



Agenda - Final

Transportation, Infrastructure and Operations Committee

Quinton Lucas, Chair
Teresa Loar, Vice Chair
Eric Bunch, Vice Chair
Katheryn Shields
Melissa Robinson
Kevin O'Neill

Wednesday, September 22, 2021

9:00 AM

26th Floor, Council Chamber

PUBLIC OBSERVANCE OF MEETINGS

Members of the City Council may attend this meeting via videoconference.

Any closed session may be held via teleconference.

The public can observe this meeting at the links provided below.

Applicants and citizens wishing to participate have the option of attending each meeting or they may do so through the videoconference platform ZOOM, using this link:
<https://us02web.zoom.us/j/84530222968>

Aviation

[210827](#) Authorizing a Concession Management, Operation and Development Agreement with Vantage Airport Group US for the construction, leasing, operation, and management of a concession program at the New Terminal at the Kansas City International Airport.

Attachments: [fact sheet-vantage](#)
[210827 Fact Sheet](#)
[210827 KCI Concession Agreement](#)

Public Works

[210833](#) Authorizing a \$785,670.00 Cooperative Agreement with the Kansas City Area Transportation Authority ("KCATA") for the procurement of equipment and the use of KCATA's radio system for the KC Streetcar Main Street Extension project.

Attachments: [210833 Fact Sheet](#)
[210833 Fiscal Note](#)

210845 Authorizing and directing the issuance, sale and delivery of not to exceed \$86,000,000.00 principal amount of Water Refunding Revenue Bonds, Series 2021A, of the City of Kansas City, Missouri, prescribing the form and details of such revenue bonds; authorizing certain actions and documents and prescribing other matters relating thereto.

Attachments: [210845 Water Refunding](#)
[210845 Fiscal Note](#)
[210845 Fact Sheet](#)

210846 Authorizing the issuance, sale and delivery of not to exceed \$126,000,000.00 Sanitary Sewer System Refunding Revenue Bonds, Series 2021B of the City of Kansas City, Missouri, for the purpose of refunding certain of the City's outstanding sanitary sewer system revenue bonds, prescribing the form and details of said bonds and the covenants and agreements made by the City to facilitate and protect the payment thereof; and prescribing other matters relating thereto.

Attachments: [210846 Sewer Refunding](#)
[210846 Fiscal Note](#)
[210846 Fact Sheet](#)

Mayor's Office

210852 RESOLUTION - Directing the City Manager to implement a COVID-19 Mandatory Vaccination Policy for the City's workforce consistent with the requirements for federal employees.

210853 Requiring face coverings or masks at indoor places of public accommodation with certain exceptions; appropriating \$1,000.00 from the Unappropriated Fund Balance of the Health Levy Fund; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

Attachments: [210853 Letter D- Sept.15 KCHD Report](#)
[210853 Exhibit C - Comm. Sub. 210694](#)
[210853 Letter B - August 18 KCHD Report](#)
[210853 Letter A - July 30 KCHD Report](#)

HELD IN COMMITTEE

Water Services

210726 Authorizing the Director of Water Services to execute a \$725,365.00 (year 1 obligation) Contract Amendment No. 6 to Contract EV2087 with Milestone Utility Services, Inc., to extend support for the Milestone Pay Portal and corporate website and to add Amazon Web Services and additional customer support modules; and authorizing the Director to amend the Contract and execute five one-year renewal options.

Attachments: [210726 Fact Sheet](#)
[210726 Fiscal Note](#)
[210726 Contract](#)
[210726-Docket Memo.Revised](#)

210538 Authorizing condemnation and taking of private property interests for public use for the construction, location and maintenance of the Stark Avenue Road Improvements - N.E. 112th Street to N.E. 114th Terrace, Project No. 89008700, in Kansas City, Clay County, Missouri; providing for the payment of just compensation therefore; authorizing continued negotiations and purchase by the Director of the Department of Public Works; authorizing the filing of the petition for condemnation by the City Attorney on behalf of the City; and directing the City Clerk to record this ordinance in the office of the Recorder of Deeds for Clay County, Missouri.

Attachments: [210538 Fact Sheet](#)
[210538 Improvement Map](#)
[210538 Map](#)

Public Works

210752 Estimating revenue in the amount of \$170,000.00 in the Capital Improvements Fund; appropriating that amount to the Bus Stop Improvements account; authorizing the Director of Public Works to execute a \$170,000.00 cooperative agreement with Kansas City Area Transportation Authority ("KCATA") for the Bus Stop Improvement Project.

Attachments: [210752 Appropriation Admin](#)
[210752 Fact Sheet-General](#)
[210752 Fiscal Note](#)

ADDITIONAL BUSINESS

1. There may be a general discussion regarding current Transportation, Infrastructure and Operations Committee issues.

2. Closed Session

Any closed session may be held via teleconference.

- Pursuant to Section 610.021 subsection 1 of the Revised Statutes of Missouri to discuss legal matters, litigation, or privileged communications with attorneys;
- Pursuant to Section 610.021 subsection 2 of the Revised Statutes of Missouri to discuss real estate;
- Pursuant to Section 610.021 subsections 3 and 13 of the Revised Statutes of Missouri to discuss personnel matters;
- Pursuant to Section 610.021 subsection 9 of the Revised Statutes of Missouri to discuss employee labor negotiations;
- Pursuant to Section 610.021 subsection 11 of the Revised Statutes of Missouri to discuss specifications for competitive bidding;
- Pursuant to Section 610.021 subsection 12 of the Revised Statutes of Missouri to discuss sealed bids or proposals; or
- Pursuant to Section 610.021 subsection 17 of the Revised Statutes of Missouri to discuss confidential or privileged communications with auditors.

Adjournment



Legislation Text

File #: 210827, Version: 1

ORDINANCE NO. 210827

Authorizing a Concession Management, Operation and Development Agreement with Vantage Airport Group US for the construction, leasing, operation, and management of a concession program at the New Terminal at the Kansas City International Airport.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Aviation is authorized to execute a Concession Management, Operation and Development Agreement with Vantage Airport Group US for the construction, leasing, operation, and management of a concession program at the New Terminal at the Kansas City International Airport for a term of 15 years. A copy of the agreement, in substantial form, is on file in the Office of the Director of Aviation and is hereby approved.

Section 2. That the Director of Aviation is authorized to execute such documents, contracts, leases, approvals, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this ordinance and to implement the transaction contemplated herein.

Approved as to form and legality:

Nelson V. Munoz
Deputy City Attorney

**CONCESSION MANAGEMENT, OPERATION AND
DEVELOPMENT AGREEMENT**

KANSAS CITY INTERNATIONAL AIRPORT

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**CONCESSION MANAGEMENT, OPERATION AND
DEVELOPMENT AGREEMENT**

KANSAS CITY INTERNATIONAL AIRPORT

THIS CONCESSION MANAGEMENT, OPERATION AND DEVELOPMENT AGREEMENT (“**Agreement**”), made and entered into as of the ____ day of _____, 2021 by and between the CITY OF KANSAS CITY, a municipal corporation of the State of Missouri (hereinafter called the "**City**"), and Vantage Airport Group (US) Ltd., a limited liability company organized under the laws of the State of Delaware registered to do business in the State of Missouri under Missouri Charter No. _____ (“**Developer**”). The City and Developer together are referred to herein as the “Parties”.

WITNESSETH: That,

WHEREAS, the City is the owner of Kansas City International Airport, located in Platte County, Missouri, hereinafter referred to as the "**Airport**."

WHEREAS, the City is in the process of constructing a new airport terminal to replace all existing passenger aviation facilities (“**New Terminal**”).

WHEREAS, the City has determined that they desire to enter into a single concession agreement to develop, lease, operate, and manage all Foodservice, Convenience and Specialty Retail concessions to provide useful merchandise and Services for the general public in the New Terminal which generates income for the City.

WHEREAS, the City issued a “Request for Proposals for the Development, Operation, and Management of the Concession Program for the New Terminal at Kansas City International Airport Request Number 04161964” (as amended, the “**RFP**”).

WHEREAS, the Developer presented its proposal, included herein by reference, in competition with others submitting sealed proposals for the operation of such concession at the Airport (“**Proposal**”). Based on an evaluation of the proposals received and interviews conducted in accordance with the evaluation criteria and processes set forth in the RFP, a selection committee selected Developer’s Proposal.

NOW, THEREFORE, for and in consideration of the promises, and of the mutual covenants herein contained, and the fees to be paid by the Developer, it is agreed and understood by and between the City and the Developer as follows:

DEFINITIONS

The terms defined in this Section for all purposes of this Agreement and of any instrument supplemental hereto, or relating hereto, shall have the following meanings, excepts where the context or clear implication requires otherwise:

“**Affiliate**” means any individual or business entity that has an ownership interest of twenty percent (20%) or more of Developer, or of which Developer has an ownership interest of 20% or more.

“**Agreement**” means this written agreement, awarded as a result of the RFP, between the City and Developer leasing the Premises and setting forth the Parties’ rights and responsibilities.

“**Airport Concession Disadvantaged Business Enterprise**” or “**ACDBE**” means a business entity, whether a sole proprietorship, partnership, or corporation of which at least fifty-one percent (51%) of the interest is owned and controlled by a "socially and economically disadvantaged individual" as such term is defined in the

Airport and Airways Improvement Act of 1982, as amended, and the regulations promulgated pursuant thereto at 49 CFR Part 23. ACDBEs must meet the experience and economic guidelines set forth in 49 CFR Part 23 and be certified by the Missouri Regional Certification Committee (“MRCC”). Individuals who are rebuttably presumed to be socially and economically disadvantaged include women, African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, and Asian-Indian Americans. ACDBE firms, generally, are concession operators or firms directly related to the operation of concessions.

“**Applicable Law**” means all laws, statutes, ordinances, rules, and regulations (including without limitation Environmental Laws) lawfully issued or promulgated by any Governmental Authority governing or otherwise applicable to the Developer or the Airport, including Airport Rules and Regulations and City Policies and Procedures adopted by the City, as any of the same may now exist or may hereafter be adopted or amended, modified, extended, re-enacted, re-designated, or replaced from time to time and judicial interpretations thereof.

“**Back of House**” means areas and equipment that are necessary for the operation of some or all concessions, but that are not generally accessible by the public. Examples of this include trash rooms, garbage rooms, and service corridors.

“**Base Building Work**” means the sub-floor, structural elements, demising walls at the exterior of the Premises, utilities infrastructure and other base building improvements, structures, and fixtures that the City installs at the Premises. Base Building Work includes preparation of portions of the Premises designated for concession activities in Shell Condition. This work will be completed by the New Terminal builder.

“**Build-out**” means all Work to improve or renovate the Premises, other than the Base Building Work, to prepare these areas to be used for their intended purposes in accordance with the Agreement. This work will be completed either by Developer, its Sublessees, or other parties through agreements with the Developer or its Sublessees, subject to approval by the City, if required.

“**Capital Improvements**” means the improvements, structures and fixtures initially installed by Developer and/or Sublessees in the Premises to prepare all or part of the Premises for issuance of an occupancy permit and otherwise finish it out for the Sublessee’s operations, and any subsequent Refurbishments that are affixed and cannot be removed from the Base Building Work without damage to the New Terminal. Capital Improvements may include, but are not limited to, finish-out work on floors, ceilings, demising walls and store facades, storefront signage, the panel box and hook-ups to utilities wires and conduits infrastructure, decorations, shelves, counters, cash wraps, lighting and interior design and construction work necessary in general to accommodate the operation of the Premises. Ownership of all Capital Improvements in Sublessee Premises shall vest to the Developer at the expiration of a Sublease Agreement. Ownership of all Capital Improvements throughout the entirety of the Premises shall vest immediately to the City upon the expiration or termination of this Agreement as provided herein.

“**City’s Agents**” means all persons employed or otherwise engaged with City, including, but not limited to employees, contractors, and consultants, but excluding Developer’s Agents and Sublessee’s Agents,

“**City Council**” means the City Council of the City.

“**Common Area(s)**” are the areas, included in the Premises, that are leased by the Developer from the City, but which are not leased by the Developer to a specific Sublessee. These may include, but are not limited to the cleaning of and maintenance of:

- A. Public seating areas, including dining furniture
- B. Any sanitation facilities located in Food Courts

- C. Walkways through Food Courts
- D. Back-room maintenance facilities

“Common Area Maintenance” or **“CAM”** means maintenance and service of designated Common Areas of the Premises, including, but not limited to:

- A. Services provided for general cleaning (sweeping, mopping, and sanitation) of floors and Common Area amenities, furnishings and equipment.
- B. Repair and replacement of Food Court Common Area tables, chairs, dividers, borders, and other features.
- C. Collection and consolidation of Sublessee and Developer trash and recycling materials from the Premises and transportation of these materials to the centralized trash and recyclable materials collection area supplied by City, on a regular basis so to avoid the accumulation of trash, foul odors, and the potential to attract vermin. It is strongly recommended that trash be collected and removed to the centralized area at least three (3) times per day, or more often if necessitated due to the volume of trash produced. There will be no areas in which Developer may consolidate trash in the Premises, which therefore requires transportation of collected trash to the centralized area as often as it is collected.
- D. Pest control and hood cleaning.

“Common Area Maintenance Fees” or **“CAM Fees”** means an amount to be invoiced as a separate line item and collected from Sublessees by Developer for the purpose of reimbursing, at cost with no mark-up permitted, all of Developer’s actual out-of-pocket expenses incurred to provide Common Area Maintenance services, spread proportionately among all Sublessee Locations, substantially based on the amount of time spent in cleaning related facilities, and the approximate volume of trash that they produce. Different CAM Fees are recommended for:

- A. Foodservice in Food Courts
- B. Table Service
- C. Other Foodservice
- D. Convenience Retail
- E. Other Retail and Services

By way of example, Food Service in Food Courts will generally incur a relatively high assessment percentage, due to the requirement of the cleaning of related Food Court equipment and furniture, and the relative amount of trash which they produce. Table Service might be expected to incur a larger than average assessment percentage, as they produce large amounts of trash, particularly when disposable service ware is utilized. Specialty Retail are generally expected to incur a lower assessment percentage as they do not benefit from Food Court Maintenance and tend to produce relatively little trash.

Common Areas Maintenance may be performed by Developer with its own employees, or may be subcontracted out to a third party, at the discretion of the Developer.

“Concession Fee” means the fee to be paid by Developer to the City as proposed by Developer and accepted by City for the right and privilege to occupy the Premises and provide concession services on an exclusive

basis, as more particularly described and set forth in Section 401 and as further detailed in Developer's Proposal.

"Concession Location" means an individual location within the Premises occupied and used for purposes of the sale of consumer goods or services to the public.

"Concession Manager" means the person charged by the Developer with the responsibility to manage and oversee the day-to-day operations and management of the Premises, as further explained in this Agreement.

"Concession Program" means the totality of the concession services to be managed by Developer in the New Terminal as provided in this Agreement and set forth in the Developer's Proposal, as may be amended or adjusted during the Lease Term, to include without limitation development and management of Foodservice, Convenience Retail, Specialty Retail, and Services to be offered in Concession Locations; the management of Creative Spaces and Common Areas; operation of the Loading Docks; collection of the CAM Fee and Joint Marketing Fund Fee and development and implementation of the annual marketing plan; and administration and monitoring of ACDBE and MBE/WBE participation in concession and construction opportunities.

"Construction Costs" means the sums Developer and Sublessees actually spend on the construction of improvements to Sublessee Premises, with the approval of the City. This term shall also include, for Developer, the amounts, verifiable based on payment receipts, which were paid by Developer to prepare Common Areas and Creative Spaces for use, and any renovations thereto.

"Convenience Retail" shall mean the offering for sale of merchandise commonly found in newsstands, including, but not limited to newspapers, magazines, paperback books, candy, gum, packaged snacks, grab and go sandwiches and salads, pre-packaged baked goods, bottled water and beverages, freshly brewed coffee and tea (but not espresso drinks, lattes, and similar), and souvenirs. Other types of merchandise may be offered, if approved by both City and Developer.

"Creative Spaces" means spaces which are part of the Premises which are held back for future development based on a schedule proposed by Developer and accepted by the City. These spaces may be used for any other purpose, so long as they enhance customer service, safety, the image of the New Terminal, and/or the customer experience, until the space is needed for additional Concession Locations. A failure to develop Creative Spaces pursuant to the accepted schedule may result in Developer being in default of this Agreement.

"Date of Substantial Completion" for all Concession Locations which are part of the concession plan shall be the date that is one hundred twenty (120) days from the City's issuance of permits and approvals for each Build-out. By this date, Capital Improvements shall be completed, and the Concession Location shall be ready for merchandising, staff training, soft opening, and general final readying for the New Terminal Opening Day. As of the Effective Date, the anticipated Date of Substantial Completion is February 15, 2023. For all construction following the opening of the New Terminal, a Date of Substantial Completion will be established between the City and Developer for each unit to be built or renovated.

"Day" means a calendar day of 24 hours measured from midnight to 11:59:59 of that day.

"Depreciation Schedule" means a schedule reflecting the monthly depreciation of the Eligible Costs for Capital Improvements installed or mid-term Refurbishments made by the Developer or a Sublessee in any Sublessee Premises. For Capital Investments made by the Developer, depreciation shall commence on the New Terminal Opening Day on a straight-line basis over the Lease Term. Concession Locations shall be depreciated on a straight-line basis over each Sublease Term beginning on the Date of Beneficial Occupancy of the Location. Depreciation relating to Common Area furniture shall be no more than three (3) years beginning with the date of installation. Any schedule submitted by Developer or Sublessees for this purpose shall not be

deemed a “Depreciation Schedule” until such schedule is approved by the City, which approval shall not be unreasonably withheld.

“**Design and Construction Phase**” or “**D&C Phase**” means the period that begins on the Effective Date and shall continue until the New Terminal Opening Day, unless earlier terminated in accordance with Article XIII of the Agreement.

“**Developer**” means the entity, duly organized, and qualified to do business in the State of Missouri, or any successor thereto or assignee thereof permitted by the Agreement, which develops and/or leases and manages operations that sell goods or services for a profit at the Airport under the rights granted in this Agreement.

“**Developer’s Agents**” means all persons employed or otherwise engaged with Developer, including, but not limited to employees, contractors, consultants, and vendors, but excluding City’s Agents and Sublessee’s Agents.

“**Developer’s Architect/Engineer**” means the licensed firm(s) engaged by Developer or its Sublessees from time to time and approved by the City, to design and prepare the Plans and specifications for the improvements to Premises.

“**Disadvantaged Business Enterprise**” or “**DBE**” means a business entity, whether a sole proprietorship, partnership, or corporation of which at least fifty-one percent (51%) of the interest is owned and controlled by a "socially and economically disadvantaged individual" as such term is defined in the Airport and Airways Improvement Act of 1982, as amended, and the regulations promulgated pursuant thereto at 49 CFR Part 23. DBEs must meet the experience and economic guidelines set forth in 49 CFR Part 23 and be certified by MDOT. Individuals who are rebuttably presumed to be socially and economically disadvantaged include women, African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, and Asian-Indian Americans. DBE firms are certified under a City program and include any type of firm which might participate in projects at an airport, including, but not limited to, design and construction firms, public relations firms, and services firms. DBE firms, within the context of this Agreement, encompass MBE (“**Minority Business Enterprises**”) or WBE (“**Women-owned Business Enterprises**”) firms, which are certified by the City Civil Rights and Equal Opportunity Department (“CREOD”). Please note that the designation as an MBE or WBE does not have the same meaning as the ACDBE designation.

“**Drawings**” means the documents showing the layout of the proposed Premises.

“**Effective Date**” means the date upon which the Agreement is operative and binding upon the Parties. The Effective Date is rebuttably presumed to be ten (10) days after the City ordinance approving this Agreement is adopted by the City Council. The precise date that constitutes the Effective Date may be hand-written by the City in Section 301, and final copies of the Agreement shall be provided to the Parties in accordance with Section 2118.

“**Eligible Costs**” means, for any expenditures made by Developer and its Sublessees in Capital Improvements or Refurbishments, the following:

- A. Construction Costs, and
- B. Architectural and engineering fees, construction management fees and the cost to obtain the applicable permits, which amounts under this clause shall not exceed fifteen percent (15%) of the contracted Construction Costs, unless otherwise approved by the City in writing, and
- C. Capital Improvements (including any equipment and custom-built “trade fixtures”) which constitute fixtures installed for use in the Premises, and

- D. Initial Capital Improvements for which Developer is obligated to reimburse a Sublessee under an approved Sublease as the result of the termination of such Sublease without cause by Developer at City's request.

Notwithstanding the foregoing, the definition of Eligible Costs shall exclude:

- A. Costs for Base Building Work incurred by the City, and
- B. Costs in excess of one hundred twenty-five percent (125%) of the estimated costs of Capital Improvements provided by Developer to, and approved in writing by, the City at the time preliminary approval is sought for the Sublessee unless otherwise specifically approved by City in writing, and
- C. Any overhead, financing costs (e.g., loan origination fees or interest, points, legal fees or any non-construction-related cost) in connection with said construction, or
- D. Amounts paid to any Affiliate of Developer or Sublessee.

