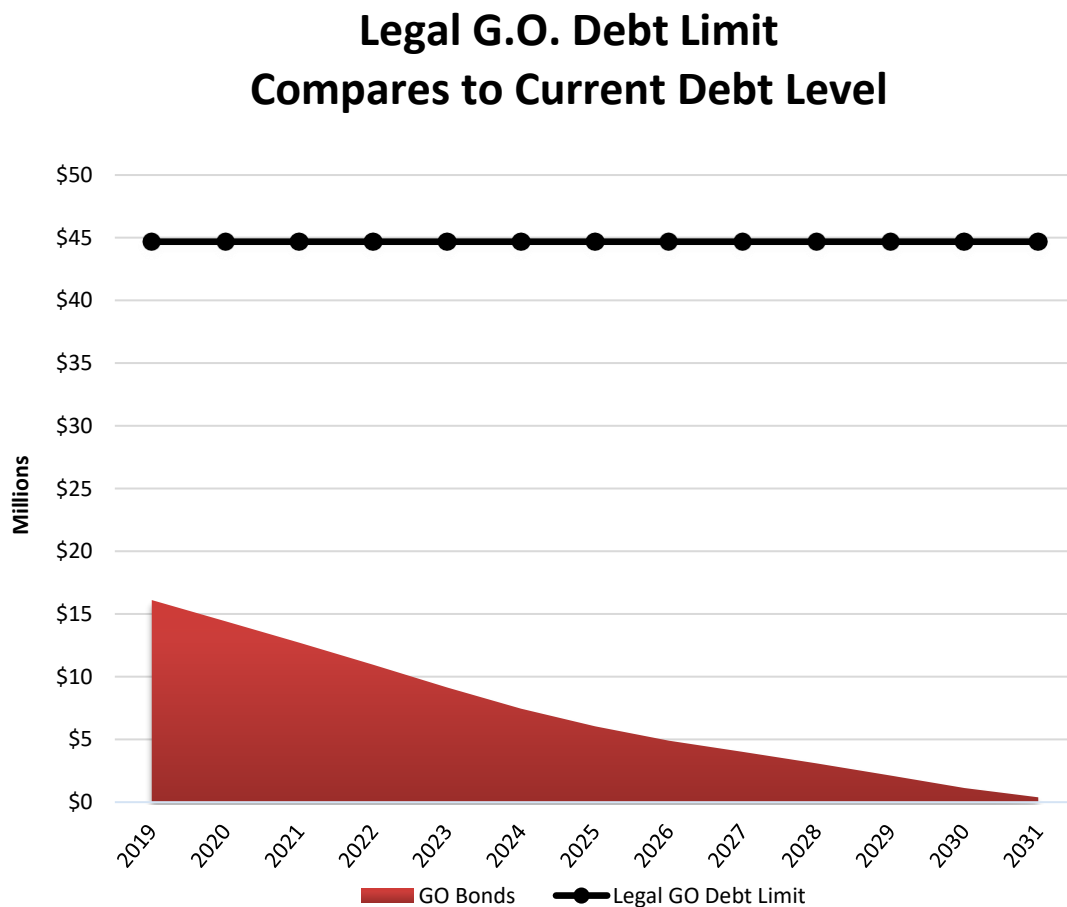
Effective debt management requires monitoring debt levels to ensure the soundness of the City's financial position and continued credit worthiness.

## For Fiscal Year 2019

City's property tax supported G.O. debt as a percentage of net assessed valuation	8.7%
City's property tax supported G.O. debt per capita	\$560
Mill Rate	8.506 mills



There are two main types of municipal bonds: general obligation bonds and revenue bonds. A general obligation bond (GO) is a municipal bond backed by the full credit and taxing power of the City. When GO bonds are issued, the City pledges to use all available resources, including general funds and taxes, to repay the bondholders. General obligation bonds are used to finance public projects that do not make money such as parks. Revenue bonds, rather, are used to finance projects with a built-in revenue stream, such as the City's utilities. Revenue bonds are backed by specific sources of revenue. With GO bonds, the City can, and is expected to, use all means necessary to repay bondholders.