In addition, to qualify as Eligible Costs, documentary evidence of payments for expenditures on improvements to the Sublessee Premises must be provided to the City.

“Established Price Items” means the items, as specified by the City, and which may be additionally proposed by the Developer, which prices will be equivalent to those at the QuikTrip convenience store located at 7133 NW Barry Road, Kansas City, Missouri, 64153, or a successor location as proposed by the Developer and approved by the City should the QuikTrip cease operations or substantially change its mode of operation.

The products which are initially considered Established Price Items are as follows:

- A. Soft drinks in cans and bottles of any composition of 1 liter or less, excluding branded “energy” or similar drinks in cans and bottles.
- B. Drinking water, still, sparkling, or flavored, in containers of 1 liter or less.
- C. Fountain soft drinks in all sizes.
- D. Other products mutually agreed by City and Developer.

“Expiration Date” means 11:59 P.M. on the date that is the fifteenth anniversary of the New Terminal Opening Day, such earlier date if this Agreement is terminated earlier in accordance with Article XIII hereof, or such later date if this Agreement is extended in accordance with Section 2105.

“FFE” means furniture, fixtures and equipment supplied by Developer in the Build-out of any location.

“FIFA” means the Fédération Internationale de Football Association, the organization which, along with the USSF, will be responsible for organizing the Tournament.

“FIFA Store” means the store, located in the New Terminal, which will be operated by FIFA during the six (6) month period prior to the Tournament, until one (1) month after the Tournament concludes.

“First-Class Manner” means the manner of operation of the concessions such that the standards for cleanliness and customer service meet those of upscale malls and similar high-quality airport and non-airport retail/food and beverage facilities.

"Food Court" means areas within the Premises, including both Sublessee Premises and Food Court Common Areas that are characterized as having multiple food-service type Sublessee Premises that share a common seating area.

"Food Court Common Area" means all areas within the Food Court that are not Sublessee Premises.

"Foodservice" means all Sublessee Premises which engage in the sale of food products for immediate consumption or consumption on aircraft. Foodservice concessions consist of, generally:

- A. **Table Service**, including bars, which include appropriately spaced internal seating areas where food and beverages are brought to the tables by staff. Table Service may also include food bars, such as sushi bars or seafood bars, where a customer sits at a counter and is served food designed to be consumed at the counter.
- B. **Counter Service**, either freestanding or as part of Food Court, where customers place orders and pay for them at a counter and the food is generally received soon after that at the counter, with seating either internal to the unit or immediately adjacent and, most often, shared with other Counter Service. Units offering coffee products may be Counter Service if they offer significant seating internal or immediately adjacent to the Counter Service.
- C. **Walkaway**, which offer food that is generally designed to be consumed elsewhere within the New Terminal or on aircraft, including grab and go units as well as snack/coffee offerings with no seating related to the concession location.

"GAAP" means generally accepted accounting principles in the United States of America, as set forth in the opinions and pronouncements of the Institute of Certified Public Accountants' Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, to the extent such principles are applicable to the facts and circumstances on the date of determination.

"Governmental Authority" means any federal, State, county, City (including the Aviation Department) or other governmental entity, or any subdivision thereof, with authority over the Airport or the Developer.

"Indemnified Party" or **"Indemnified Parties"** means the City and each of its elected and appointed officers and officials, employees, agents, contractors, subcontractors and volunteers.

"Joint Marketing Fund" means the accumulation of funds contributed by Sublessees to Developer, to be spent by Developer on the marketing and promotion of the Concession Program or on any item or service that may enhance the overall passenger experience at the New Terminal related to concessions, all in accordance with the approved Concession Program and its annual marketing plan component.

"Joint Marketing Fund Fee" means each Sublessee's contribution to the Joint Marketing Fund, payable monthly, in an amount not to exceed 0.5% of Operator Gross Receipts.

"Kiosks" means a Premises that is a mobile or non-mobile, and is a free-standing facility not affixed to the Terminal, whether completely free-standing or located against the wall, that is used as a selling location for merchandise or Services.

"Lease Term" means the period beginning on the Effective Date and ending on the date set forth in Section 301, or such shorter period if this Agreement is terminated in accordance with Article XIII or such later period if this Agreement is extended in accordance with Section 2105.

"Lease Year" means the 365-day periods (366 days for any leap years), commencing on the first Day of the fiscal year recognized by the City, which Day is May 1. The first Lease Year, which may be a partial calendar year, shall end on April 30, at 11:59 p.m. The final Lease Year, which may also be a partial calendar year, shall end on the Expiration Date.

"Minimum Annual Guarantee" or "MAG" means the minimum Concession Fee to be paid by Developer to the City, which MAG shall be calculated for purposes of this Agreement to be \$1.75 per enplaned passenger, as set forth in Article IV.

"New Terminal" means the facility constructed by the City to replace the former commercial passenger terminals of the Airport, in which Developer shall develop, lease, and manage the Premises.

"New Terminal Opening Day" means the date the New Terminal is opened for scheduled passenger service operations by all, or substantially all, airlines serving the Airport. As provided in Section 512 herein, the New Terminal Opening Day constitutes the date upon which the Developer is expected to open all Concession Locations which are part of the Developer's initial plan for the sale of consumer goods and services to the public. As of the Effective Date, the anticipated New Terminal Opening Day is March 3, 2023. The City shall notify Developer upon any change in the New Terminal Opening Day immediately upon making, or contractually agreeing with any other entity, to the change.

"Operational Phase" means the period beginning at 12:00 A.M. local time on the New Terminal Opening Day and ending on the Expiration Date or earlier date if this Agreement is terminated in accordance with Article XIII or later date if this Agreement is extended in accordance with Section 2105.

"Operator" means a Sublessee, and Developer for all areas not subleased to other parties.

"Operator Gross Receipts" mean and includes all monies paid or payable to each and every Operator of a Concession Location whether in cash, credit or otherwise, for sales made or services rendered at or from the Airport regardless of when or where the order therefor is received, including, without limitation:

- A. Proceeds from the sale of gift and merchandise certificates (unless such gift or merchandise certificates can only be used within the Concession Locations, which are to be recognized as Gross Receipts at the time they are redeemed).
- B. Sales occurring at the Airport, whether made from a Concession Location or an airport wide system or application developed by Developer or City, for which the product is shipped to a destination of the customer's choice.
- C. Catalogue sales, whether in print or electronic (catalogues displayed or accessed within Sublessee Premises must include a tracking number unique to the Sublessee Premises that allows for an auditable method for tracking such sales).
- D. Internet sales for delivery at the Airport or when merchandise to fill such orders is taken from Concession Locations.
- E. If commercially reasonable technology is implemented that can capture this, Internet sales, where orders are placed due to displays or sales activities which take place anywhere within the Airport.
- F. Orders for merchandise placed anywhere within the Airport utilizing an airport-wide system or application developed by Developer, City, or a third-party contracted by the Developer.
- G. Deposits not refunded to purchasers.

- H. Orders taken at the Premises (although such orders may be filled elsewhere).
- I. Display allowances, placement allowances, or other promotional incentives received by Sublessees from vendors, suppliers or manufacturers and other revenues of any other type arising out of or in connection with any Sublessee's operations at the Airport.
- J. The sales value of "add-ons" to shipping services done as a convenience for customers (whether for free, or at the cost of the provision of the shipping), such as wrapping charge, convenience or handling fees, envelopes or boxes for shipping, etc.
- K. Sales through Automated Retail units; and
- L. All insurance proceeds received due to loss of gross earnings under any Sublessee's business interruption insurance coverage.

A "sale" shall be treated as consummated for the purposes of this definition or service deemed rendered, and the entire amount of the sales price shall be included in Operator Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of payment. No deduction shall be allowed for uncollected or uncollectable credit accounts or "bad" checks.

Operator Gross Receipts shall not include:

- A. Any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise taxes, Operator Gross Receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise or Services but only if separately stated from the sales price and only to the extent paid by Sublessees to any duly constituted governmental/taxing authority,
- B. The exchange of merchandise between the stores or warehouses owned by or affiliated with any Sublessee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of such Sublessee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Premises nor for the purpose of decreasing payments otherwise due the City hereunder which otherwise would be made at, in, from or upon the Premises,
- C. The amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by a purchaser and accepted by the Operator to which it is returned,
- D. Sale of fixtures, equipment or other items of property that are not stock in trade and not in the ordinary course of any Operator's business,
- E. Any receipts of an Operator that arise from its operations under any other contract with the City and are subject to a percentage fee or percentage rent under that contract,
- F. Shipping and delivery charges if provided at the cost of such shipping or delivery and such services are merely an accommodation to customers. Any additional service that is sold to a customer (wrapping, or a handling fee, for example) are considered to be part of Gross Receipts,
- G. Fees charged to Sublessees, including but not limited to:
 - 1. Common Area Maintenance Fees

2. Joint Marketing Fund Fees
 3. Delivery Fees (if applicable)
 4. Dock Management Fees (if applicable)
- H. Receipts in the form of refunds from or the value of merchandise, services, supplies or equipment returned to vendors, shippers, suppliers, or manufacturers including volume discounts received from a Sublessee's vendors, suppliers, or manufacturers,
 - I. Customary discounts given by an Operator on sales of merchandise or Services to its own employees, if separately stated, and limited in total amount to not more than one percent (1%) of its Operator Gross Receipts per month,
 - J. Discounts, if separately stated, given by Operators on sales of merchandise or Services to employees of Developer, City, airline employees, and other persons employed at the Airport who are in possession of a valid City or Airline issued badge,
 - K. Gratuities for services performed by employees of an Operator that are paid by an Operator or its customers to such employees,
 - L. The sale or transfer in bulk of the inventory of an Operator to a purchaser of all or substantially all the assets of such Operator in a transaction not in the ordinary course of such Operator's business,
 - M. Amounts given as discounts to customers redeeming coupons issued either by the specific Sublessee, the brand of the operation, or through catalog, flyer, brochure, or advertisement (paper or virtual) prepared by Developer as part of the joint marketing effort for the Terminal,
 - N. Except with respect to insurance proceeds received due to loss of gross earnings under any Operator's business interruption insurance coverage as provided above and/or insurance proceeds that may be payable to City under such coverage, receipts from all other insurance proceeds received by an Operator as a result of a loss or casualty.

“Payment and Performance and Maintenance Bonds,” means a surety bond (in a form substantially similar to that shown in **Exhibit A**) given to the City by the Developer to secure both payment and performance and maintenance for the Work.

“Plans” means the completed set of architectural working plans, Drawings and specifications and engineering Drawings and specifications prepared by the Developer's or Sublessee' Architect/Engineer of record for the construction of Capital Improvements or Refurbishments.

“Premises” means the area that the Developer will lease, develop, manage, and market, including the specified Premises and Sublessee Premises, the designated Common Areas, and Creative Spaces, depicted in **Exhibit C**.

“Proposal” means the document(s) requested by the City and submitted by Developer in accordance with the Request for Proposals, including both the Technical Proposal and Financial Proposal submitted by Developer. Both RFP and Developer's response are included herein by reference and have full effect as if they were attached physically. Any plan, proposal, commitment, or promise made by Developer in its Proposal as accepted by City shall have the full effect as if it was a part of this Agreement.

“Rent” means the payment to Developer by Sublessees for the subletting of the Premises, calculated as the greater of a percentage of Operator Gross Receipts or a minimum annual guarantee, as agreed to between

Developer and each Sublessee. Rent shall not include fees charged by Developer to Sublessees including Common Area Maintenance Fees, Joint Marketing Fund Fees, Delivery Fees and Dock Management Fees. Rent further shall not include Storage Rent as set forth in Developer's Proposal and loan repayment or other payments to the Developer in connection with ACDBE financing as set forth in Developer's Proposal.

"Request For Proposal" or **"RFP"** means the "Request For Proposals For The Development, Operation, and Management of the Concession Program For the New Terminal at Kansas City International Airport (Request No. 04161964)" issued by the City on February 8, 2021, and any and all exhibits and addenda thereto.

"Services" means personal, health and business services including but not limited to shoeshine shops, nail salons, massage services, barber shop/hairdresser/beauty salon, pharmacies, banks, automated teller machines, gyms, food delivery within the New Terminal, and personal shopping services. Services further shall include additional personal, health and business services introduced at comparable airports to the Airport during the Lease Term. Services do not include airline passenger lounges, the USO lounge, meeting and conference rooms, state or local lottery, children's play areas, sensory areas for passengers with disabilities, mother's lactation rooms, and pet relief areas.

"Shell Condition" means smooth concrete floors, demising studs and walls, and utility services (conduits, lines, pipes) of typical commercial capacity and size located at the lease lines of each of Premises or in reasonable proximity thereto which shall be prepared by the City for use by Developer.

"Specialty Retail" means retail uses, other than those defined as Convenience Retail. These may include but are not limited to automated retail; bookstores; clothing stores; carry-away packaged food not meant for immediate consumption; accessory stores; and music stores, for example.

"Sublease" means a lease executed by the Developer and approved by the City conveying to a Sublessee the same interest in certain Premises that the Developer enjoys for a specified term.

"Sublease Term" means the period of time, pursuant to Section 305 herein, during which a specific Sublessee operates and manages one or more Sublessee Premises.

"Sublessee" and **"Sublessees"** means any sole proprietor(s) or business entities having the right to sublease and occupy any portion of the Premises under a Sublease with the Developer.

"Sublessee's Agents" means all persons employed or otherwise engaged with Sublessee, including, but not limited to employees, contractors, and consultants, excluding City's Agents and Developer's Agents.

"Sublessee Premises" means the individual leasehold of a shop, store, office, storage area, or kitchen area subleased, or available to be subleased, through rights granted in the Agreement.

"Tenant Design Standards" means standards, established by the City, as may be amended from time to time, to set forth the esthetic qualities required of Concessions in the Terminal. Tenant Design Standards are attached as **Exhibit B**.

"Tournament" means the 2026 Men's World Cup Tournament.

"TSA" means the United States Transportation Security Administration, and any successor agency, office, or department thereof.

"USSF" means the United States Soccer Federation, the organization which will be working with FIFA within the United States to host the Tournament

"**Work**" means everything necessary for the design, engineering, construction, and installation of the Capital Improvements.

ARTICLE I PREMISES

SECTION 101. DESCRIPTION OF PREMISES. City hereby leases to Developer and Developer leases from the City for the uses and purposes described in Section 201 below, and subject to terms, covenants, and conditions contained in this Agreement, the real property described in **Exhibit C** referred to as the "**Premises**".

- A. The City, in its sole discretion, may, if it becomes necessary in the orderly development of the Airport and in accordance with Section 1401.C hereof, require the relocation of any portion of the Premises to other space within the New Terminal that is reasonably suitable for the purposes for which this Agreement is entered into as such purposes are set forth herein.
- B. At any time during the Lease Term, and on one or more occasions, either party may propose to modify the Premises to add such additional areas of the New Terminal as may be suitable for Foodservice, Convenience Retail, Specialty Retail, and/or Services, and, on mutual consent, the Parties shall modify **Exhibit C** accordingly. The Premises may be expanded to areas of the New Terminal as it exists on the New Terminal Opening Day; any expansion of the New Terminal; or any additional satellite, concourse or unit terminal at the Airport designed and constructed for the purpose of accommodating scheduled commercial service passenger operations.
- C. At any time during the Lease Term, and on one or more occasions, the Developer may propose to relocate any Concession Location or Common Area to an alternate location within the New Terminal or to turn-back any Concession Location to the City. Any such modification to the Premises is subject to the City's reasonable discretion, and the City may reject any such proposal that the City finds is not in the best interests of the Airport and its tenants, passengers, employees and users.
- D. The City may withdraw from the Premises any Concession Location that is the subject of five liquidated damages assessments within any rolling twelve (12) month period, including for example and without limitation failure to satisfy the performance and operating standards set forth in Article VI hereof. Prior to withdrawal, the City will provide Developer with an opportunity to cure the violations that resulted in the assessment of liquidated damages. Within thirty (30) days of the assessment of the fifth liquidated damages penalty, City will provide Developer with written notice in accordance with Section 2118 declaring City's intent to withdraw the Concession Location. Developer shall have ten (10) business days in which to present a proposed corrective action plan, including a schedule for remedying the underlying conditions that resulted in the assessment of liquidated damages, which corrective action plan may include, for example and without limitation, termination of the Sublease and relet of the Concession Location by Developer to another Operator. The Parties shall meet and confer as necessary to finalize a corrective action plan that is acceptable to each party. If Developer fails to initiate and complete the corrective action as set forth in the plan, the City may withdraw the Concession Location from the Premises and modify **Exhibit C** accordingly. Upon withdrawal, the City may relet the Concession Location, including for Foodservice, Convenience Retail, Specialty Retail, and/or Services to any Operator on such terms and conditions as may be established by the City. Developer shall include a termination provision in each Sublease consistent with this provision.
- E. The Director of Aviation is authorized, on behalf of the City, to adjust the Premises and **Exhibit C** as provided in this Article I without further City Council approval.

ARTICLE II
CONCESSION RIGHTS AND RESPONSIBILITIES

SECTION 201. CONCESSION RIGHTS AND RESPONSIBILITIES. Developer's rights and responsibilities are as follows:

- A. The City hereby grants to the Developer, subject to all the terms, covenants, and conditions of this Agreement, the exclusive concession rights to provide Foodservice, Convenience Retail, Specialty Retail, and Services to the public in the New Terminal, including Concession Locations of the types and sizes included in the Proposal (subject to modification on mutual consent of the Parties) for each respective location shown on **Exhibit C** in a First-Class Manner.
- B. City agrees that, so long as Developer remains in compliance with the obligations of this Agreement, City will not lease or otherwise permit use of the New Terminal by any entity other than the Developer for Foodservice, Convenience Retail, Specialty Retail and/or Services without first providing Developer with the right of first refusal to provide the concession service(s). This exclusive right applies to the New Terminal as it exists on the New Terminal Opening Day; any expansion of the New Terminal during the Lease Term; and/or any additional satellite, concourse, or unit terminal at the Airport designed and constructed for the purpose of accommodating scheduled commercial service passenger operations during the Lease Term.
- C. Developer shall use the Premises solely for the operation of the Concession Program as described and depicted in its Proposal (subject to modification on mutual consent of the Parties), along with related preparation, storage, and office spaces. No facilities other than those described in **Exhibit C** may be offered or made available without the prior written consent of the City.
- D. Developer shall not make any unlawful, improper, or offensive use of the Premises contrary to Applicable Law. Developer further shall not use the Premises in such manner as to interfere with the safe and secure operation of the New Terminal and shall require the same of each Sublessee.
- E. Developer and Sublessees shall have the right to use all public Airport areas as reasonably required for access to and egress from the Premises, provided Developer's Agents abide by the Airport Rules and Regulations and any other Applicable Laws. The City retains the right of ingress and egress over, though, and across the Premises, at any time, after giving Developer and the Operator, if any, reasonable notice.
- F. Developer shall have the responsibility for the overall management of the Premises, including the management of Sublessees, business development, performance enhancement, and quality control, pursuant to the plans and programs proposed by Developer and accepted by the City and included herein by reference. A failure to fully implement all material plans and programs from Developer's Proposal may result in the imposition of Liquidated Damages and/or termination of this Agreement as provided herein.
- G. Developer shall be responsible for overseeing the operation of and ensuring the equitable management of the loading docks on the A Concourse and the B Concourse of the New Terminal in the manner set forth in Section 402.D.
- H. The Developer will act as the project manager for its own and Sublessees' design and construction programs, which will be coordinated with City. All designs and construction will meet the City's standards and will be subject to the City's permitting process. Additional information regarding the construction and permitting processes may be found in Article V.

The City reserves the right to require the Developer to provide its list of selected architects, interior designers, and construction managers for prior written approval by the City. Developer should supply a list of qualified MBE/WBE contractors to its Sublessees and to assist Sublessees with contracting with such businesses.

The Developer will be required to design and build-out the Food Court Common Area(s), including all shared circulation, seating, sanitation, and Back of House facilities. The Sublessees will be responsible for finishing their respective subleased spaces, including, by way of example, shelving, counters, merchandise displays, point-of-sale units, interior design, cooking equipment, cleaning facilities (three compartment sinks, mop sinks and storage closets for brooms, mops and chemicals), seating contained within the Sublessee Premises (if any), and utility hook-ups to the wires and conduits installed by the City. Notwithstanding the foregoing, however, the Developer has the ultimate responsibility for ensuring that all Concession Locations and Common Areas are open and operating in a First-Class Manner as defined herein on the New Terminal Opening Day in accordance with Section 512.

- I. The Developer will have the right, but not the obligation, to finance, if necessary and desired, the development of Sublessee Premises. Such financing arrangements are between Developer and its Sublessees, and the City is not a party to such agreements. Notwithstanding the above, the City has the right to review and approve all financing agreements before their implementation. The City will not receive any revenues that result from financial transactions of this nature between Developer and Sublessees; neither does it accept any risk therefrom. If the Developer considers financing a Sublessee's Construction Costs or undertaking certain non-Base Building Work (if approved by the City), the Developer will not be entitled to reimbursement or other repayment for any costs or expenses it incurs in connection with any such financing or undertakings from any Rent or other revenues to be derived from the plan or to be otherwise payable to the City (e.g., through chargebacks or otherwise), nor may the Developer agree or arrange to tie-in or otherwise condition such Sublessee financing or undertakings on any other rights, privileges, allowances, or business terms and conditions granted to a Sublessee. The Developer will be prohibited from waiving any right to receive rents, fees, charges, or other revenues that may be paid or payable by any Sublessee, user, or occupant under its Sublease, without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed, and will similarly be prohibited from granting any rent abatements, extensions, or other modifications without the prior written consent of the City.
- J. The Developer will manage the Concession Program including, but not limited to:
 1. Monitoring the sales activity, pricing, customer service, hours of operation, merchandise, sales reporting, and payment of Rent.
 2. Providing janitorial and custodial services for all Food Court Common Areas and other Common Areas within the Premises.
 3. Ensuring that grease traps and vents are installed and checked/cleaned on at least a monthly basis in all applicable Foodservice concessions.
 4. Ensuring and overseeing Sublessee compliance with Concession Program maintenance and performance standards.
 5. Ensuring that all Sublessees are actively maintaining sanitation standards within their Sublessee Premises, including the use by all employees of gloves when handling food, and wearing of face masks and hair nets when preparing food, or more stringent requirements as put forth by the City. The wearing of face masks or hair nets is mandatory and is not subject to the personal choice of the Sublessee or individual employee.

6. Providing quality control audits and reports covering compliance with Agreement requirements, cleanliness of the facility, sanitation of the facility, timeliness of service, and quality of the products to the Sublessees, with copies to the City. The standards will be developed jointly by the City and Developer and shall not be subject to unilateral revision by either party.
 7. Collection and disposal of all Sublessee-related refuse and garbage into City-provided dumpsters.
 8. Collection and disposal of all recyclable materials into City-provided cardboard compactors or other containers, as appropriate, for the purpose of recycling; and
 9. Timely payment of Concession Fees to the City, including all required rental reports, as specified in Article IV herein.
- K. Developer shall manage the Concession Program as set forth in the Proposal, including for example and without limitation Tab 6 (Management/Operational Plan). Without limiting the generality of the foregoing, Developer shall employ, at no cost to City, at least one (1) full-time, dedicated, on-site General Manager, and one (1) full-time, dedicated, on-site Commercial Manager. The individuals Developer proposes to employ in these capacities are subject to the prior approval of the City. The General Manager, Commercial Manager or other senior representative shall be present at the Airport during normal business hours, Monday through Friday, and further shall be available twenty-four (24) hours per day to resolve any issues pertaining to the Concession Program and available to meet with the City at the Airport, and available at all other times by telephone, being able to arrive by car at the Airport within one (1) hour of being called in an emergency situation. The City reserves the right to require Developer to remove and replace any General Manager or Commercial Manager who, in City's reasonable judgment, does not perform up to the standards consistent with the fulfillment of Developer's obligations under the Agreement.

The General Manager and Commercial Manager shall serve as a liaison with the City, and the Sublessees, with sufficient authority and support staff and appropriate equipment, supplies and means to manage and perform the development, management, maintenance, repair and other functions and obligations of the Developer with respect to the Premises, including, without limitation, the obligation to administer the Subleases and other contracts to which Developer is party, to monitor and enforce compliance by the Sublessees with their Subleases and the Agreement, each with authority to resolve operational issues short of executing an actual amendment to the Agreement or Sublease Agreement. The General Manager shall monitor the Premises to evaluate and enforce the Sublessees' compliance with their respective Subleases, including but not limited to compliance with the City's Rules and Regulations, and shall report in writing any noncompliance to the Sublessee(s) and the City, and their actions to remedy the non-compliance. The General Manager shall use commercially reasonable efforts to remedy any problem or issue raised by Airport patrons with respect to the operation of the Premises. The General Manager shall also continually monitor ACDBE performance to ensure both continued goal achievement, in accordance with Section 1201, as well as ensuring that ACDBE's have support available, when needed, to assist in their growth and compliance, and ensure that they are able to take advantage of opportunities present for their operation. Further, during any period in which construction is occurring on the Premises, whether by Developer or Sublessees, the General Manager shall ensure that MBE/WBEs are utilized to the greatest extent possible, but in any case, no less than the goals established in the RFP.

- L. The Developer will develop and implement a joint marketing program the purpose of which is to enhance concession sales, the customer experience, and customer satisfaction. The joint marketing program shall include the elements set forth in Developer's Proposal at Tab 19 (Marketing Program). The Developer is expected to ensure that all Joint Marketing Fees due from Sublessees are reported

and paid for. It is recommended that Developer perform occasional audits to ensure that all fees due and payable are paid.

1. It is expected that Developer shall develop an organized plan before the beginning of each Lease Year that proposes the uses of funds and timing of expenditures for the forthcoming year. It is expected that Developer will be creative in determining the uses of the Joint Marketing Fund and will not rely solely on the same ideas on a repetitive basis. It is recommended, but not mandatory, that Developer seek input from Sublessees which are willing to share their ideas and evaluations of the proposed marketing efforts. These plans shall be reviewed by City for comments, but City may not direct Developer to exclude any planned idea, unless it is known to be a violation of a City Ordinance.
 2. As part of the marketing program, the Developer must establish a barricade signage program for any unoccupied or incomplete concessions spaces. The designs for the barricades will be subject to the prior written approval of the City through its established permit process and must complement the interior design and finishes of the New Terminal and shall also supply information about both forthcoming concessions and other concession alternatives nearby. Solid white barriers with no marketing messages are not permitted for barricade signage.
 3. The cost of establishing and maintaining Creative Spaces may not be charged to the Joint Marketing Fund.
 4. The Joint Marketing Fund may be utilized to pay for a mystery shopping service in order to determine the performance of all Concession Locations, to give Developer and City a fuller understanding of performance, find general performance deficiencies, and to understand what additional training courses may be needed. However, the Joint Marketing Fund may not be utilized to pay for any training.
 5. Developer will be responsible for providing an annual report to Sublessees and City regarding of the sources and uses of the Joint Marketing Fund, as well as the results from the promotional activities, to the extent they can be deduced. If there are funds remaining in the Joint Marketing Fund at the end of a Lease Year, then the Joint Marketing Fund Fee for the next Lease Year for every Sublessee will be reduced by the proportional share of the remaining fund. If there is a shortage in any year, it shall be the responsibility of the Developer to cover the shortage until such time as the Joint Marketing Fund balance becomes positive.
- M. The Developer will be required to attend all meetings called by the City that relate to the Concession Program with at least two (2) business days' notice (or less, in the case of emergencies).
- N. The Developer has proposed a Concession Layout Plan in the Proposal at Tab 11 (Location & Sublease Planning). Upon the Effective Date, the City and Developer shall review the Concession Layout Plan and come to an agreement regarding the uses of the available space, the configuration of spaces to be developed, and desired Sublessees for each space to be operated. The Developer is not under a specific obligation to provide any Operator with a Concession Location if a mutually agreeable Sublease cannot be reached.
- O. The Developer shall prepare and submit for City review and approval a standard-form Sublease, with modifications as necessary to account for the different concession services performed by Sublessees. Developer may request City review and approval of changes to the standard-form Sublease during the Lease Term. In addition, Developer will seek and obtain City consent to execute each Sublease, which City review shall be limited to considering the permitted uses in the Sublease and determining whether the Sublease is consistent with the approved standard form. Each Sublease shall include the rights and obligations required by this Agreement to be passed to Sublessees and shall provide the right on the

part of the City to assume Developer's rights and obligations under the Sublease upon termination or expiration of this Agreement.

- P. In the event that the USSF should award the City the rights to hold one or more soccer matches within the Tournament, Developer will be responsible to assign a highly visible Concession Location for FIFA to operate a retail store ("**FIFA Store**") for the period commencing six (6) months before the Tournament until one (1) month after the Tournament concludes.
1. A contract between Developer, the City, and FIFA will be executed for the temporary occupancy of the FIFA Store. The contract may be provided by FIFA.
 2. Developer will be permitted to charge a rent commensurate with other Specialty Retail stores in the New Terminal. FIFA shall not be charged the Joint Marketing Fund Fee but may be required to pay all other fees which would be normally charged from the FIFA Store's commencement date through the day on which FIFA ceases retail operations. Sales from the FIFA Store shall be included in the calculation of Operator Gross Receipts as provided herein, and Rent from the FIFA Store shall be included in the calculation of the Concession Fee as provided herein.
 3. The City recommends (but does not require) that Developer identify a Concession Location in the A Concourse of the New Terminal for the FIFA Store. This space may be used as Creative Space until the period when FIFA will need to occupy it. Alternately, Developer may place other Sublessees in the identified Concession Location, so long as the Sublessee has vacated the space in time and in condition to be improved by FIFA. Developer shall assist FIFA in any way necessary to expedite FIFA's construction plans (if any). The Parties acknowledge that the space for the FIFA Store will most likely not be needed until at least spring 2026. If there are commercially useful activities which can be conducted in the identified Concession Location, such as pop-up shops for small and local vendors, then the City recommends that Developer maximize the revenue potential of the space.
 4. Developer shall not be responsible for enforcing contractual or Airport rules on FIFA. If Developer observes any violation of these rules, so long as it does not cause any immediate danger to the City, the Developer, any Sublessees or their employees (including FIFA employees), or the public, Developer shall notify City promptly of the issue and the circumstances surrounding it. This shall be Developer's only duty regarding enforcement of contractual operational rules.
 5. In the event that FIFA does not leave the space in the broom clean standard required of other Sublessees, Developer shall have the responsibility to return the space to leasable condition. Developer is permitted to invoice City for any costs incurred, which must be substantiated by receipts in order to get reimbursement. The City will not pay for any incurred expense, without corresponding receipts. Any amounts due to Developer will be provided as a credit memo against forthcoming Concession Fee due to City from Developer.

SECTION 202. INCORPORATION OF RFP AND PROPOSAL. The RFP and any written clarification thereto, and Developer's Proposal are incorporated and made a part hereof by reference. Developer shall be obligated to meet all material specifications described in the RFP and all plans and programs recommended by Developer in its Proposal pertaining to the Concession Program as accepted by City; provided, however, that in the event an express provision of this Agreement is in conflict with any provision of the RFP and/or the Proposal, this Agreement shall govern and control unless City deems that the provision in the RFP and/or the Proposal offers a higher level of service to City or the traveling public than indicated in the conflicting provision of this Agreement, in which case such provision in the RFP and/or Proposal shall govern and control.

Developer shall be required to keep and abide by all material commitments and promises that appear in the Proposal. Developer was selected as a result of the commitments made in the Proposal. As a result, failure to

perform any such commitment or promise which was accepted by City shall be deemed a default of this Agreement and shall subject Developer to assessment of Liquidated Damages as provided in Article XX.

The Parties acknowledge and agree that the needs of the Airport and its passengers, employees and users may change over the Lease Term and that, as a result, Developer may make corresponding changes in the Concession Program, with the City's approval. Notwithstanding the provisions of this Section 202, Developer shall not be held to a plan, program, standard or requirement of the RFP or Proposal if the Parties have expressly agreed to adjust, replace or eliminate such plan, program, standard or requirement.

ARTICLE III TERM OF AGREEMENT

SECTION 301. **TERM.** This Agreement, and all rights and obligations of the Parties as set forth herein, shall be effective as of the Effective Date, which date shall be _____, 2021 (to be hand-written to reflect the effective date of the City Council ordinance approving this Agreement). The Design and Construction Phase of this Agreement shall commence upon the Effective Date and shall continue until midnight on the Day before the New Terminal Opening Day. The Operational Phase, which shall last for a period of fifteen (15) years, shall commence at 12:00 a.m. local time on the New Terminal Opening Day and shall terminate at 11:59 p.m. local time, on the fifteenth anniversary of the New Terminal Opening Day, unless the Lease Term is extended, or the Agreement terminated, as permitted herein.

SECTION 302. **SURRENDER OF POSSESSION.** No notice to cease operations or to quit possession of the Premises at the Expiration Date shall be necessary. The Developer covenants and agrees that at the Expiration Date, Developer will peaceably surrender possession of the Premises in good condition, reasonable wear and tear, acts of God, and other casualties excepted, and the City shall have the right to take possession of the Premises.

SECTION 303. **HOLDOVER.**

- A. City's decision. The City may permit Developer to holdover beyond the expiration of this Agreement, subject to the terms and conditions set forth herein, in order for the City to conclude a solicitation process or to prepare for a follow-on concession tenancy either with Developer or such other firm or firms selected by the City. The City will notify the Developer in writing of the City's offer of a holdover tenancy. Within thirty (30) days of receipt of the City's notice, the Developer shall notify the City in writing as to the Developer's acceptance of said holdover tenancy. If the Developer fails to so notify the City in writing within said thirty (30)-day period, the Developer shall be deemed to have rejected the City's offer of holdover tenancy.
- B. Holdover time period. The City, in its sole discretion, may permit the Developer to hold over and operate from, at and upon the Premises, for a period not to exceed one calendar year from the end of the Term agreed to by the Developer and the City. Nothing herein shall preclude the City and Developer from extending the Lease Term as provided in Section 2105.
- C. Holdover terms.
 - 1. Month-to-month tenancy. If the City permits the Developer to holdover on or at the Premises, such a holding over shall not be deemed a renewal or extension of the Agreement, but shall create a month-to-month tenancy on the same terms and conditions of the Agreement in effect immediately prior to the commencement of the holding over (hereafter the "**Holdover Start**"), unless modified as deemed necessary by the City. Such modifications may include, but are not limited to, the Developer's obligation to (1) pay to the City the rents, fees and charges in effect at the Holdover Start, (2) furnish a sufficient Payment and Performance and Maintenance Bond and

adequate insurance coverage in accordance with the terms of the Agreement in effect at the Holdover Start and (3) provide defense, release, indemnity and liability protection to the City as required by the terms of the Agreement in effect at the Holdover Start.

2. Termination. The City may, upon sixty (60) days written notice, after the Holdover Start, notify Developer that the Holdover period shall be terminated. Developer agrees that it will follow the provisions of this Agreement upon the time and date specified by the City in such notice.
3. No Other Holdover Permitted. Other than as specified as in Section 303.C. Developer may not otherwise remain in the Premises for any reason, beyond the expiration date set forth in Section 301, above. This Agreement will not be extended for any reason, and City will seek to tender a new Agreement to Developer or an alternative Developer, through whatever means are available or required during the period before the expected expiration date.

ARTICLE IV PAYMENTS AND FEES; SUBLESSEE FEES

SECTION 401. CONCESSION FEE PAYMENTS.

- A. No Concession Fee during D&C Phase. From and after the commencement of the D&C Phase, until the New Terminal Opening Day, Developer shall pay no Concession Fee, or any other rent or fees of any type to the City. However, Developer will be responsible for paying for all utilities which it consumes which may be separately metered (for example, in an office).
- B. Concession Fee during Operational Phase. Beginning on the commencement of the Operational Phase, Developer shall pay the Concession Fee to the City.
- C. Concession Fee Formula. Developer shall pay the City the greater of a percentage fee or the Minimum Annual Guarantee. The percentage fee shall be eighty percent (80%) of all Rent up to \$16,000,000, and eighty-four percent (84%) of all Rent above \$16,000,000. As a limited exception to the foregoing, Developer shall pay the percentage fee only, without MAG, prior to May 1, 2023, or, if the New Terminal Opening Day is later than May 1, 2023, MAG shall apply beginning on the New Terminal Opening Day.
- D. At the beginning of each Lease Year, the City shall provide Developer with the estimated number of enplaning passengers, based on the prior Lease Year's actual number of enplaning passengers. The Developer will pay MAG based on the estimated number of enplaning passengers, on a monthly basis, no later than the 5th Day of each month, using the following formula: Estimated total enplaned passengers times the MAG per enplaned passenger, divided by 12.
- E. Each month by the 25th Day, the Developer shall prepare and send to City a monthly report, summarizing the Operator Gross Receipts and Rents received from Sublessees, and the calculation of the Concession Fee due to City for the previous month. The report will include the detailed calculation of the Concession Fee, and calculate any percentage fee due to City, over and above the MAG.

At the end of each Lease Year, City shall provide Developer with the actual number of enplaning passengers for such year, as reported to the City by airlines serving the Airport. Developer shall provide City with a reconciliation of the Concession Fee, based on the actual number of enplaning passengers, including a true-up of the MAG, and the annual calculation of the Concession Fee based on the total Rent received by Developer for the entire Lease Year.

- F. If, during the Lease Term, the number of enplaned passengers at the Airport decreases by more than eighty (80) percent, measured on a monthly basis compared to the same month of the previous year, the Parties shall abate the MAG, by the same percentage as the decrease in enplaned passengers, until such time as the year-over-year decrease in enplaned passengers is less than eighty percent.

SECTION 402. OTHER OCCUPANCY FEES NOT PART OF OPERATOR GROSS RECEIPTS. The Developer or its Sublessees are responsible for any or all the following applicable fees and charges.

- A. Utilities. City shall furnish utilities to the Premises. Developer may pass the costs of all utilities for the Premises to Sublessees, without mark-up. Developer agrees that all other utility services required for the Premises during the Lease Term must be obtained by direct connection to the distribution system of the utility company and paid for by Developer or Sublessees. In the event Developer leases space or is granted rights or privileges where such direct connection to the distribution system of the utility company is not possible, then Developer may be permitted to receive service through City's airport system subject to a charge applicable to all airport users of like services. Developer shall pay monthly for such service upon receipt of a bill from City. Should the City determine that it is in its best interest and in the best interests of its tenants for the City to pay a unified utility bill and invoice it tenants for their individual utility usage, City retains the right to require Developer to reimburse City for utility usage.
- B. Common Area Maintenance (“CAM”). The Developer will provide CAM services for all Common Areas within the Premises. CAM fees are to be separately stated on monthly invoices for Rent or separately billed by Developer to the Sublessees and assessed at cost with no Developer mark-up. Specific costs attributable to the maintenance of a Food Court will only be borne by those Sublessees in that Food Court, and not by Sublessees who operate concessions in other parts of the Terminal. Developer shall be required to provide an annual reconciliation to its Sublessees, which includes a reconciliation and true-up of estimated costs to actual costs, and a summary of receipts and expenditures by category to its Sublessees and the City.
- C. Joint Marketing Fund. The Developer will develop and implement marketing and promotions programs to enhance concession sales and customer satisfaction as shown in Section 201.J. Expenditures for the marketing and promotions program may be funded through a percentage of Operator Gross Receipts fee charged for each Subleased Location. The Developer may not apply any mark-up to the marketing fees charged to the Sublessees. The maximum allowable marketing and promotions fee shall be 0.5% of Operator Gross Receipts and shall be separately stated on Developer's invoices to its Sublessees or separately invoiced.
- D. Distribution and Loading Docks. Developer shall be responsible for the build-out of the Primary Loading Dock, located on the A-Concourse and accessible from the New Terminal roadway, as well as the operation and management of both the Primary Loading Dock for the acceptance of all deliveries from external sources, and the Secondary Loading Dock, located on the B-Concourse, for deliveries by Developer or its third party operator, to B-Concourse Sublessees.
 - 1. Developer shall develop and operate the Primary Loading Dock and Secondary Loading Dock in the manner set forth in Developer's Proposal at Tab 18 (Delivery Management Plan). Developer shall, in consultation with the City, develop a specific plan for the development and operation of the Loading Docks and submit such Loading Dock Operational Plan to the City for review and approval. The Loading Dock Operational Plan shall address, for example and without limitation, the security of the Loading Docks, consistent with the Airport Security Plan and the rules and directives of the Transportation Security Administration. City may request changes in the Loading Dock Operational Plan during the Lease Term to address, for example and without limitation,

safety, security, and efficient operations of the New Terminal. In the absence of a request by the City, Developer shall review the Loading Dock Operational Plan no less than once per Lease Year and submit any proposed changes to the City for review. The Airport Director may approve changes in the Loading Dock Operational Plan without amending this Agreement.