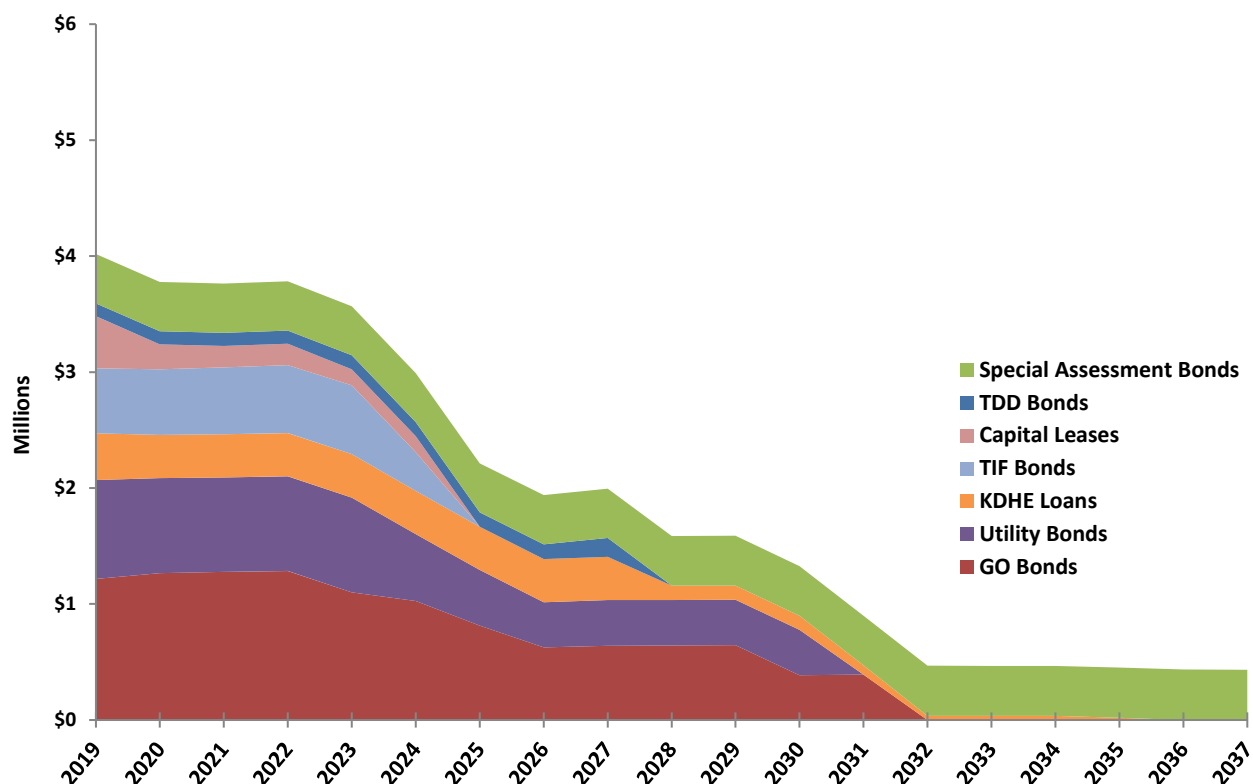


Kansas statutes require general obligation debt to be less than 30% of assessed valuation including motor vehicle. The current legal debt margin is \$44.7 million. The graph above shows the difference between the City's current total outstanding G.O. Debt (principal only) of \$16.1 million compared to what is allowed according to state statutes. The red indicates the City's level of G.O. Debt as compared to the black line which indicates the legal limits (30% of assessed valuation including motor vehicle).

## Cumulative Debt

The following graph depicts the City's total annual debt by type and the year the bonds are scheduled to retire.

### Pittsburg Debt 2019-2037



## RESERVES

Reserves are the cornerstone of financial stability and flexibility, providing options to respond to unforeseen risks. The Government Finance Officers Association (GFOA) recommends minimum reserve levels at 16% of revenues or two months of expenditures. The City's goal is two months of expenditures.