2. Developer's capital investment in the Loading Docks shall not be charged to the Sublessees.
3. The Primary Loading Dock shall accept all deliveries to the New Terminal, including, but not limited to: deliveries by the United States Postal Service, United Parcel Service, FedEx, DHL, Amazon and similar package delivery services; product delivery by distributors and vendors, including for example baked goods and fresh produce; newspapers and magazines; and emergency deliveries, including for example when a Concession Location has run out of a product or ingredient.
4. Developer has the option of either managing the Loading Dock itself with its own employees, or subcontracting Loading Dock management to a third party. In either case, the managing firm for the Loading Docks shall be referred to herein as the "**LD Manager**".
5. The LD Manager shall maintain the Loading Docks in a neat and orderly condition, ensuring that sanitation standards are consistently applied. All trash, recycling and waste products related to the Loading Dock operation must be placed in appropriate containers and frequently removed to dumpsters.
6. The Developer shall construct, and the LD Manager shall operate and maintain, dry and cold storage, to include frozen storage, with sufficient capacity to accommodate expected deliveries during the Lease Term.
7. Developer will not have total management responsibility for the Loading Docks until five days before the New Terminal Opening Day. Until that time, Developer shall work with the City's Project Manager for the construction of the New Terminal, or their designee, to coordinate deliveries, pick-ups, and movement of products and supplies from the Loading Docks to their destination. Pursuant to the Construction Schedule found in **Exhibit D**, Developer will be given adequate time to finish the Loading Docks area per Developer's plan, as approved by City.
8. During the Design and Construction Phase, Developer will be responsible for managing the acceptance of deliveries of merchandise to be used to stock all Concession Locations as part of the Concession Build-out. No deliveries should be permitted to remain on any Loading Dock for an unreasonable amount of time, as determined by the Developer.
9. Developer shall be informed by City of the date when Developer will assume the responsibility for the acceptance and processing of certain mail, small packages, and supplies for all non-concession Airport tenants. LD Manager will be responsible for the processing of such items to a secure, designated lock box for each non-concession Airport tenant and notifying such non-concession Airport tenants of deliveries, pursuant to the following requirements:
 - a. Developer has the option of either delivering product, supplies, mail, and packages to the Sublessees, or requiring Sublessees to pick up their deliveries at the Primary Loading Dock or Secondary Loading Dock, or a combination thereof, based on whichever method is most efficient and convenient for the Sublessees. At no point shall any Sublessee be expected to carry products or merchandise from the Primary Loading Dock to the Secondary Loading Dock (or vice versa, in the case of merchandise returns). No merchandise may be transported through the passenger walkway connecting A-Concourse to B-Concourse at any time unless advanced permission is given by City on a case by case basis.

- b. Developer, along with LD Manager, if it is a third party, shall prepare a plan so that processing of mail or small packages for any non-concession Airport tenant will occur no more than four (4) hours after receipt at the Primary Loading Dock (except for evening deliveries, where the material shall be processed early the next calendar day). If processing cannot be completed until the next day, due to late arrival, the delivery must be secured by the LD Manager.
- c. If the delivery is destined for a Concession Location, and if LD Manager is delivering the product, the same four (4) hour rule shall apply.
- d. If certain Sublessees are required to pick up their deliveries at a Loading Dock, then the LD Manager shall notify the recipient of the availability of their merchandise either at the Primary Loading Dock, or the Secondary Loading Dock, as is most appropriate, as soon as practical after the delivery process begins (or immediately prior to that moment), so that the delivered materials may be promptly removed from the Loading Dock by the Sublessee. If a Sublessee does not pick up such deliveries within a reasonable time frame as set by the Developer, the LD Manager must hold and secure those deliveries, which may result in an additional charge to the Sublessee.
- e. If certain B-Concourse Sublessees are required to pick up deliveries from the LD Manager, then the LD Manager shall move the materials from the Primary Loading Dock to the Secondary Loading Dock according to a pre-planned schedule and secure such materials until they are accepted by Sublessee representatives within a reasonable time frame of notification. If a Sublessee does not pick up such deliveries within a reasonable time frame set by the LD Manager, the LD Manager must hold and secure those deliveries, which may result in an additional charge to the Sublessee.
- f. If the LD Manager receives clearly-marked urgent, delicate, valuable, or fragile item for a Sublessee, it shall process, deliver, or arrange the pick-up within one-half (1/2) hour of receipt at the Loading Docks. For tenants who do not regularly receive products delivered by the LD Manager, the items shall be securely stored until the tenant picks them up. In such a case, the LD Manager shall inform the tenant that they have a delivery waiting.
- g. Within its Loading Dock Operational Plan, LD Manager must prepare recommendations for the procedure for immediate delivery to the addressee of clearly-marked urgent, delicate, valuable or fragile items within one-half (1/2) hour of the acceptance of the delivery from any delivery firm. If such urgent, delicate, valuable, or fragile item is for a Sublessee and the LD Manager does not provide delivery service, then LD Manager shall be required to inform said Sublessee of the arrival of such item at the earliest possible moment. If the Sublessee is located on the B-Concourse, shall inform Sublessee of when they will be able to pick up the merchandise from the Secondary Loading Dock, taking into account transportation time by the LD Manager to the Secondary Loading Dock, and shall, if necessary, secure the merchandise on the Secondary Loading Dock in a safe manner, maintaining the item in the same condition it arrived in, until pick up by the Sublessee.
- h. The LD Manager shall operate the Loading Docks throughout the day, seven (7) days per week, 365/366 days per year, from as early in the morning as is required for the receipt of merchandise, until the end of the standard business day (5:00 p.m.) or later, as scheduled by the LD Manager. Exceptions to these operating hours' requirements may be requested by Developer, at its option, which permission shall be granted, absent a justified reason for keeping the Loading Dock(s) open. It is recommended that LD Manager identify one or more people who can arrive at the Airport within thirty (30) minutes to accept an off-hours delivery if the delivery is urgent, or there is a justified reason for a delivery to occur outside of regularly

scheduled hours of operation. The LD Manager shall designate an employee to be on call to open the Loading Dock(s) outside of normal operating hours in the event of an emergency.

- i. The LD Manager must sort and process mail securely into the designated lock box for each Sublessee and non-concession tenant.
- j. Developer may assess the proportionate cost of LD Manager's services for operations relating to Sublessees only (thereby excluding the cost of providing receiving and processing services to non-concession Airport tenants), based on their usage of LD Manager's services. The charges to Sublessees must be clearly denoted as a separate line item on the Sublessee's monthly payment invoices. The monthly invoicing to Sublessees will be estimates calculated to reimburse the Developer for its costs to provide the services, without markup. City will do periodic audits of these billings. The chargeback methodology, including the steps that Developer will take to exclude costs relating to receiving and processing of non-concession-related product and mail, for example, must be clearly established in Developer's Loading Dock Operational Plan.
- k. By the second March 1st after the New Terminal Opening Day, and every March 1st thereafter, Developer shall provide to the City, without request, a report which summarizes the total estimated amounts received from Sublessees for Loading Dock management services (and delivery, if applicable) during the previous Calendar Year, compared to the cost of providing the services.
- l. If the estimated fees collected are greater than the cost of supplying the services, then Developer shall credit or refund the excess estimated billings and reduce the estimated monthly fees for the following year.
- m. If the estimated fees collected are less than the cost of providing the services, then Developer shall be permitted to increase its charge for Loading Dock management and delivery services based on the projected operating costs for the next year, and recover the shortfall from Sublessees.
- n. LD Manager has the right, but not the responsibility, of scheduling delivery times with suppliers, and, if a schedule is established, refusing to accept an out-of-order/off-scheduled-time delivery.
- o. Distribution of product to Concession Locations and/or Loading Docks for Sublessees that elect to pick up deliveries, will be the sole responsibility of the LD Manager or Sublessee, pursuant to the approved Loading Dock Operational Plan. All deliveries of merchandise and supplies shall be through the Loading Dock, and none shall take place through other means. Developer shall be responsible for securing the permits, training, and equipment for vehicles and drivers to operate on the Airfield in order to facilitate movement of delivered materials from the Primary Loading Dock to the Secondary Loading Dock or other storage locations on the Airfield level. Developer may provide delivery services through a third party, provided at cost without markup to Sublessees. Should Developer choose to provide delivery services with its own employees, it shall propose a methodology for calculating the delivery cost for the approval of the City, which approval shall not be unreasonably withheld. The rate shall not be changed without the approval of the City.
- p. Deliveries to Sublessees and others must be made on a non-discriminatory basis, such that one firm is not prioritized over all others. If evidence of this practice is found by City, Liquidated Damages may be assigned to Developer.

SECTION 403. ADDITIONAL FEES AND CHARGES. The Developer shall pay City additional fees and charges under the following conditions:

- A. In the event the Premises, together with all other land located within the Airport, is subjected to a Declaration of Covenants and Restrictions, which includes, among other things, a provision for assessment of charges for maintenance of common properties and/or for provision of common charges to all land within the Airport, Developer shall pay, in addition to any Concession Fee, its proportionate share of such charges.
- B. If the City has assessed Liquidated Damages in accordance with Article XX.
- C. If the City has paid any sum or sums or has incurred any obligations or expense for which the Developer has agreed to pay or reimburse City.
- D. If the City is required or elects to pay any sum or sums or incur any obligations or expense because of the failure, neglect, or refusal of Developer to perform or fulfill any of the conditions of this Agreement.
 - 1. Such payments shall include all interest, costs, damages, and penalties in conjunction with such sums so paid or expenses so incurred and may be added to any installment of the fees, charges, and rental thereafter due by the Developer to the City hereunder. Every part of such payment shall be recoverable by the City in the same manner and with like remedies as if it were originally part of the basic fees, charges, and rental, as set forth herein.
 - 2. For all purposes under this sub-Section 403.E, and in any suit, action or proceeding of any kind between the Parties, any receipt showing the payment of any sum or sums by the City for any work done or material furnished shall be *prima facie* evidence against the Developer that the amount of such payment was necessary and reasonable.

SECTION 404. REMITTANCE OF PAYMENTS. All remittances shall be made payable to the "City Treasurer" and forwarded to:

City of Kansas City, Missouri
Aviation Department Lockbox
P.O. Box 210513
Kansas City, MO 64121-0513

All payments hereunder shall be paid to City's payment address, or at such other place as City may from time to time designate in writing. The City may also, at any time, require Developer to make electronic transfer payments. Should City so desire, City will provide Developer with the appropriate electronic address, and thereafter, Developer will be required to make all payments electronically.

SECTION 405. PROMPT PAYMENT. The Developer covenants and agrees to pay promptly all Concession Fees, lawful general taxes, special assessments, excises, license fees, permit fees, and utility service charges of whatever nature, applicable to its operation at the Airport, and to take out and keep current all licenses and permits, municipal, state or federal, required for the conduct of its business at and upon the Airport, and further covenants and agrees not to permit any of said taxes, assessments, excises, fees or charges to become delinquent.

The above paragraph shall appear in all Subleases signed by Developer.

SECTION 406. REPORTS. Developer shall provide the City, in a form and detail satisfactory to the City, a true and correct statement of monthly Operator Gross Receipts along with the cumulative annual Operator

Gross Receipts for the Calendar Year (regardless of the Fiscal Year of the Developer). Said monthly statement shall be due by the 25th Day of the following month. Statements of Operator Gross Receipts shall be certified as correct by an officer of the Developer. Developer shall use the report form proposed in its Proposal, as approved by City, and which may be found in **Exhibit F: Form of Monthly Report**. A copy of this report shall be provided with the payment required in Article IV. An electronic version of this report shall be emailed to the Director or other such email address as specified by the City, by the 25th Day of each month. Note that a separate section should be available in the Monthly Report for reporting of Liquidated Damages assessed and collected. Further note that late submissions of any report to the City may subject Developer to Liquidated Damages, pursuant to this Agreement.

SECTION 407. ANNUAL AUDIT. Within ninety (90) days after the close of each Lease Year hereunder, or portion thereof, Developer shall furnish to the City a sworn statement certified by an independent Certified Public Accountant, selected by the Developer, showing the total Operator Gross Receipts collected at the Airport by the Developer and summary of the payments made by Developer to City during the Lease Year. If Developer has overpaid the City in any Lease Year, then the amount of the overpayment will be credited against payments due for the following Lease Year, spread equally over a period of no less than six (6) months, unless City shall specify another period. If the Developer has underpaid the City, Developer shall pay the amount of the underpayment by the April 30 of the year following the timely submission of the Annual Audit to City. This date may be adjusted by City at its option, depending upon when the Annual Audit is received by City. Note, however, that late submissions of any report to the City may subject Developer to Liquidated Damages, pursuant to this Agreement.

SECTION 408. INTERESTS, PENALTIES AND LATE CHARGES. If Developer fails to pay City any amount due City under this Agreement, City shall charge a service charge of one and one-half percent (1.5%) per month if same is not paid and received by the City on or before the twentieth (20th) day of the month following the month in which said payments are due. Developer agrees to pay reasonable costs and expenses incurred by the City in collection of delinquent amounts, including service charges.

SECTION 409. PAYMENT BOND AND PERFORMANCE AND MAINTENANCE BOND. The Developer shall furnish Payment Bond and a Performance and Maintenance Bond to the City in a form substantially similar to that presented in **Exhibit A – Payment Bond and Performance and Maintenance Bond**.

The Payment Bond shall reflect the amount of Developer's Capital Investment required to perform the Work as provided herein. The Payment Bond shall be kept in full force and effect during the D&C Phase, and thereafter until the Developer completes its work and provides the City with the close-out documents as set forth in Section 507. The Performance and Maintenance Bond shall reflect the annual amount required to guarantee the payment of Concession Fee and the performance of Developer's other obligations as provided herein. The Performance and Maintenance Bond shall be kept in full force and effect during the Lease Term, and thereafter until all obligations of the Developer are fulfilled.

At least thirty (30) days prior to the expiration of any annual renewable bond, Developer shall submit to the City a new bond renewal in accordance with the terms and conditions of this Agreement. If any said bond coverage is cancelled or reduced, Developer shall, within five (5) days after the date of such written notice from the bank or surety of such cancellation or reduction in coverage, file with the City evidence of bond renewal showing that the required bond has been reinstated or provided through another bank, Surety Company or companies. Developer shall also require that all Sublessees maintain sufficient Payment and Performance Bonds to ensure payment of their obligations to Developer and the City. Developer's failure, at any time during the Lease Term, to maintain the bond coverage required in accordance with the terms and conditions of this Agreement shall constitute an event of default in accordance with Article XIII, subject to cure in accordance with Section 1304. Alternatively, the City may secure a bond as required herein, and the Developer shall reimburse the City for same with interest thereon on and service charges, as provided for herein.

City shall not be required to keep the Payment Bond and the Performance and Maintenance Bond or any proceeds thereof, as applicable, separate from its general accounts. Any proceeds of the Payment Bond and the Performance and Maintenance Bond is and will remain the sole and separate property of City until actually repaid to Developer, said sum not being earned by Developer until all provisions precedent for its payment to Developer have been fulfilled. If Developer performs all of Developer's obligations hereunder, the Payment Bond and the Performance and Maintenance Bond, or the proceeds thereof, or so much thereof as has not theretofore been applied by City, shall be returned, without payment of interest or other increment for its use, to Developer (or, at City's option, to the last assignee, if any, of Developer's interest hereunder) within sixty (60) days after the expiration of the Term, and after Developer has vacated the Premises. No trust relationship is created herein between City and Developer with respect to the Payment Bond and the Performance and Maintenance Bond or any proceeds thereof.

SECTION 410. ACCOUNTING RECORDS. Developer and its Sublessees shall keep, throughout the entire term of this Agreement in the case of Developer, or throughout the entire term of the Sublessee's Agreement or any extension thereof, all books of account and records customarily used in similar type of operation, and as may be reasonably required by the City, in accordance with GAAP. Such books of account and records shall be retained and available for such period as provided herein unless otherwise reduced by the City. The City, at all times throughout the term of this Agreement or any extension thereof, and for up to three (3) years following termination, shall have the right to audit and examine, during normal business hours, all such records and books of account relating to the Developer's operation hereunder, including Sublessee records and books of account provided that the Developer or Sublessee shall not be required to retain such books of account and records for more than three (3) years after the end of each Lease Year of this Agreement.

Developer shall install and use or cause to be installed and used at the Premises, cash registers, sales slips, invoicing machines and other automatic accounting equipment or devices required to record properly and accurately the Operator Gross Receipts on all sales, services, and other business transactions made by Developer under this Agreement. Electronic ordering is expressly permitted for all concessions, so long as customer can obtain a receipt from a point in the Airport or via e-mail, and sales amounts through said electronic means are auditable by City, by request.

SECTION 411. EARNINGS TAX. All City earnings tax, payable out of earnings from revenues generated under this Agreement, must be withheld, and paid directly to the City by the Developer and its Sublessees. Such withholdings and payments will be made a condition of all contracts entered into by the Developer in connection with revenue generated and/or work performed under the terms of this Agreement, and such earnings tax payments by the Developer and its Sublessees shall be confirmed by the City's Division of Revenue.

SECTION 412. RIGHT TO AUDIT. The City Auditor, the City's Internal Auditor, the City's Director of Human Relations, and the City and their hired Agents shall have the right to audit this Agreement and all books, documents and records relating thereto. Developer and all Sublessees shall maintain all their books, documents and records relating to this Agreement during the term of their agreement and for three (3) years after expiration. The books, documents, and records of Developer in connection with this Agreement shall be made available to the City within ten (10) days after the written request is made. Records must be made available in Kansas City, Missouri, at a location mutually agreeable to City, its Agents involved, and Developer or Sublessee. If City Agents are required to travel outside Kansas City in order to audit these books, Developer or Sublessee shall be liable for all costs, including airline travel (or mileage), hotels, rental cars, meals, and related expenses, which shall be paid within fifteen (15) days of these expenses being billed to Developer or Sublessee.

The final authority for the determination of what books, documents and records are required shall rest with the City. In the event that any inspection or audit made by or on behalf of the City discloses any discrepancy in any statement(s) of Developer's or Sublessee's Operator Gross Receipts and/or in the amount of any sums of money owed, the Developer or Sublessee shall forthwith pay the sum of money owed to the City plus an

interest charge of one-and-one-half percent (1.5%) per month to the City to the date payment is made to the City.

SECTION 413. NET AGREEMENT. This Agreement shall be without cost to the City. It shall be the sole responsibility of the Developer, or Sublessees, to equip, furnish, stock, keep, maintain, repair, and operate the facilities and utilities required under this Agreement, without cost to the City.

**ARTICLE V
CONDITION AND IMPROVEMENT OF PREMISES**

SECTION 501. DEVELOPER CONSTRUCTION AGREEMENT. No improvements, structures, facilities, alterations or additions to the Premises will be made by Developer without prior written approval of the Director. This approval shall be in the form of a separate tenant construction agreement through the Aviation Department's Engineering Division signed by City and Developer. The tenant construction agreement may have requirements for payment and performance bonds, compliance with the Tenant Design Standards, prevailing wage, MBE/WBE participation, and FAA review, among other conditions. The Parties acknowledge and agree that the Missouri Prevailing Wage Law (Chapter 290, Missouri Revised Statutes) and applicable wage order for Platte County shall apply to the Work.

SECTION 502. CONSTRUCTION INSTRUCTIONS. Attached as **Exhibit E** are the Construction Instructions by the City's contractor overseeing the building of the New Terminal. These same rules will apply to Developer's and Sublessee's construction efforts.

SECTION 503. INITIAL CONDITION OF PREMISES. As of the Effective Date, the New Terminal is under construction. Immediately upon the Effective Date, City shall provide, and instruct City's Agents to provide, access to plans, drawings, schedules and other documents concerning the New Terminal to Developer, Developer's Agents and Developer's Architects/Engineers that are necessary or appropriate for Developer to plan and prepare for the Capital Improvements. Also upon the Effective Date, City shall provide Developer, Developer's Agents and Developer's Architects/Engineers with supervised access to the New Terminal construction site as may be necessary to perform such on-site inspection, survey and related work in preparation for the Capital Improvements. The Parties acknowledge that areas of the New Terminal construction site will not become available for Developer or Sublessee construction prior to the dates shown on the Construction Schedule, provided by City's contractor, and shown in **Exhibit D**, or such alternate dates as may be communicated by the City to Developer. City agrees to make the Premises available to Developer, or Sublessees responsible for Capital Improvements to Concession Locations, at the earliest practicable time after completion of the Base Building Work, when a Concession Location has been completed to a Shell Condition, and when the start of Capital Improvements for Build-out will not interfere with the safe, secure and orderly construction of the New Terminal.

- A. **Exhibit D** includes a marked section in the New Terminal in which will occur the "Baggage Handling Blackout." **Exhibit D** also contains the expected schedule for the Baggage Handling Blackout. During the blackout period, which is for system testing of the new baggage system, within the established zones, there may be no cutting or drilling through the concrete slabs.

When received from City, all facilities shall be in Shell Condition. The Developer or Sublessee shall be required to make all connections into utility services. The Developer or Sublessee shall be responsible for securing all applicable permits in order for the Developer or Sublessee to conduct its business on the Premises. Developer shall ensure that they, and Sublessees have secured all necessary permits, and the Developer shall furnish to the City copies of all such permits.

SECTION 504. INITIAL CAPITAL IMPROVEMENTS. Upon the delivery of the Premises, or portion thereof, to Developer by the City, Developer or its Sublessee will complete, at its own expense, such capital improvements as are necessary to develop the Premises to be substantially similar to the proposed design,

appearance, layout and other specifications as identified in Developer's Proposal, including without limitation Tab 21 (Design), and the plans submitted by Developer in accordance with this Article V, including but not limited to doors, storefronts, canopies, walls, partitions, fixtures, equipment, floors, ceilings, interior design and décor, and external appearance and décor (collectively, the "**Capital Improvements**"). Developer and its Sublessees will take affirmative steps to prevent any leakage of fluids through the floor or cracks or expansion joints therein and shall be required to install floor liners that reach at least six inches (6") above the intersection of the floor and wall in all locations with running water or drains, pursuant to the Tenant Design Standards. All Capital Improvements shall conform with the terms and conditions of the Tenant Design Standards, attached hereto as **Exhibit B** and made a part hereof and as may be amended from time to time by the City without further City Council approval. All materials, finishes, furniture, equipment, and fixtures shall be of new manufacture, except for acceptable reuse of materials in accordance with an approved sustainability program which reuses construction materials, and will follow all Applicable Laws, including but not limited to the Americans with Disabilities Act ("**ADA**").