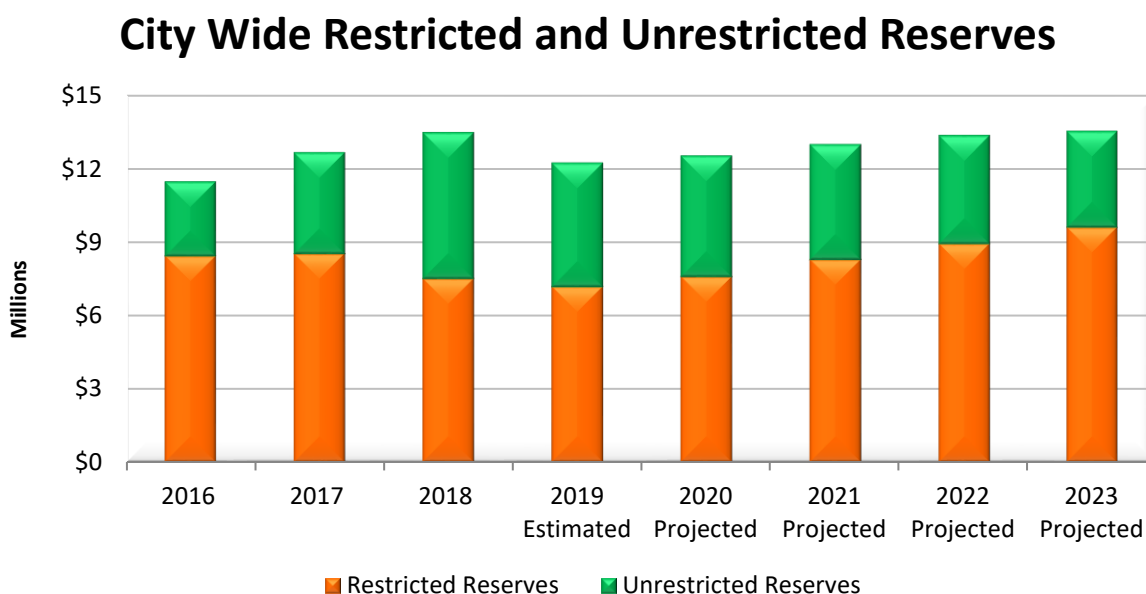
Several risk factors to consider are:

- Revenue volatility
- Infrastructure condition
- Extreme events such as weather
- Other external Factors



During the great recession, some measures were taken to offset the decrease in property tax revenues including staffing reductions through attrition and some reductions of expenditures, however, reserves were used to maintain programs and services. With the growth in property and sales tax collections, reserve levels are improving.

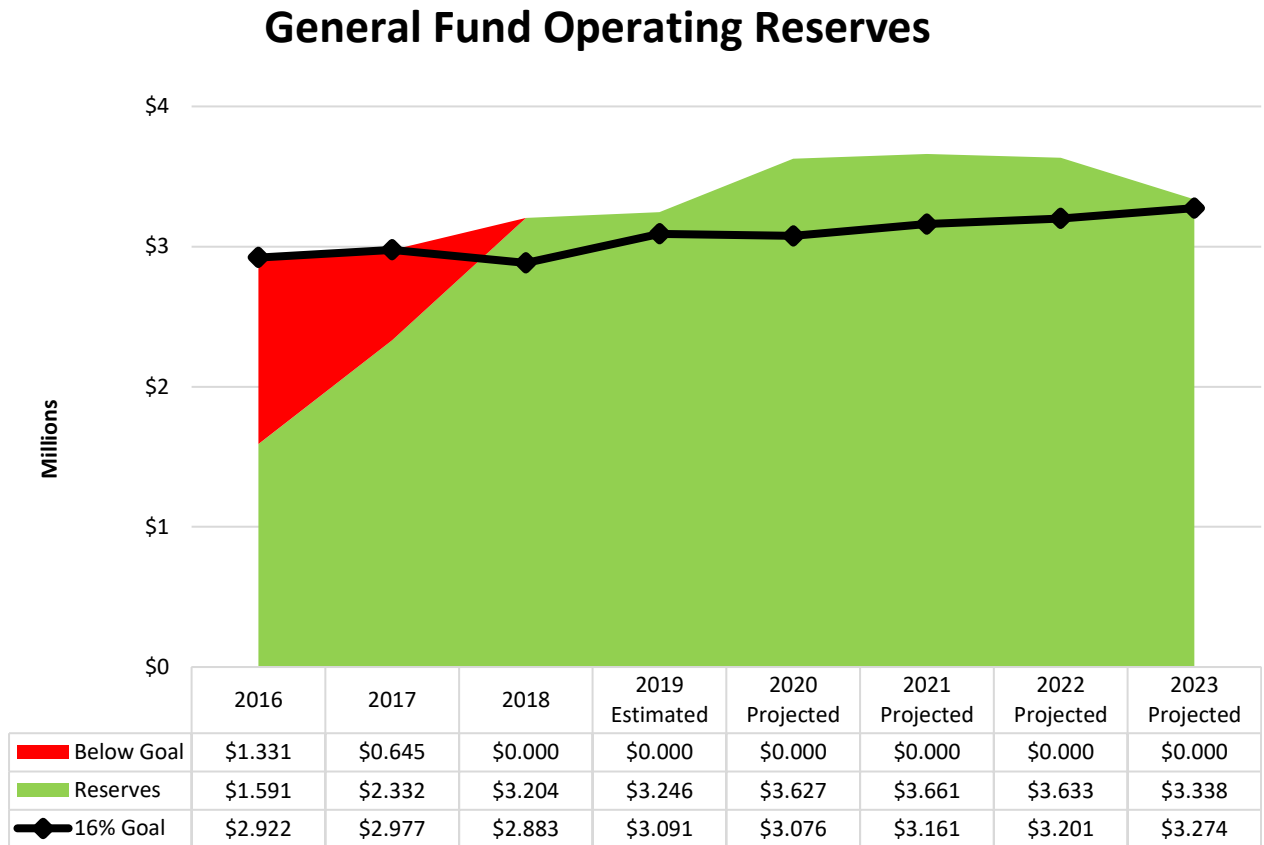
The chart below shows the impact of staff projections on restricted and unrestricted reserves. The 2018 decrease in restricted reserves is due to the Public Utility south water tower expenditures. The unrestricted reserves peaked in 2018 and are projected to slowly decline through 2023. The decline is mainly in the general fund and public utility fund reserves. The restricted reserves are trending up in 2020-2023 mainly due to the RLF Sales Tax and Public Safety Sales Tax.