SECTION 505. TITLE TO IMPROVEMENTS. All Capital Improvements constructed or installed by the Developer upon the Premises shall become the property of the City upon termination or expiration of this Agreement, without compensation to the Developer. Developer shall, within seven (7) calendar days following the Expiration Date, remove FFE, except as may be mutually agreed by the Parties, and return the Premises in a broom clean condition, ordinary wear and tear excluded. In the event the City determines that any Concession Location or Common Area is to be used after the Expiration Date for a purpose other than concession services, the City may require Developer to remove any or all Capital Improvements and restore the Concession Location or Common Area to its Shell Condition, at no cost to the City. Developer shall confer upon Sublessees the same rights and obligations as provided herein.

SECTION 506. MIDTERM REFURBISHMENT. Subleases with term greater than six (6) years will require a mid-term refurbishment of at least 15% of the original Construction Cost for the Concession Location. This is in addition to any maintenance requirements undertaken by the Developer and/or Sublessees or any re-leasing or rebranding strategies undertaken by the Developer.

SECTION 507. COST OF CAPITAL IMPROVEMENTS. Within one hundred and eighty (180) days of the completion of the Capital Improvements or Midterm Refurbishments, Developer shall provide to the City, in a form and detail satisfactory to the City, a true and correct statement of the actual Construction Costs of all Capital Improvements. The statement of Construction Costs shall only include Eligible Costs and shall be certified as correct by an officer of Developer or Sublessee. If Developer or Sublessees fail to provide proper documentation of their investments to City as well as as-built Drawings as defined in Section 509, within the time frame stated above, then City will not be responsible for any reimbursement of investment if otherwise required herein. Additionally, City may assess Liquidated Damages as appear in Article XX.

SECTION 508. DEPRECIATION AND EARLY TERMINATION. Developer or Sublessee shall establish a Depreciation Schedule for each facility, which shall be submitted to the City for its approval. Any schedule submitted by Developer or Sublessees for this purpose shall not be deemed a "Depreciation Schedule" until such schedule is approved by the City, which approval shall not be unreasonably withheld.

SECTION 509. AS-BUILT DRAWINGS. Developer shall submit the following as-built drawings to the City upon conclusion of construction activities:

- A. Two complete sets of as-built Drawings containing a separate stamp from the Developer's Architect/Engineer attested to by both the Developer/Sublessee and either the Developer's or Sublessee's Architect or Engineer that such submitted Drawings constitute true and accurate representations of the as-built condition of the Capital Improvements. It is recommended that Developer review Sublessee's drawings before submittal to the City; and

- B. One complete set in Computer Aided Design (“CAD”) format which complies with the City's then-current CAD standards.

These Drawings must include any applicable governmental approval or permit numbers, the Capital Improvements as constructed or installed by the Developer or Sublessee on or in the Premises, and shall include the location and details of installation of all equipment, utility lines, and heating, ventilating, and air-conditioning ducts and related matters.

The Developer and Sublessees shall keep said Drawings current by updating the same to reflect thereon any changes or modifications which may be made in or to the Premises and then submitting such updated drawings to City.

SECTION 510. RELETTING. Each time a Concession Location is relet to a new Sublessee, the Developer or new Sublessee shall be required to renovate or modify the existing facility to the then-current Tenant Design Standards. In the event the Concession Location is to be used for a new concession service, the Developer or Sublessee shall rebrand and renovate the Concession Location and replace FFE as necessary to satisfy the standards of this Agreement and the Proposal and present a like-new Concession Location.

SECTION 511. LIENS. The Developer, for itself and its Sublessees, agrees not to permit any mechanic's or material man's or any other lien to be foreclosed upon the Airport or any part or parcel thereof, by reason of any work or labor performed or materials furnished by any mechanic or material man or for any other reason.

SECTION 512. CONSTRUCTION COMPLETION. All substantive construction will be completed by the Substantial Completion Date, and each Concession Location and the Common Areas shall be open and operating on the New Terminal Opening Day, except if the Developer's Substantial Completion Date is later than the New Terminal Opening Day, in which event the Concession Location and Common Area shall be open to the public no later than fourteen (14) days after the Developer's Substantial Completion Date. Notwithstanding the generality of the foregoing, Developer may propose, and the City may, in its reasonable discretion, agree to a later opening day for a limited number of Concession Locations for business or operational reasons but not for Developer's, Developer's Agents or Sublessee's failures to meet the construction schedule. Failure to meet either the Date of Substantial Completion or to be fully open on the New Terminal Opening Day as provided herein will subject Developer to Liquidated Damages in accordance with Article XX.

**ARTICLE VI
DEVELOPER'S OPERATIONS
AND USE OF PREMISES**

SECTION 601. PERFORMANCE AND OPERATING STANDARDS. The Developer and its Sublessees will provide services in a First-Class Manner by adhering to high standards of operation and service regularity, as defined below and audited from time-to-time, in accordance with the plans, policies and programs set forth in the Developer's Proposal. The principal elements of the Proposal that set forth the performance and operating standards of the Concession Program to be managed and implemented by Developer include, for illustration and without limitation: Tab 2 (Program Management Methodology), Tab 9 (Employee Incentive Program), Tab 10 (Sales and/or Customer Service Programs), Tab 14 (Operating Hours), Tab 15 (Management of the Concessions Programs), and Tab 20 (Pricing). When mutually agreed to by both Parties, the City, through the Director of Aviation, may amend these plans, policies and programs and make any necessary changes without further City Council approval. This Section reflects certain portions of Developer's Proposal agreed to by the City central to the requirement to manage the Concession Program in a First-Class Manner.

- A. Hours of Operation. The Developer shall require Sublessees to maintain hours of operation that correspond as closely as possible with the flight schedules of the airlines operating in the New Terminal and the consumer needs and interests of Airport passengers, employees and users. Beginning

on the New Terminal Opening Day, the hours of operation shall be as set forth in Tab 14 (Operating Hours) of the Proposal. During the Lease Term, Developer shall manage the Concession Program according to the following minimum standards:

1. Some number of Concession Locations for Foodservice and Convenience Retail must be open at least one hour before the first departing flight each day.
2. Substantially all Concession Locations must be open between the hours of 6 A.M. and 10 P.M. each day.
3. Some number of Foodservice and Convenience Retail must remain open until thirty minutes after the last scheduled flight each day.
4. Automated Retail Units will be available at all times.
5. Developer and Sublessees shall maintain plans and schedules for flight delays and irregular operations, including, for example and without limitation, weather and other events that cause extended airline schedule delays and/or result in passengers overnighing in the New Terminal.

When mutually agreed to by the Parties, the City, through the Director of Aviation may agree to changes in the hours of operation without further City Council approval. Developer's failure to monitor and enforce the required hours of operation may result in the imposition of Liquidated Damages as provided in Article XX.

B. Pricing. Developer shall maintain a value pricing program as follows:

1. Pricing shall conform to the pricing program set forth at Tab 20 (Pricing) in Developer's Proposal. The principal element of the pricing program is that the selling price of goods and services shall be no more than fifteen percent (15%) higher than street pricing, calculated and monitored as presented in the Proposal. All sublessees will be required to participate in an employee discount program providing a minimum ten percent (10%) discount to badged employees, with exceptions for certain categories of products and services.
2. Should the City receive a significant number of complaints that Developer's pricing program results in an unreasonably large disparity between Airport pricing and street pricing and, as a result, depresses sales and revenues, the Parties shall meet and confer to identify and evaluate potential options to adjust the pricing program. Changes may include reexamining and adjusting the comparable store locations; introducing additional products and services at lower price points; adding products to the list of Established Price Items, as provided below; or additional marketing, promotional or similar activities. For purposes of this subsection, a "significant" number of complaints shall mean fifteen (15) complaints received from separate passengers using the New Terminal on a specific product and/or product category in any rolling twelve (12) month period.
3. Developer shall be responsible for monitoring and enforcing the pricing program among its Sublessees, and Developer's nonperformance of this obligation may result in the imposition of Liquidated Damages as provided in Article XX.
4. City has included this Section 601.B as a condition precedent to the tendering of this Agreement with Developer, as a critical factor underlying the acceptance by City of Developer's proposed financial offer and its pricing regime, and for all future operations under this Agreement. Developer explicitly confirms this Section 601.B as being acceptable for all operations by any firm under this Agreement, including Developer, Developer's Affiliates, and Sublessees.
5. The City has determined that certain items, called Established Price Items, must be offered at a consistent price as determined via the methodology shown below at all Concession Locations, regardless of Operator or the type of offering.

- a. All Concession Locations will offer the Established Price Items at a consistent price. The only exception to this rule will be the sale of items which otherwise would be Established Price Items in sit-down restaurants or bars, where the items are sold for in-restaurant consumption only. Any “to-go” products sold within such establishments must meet the prices for Established Price Items. If any restaurant or bar operator does not wish to have two prices for the same item, then all products must be sold as Established Price Items.
- b. Operators, with the approval of Developer and City, may offer Established Price Items at a price established for that specific product so that the retail price of the item is consistent across all Concession Locations, regardless of Operator.
- c. Developer shall do a price comparison shop no more often than once every three (3) months.
- d. The initial location which shall be used for price comparison shops shall be the QuikTrip convenience store located at 7133 NW Barry Road, Kansas City, Missouri, 64153. This comparable location shall be changed, subject to City’s approval if the QuikTrip convenience store listed above ceases operations or substantially changes its mode of operation. Additionally, the comparable location may be changed upon request of the Developer, subject to the City’s approval. This policy will be a contractual requirement as a precedent for allowing a reasonable pricing program to prevail for all other products and is non-negotiable. The prices charged shall be the exact prices charged at the comparison location, without markup, provided that prices shall be as commonly charged at the comparison location and not during any temporary sale or promotional period.
- e. Reasons for product differentiation may include, but are not limited to:
 - (1) Packaging (for example, water in boxes vs. plastic bottles); container/cup size;
 - (2) status of brand (by way of example, Tasmanian Rain branded water versus brands such as Polar Springs or Dasani);
 - (3) product acquisition cost (Developer or Sublessee shall be required to provide documentation to prove any claim of cost differences);
 - (4) Other reasons as accepted by Developer and City.
- f. Developer and City will review any potential suggested differentiators, as well as prices for all previously defined products, within seven (7) calendar days (or fewer), following the presentation of findings to the City, to provide updated Established Prices, as necessary, for all Items offered.
- g. No product which fits within the definition of Established Price Items may be sold at the Airport if it is not included in the comparison shop and/or any equivalencies are established by Developer with approval by the City.
 - (1) If any Concession Location offers a product which fits the definition of an Established Price Item, without a price established through a comparison shop or equivalency determination, the item will be immediately removed from the display, returned to the vendor, and the operator of that Concession Location will be subject to Liquidated Damages to be assessed by Developer or City.
- h. If prices are to be changed, then they should be changed at all Concession Locations on the same day. Developer should coordinate the price change process.
- i. City reserves the right to change the list of Established Price Items, subject to mutual agreement with Developer, if it receives multiple complaints from the traveling public, press,

or City officials, on the pricing of any general product class, without the further approval of the City Council.

SECTION 602. Applicable Law. The Developer shall comply with Applicable Law, now or hereafter applicable to the Premises or to any adjoining public ways, as to the manner of use or the condition of the Premises and the Developer's improvements thereon or of adjoining public ways; provided however, that the Developer shall not be obligated to conform with any amendment to a rule, regulation, policy or directive adopted by the Director of Aviation or City Manager for the Airport that results in the Developer or Sublessee to incur a material capital or operating cost, except for the purposes of health, safety or environmental protection or if the Parties agree to a commercial resolution.

SECTION 603. INTERFERENCE WITH AIR NAVIGATION. The Developer, for itself and for Sublessees, agrees not to install any structures, objects, machinery or equipment that would interfere with operation of navigation aids or that would interfere with the safe and efficient operation of the Airport, or interfere with the operations of other tenants and users of the Airport. This Agreement shall terminate immediately, without recourse, if broadcast or receiving emanations of the Developer's equipment purposefully interfere with Federal Aviation Administration ("FAA") systems on the Airport. If such interference was unintentional, the source of broadcast or receipt of emanations shall be immediately unplugged and removed from the Airport within three (3) days. If Developer or Sublessee fails to follow the above rule, then this Agreement or the Sublease will be subject to immediate termination without further warning or process.

SECTION 604. SIGNAGE. Except for signage required by law to be applied to the Premises, the Developer agrees that no signs, advertising displays, or exterior decorations shall be painted on or erected in any manner upon the Premises without the prior written approval of the City, and that such signs shall conform to reasonable standards established by the City with respect to wording, type, size, design, color and location. A concise written description of signage, along with a brief artist's rendering, swatch(es)/sample(s) and proposed color scheme(s) shall be submitted to the City for review and approval prior to installation.

SECTION 605. CUSTOMER SERVICE AND MARKETING PLANS. Developer shall implement customer service and marketing plans as set forth in Tab 10 (Sales and/or Customer Service Training Programs) and Tab 19 (Marketing Program) of the Proposal. Developer and Sublessees shall execute these plan(s), as approved by the City, in its/their entirety. Developer shall submit revisions to the customer service and marketing plans no less frequently than within 180 days of the fifth (5th) and tenth (10th) anniversary of the New Terminal Opening Day. Developer shall review the previous plans and update them based on the effectiveness of customer service and marketing efforts in the preceding five years, and the availability of different marketing theories, ideas, technology and applications.

**ARTICLE VII
MAINTENANCE OF PREMISES AND FACILITIES**

SECTION 701. MAINTENANCE. The City shall furnish structural maintenance of City-constructed facilities including the roof of the New Terminal and provide the maintenance and operation of City-installed mechanical and electrical systems.

At their sole cost and expense, the Developer and/or its Sublessees shall maintain and repair the Premises at all times in accordance with Developer's Proposal, including primarily but without limitation Tab 17 (Sanitation, Pest Control, Cleanliness and Maintenance Plans), and in accordance with Applicable Law.

ARTICLE VIII
COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

SECTION 801. COMPLIANCE WITH ENVIRONMENTAL LAWS. Developer hereby covenants and agrees, on behalf of itself and its Subtenants, to comply with all applicable Environmental Laws in connection with its use and occupancy of the Premises and any Airport facilities and property.

SECTION 802. STORM WATER BEST MANAGEMENT PRACTICES. Developer shall comply with, or shall cause any Sublessee as applicable to comply with, the Airport's Storm Water Best Management Practices ("**Storm Water BMP**"), which are attached hereto as **Exhibit G**.

SECTION 803. REVIEW OF ENVIRONMENTAL DOCUMENTS. Developer, at the written request of City, shall make available for inspection and copying, at Developer's cost and expense, upon reasonable notice and at reasonable times, all non-privileged documents and materials Developer has prepared to satisfy the requirements of any Environmental Law or submitted to any governmental regulatory agency; provided, that such documents and materials relate to environmental issues or Environmental Laws and are pertinent to the Airport.

SECTION 804. ACCESS FOR ENVIRONMENTAL INSPECTION. City shall have reasonable access to the Premises upon notice to Developer and at reasonable times to inspect the same in order to confirm Developer is using the Premises in accordance with applicable Environmental Laws. Any testing shall be accomplished in a manner designed to minimize any impact on Developer's operations and, subject to the next sentence, at Developer's expense. If such testing and analysis confirms that Developer's activities would not result in a technical violation under any Environmental Law, the City shall reimburse all costs of testing and analysis expended by Developer under this Section.

SECTION 805. ENVIRONMENTAL NONCOMPLIANCE. If Developer receives a notice of violation for an alleged failure to comply with an applicable Environmental Law related to Developer's operations at the Airport from a regulatory agency responsible for implementation of said Environmental Law, Developer shall provide a copy of such notice to the City within 48 hours of its receipt of such notice. If Developer fails to correct the alleged noncompliance within the period required by applicable Environmental Laws or does not appeal the notice of violation, then City, in addition to its rights and remedies provided elsewhere within this Agreement, may enter the Premises upon reasonable written notice to Developer and at reasonable times, and take all reasonable and necessary measures to correct the non-compliance as required by applicable Environmental Laws, at Developer's expense.

SECTION 806. WRITTEN AUTHORIZATION NECESSARY TO STORE, USE OR DISPOSE OF HAZARDOUS MATERIALS. Developer shall not store, use, treat or dispose of any Hazardous Materials on the Airport except those Hazardous Materials used in the ordinary course of its operations unless Developer first secures the written authorization of the City and complies with any reasonable conditions City may impose, which reasonable conditions shall be consistent with Environmental Laws, including the submission to City of all Safety Data Sheets (or similar data sheets) for the Hazardous Materials to be stored.

SECTION 807. DUTY TO NOTIFY CITY. In the event of Developer's knowledge of a release or threatened release of any Hazardous Materials into the environment relating to or arising out of Developer's use or occupancy of the Airport, Developer must notify the City as soon as reasonably practicable by contacting the Aviation Department Environmental Manager or the Airport's Communication Center promptly after the release. In the event any written claim, demand, action or notice is made against Developer regarding Developer's failure or alleged failure to comply with any Environmental Laws in connection with Developer's operations at the Airport, Developer must within a reasonable time notify City in writing and must provide City with copies of any written claims, demands, notices, or actions so made.

SECTION 808. ENVIRONMENTAL REMEDIATION. Developer shall undertake such steps to remedy and/or remove any Hazardous Materials or other environmental contamination released or discharged (or threatened to be released or discharged) in, on, under, to or from the Airport as a result of Developer's operations at the Airport that are required by the relevant environmental regulatory agency pursuant to applicable Environmental Laws to protect the public health and safety and the environment from actual or potential harm. Such work must be performed at Developer's expense. The City shall cooperate with the Developer so as not to inhibit such work. Developer shall submit to City its proposed plan for completing such work at the time submitted to the responsible regulatory agency. Upon reasonable written notice to Developer, City may review and inspect all such work at any time using City staff or, to the extent the City determines to be necessary, consultants and representatives of its choice at Developer's cost and expense.

SECTION 809. NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS. Developer warrants that all planning, design, fabrication, installation, construction, start-up, testing, maintenance and repair work performed pursuant to this Agreement will be performed in accordance with any applicable National Emission Standards for Hazardous Air Pollutants ("NESHAP"), 40 C.F.R. 61.145, as well as state and local law.

SECTION 810. STORM WATER COMPLIANCE.

- (A) If applicable, Developer shall maintain any oil water separators or other types of process operated by the Developer or any Sublessee at the Airport in a manner that prevents the discharge of petroleum contaminants into the waterways that would negatively impact the City's National Pollutant Discharge Elimination System ("NPDES") permit. Use of soaps, surfactants or materials in a manner that may ultimately enter the storm water and negatively impact the City's NPDES permit is prohibited except for approved operational aircraft deicing and other uses specifically approved in writing by the City.
- (B) The Developer will be responsible for containing spills or releases that can or will impact the storm water systems immediately when such spills or releases are caused or permitted by Developer. Any release or spill of a Hazardous Material into the environment at the Airport and caused or permitted by Developer, whether or not of a quantity reportable under Environmental Law must be reported to the City as soon as reasonably practicable, but in no event more than a twenty-four (24) hour period following any initial actions taken to contain and/or clean up the release. In the event such a release is determined to be beyond the Developer's ability to safely address, or if it cannot or will not be cleaned up prior to entering any storm water systems or should the release present an immediate hazard to life or property, the Developer shall notify the Aviation Department Environmental Manager or the Airport's Communication Center immediately.

SECTION 811. ENVIRONMENTAL INDEMNIFICATION. In addition to any indemnification set forth elsewhere in this Agreement, Developer hereby indemnifies and agrees to defend and hold harmless the Indemnified Parties from all costs, claims, demands, actions, liabilities, complaints, fines, citations, violations or notices of violation arising from or attributable to: (i) a presence or release of Hazardous Materials caused by Developer or Developer's Agents at the Airport or the subsurface, waters, air or ground thereof in excess of levels allowable by applicable Environmental Laws or the violation of applicable Environmental Laws due to Developer's or Developer's Agent's management, control, authorization, handling, possession or use of Hazardous Materials at the Airport into the environment (as environment is defined in CERCLA); (ii) any breach by Developer of any of its warranties, representations or covenants in this Article; (iii) Developer's remediation or failure to remediate Hazardous Materials as required by this Agreement. Provided, however, Developer shall have no indemnification obligation under subsection (i) of this Section for any costs or liabilities related to any release of Hazardous Materials at the Airport in, on, or under the Premises prior to the date of the Developer's first occupancy of the Premises, except to the extent the Developer or Developer's Agents exacerbate such release or fail to comply with applicable Environmental Laws. Developer's obligations hereunder will survive the termination or expiration of this Agreement, and will not be affected in any way by the amount of or the absence in any case of covering insurance or by the failure or refusal of any insurance

carrier to perform any obligation on its part under insurance policies affecting the Airport or any part thereof, except that, in the event that City recovers funds from insurance carriers in connection with claims associated with (i), (ii) and (iii) above, City may not recover the same funds from Developer.

ARTICLE IX COMPLIANCE WITH LAWS AND PAYMENT OF TAXES

SECTION 901. COMPLIANCE WITH LAWS AND PAYMENT OF TAXES. The Developer, for itself and for Sublessees, and the City covenant and agree to observe and obey all federal, state and city laws and ordinances and airport rules and regulations; provided, however, that such airport rules and regulations are consistent with safety and are not in conflict with this Agreement, the Sublease, or the rules of any federal agency having jurisdiction thereover. The Developer and its Sublessees are required to purchase and maintain an Occupational License for the term of this Agreement and to establish an earnings tax account with the City. The Developer further agrees, on behalf of itself and Sublessees, whose Subleases must contain language substantially similar to this Article IX, to pay promptly, and not to permit to become delinquent, all applicable taxes, special assessments, excises, permit fees, license fees, and utility service charges.

Notwithstanding the foregoing provisions, the Developer or the Sublessee shall have the right, in its own name, to contest in good faith the validity or applicability of any law, statute, rule, regulation, order, or ordinance of any governmental body or agency to the Premises or the operation thereon. The fact that the Developer or Sublessee may, in connection with such contest, refrain from complying with such law, statute, rule, regulation, order, or ordinance shall not affect in any way the Developer's or Sublessee's obligation to (1) refrain from subjecting any part of the Premises to forfeiture or loss, and (2) pay the required fees set forth in Article IV. (Payments and Fees; Sublessee Fees)

SECTION 902. COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

- A. Developer's warranty. The Developer agrees that it shall develop, manage, use, and occupy the Premises in accordance with the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq. (hereafter collectively the "ADA"), including, without limitation, modifying the Developer's policies, practices, and procedures, and providing auxiliary aids and services to disabled persons.
- B. Accessible services. The Developer acknowledges that, pursuant to the ADA, programs, services, and other activities provided by a public entity, whether directly or through a contractor, must be accessible to disabled persons. The Developer shall provide the services specified in this Agreement in a manner that complies with the ADA and all other applicable federal, state, or county disability rights legislation. The Developer agrees not to discriminate against disabled persons in the provision of services, benefits, or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Developer and Developer's Agents shall constitute a material breach of this Agreement.
- C. Developer's alterations. With respect to all work required to be performed by the Developer or Sublessee in preparing the Premises for the Developer's or Sublessee's use and occupancy, including, without limitation, the construction and installation of all Concession Improvements and FFE on or at the Premises, the Developer, on behalf of itself and its Sublessees agrees to complete such work in full compliance with the ADA. Upon City's request, the Developer, on behalf of itself and its Sublessees, shall provide the City with evidence satisfactory to the City that all such work was completed in compliance with the ADA. The Developer, on behalf of itself and its Sublessees, further agrees that any future alterations or improvements made by the Developer to the Premises shall comply with the ADA.
- D. ADA audit. The Developer shall conduct and complete, at the Developer's sole cost and expense, an audit as required under the ADA identifying and describing the architectural barriers to disabled access

which must or should be removed, which audit shall be subject to the City's review and approval. The Developer agrees, for itself and for its Sublessees, to remove, or cause to be removed, at the Developer's or Sublessee's sole cost and expense, all such barriers identified and described in the audit approved by the City.

- E. Notice. The City and the Developer, on behalf of itself and Sublessees, agree to promptly, for the purposes of this section, promptly is defined as no greater than three (3) calendar days, give written notice to the other of any notices which it receives alleging ADA violations.
- F. Developer's indemnification. The Developer and its Sublessees, shall release, defend, indemnify, and keep and hold harmless the City, its Agents, successors and assigns, from and against any and all claims, demands, suits, actions, causes of action, judgments, liabilities, losses, damages, costs and expenses resulting or arising from the Developer's or Sublessee's failure to comply with the Developer's or Sublessee's obligations hereunder with respect to the ADA.

SECTION 903. SUBLEASES. All Subleases under this Agreement shall contain language substantially similar to this Article IX to bind Sublessees to compliance with laws and payment of taxes.

ARTICLE X INDEMNIFICATION AND INSURANCE

SECTION 1001 INDEMNIFICATION.

- A. Developer shall indemnify, defend and hold harmless the Indemnified Parties from and against all liabilities, losses, costs, suits, claims, judgments, expenses, fines or demands of any kind (including, but not limited to, costs of investigation, reasonable attorney's fees, court costs and expert fees) of any nature whatsoever (collectively, "**Losses**"), arising out of or alleged to arise out of the use, occupancy or operations of Developer, or any of its Affiliates, officers, volunteers, representatives, agents, employees, contractors, subcontractors, licensees, subtenants, Sublessee, invitees, or suppliers (collectively, the "**Developer Parties**"), on the Premises or at the Airport or any acts or omissions of Developer in connection with this Agreement. Each of Developer's approved Affiliates shall indemnify the Indemnified Parties as provided to the extent set forth in this Section 1001 against any Losses arising out of or alleged to arise out of the use, occupancy or operations of or at the Airport of such Affiliate or any of its Developer's Parties.
- B. Developer shall not be liable for any injuries, death or damage to the extent that such injury, death or damage is caused by sole the negligence or willful misconduct of an Indemnified Party. It is the intent of the parties that, where the negligence or willful misconduct of one or more Indemnified Parties is determined to have been contributory, the principles of comparative negligence as applied in the State of Missouri shall be followed and each party shall bear the proportionate cost of any loss, damage or liability attributable to its own negligence or willful misconduct.
- C. The City shall have the right, at its option and at its sole expense, to participate in the defense of any suit, without relieving Developer of any of its obligations under this indemnity provision, provided that the City and its attorneys shall coordinate and cooperate with Developer's attorneys, unless the Developer and the Indemnified Parties cannot be represented by the same attorneys under Applicable Law or ethical rules applicable to attorneys, in which case the Developer shall be responsible for the costs of the attorneys for the Indemnified Parties in addition to those of the Developer.
- D. Developer shall notify City, by fax or certified letter, promptly following Developer's receipt of any lawsuit filed against Developer and the City, any letter written by an attorney on behalf of a complainant, or a complaint by any regulatory agency arising out of or alleged to arise out of the use, occupancy or operations of an Developer Party on the Premises or at the Airport. Such notification shall be sent to

the City's Aviation Department at the address and/or facsimile number set forth herein without undue delay.

- E. Sections, substantially similar to this Article shall appear in all Subleases.
- F. The Developer shall hold liability for Developer and all Developer's Agents, including Sublessees, entering, or coming onto the Premises. The use of the Airport and the Premises by the Developer and the Developer's Agents shall be at their own risk.
- G. This Section 1001 shall survive the termination or expiration of this Agreement with respect to occurrences during the term of this Agreement.

SECTION 1002. INSURANCE.

- A. Without limiting Developer's obligations to indemnify the City, as provided in Section 1001, Developer and Sublessee, without expense to the City, shall obtain and cause to be kept in force at all times during the term of this Agreement, such liability and other insurance as is appropriate for activities under this Agreement, but not less than the types and amounts specified in this Section, whether such activities are to be performed by the Developer, any Developer Party, or anyone directly or indirectly employed by Developer, or anyone for whose acts they may be liable.
- B. Insurance must be written under policies no more restrictive than the standard form of policy as follows:
 - 1. Commercial General Liability Insurance with limits of \$5,000,000.00 per occurrence and \$5,000,000.00 aggregate, written on an "occurrence" basis. The policy shall be written or endorsed to include the following provisions:
 - a. Severability of Interests Coverage applying to Additional Insureds.
 - b. Per Project Aggregate Liability Limit or, where not available, the aggregate limit shall be \$5,000,000.00.
 - c. Liquor liability insurance with limits of not less than \$5,000,000 per occurrence, \$25,000,000 in the aggregate.
 - 2. Workers' Compensation. Workers' Compensation Insurance as required by statute, including Employers Liability with limits of:
 - Workers' Compensation – Statutory
 - Employers Liability - \$100,000 accident with limits of;
 - \$500,000 disease-policy limit;
 - \$100,000 disease-each employee.
 - 3. Commercial Automobile Liability Insurance with a limit of \$5,000,000 combined single limit per accident, written on a form at least as broad as the ISO CA 00 01, covering owned, hired and non-owned motor vehicles. Coverage provided shall be on an "any auto" basis and written on an "occurrence" basis. This insurance shall protect against claims arising out of the operation of motor vehicles on the Airport, as to acts done in connection with the Agreement, by Developer.
 - 4. Property Insurance on all of the improvements on the Premises (now or hereafter existing) or used in connection therewith against any loss or damage by fire, flood, earthquake and other or any casualties or peril, and all other perils as are included within what is commonly known as "all risk coverage" for any improvements on the Premises with full replacement cost insurance, in amounts sufficient to prevent City from being or becoming a co-insurer within the terms of the policy or policies in question and in no event less than the full replacement cost value thereof, exclusive of

the cost of foundations, excavations, and footings below the lowest basement floor, and without any deduction being made for depreciation. The replacement cost value shall be determined from time to time, but not more frequently than once in any twelve (12) consecutive calendar months at the request of City, by an appraiser, architect and/or Developer. All property insurance proceeds shall promptly be deposited with the City.

SECTION 1003. INSURANCE GENERAL REQUIREMENTS.

- A. The insurance, provided in Sections 1002 (B) (1), (2) and (3) above which are required to be purchased and maintained by Developer shall:
1. Include at least the specific coverages and be written for not less than the limits of liability specified herein or required by Applicable Laws, whichever is greater;
 2. If Developer carries insurance limits greater than those required by this Agreement, the City shall have the right to the full amount of insurance coverage available to Developer, including amounts in excess of those required under this Agreement up to a maximum amount of \$50,000,000;
 3. Developer may use commercial umbrella/excess liability insurance so that Developer has the flexibility to select the best combination of primary and excess limits to meet the total insurance limits required by this Agreement;
 4. The City reserves the right at any time throughout the Term of this Agreement to adjust the insurance requirements set forth in this Agreement if, in the City's reasonable judgment, the insurance required by this Agreement is deemed inadequate to properly protect the City's interests. In such event, Developer agrees that it shall procure the adjusted insurance, provided that the coverage is available at commercially reasonable rates;
 5. Include contractual liability insurance covering Developer's indemnity obligations under Section 1001 of this Agreement with no contractual liability limitation endorsement (applies to Subsections 1002 (1) and (3) only, only to the extent insurable thereunder);
 6. Contain a provision or endorsement that the coverage afforded will not be canceled, materially changed, or renewal refused until at least 30 days' prior written notice has been given to the City except that only ten (10) day notice shall be required in the event of cancellation due to non-payment of premium;
 7. Contain a cross liability or severability of interest clause or endorsement (applies to Subsections 1002 (1) and (3) only);
 8. Name the City as an additional insured (applies to Subsections 1002 (1) and (3) only);
 9. Be primary without any right of contribution from any other insurance which may be carried by the City;
 10. Waive Developer's rights of subrogation against the City, including the City's appointed and elected officials, agents and employees;
 11. Written by companies that have an A.M. Best, or S & P rating of A-V or better or have been approved by the Director of Aviation;
 12. Contain, to the extent available, waiver of all rights to set off, counterclaim or any other deduction, against the City, including the City's appointed and elected officials, agents and employees; and

13. Provide that it may not be invalidated by any action or inaction of Developer.

SECTION 1004. EVIDENCE OF INSURANCE.

- A. Unless otherwise authorized by the Director, certificates or other evidence of insurance coverages in amounts no less than those stipulated herein or as may be in effect from time to time, required of Developer in this Article shall be delivered to the Director on or before the Effective Date.
- B. Within fifteen (15) days after the date of written notice from the insurer of cancellation or reduction in coverage (but in all events before cancellation of such insurance), Developer shall deliver to the Director evidence that the required insurance has been reinstated or provided through another insurance company or companies. In no event shall the Developer permit the insurance coverage(s) defined within this Agreement to lapse.

SECTION 1005. INSURANCE DEFAULT. Notwithstanding any other provision of this Agreement, failure to obtain or maintain in force the insurance required herein shall constitute an event of default in accordance with Article XIII, subject to cure in accordance with Section 1304.

SECTION 1006. CITY INSURANCE. The City, in operating the Airport, will carry and maintain comprehensive liability and property damage insurance in such amounts as would normally be maintained by public bodies engaged in carrying on similar activities.

**ARTICLE XI
AFFIRMATIVE ACTION/EQUAL EMPLOYMENT AND NON-DISCRIMINATION**

SECTION 1101. AFFIRMATIVE ACTION.

- A. Developer shall establish and maintain for the term of this Agreement an Affirmative Action Program, to the extent required by Chapter 3, Code of General Ordinances of Kansas City, Missouri, and comply with all applicable provisions, rules and regulations relating thereto and any additions, amendments or subsequent requirements thereof.

SECTION 1102. EQUAL EMPLOYMENT. Developer shall:

- A. To the extent required by Chapter 38, article I, refrain from any unlawful employment practices as defined by Chapter 38, Article III, Code of General Ordinances of Kansas City, Missouri, as amended.
- B. Post at its Premises, at the office of employment, notices setting forth provisions of Chapter 38, Article III, and further setting forth that Developer agrees to abide by the provisions thereof and to implement the Certificate of Compliance or Affirmative Action Program submitted by Developer in connection with this Agreement.
- C. Permit City's Director of CREOD, or her or his duly authorized agent or employees, access at all reasonable times to all such persons, books, papers, records, reports or accounts in the possession of or under the control of Developer, as may be necessary to ascertain compliance with Chapter 38, Article III, and to furnish such further information as may be required, all within ten (10) days of the date requested in writing.
- D. Include as a condition thereof, within all contracts executed by Developer with a subcontractor and relating to this Agreement, the provisions of Chapter 38, Article III, Code of General Ordinances, to which all subcontracts also shall be subject.

SECTION 1103. NON-DISCRIMINATION.

A. Developer shall comply with the following FAA required provisions as interpreted from time to time by the United States Department of Transportation (“USDOT”) or the FAA.

1. Civil Rights – General. Developer agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Developer transfers its obligation to another, the transferee is obligated in the same manner as Developer.

This provision obligates Developer for the period during which the Premises is owned, used or possessed by Developer and the City remains obligated to the FAA. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

2. Civil Rights – Title VI Assurances – Compliance with Nondiscrimination Requirements.

- a. Compliance with Regulations: Developer (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

- b. Non-discrimination: Developer, with regard to the work performed by it during the Agreement, 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. Developer will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

- c. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by Developer for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Developer of Developer’s obligations under this Agreement and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

- d. Information and Reports: Developer 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 City or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Developer is in the exclusive possession of another who fails or refuses to furnish the information, Developer will so certify to the City or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

- e. Sanctions for Noncompliance: In the event of Developer’s noncompliance with the non-discrimination provisions of this contract, the City will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- i. Withholding payments to Developer under the Agreement until Developer complies; and/or

- ii. Cancelling, terminating or suspending the Agreement, in whole or in part.

- f. Incorporation of Provisions: Developer will include the provisions of 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. Developer will take action with respect to any subcontract or procurement as the City or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Developer becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Developer may request the City to enter into any litigation to protect the interests of the City. In addition, Developer may request the United States to enter into the litigation to protect the interests of the United States.
- g. Civil Rights – Title VI Clauses for Use/Access to Real Property. Developer for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises or the Airport, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Developer will use the premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Nondiscrimination Acts And Authorities in Paragraph 3 below.

In the event of breach of any of the above nondiscrimination covenants, the City will have the right to terminate the Agreement and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued.

- 3. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, Developer, for itself, its assignees, and successors in interest (hereinafter referred to as “Developer”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:
 - a. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
 - b. 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation — Effectuation of Title VI of the Civil Rights Act of 1964);
 - c. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
 - d. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
 - e. The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*), (prohibits discrimination on the basis of age);
 - f. Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
 - g. The Civil Rights Restoration Act of 1987 (PL 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);
- h. Titles II and III of the Americans with Disabilities Act of 1990, 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 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
 - i. The FAA’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
 - j. 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;
 - k. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (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);
 - l. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).
4. Developer further agrees to comply with all provisions of Public Law 101-336, as well as 28 C.F.R. Part 35 and 29 C.F.R. Part 1630 (Americans with Disabilities Act), as amended from time to time during the term of this Agreement. Such law prohibits discrimination on the basis of disability by private entities in places of public accommodation and requires that all new places of public accommodation and commercial facilities be designed and constructed so as to be readily accessible to and usable by persons with disabilities.

**ARTICLE XII
ACDBE AND MBE/WBE PARTICIPATION**

SECTION 1201. AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISES. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Developer agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

The Developer agrees to include the above statements in any subsequent Sublessee agreements or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

The City is committed to ensuring that Airport Concession Disadvantaged Business Enterprises (“ACDBEs”) participate to the maximum extent possible in the performance of City agreements. The City has set a minimum goal of sixteen percent (16%) for ACDBE participation for this Agreement.

Developer's plan for ACDBE participation in the Concession Program is included at Tab 4 (ACDBE Program & Local Participation Requirements) of the Proposal. Developer shall adhere to its plan to ensure the level of ACDBE participation set forth in the Proposal.

When an ACDBE subcontractor is terminated or fails to complete its work on the contract for any reason, the Developer is required to make good faith efforts to find another ACDBE subcontractor to substitute for the original ACDBE. The Developer will be required to obtain written approval from City for the replacement of the ACDBE or the substitute ACDBE and to provide copies of all new or amended subcontracts or documentation of good faith efforts. The good faith efforts shall be directed at finding another ACDBE to perform at least the same amount of work under the contract as the ACDBE that was terminated, to the extent needed to meet the program goal under the Agreement. The good faith efforts shall be documented by the Developer. If City requests documentation under this provision, the Developer shall submit the documentation within seven (7) days. City shall provide a written determination to the Developer stating whether or not good faith efforts have been demonstrated.

Failure by Developer to carry out the requirements of this part will constitute a material breach of the Agreement and may result in the termination of the Agreement or such other remedy as City deems appropriate.

SECTION 1202. MINORITY BUSINESS ENTERPRISE/WOMEN BUSINESS ENTERPRISE PARTICIPATION. The City requires its Developer and Sublessees to use good faith efforts to provide for meaningful participation by MBEs and WBEs in all construction work. For purposes hereof, MBE shall mean any business enterprise which is at least fifty-one percent owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, WBE shall mean any business enterprise which is at least fifty- one percent owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by women and such ownership is real, substantial, and continuing. A minority shall be defined as African American, Hispanic, Asian and Pacific Islander, Native American, or Alaskan Native. "Meaningful participation" shall mean that at least fifteen percent (15%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation MBE firms, and at least ten percent (10%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of WBE firms. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

- A. Dividing the work to be subcontracted into smaller portions where feasible.
- B. Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Developer and its Sublessees shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.
- C. Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.
- D. Utilizing the list of eligible MBEs and WBEs maintained by CREOD or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.
- E. Encouraging the formation of joint ventures, partnerships, or other similar arrangements among subcontractors, where appropriate, to ensure that the Developer and Contractor will meet their obligations hereunder.
- F. Ensuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

- G. Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.
- H. Providing meaningful efforts to identify new, qualified, but uncertified MBEs and WBEs, and assisting same in obtaining their certification.

**ARTICLE XIII
TERMINATION OF AGREEMENT IN ENTIRETY**

SECTION 1301. CITY'S RIGHT TO TERMINATE. The City, acting by and through the Director of Aviation, may declare this Agreement terminated in its entirety, upon the happening of any one or more of the following events and may exercise all rights of entry and re-entry upon the Premises, following Developer's right to cure, if any, as provided herein:

- A. Nonpayment. If the payments which the Developer herein agrees to pay City shall be unpaid for a period of 30 days after the date the payment was due and remains uncured as provided in Section 1304.
- B. Default. If the Developer shall fail in the performance of any covenant or condition herein required to be performed by the Developer, that is not cured as provided in Section 1304, including the responsibility to actively manage the Concession Program and Sublessees.
- C. Bankruptcy. If the Developer makes an assignment for the benefit of creditors or if the Developer files an answer admitting the material allegations of a petition filed against any said assignee or sub Developer in any bankruptcy, reorganization or insolvency proceedings; or if during the term of this Agreement an order, judgment or decree shall be entered by any court of competent jurisdiction, or the application of a creditor, adjudicating the Developer as bankrupt or insolvent, or approving a petition seeking a reorganization of Agreement, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.
- D. Suspension. The happening of any act or omission, other than a force majeure event pursuant to Section 2107, that results in the suspension or revocation of any act, power, license, permit or authority that terminates the conduct and operation of the Concession Program by the Developer, or suspends it for any time in excess of thirty (30) days.
- E. Attachment. The levy of any attachment, or the execution of any process of any court of competent jurisdiction which does or as a direct consequence of such process will interfere with the Developer's use of the Premises and will interfere with its operations under this Agreement, and which attachment, execution, or other process of such court is not enjoined, vacated, dismissed, or set aside within a period of thirty (30) days.
- F. Relinquishment. The Developer shall voluntarily abandon, desert, vacate or discontinue all or a part of its operation of the Premises or any other action that results in a failure by the Developer to provide the public and others with the service contemplated hereunder or which substantially negatively impacts the Concession Fees paid to the City.
- G. Developer or any of Developer's Agents shall be indicted by any legal authority for any alleged crime connected with the performance of this Agreement. Developer shall include this clause in any contract with any Sublessee to this Agreement.