### Potential Future Municipal Electricity Utility

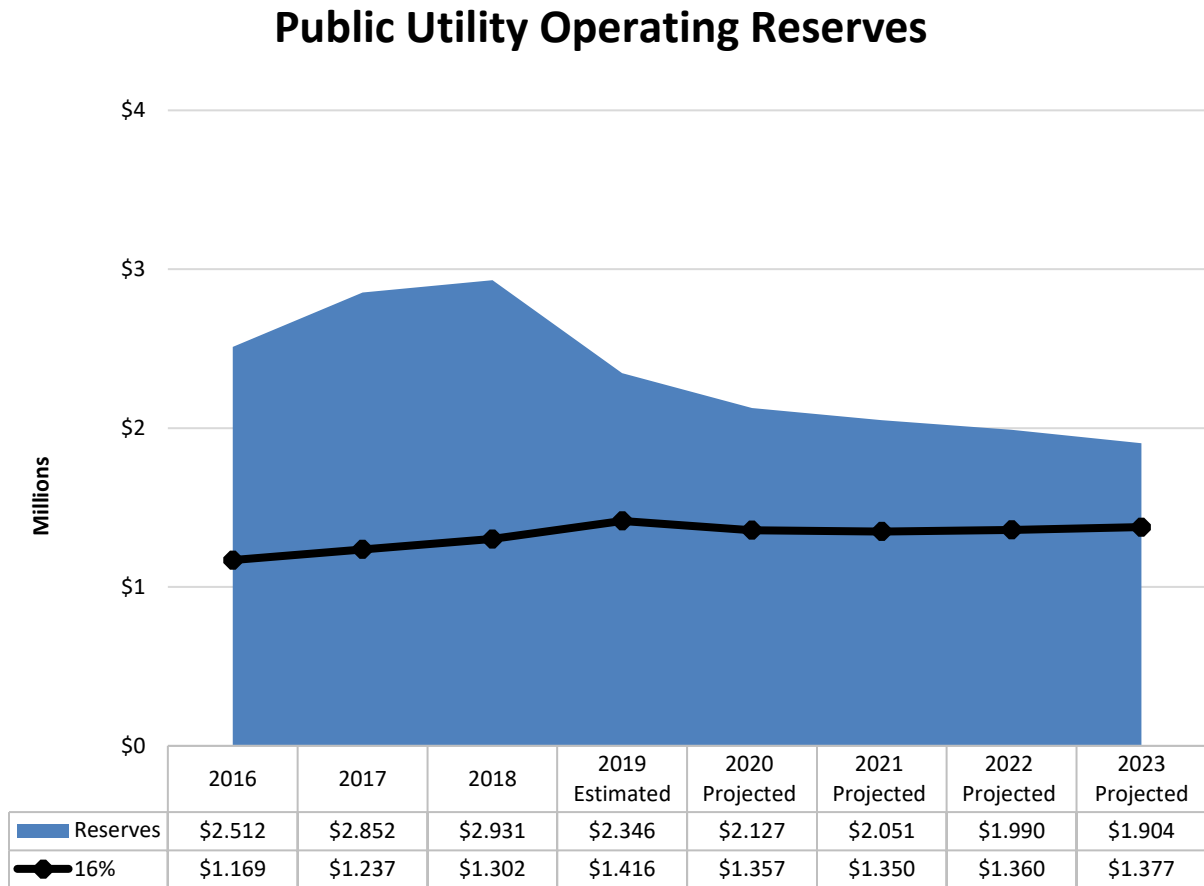
City staff, along with City Commissioners, and area stakeholders have studied the feasibility of creating a City-owned electric utility for several years. In the fall of 2018, the City contracted with municipal electricity consultants to review the City’s current power infrastructure to see if it is financially feasible for the City to acquire, stand up and operate a municipally owned electric utility. The preliminary results were very favorable for the City. As a result, in the spring of 2019, the City assembled a team of experts and the City Commission approved both a legal services agreement and a consulting services agreement to further the effort to municipalize. To pay the costs of this effort, the City Commission set aside \$600,000 from reserves in 2019 and \$400,000 from reserves in 2020 to accomplish this goal. These costs will split evenly between the General Fund, Utility Fund and Revolving Loan Sales Tax Fund and paid back in the future.