- H. Pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Developer, Developer's Agents, Sublessee, or Sublessee's Agent shall constitute a default hereunder.
- I. There shall occur a default under any other agreement between Developer and City, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that Developer shall be entitled to additional notice or cure rights with respect to such default other than as may be provided in such other agreement.

On the date set forth in the notice of termination, the terms of this Agreement and all right, title and interest of the Developer shall expire.

Failure by the City to take any authorized action upon default by the Developer of any of the terms, covenants or conditions required to be performed, kept and observed by the Developer shall not be construed to be or act as a waiver of default or in any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by the Developer. The acceptance of Concession Fees by the City from the Developer for any period or periods after a default by the Developer of any of the terms, covenants, and conditions herein required to be performed, kept and observed by the Developer shall not be deemed a waiver or estoppel of any right on the part of the City to terminate this Agreement for failure by the Developer to so perform, keep or observe any of said terms, covenants or conditions.

Developer shall include language substantially similar to this Section 1301 in any Sublease, reserving to itself the rights to terminate the Sublease, and reserving to City the right to require Sublease to be terminated by Developer.

SECTION 1302. DEVELOPER'S RIGHT TO TERMINATE. The Developer, at its option, may declare this Agreement terminated in its entirety, in the manner provided herein for the following causes:

- A. Restraining Use of Airport. If a court of competent jurisdiction issues an injunction or restraining order against the City preventing or restraining the use of the Airport for airport purposes in its entirety or substantial entirety.
- B. Abandonment of Airport. If the City shall have abandoned the Airport for a period of at least thirty (30) days and shall fail to operate and maintain the Airport in such manner as to permit landings and takeoffs of planes by the scheduled air carriers.

SECTION 1303. ADDITIONAL RIGHT TO TERMINATE. Either the City or the Developer may terminate this Agreement if the FAA or a court of competent jurisdiction issues an order or ruling which materially and adversely affects this Agreement or the ability of the City or the Developer to perform their respective obligations set forth herein. Termination of this Agreement under this Section 1303 will not give any party any right to seek damages if the Parties otherwise comply with their obligations up to the date of termination.

SECTION 1304. PROCEDURE FOR TERMINATION OR REPOSSESSION. Upon the occurrence of an event of default, the non-defaulting party shall provide written notice as provided in Section 2118 to the defaulting party and provide a reasonable period to cure an event of default prior to termination. The limited exception to this obligation is for events of default explicitly declared herein to be incurable. The defaulting party shall immediately investigate the alleged default and respond to the non-defaulting party stating whether the defaulting party contests the allegation or plans to cure and, if so, the corrective action plan. If the defaulting party elects to cure, the party shall commence corrective action immediately and complete corrective action as promptly as is reasonably practicable. Notwithstanding the generality of the foregoing, defaults that affect public health, safety or security or the maintenance of bond and insurance coverage shall be cured within no

more than three (3) days or such lesser period of time as may be prescribed by the City; defaults involving the payment of the Concession Fee or additional fees shall be cured within ten (10) business days; and all other defaults shall be cured within the time period established by the Parties. In the event the defaulting party fails to respond to the notice of default, fails to commence corrective action, or fails to complete corrective action by the prescribed deadline, the non-defaulting party may terminate this Agreement by providing written notice to the other party.

SECTION 1305. CITY'S RIGHT TO RE-ENTER AND RESUME SERVICES. Except as provided in Section 1304 preceding, upon termination as provided herein, the City shall have the right at once and without further notice to the Developer to remove the Developer and its business, by force or otherwise and with or without legal process, to remove all chattels belonging to the Developer that may be found upon or within the Airport or any premises or facilities used in the operation of the Developer without being liable to prosecution or to any claim for damages therefore. Such re-entry or regaining or resumption of possession, however, shall not in any manner affect, alter, or diminish any of the obligations of the Developer under this Agreement. On such termination by the City, all rights and privileges of the Developer thereunder shall cease, and the Developer shall immediately vacate any space occupied by it on the Airport or any premises or facilities used in the operation of the business. In any event, any costs associated with the activities in this section shall be borne by the Developer.

SECTION 1306. RIGHTS CUMULATIVE. It is understood and agreed that the rights and remedies of the City and the Developer specified in this Article are not intended to be, and shall not be exclusive of one another or exclusive of any common law right of either of the parties hereto, provided however, except in cases involving willful or wanton conduct, and except as otherwise provided above, Developer's liability to the City is limited to its obligations to pay commissions as described above.

ARTICLE XIV RESERVATIONS

SECTION 1401. RESERVATIONS. The grant of the Developer thereunder is subject to the following reservations and conditions:

- A. The City reserves the right, but shall not be obligated to the Developer, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport. The City reserves the right to direct and control all the activities of the Developer in this regard.
- B. The City reserves the right further to develop or improve the Airport as it sees fit, regardless of the desires or views of the Developer and without interference or hindrance.
- C. As set forth in Section 101.A, the City reserves the right to withdraw from the Premises any Concession Location, Creative Space, Common Area, Back of House or other area included in the Premises needed, as determined by the City in its sole discretion, for Airport operations or the operational needs of one or more signatory airlines serving the Airport. In such event, City shall seek to identify an alternate location within the New Terminal that is comparable in size and similarly suitable for the concession service(s) offered at the original location and, if such location is identified by City and accepted by Developer and Operator, to modify **Exhibit C** accordingly. The City will give the Developer and any Sublessee at a Concession Location sixty (60) days' written notice of City's intent to withdraw the area, unless such withdrawal is required sooner by the FAA, TSA or other Governmental Authority. Whether the location is withdrawn or relocated, City shall reimburse Developer, for the benefit of the Sublessee if the Sublessee was responsible for the cost of Capital Improvements at the original Concession Location, for the unamortized portion of Eligible Costs as documented herein. In the event the Parties elect to relocate, City further shall deliver the new location in Shell Condition capable for Build-out by Developer or Sublessee, or reimburse Developer, for the

benefit of Sublessee if applicable, for the cost to bring the new location to Shell Condition. Reimbursement for Eligible Costs and payment to bring a new location to Shell Condition shall be the Developer's and Sublessee's sole remedy, and the City assumes no liability for lost earnings or profits resulting from withdrawal and/or relocation. Each Sublease shall include a provision allowing for termination or relocation consistent with this provision.

- D. During time of war or national emergency, the City shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- E. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- F. City reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be constructed, any building or other structure on the Airport which, in City's sole opinion, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- G. The City reserves the right to assign its obligations hereunder to any public entity that assumes the ownership, operation and sponsorship of the Airport or to any private entity that assumes the obligations, pursuant to a lease or contract with the City, to manage the Airport or the New Terminal.

ARTICLE XV DAMAGE OR DESTRUCTION

SECTION 1501. PARTIAL DAMAGE. If all or a portion of the Airport are partially damaged by fire, explosion, acts of God, the elements, severe climatic or weather conditions or phenomena (such as high winds, rainstorms, hurricanes, floods, earthquakes and seismic waves), acts of the public enemy, sabotage, riots, rebellion, and other civil commotion or other casualty, but not rendered uninhabitable, the same will be repaired with due diligence by the City, subject to the limitations as hereafter provided; provided however, if said damage is caused by the negligence or omission to act of the Developer or Developer's Agents including Sublessees, the Developer shall be responsible for directly and fully paying for all such repair and for directly and fully reimbursing the City for the cost and expenses incurred in such repair upon demand and as directed by the City.

SECTION 1502. EXTENSIVE DAMAGE. If the damages are so extensive as to render the Premises or a portion thereof uninhabitable, but are capable of being repaired within thirty (30) days, the same shall be repaired with due diligence by the City, subject to the limitations as hereafter provided, and an appropriate portion of the rents, fees, and charges payable herein shall abate from the time of the damage until such time as the Premises or portion thereof are fully restored and certified by the City as again ready for use; provided, however, that if such damage is caused by the negligence or omission to act of the Developer, Sublessees or the Developer's Agents, said rents, fees, and charges will not abate and the Developer shall be responsible for reimbursing the City for the costs and expenses incurred by the City in completing such repairs upon demand and as directed by the City.

SECTION 1503. COMPLETE DESTRUCTION. If all or a substantial portion of the Premises are completely destroyed by fire, explosion, acts of God, the elements, severe climatic and weather conditions or phenomena (such as high winds, rainstorms, hurricanes, floods, earthquakes and seismic waves (tsunami)), acts of the public enemy, sabotage, riots, rebellion, or other civil commotion or other casualty, or are so damaged that

they are uninhabitable and cannot be replaced except after more than thirty (30) days, the City shall be under no obligation to repair, replace, or reconstruct the Premises, and an appropriate portion of the rents, fees, and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the Premises are fully restored. The City shall notify the Developer of the City's intentions within sixty (60) days of the destruction or damage. If within twelve (12) months after the time of such damage or destruction, the Premises have not been repaired or reconstructed, the Developer may terminate this Agreement in its entirety upon seven (7) days written notice to the City, such termination to be effective as of the date of such damage or destruction subject to the survival of the Developer's obligations as set forth in this Agreement, particularly in Article XVI (Survival of Obligations) herein. Notwithstanding the foregoing, if the Premises, or a substantial portion thereof, are completely destroyed as a result of the negligence or omission to act of the Developer or the Developer's Agents, said rents, fees, and charges shall not abate and the City may, in its discretion, require the Developer to repair and reconstruct the Premises within twelve (12) months of such destruction and pay the cost therefor, or the City may repair and reconstruct the same within twelve (12) months of such destruction and the Developer shall fully reimburse the City for the cost and expenses incurred by the City in completing such repair upon demand and as directed by the City.

SECTION 1504. LIMITS OF CITY'S OBLIGATIONS DEFINED. It is understood that, in the application of the foregoing provisions, the City's obligations shall be limited to repair or reconstruction of the Premises to condition of the Base Building Work. Capital Improvements shall be the responsibility of the Developer. Any such replacement by Developer shall be equivalent to or better in quality than the Capital Improvements so destroyed or damaged, as of the date of the original installation and construction. Further, City will not be responsible for any projected or actual loss of sales or revenue.

SECTION 1505. RESTRICTIONS ON ABATEMENT. The foregoing provisions for abatement of the obligation to pay rents, fees, and charges required under this Agreement and for cancellation of this Agreement shall not apply if the Developer has caused or is responsible in any part for the Premises becoming damaged, destroyed, untenable, or uninhabitable.

ARTICLE XVI SURVIVAL OF OBLIGATIONS

SECTION 1601. CITY'S RIGHT TO ENFORCE. Termination of this Agreement, whether by expiration or sooner termination, shall not affect the right of the City to enforce any or all indemnities and representations and warranties given or made by the Developer to the City under this Agreement, nor shall it affect any provision of this Agreement that expressly states it shall survive termination hereof, including, without limitation, Section 409 (Payment and Performance Bond), Section 501 (Developer Construction Agreement), Section 502 (Construction Instructions), Section 902 (Compliance with Americans with Disabilities Act) and Section 2124 (Brokers), as well as Articles X (Indemnification and Insurance), XVII (Condemnation), XVIII (Litigation), and XIX (Liens). The Developer specifically acknowledges and agrees that, with respect to each of the Developer's indemnities contained in this Agreement, the Developer has an immediate and independent obligation to defend the City from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the Developer by the City. A substantially similar clause shall appear in all Subleases tendered by Developer.

SECTION 1602. ACCRUED OBLIGATIONS. The Developer's obligation to make payments to the City in respect of accrued charges (including those which have not yet been billed) and to make repairs (including those relating to the return of the Premises to the City) which are accrued at the expiration or earlier termination of this Agreement shall survive the expiration or earlier termination of this Agreement.

**ARTICLE XVII
CONDEMNATION**

SECTION 1701. DEFINITIONS. For purposes of this Article XVII. (Condemnation), the following capitalized terms shall have the following meanings

- A. "Award" means all compensation, sums or value paid, awarded, or received for taking, whether pursuant to judgment, agreement, settlement or otherwise.
- B. "Date of Taking" means the earlier of: (a) the date upon which title to the portion of the Premises taken passes to and vests in the condemner, and (b) the date on which the Developer is dispossessed.
- C. "Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under applicable laws. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

SECTION 1702. GENERAL. If during the Agreement term, any Taking of all or any part of the Premises or any interest in this Agreement occurs, the rights and obligations of the parties hereunder shall be determined pursuant to this Article XVII. (Condemnation). The City and the Developer intend that the provisions hereof govern fully in the event of a Taking.

- A. Total Taking; Automatic Termination. If a total Taking of the Premises occurs (all the Premises are included in the Taking) then this Agreement shall terminate as of the Date of Taking.
- B. Partial Taking; Election to Terminate.
 - 1. Entire termination. If a Taking of any portion (but less than all) of the Premises occurs, then this Agreement shall terminate in its entirety if all of the following exist: (a) the partial Taking renders the remaining portion of the Premises untenable or unsuitable for continued use by the Developer for the operation of the Concession; (b) the condition rendering the Premises untenable or unsuitable either is not curable or is curable but the City is unwilling or unable to cure such condition; and (c) the City elects to terminate.
 - 2. Material portion taken. If a partial Taking of a material portion of the Premises or the Airport terminal structure within which a portion of the Premises is located occurs, the City shall have the right to terminate this Agreement in its entirety.
 - 3. Notice of election. The City's election to terminate this Agreement pursuant to this Article XVII. (Condemnation) shall be exercised by the City by giving notice to the Developer on or before the date that is one hundred twenty (120) days after the Date of Taking, and thereafter this Agreement shall terminate upon on the thirtieth (30th) day after such notice is given.
 - 4. Award. Upon termination of this Agreement pursuant to a Total Taking under Section 1702.A. (Total Taking; Automatic Termination) or an election under Section 1702.B (Partial Taking; Election to Terminate) herein then:
 - a. Developer.
 - i. Fees. The Developer's obligation to pay all rents, fees and charges required under this Agreement shall continue up until the date of termination and thereafter shall cease.

- ii. Surviving obligations. The Developer shall continue to be obligated to perform and comply with all obligations that are intended to survive the termination of the Agreement, including, without limitation, those obligations set forth in Article XVI. (Survival of Obligations) herein.
 - iii. Concession Improvements. The Developer shall be entitled to recover unamortized value of the Concession Improvements constructed and installed on the Premises by the Developer, so long as required and timely documentation of the investments was provided. The unamortized value of the Concession Improvements shall be determined to be the balance after the depreciation taken using the Depreciation Schedule.
 - iv. No claim against the City. The Developer shall have no claim against the City or others for (i) compensation or indemnity for the Developer's leasehold interest and (ii) compensation and damages payable for or on account of land (including access rights) or improvements thereon except as provided in Section 1702.B.4.a.(3) (Concession Improvements) herein.
 - v. Separate claim against condemning authority. The Developer may make a separate claim for compensation from the condemning authority for the Developer's relocation expenses, or the interruption of or damage to the Developer's business or damage to the Developer's personal property. If the condemning authority or a court of competent jurisdiction concurs that said claim exists and is justified, the Developer may receive any Award made specifically to the Developer for such claim.
- b. City. The City shall be entitled to the entire Award in connection with the Taking (including any portion of the Award made for the value of the leasehold estate created by this Agreement), except for the unamortized value of the Concession Improvements as set forth in Section 1702.B.4.a.(3) (Concession Improvements) herein.
5. Partial Taking; Continuation of Agreement. If a partial Taking of the Premises occurs and this Agreement is not terminated in its entirety under Section 1702.B. (Partial Taking; Election to Terminate) herein, then this Agreement shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion of the Premises not taken, and the rights and obligations of the City and the Developer shall be modified as follows:
- A. Potential Fee Reduction. If the Taking causes any portion of the Premises to become unusable for the operation of the Concession, as authorized under this Agreement, the Concession Fee shall be reduced as follows:
 - 1. Non-sales space. For all non-Sales space comprising the Premises that are part of the Taking, the Concession Fee paid by the Developer will be reduced by a factor comprising the square footage of the space comprising the Taking multiplied by the applicable rates and charges established by the City for the applicable category of space.
 - 2. Sales space. For the Sales spaces of the Premises that are part of the Taking, the Concession Fee paid by the Developer shall be reduced proportionately in a manner equitably determined by City and Developer at the time of the Taking.
 - B. Concession Improvements. The Developer shall be entitled to recover the unamortized value of the Concession Improvements constructed and installed on the Premises by the Developer, so long as investments were timely and completely documented. The value of the Concession Improvements shall be determined to be the balance after the depreciation taken on a straight-line basis.

- C. No claim against the City. The Developer shall have no claim against the City or others for (i) compensation or indemnity for the Developer's leasehold interest and (ii) compensation and damages payable for or on account of land (including access rights) or improvements thereon (except as provided in Section 1702.B.4.a.(3) (Concession Improvements) herein.
 - D. Separate claim against condemning authority. The Developer may make a separate claim for compensation from the condemning authority for the interruption of or damage to the Developer's business or damage to the Developer's personal property. If the condemning authority or a court of competent jurisdiction concurs that said claim exists and is justified, the Developer may receive any Award made specifically to the Developer for such claim.
 - E. City's Award. The City shall be entitled to the entire Award in connection with the Taking (including any portion of the Award made for the value of the leasehold estate created by this Agreement), except for the unamortized value of the Concession Improvements as set forth in Section XVII.B.4.a.(3) (Concession Improvements) herein.
 - F. Prompt Use. Any portion of the Award received by the Developer shall be used promptly by the Developer to the extent necessary to restore or replace the Concession Improvements on the remaining Premises, in accordance with Plans, specifications, Drawings, cost estimates and schedules first approved in writing by the City.
 - G. Continuing obligation. Nothing herein shall be construed to excuse the Developer from the Developer's full performance of all covenants, obligations, terms and conditions under the Agreement as to the part of the Premises not part of the Taking and the Developer shall remain responsible for paying to the City all rents, fees and charges required under the Agreement.
6. Temporary Takings. Notwithstanding anything to the contrary in this Article XVII. (Condemnation), if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this Agreement shall remain unaffected thereby, and the Developer shall continue to pay the rents, fees and charges required under the Agreement and to perform all of the terms, conditions and covenants of this Agreement. In the event of such temporary Taking, the City shall be entitled to receive any Award.
7. Responsibility for Sublessees. Developer shall be responsible for the administration of all activities under this Article XVII as they relate to Sublessees and shall be responsible for coordination with the City to ensure that all activities under this Article XVII are completed on a timely basis.

**ARTICLE XVIII
LITIGATION**

SECTION 1801. DEVELOPER RESPONSIBLE. If the City shall, with or without any fault, be made a party to any litigation commenced by or against the Developer arising out of the Developer's or its Sublessee's occupancy or use of the Premises, or attributable to the construction, installation, or use of the Concession Improvements or the Developer's or FF&E (other than condemnation proceedings), the Developer and Sublessee shall release, indemnify, defend, and keep and hold harmless and if appropriate or necessary, insure the City and the City's Agents, from and against any and all claims, demands, actions, suits, causes of action, judgments, injunctions, decisions, orders, liabilities, losses, damages, costs and expenses arising out of or related to any such litigation, including, without limitation, paying any and all costs, charges, and reasonable attorneys' fees incurred or imposed on the City in connection with such litigation. In any action by the City for recovery of any sum due under this Agreement, or to enforce any of the terms, covenants, or conditions contained in this Agreement, the City shall be entitled to recover all costs, fees, charges, consultants' fees and attorneys' fees incurred or imposed on the City in connection with such actions.

SECTION 1802. ATTORNEYS' FEES. For purposes of this Agreement, reasonable attorneys' fees shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of law for which the City's attorneys' services were rendered who practice in the City.

SECTION 1803. CONSULTANTS' FEES. For purposes of this Agreement, reasonable Consultants' fees shall be equivalent to the actual billing for hours work and expenses by City's consultants pursuant to efforts rendered.

SECTION 1804. PROMPT NOTICE. Each party shall give prompt written notice to the other party of any claim or suit instituted against it that may affect the other party.

SECTION 1805. WAIVER OF CLAIMS. The Developer, for itself and on behalf of Sublessees, hereby waives any claim against the City and the City's Agents for loss of revenue, loss of opportunity, and loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part hereof, or by any judgment or award in any suit or proceedings declaring this Agreement null, void, or voidable, or delaying the same, or any part hereof, from being carried out.

**ARTICLE XIX
LIENS**

SECTION 1901. CITY'S LIEN. The City shall have a lien upon all the Developer's FFE upon the Premises, to the extent permitted by law, for the purpose of securing to the City the payment of all sums, including rents, fees, and other charges, which may be due from the Developer under this Agreement. In the event that past due rents, fees, or charges are not paid by the Developer within five (5) days after a written notice of default is given by the City to the Developer, the City may take possession of and sell such portion of the Developer's FFE as may be sufficient to pay the delinquent rents, fees, and charges owed by the Developer to the City. A sale of the Developer's personal property pursuant to this Article XIX (Liens) may be made either publicly or privately, upon the notice given to the Developer as herein provided.