The following graph shows the projected operating reserves of the General Fund compared to the reserve goal of 16% of expenditures.



The red portion shows that the General Fund was not meeting the reserve goal in years 2016 through 2017. Year 2018 is the first year that the reserve goal of 16% of expenditures was met since the great recession. The years 2019 thru 2023 are projected meet the reserve goal.

The graph below shows the projected operating reserves for the Public Utility compared to the reserve goal of 16% of expenditures.



The spike building up to 2017 is from the City holding back reserves gradually to pay for the South Water Tower and the Northeast Industrial Park Water Tower sandblasting and painting project that took place in 2018. Staff is projecting the Public Utility Fund will meet the 16% of expenditures reserve goal for years 2019-2023.

## SUMMARY AND RECOMMENDATION

Current decisions and plans will have a direct impact on the financial stability of the City. External factors are those that the City has very little control over and yet those factors have a significant impact on our financial position. Some of those factors are property valuations, extreme or unusual weather, intergovernmental funding source reductions, health insurance costs, property and liability insurance costs, retirement costs, legislative mandates, electricity and natural gas costs and other operating cost increases.

In 2016, the Kansas legislature approved a property tax lid for municipalities, which became effective with the City's 2018 budget. This means, going forward, the City can no longer increase the General Fund tax levy over valuation gains greater than the Consumer Price Index (CPI) change from the prior year without a vote of the people. For 2020, the State of Kansas CPI is set at 1.5% for municipalities. There are some exceptions for new construction values and public safety. This provides yet another mandated challenge to managing the task of providing adequate, affordable services to the citizens of Pittsburg.

Based upon our projections of revenues and expenditures, using historical data and other known factors, this financial plan was prepared using the following assumptions, considerations and recommendations. Staff will continue to review the City's financial position each year and make recommendations to the Five Year Financial Plan for your consideration.

### Assumptions

- 2.0% annual sales tax collection growth for years 2019-2023
- Assessed valuation increase of 0.25% for years 2019 thru 2023
- Gaming revenue from the Kansas Crossing Casino is projected at \$345,000 for years 2019-2023
- No utility rate increase in 2020 and a 1% rate increase for years 2021-2023
- All other revenues project flat to minimal growth
- The City's Health Insurance costs will increase 3% annually based on the City's last five years average
- Retirement costs will continue to rise in years 2021-2023 with a 0.25% KPERS and 0.25% KPF increases per annum
- Worker's compensation insurance will continue to increase at a rate of 3% annually
- Electric utility expense will continue to rise at 3% annually
- Property and liability insurance will continue to increase at an average rate of 3% annually
- Contractual and commodities expenses are projected to increase 2% annually for years 2020-2023

## **Considerations**

- Adjust revenues based upon historical trends
- Monitor and control expenditures
- Maintain a structurally balanced budget
- Maintain minimum reserve levels
- Continue to practice long term planning
- Make data driven decisions
- Provide programs and services guided by IP2030 goals

## **Recommendations**

- 1% cola increase in years 2020-2023
- 2.0% merit increase in years 2021 and 2023
- Minimal changes to the Debt Service Fund mill rate for years 2020-2023
- Increase utility rates by 1% annually for years 2021-2023