SECTION 1902. OTHER LIENS PROHIBITED. The Developer shall not commit or suffer any act or neglect whereby the Premises, or any portion thereof, including any portion of the Airport's or the Concession Improvements thereupon or therein, or the estate or interest of the Developer in the same, at any time during the term of this Agreement shall become subject to any attachment, lien, charge, or encumbrance whatsoever. The Developer shall release, indemnify, defend, save and hold the City harmless, and if or when appropriate or necessary, insure the City, and the City's Agents from and against any and all attachments, liens, charges, and encumbrances, and any and all actions, suits, judgments, and orders relating thereto and any and all costs,

fees, charges, expenses, and attorneys' fees resulting therefrom, it being expressly understood that the Developer shall have no authority, express or implied, to create any attachment, lien, charge, or encumbrance upon or affecting the Premises, or any portion thereof, except as otherwise authorized in writing by the City under this Concession Agreement.

**ARTICLE XX
LIQUIDATED DAMAGES**

SECTION 2001. FAILURE TO FOLLOW AGREEMENT. Developer's or Sublessees failure to adhere to the Agreement (specifically including any requirement imposed by any Exhibit, as well as any differences between commitments made in Developer's Proposal and its actual mode of operation) is reasonably anticipated to result in inconvenience to the public, adverse effects on the overall business of the Airport, a reduction in the amount of Concession Fees to be paid to the City, unfair rents or charges assessed to Sublessees, and/or a significant expenditure of the City resources to address the failure. The Parties agree that the damages sustained by the City for violations of the provisions of the Agreement and the plans, policies and programs in the Proposal will be difficult to determine and track. Therefore, the Parties hereto agree that the amounts set forth as follows are reasonable estimates of the damages anticipated to be suffered or incurred by the City.

SECTION 2002. LIQUIDATED DAMAGES ASSESSMENTS AND OPPORTUNITY TO CURE.

- A. City may assess Liquidated Damages for failure to construct the Capital Improvements by the Substantial Completion Date and/or to open each Concession Location by the New Terminal Opening Day, in accordance with Section 512 hereof. Liquidated Damages for failure to meet the deadlines in Section 512 will be ONE THOUSAND DOLLARS (\$1,000) per day per Concession Location. These Liquidated Damages may be assessed without opportunity to cure; provided however that Developer shall take all commercially reasonable actions to satisfy its obligations.

- B. Developer further shall be liable to pay Liquidated Damages to the City for failure to manage the Concession Program in accordance with the RFP, the Proposal, and the performance and operating standards prescribed in this Agreement. Actions for which the City may assess Liquidated Damages against Developer shall include, for example and without limitation, the following:
 - (i) failure to operate the Loading Docks in accordance with Section 402.D and the Loading Docks Operational Plan required thereunder;

 - (ii) failure to operate each Concession Location for the minimum required hours of operation as set forth in Section 601.A, for which Liquidated Damages may be assessed on a per-day, per-Concession-Location basis;

 - (iii) failure to comply with the pricing program as set forth in Section 601.B;

 - (iv) failure to maintain the Premises as set forth in Section 701;

 - (v) failure to submit required documentation as required under this Agreement;

 - (vi) failure to remove a product deemed objectionable by the City within the time provided for removal;

 - (vii) violation of a fire safety standard or requirement; and

 - (viii) violation of a health and human safety standard or requirement.

- C. Liquidated Damages for the violations identified in the preceding paragraph shall be TWO HUNDRED AND FIFTY DOLLARS (\$250) per day for the first five (5) calendar days. A second Liquidated Damage in the amount of FIVE HUNDRED DOLLARS (\$500) per day may be assessed if the incident which led to the imposition of the Liquidated Damage continues after five (5) calendar dates. If the incident which led to imposition continues after ten (10) calendar days, the City may impose Liquidated Damages in the amount of ONE THOUSAND DOLLARS (\$1,000) per day until the violation is corrected.

SECTION 2003. FAILURE TO CURE. The City's imposition of five (5) Liquidated Damages Assessments within a rolling twelve (12) month period for a specific Concession Location may result in the withdrawal of the Concession Location from the Premises or termination of the Sublease, in accordance with Section 101.D.

SECTION 2004. PAYMENTS. Developer shall pay all Liquidated Damages within thirty (30) days of the imposition thereof. The failure to pay Liquidated Damages shall represent a separate default under this Agreement. Developer may pass through any Liquidated Damages assessed by City upon a Sublessee and shall be responsible for collection thereof. However, payment is still due directly from Developer to City on Sublessee's behalf regardless of whether Developer can collect the value of the Liquidated Damage from Sublessee.

SECTION 2005 NO WAIVER; NO OBLIGATION. The City's failure to impose sanctions for any violation shall not waive any right or prohibit the City from doing so for subsequent violations. The City shall have no obligation, whether to Developer or any third party, to impose fines on or otherwise act against any party at the City for violation of the Agreement or any performance and operating standards adopted by the Developer.

SECTION 2006. OTHER FINES. Other fines and penalties may be set forth in the Airport Rules and Regulations, and nothing in this Agreement is intended to limit the ability of the City to impose those fines and penalties as specifically provided by the Airport Rules and Regulations.

SECTION 2007. REMEDIES CUMULATIVE. All rights, options and remedies of the City contained in this Agreement shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the City shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Agreement. Furthermore, payment of any liquidated damages amount shall not relieve Developer of its responsibility for physical damage, personal injury, or any other harm caused by Developer's Agents.

ARTICLE XXI ADDITIONAL PROVISIONS

SECTION 2101. NO PERSONAL LIABILITY. No council member, director, commissioner, officer, employee, consultant, or other agent of either party shall be personally liable under or in connection with this Agreement.

SECTION 2102. AGREEMENTS WITH THE UNITED STATES. This Agreement is subject and subordinate to the provisions of any agreement heretofore made between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the City for airport purposes, or to the expenditure of federal funds for the extension, expansion, or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Airport and Airway Development Act as it has been amended from time to time. Any agreement hereafter made between the City and the United States will not be inconsistent with rights granted to the Developer herein.

SECTION 2103. MODIFICATIONS FOR GRANTING OF FAA FUNDS. In the event the FAA requires modifications or changes to this Agreement as a condition precedent to the granting of funds for the

improvement of the Airport, the Developer agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required to enable the City to obtain said FAA funds or government grants, provided that in no event shall such changes impair the rights of the Developer hereunder.

SECTION 2104. GOVERNING LAW. This Agreement shall be deemed to have been made in and be construed in accordance with the laws of the State of Missouri without giving effect to Missouri's choice of law provisions. The City and Developer: (1) submit to the jurisdiction of the state and federal courts located in Jackson County, Missouri; (2) waive any and all objections to jurisdiction and venue; and (3) will not raise forum non conveniens as an objection to the location of any litigation.

SECTION 2105. AMENDMENTS. This Agreement may be amended from time to time by written agreement, duly authorized and executed by representatives of the Parties.

SECTION 2106. PREVIOUS AGREEMENTS. It is expressly understood that the terms and provisions of this Agreement shall in no way affect or impair the terms, obligations, or conditions of any existing or prior agreement, if any, between the Developer and the City.

SECTION 2107. FORCE MAJEURE. Neither the City nor Developer shall be deemed in violation of this Agreement if either party is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior Governmental Authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which the Parties are not responsible or which are not within their control; provided, however, that these provisions shall not excuse Developer from paying the Concession Fee and additional fees as provided herein. The City shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefore shall be prohibited, restricted or rationed by any Applicable Law.

SECTION 2108. INVALID PROVISIONS. In the event any covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided the invalidity of any such covenant, condition or provision does not materially prejudice either the City or the Developer in its respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

SECTION 2109. HEADINGS. The headings of the Articles and Sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

SECTION 2110. INTERPRETATION. In general, it is the intention of the City that the language of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against either the City or the Developer.

SECTION 2111. WITHHOLDING REQUIRED APPROVALS. Whenever the approval of the City, or the City, or of the Developer, is required herein, no such approval shall be unreasonably requested or withheld.

SECTION 2112. SUCCESSORS AND ASSIGNS. All the terms, provisions, covenants, stipulations, conditions, and considerations of this Agreement shall extend to and bind the legal representatives, successors, Sublessees and assigns of the respective parties hereto.

SECTION 2113. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. No verbal statement, representation or agreement made by any

one or more City or its Council representatives, City's Agents, or any other representatives of the City before or after the execution hereof shall be binding upon the City.

SECTION 2114. WAIVERS. No waiver of default by either party of any of the terms, covenants and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept and observed by the other party.

SECTION 2115. TITLE TO SITE. The Premises from the date hereof until the termination of this Agreement shall be owned in fee simple by the City or in such lesser estate as in the opinion of the City Attorney is sufficient to permit the letting thereof by the City as herein provided for the full term provided in this Agreement.

SECTION 2116. OPERATION OF AIRPORT. The City agrees to operate, maintain, and keep in good repair the areas and facilities provided by the City for the common use of the tenants and public in accordance with the practices of a reasonable prudent airport operator. The City agrees to use its best efforts to keep the Airport free from obstructions and to do all things reasonably necessary for the safe, convenient, and proper use of the Airport by those who are authorized to use the same. The City agrees to maintain and operate the Airport in accordance with all applicable standards, rules, and regulations of the FAA.

SECTION 2117. NO ASSIGNMENT OR SUBCONTRACTING WITHOUT CITY APPROVAL. The Developer may not assign this Agreement or subcontract all or substantially all of Developer's obligations hereunder without first obtaining the written approval of the City, provided that the Developer may assign this Agreement without such approval to any corporation or partnership in which it has fifty percent (50%) or more beneficial interest or ownership interest or to any limited partnership in which the Developer or a permitted assign has an interest in fifty percent (50%) or more of the general partnership interest in said limited partnership. The Developer shall submit a written request to the City together with evidence demonstrating the proposed assignee's or subcontractor's sufficient financial capacity and experience to assume Developer's obligations hereunder. No assignment or subcontract shall be made or shall be effective unless the Developer shall not be in default of any of the other terms, covenants and obligations contained in this Agreement. In the event of an assignment consistent with the provisions of this section, the Developer, upon consummation thereof, shall be discharged from all obligations herein contained.

SECTION 2118. NOTICES. Except as herein otherwise expressly provided, all notices required to be given to the City hereunder shall be in writing and shall be sent by certified mail, return receipt requested, to:

City of Kansas City, Missouri
Kansas City International Airport
601 Brasilia Avenue
P.O. Box 20047
Kansas City, Missouri 64153-0047

All notices, demands and requests by the City to the Developer shall be sent by certified mail, return receipt requested, addressed to:

Vantage Airport Group, U.S.
295 Madison Avenue
New York, NY 10017

The parties, or either of them, may designate in writing from time to time any changes in addresses or any addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notice shall be the date such notice is mailed to the Developer or to the City.

SECTION 2119. USE OF RECYCLED AND ENVIRONMENTALLY PREFERABLE PRODUCTS. It is the policy of the City to encourage and prefer the use of recycled and environmentally preferable products to the fullest extent possible and practicable consistent with good business practices, and that all Developers, licensees, and Sublessees shall perform any and all obligations hereunder in a manner consistent with such policy.

SECTION 2120. ACCORD AND SATISFACTION. The payment by the Developer or the receipt by the City of a lesser amount than the Concession Fee stipulated in this Agreement may be, at the City's sole option, deemed to be on account of the earliest due of first: (1) any interest, service charges and late fees and second (2) any stipulated Concession Fee (beginning with earliest owing fee), notwithstanding any instruction by or on behalf of the Developer to the contrary, which instructions shall be null and void, and no endorsement or statement on any check or any letter accompanying any such check or payment will be deemed an accord and satisfaction, and the City may accept such check or payment without prejudice to the City's right to recover the balance of such Concession Fee or pursue any other remedy available in this Agreement or at law.

SECTION 2121. ESTOPPEL STATEMENTS

- A. Developer must deliver. Within ten (10) days after request therefor by the City, the Developer shall deliver, in recordable form, an estoppel statement certifying that this Agreement is in full force and effect, the date of the Developer's most recent payment of the Concession Fee, and that the Developer has no defenses or offsets outstanding, or stating those claimed, and any other information reasonably requested by the City.
- B. Failure to deliver. If the Developer fails to deliver the requested estoppel statement to the City within the specified period, the following shall be deemed conclusive: (1) this Agreement is in full force and effect, without modification, except as may be represented by the City; (2) there are no uncured defaults in the City's performance and the Developer has no right of offset, counterclaim or deduction against the fees payable under this Agreement; and (3) no more than one month's MAG has been paid in advance. Such conclusions shall be binding upon the Developer. Notwithstanding these conclusions, the Developer's failure to deliver the requested estoppel statement shall constitute a breach of this Agreement.

SECTION 2122. AUTHORITY. If the Developer signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Agreement on behalf of the Developer does hereby covenant and warrant that the Developer is a duly authorized and existing entity, that the Developer has and is duly qualified to do business in Missouri, that the Developer has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of the Developer are authorized to do so. Upon the City's request, the Developer shall provide the City evidence reasonably satisfactory to the City confirming the foregoing representations and warranties.

SECTION 2123. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same document, binding all of the parties hereto notwithstanding all of the parties are not signatory to the original or the same counterpart. For all purposes, including, without limitation, recordation, filing and delivery of this Agreement, duplicate unexecuted pages of the counterparts may be discarded, and the remaining pages assembled as one document.

SECTION 2124. BROKERS. The Developer warrants and represents to the City that the Developer has not had any contact or dealings regarding the use of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Agreement. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the Developer shall be responsible for such commission or fee and shall release, indemnify, defend, and hold harmless the City from any and all claims, demands, actions, suits, causes of action, judgments, liabilities, losses, damages, costs, and expenses arising from the Developer's dealings and interactions with any broker, finder or person who could claim a

right to a commission or finder's fee. The provisions of this Section shall survive any termination or expiration of this Agreement

SECTION 2125. ENTIRE AGREEMENT. This Agreement, together with all exhibits attached hereto, constitutes the entire Agreement between the parties hereto and all other representations of statement heretofore made, verbal or written, are merged herein and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto.

IN WITNESS WHEREOF, the parties hereto for themselves, their successors, and assigns, have executed this Agreement the day and year first above written.

Approved as to form:

KANSAS CITY, a municipal corporation of Missouri

Assistant City Attorney

Patrick Klein
Director of Aviation

Date: _____

VANTAGE AIRPORT GROUP, US, a Delaware corporation

By: _____

Title: _____

Date: _____

EXHIBIT A

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "A" and make any necessary changes without further City Council approval.

CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

PERFORMANCE AND MAINTENANCE BOND

Project Number _____

Project Title _____

KNOW ALL MEN BY THESE PRESENTS: That _____, as PRINCIPAL (CONTRACTOR), and _____, (SURETY), licensed to do business as such in the State of Missouri, hereby bind themselves and their respective heirs, executors, administrators, successors, and assigns unto Kansas City, Missouri, a constitutionally chartered municipal corporation, (OWNER), as obligee, in the penal sum of _____ Dollars (\$ _____) for the payment whereof CONTRACTOR and SURETY bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, CONTRACTOR has entered into a Contract with OWNER for _____ which Contract, including any present or future amendment thereto, is incorporated herein by reference and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if CONTRACTOR shall promptly and faithfully perform said Contract including all duly authorized changes thereto, and including any maintenance requirements contained therein, according to all the terms thereof, including those under which CONTRACTOR agrees to pay legally required wage rates including the prevailing hourly rate of wages in the locality, as determined by the Department of Labor and Industrial Relations or by final judicial determination, for each craft or type of workman required to execute the Contract and, further, shall defend, indemnify, and hold harmless OWNER from all damages, including but not limited to, liquidated damages, loss and expense occasioned by any failure whatsoever of said CONTRACTOR and SURETY to fully comply with and carry out each and every requirement of the Contract, then this obligation shall be void; otherwise, it shall remain in full force and effect.

WAIVER. That SURETY, for value received, hereby expressly agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder, shall in any way affect the obligations of this Bond; and it does hereby waive notice of any such change, extension of time, or alteration or addition to the terms of the Contract or the Work to be performed thereunder.

IN WITNESS WHEREOF, the above parties have executed this instrument the ____ day of _____, 20__.

CONTRACTOR

Name, address and facsimile number of Contractor

I hereby certify that I have authority to execute this document on behalf of Contractor.

By: _____

Title: _____

(Attach corporate seal if applicable)

SURETY

Name, address and facsimile number of Surety:

I hereby certify that (1) I have authority to execute this document on behalf of Surety; (2) Surety has an A.M. Best rating of A-, V, or better; (3) Surety is named in the current list of "Companies Holding Certificates of Authority as Acceptable Reinsuring Companies: as published in Circular 570 (most current revision) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury; and (4) Surety is duly licensed to issue bonds in the State of Missouri and in the jurisdiction in which the Project is located.

By: _____

Title: _____

Date: _____

(Attach seal and Power of Attorney)



PAYMENT BOND

Project Number _____

Project Title _____

KNOW ALL MEN BY THESE PRESENTS: That _____, as PRINCIPAL (CONTRACTOR), and _____, (SURETY), licensed to do business as such in the State of Missouri, hereby bind themselves and their respective heirs, executors, administrators, successors, and assigns unto Kansas City, Missouri, a constitutionally chartered municipal corporation, (OWNER), as obligee, in the penal sum of _____ Dollars (\$_____) for the payment whereof CONTRACTOR and SURETY bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

CONTRACTOR has entered into a contract with OWNER for _____, which Contract, including any present or future amendment thereto, is incorporated herein by reference and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if in connection with the Contract, including all duly authorized modifications thereto, prompt payment shall be made to all laborers, subcontractors, teamsters, truck drivers, owners or other suppliers or for equipment employed on the job, and other claimants, for all labor performed in such work whether done for CONTRACTOR, a subcontractor, SURETY, a completion contractor or otherwise (at the full wage rates required by any law of the United States or of the State of Missouri, where applicable), for services furnished and consumed, for repairs on machinery, for equipment, tools, materials, lubricants, oil, gasoline, water, gas, power, light, heat, oil, telephone service, grain, hay, feed, coal, coke, groceries and foodstuffs, either consumed, rented, used or reasonably required for use in connection with the construction of the work or in the performance of the Contract and all insurance premiums, both for compensation and for all other kinds of insurance on the work, for sales taxes and for royalties in connection with, or incidental to, the completion of the Contract, in all instances whether the claim be directly against CONTRACTOR, against SURETY or its completion contractor, through a subcontractor or otherwise, and, further, if CONTRACTOR shall defend, indemnify and hold harmless OWNER from all such claims, demands or suits by any such person or entity, then this obligation shall be void; otherwise, it shall remain in full force and effect.

Any conditions legally required to be included in a Payment Bond on this Contract, including but not limited to those set out in §107.170 RSMo. are included herein by reference.

SURETY agrees that, in the event that CONTRACTOR fails to make payment of the obligations covered by this Bond, it will do so and, further, that within forty-five (45) days of receiving, at the address given below, a claim hereunder stating the amount claimed and the basis for the claim in reasonable detail, it (a) will send an answer to the claimant, with a copy to OWNER stating the amounts that are undisputed and the basis for challenging any amounts that are disputed, and (b) will pay any amounts that are undisputed. The amount of this Bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

While this Bond is in force, it may be sued on at the instance of any party to whom any such payment is due, in the name of OWNER to the use for such party. OWNER shall not be liable for the payment of any costs or expenses of any such suit.

No suit shall be commenced or pursued hereunder other than in a state court of competent jurisdiction in Jackson, Clay or Platte County, Missouri, or in the United States District Court for the Western District of

Missouri.

WAIVER. That SURETY, for value received, hereby expressly agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder, shall in any way affect the obligations of this Bond; and it does hereby waive notice of any such change, extension of time, or alteration or addition to the terms of the Contract or the Work to be performed thereunder.

IN WITNESS WHEREOF, the above parties have executed this instrument the _____ day of _____, 20____.

CONTRACTOR

Name, address and facsimile number of Contractor

I hereby certify that I have authority to execute this document on behalf of Contractor.

By: _____
Title: _____

(Attach corporate seal if applicable)

SURETY

Name, address and facsimile number of Surety:

I hereby certify that (1) I have authority to execute this document on behalf of Surety; (2) Surety has an A.M. Best rating of A-. or better; (3) Surety is named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (most current revision) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury; and(4) Surety is duly licensed to issue bonds in the State of Missouri and in the jurisdiction in which the Project is located.

By: _____
Title: _____
Date: _____

(Attach seal and Power of Attorney)

PERFORMANCE BOND

EXHIBIT B

TENANT DESIGN STANDARDS

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "B" and make any necessary changes without further City Council approval.

EXHIBIT C

PREMISES

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "C" and make any necessary changes without further City Council approval.

EXHIBIT D

CONSTRUCTION SCHEDULE

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "D" and make any necessary changes without further City Council approval.

EXHIBIT E

CONSTRUCTION INSTRUCTIONS

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "E" and make any necessary changes without further City Council approval.

EXHIBIT F

FORM OF MONTHLY REPORT

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "F" and make any necessary changes without further City Council approval.

EXHIBIT G

When mutually agreed to by both parties, the Director of Aviation may amend Exhibit "G" and make any necessary changes without further City Council approval.

STORM WATER BEST MANAGEMENT PRACTICES

The Airport operates under the requirements of a National Pollutant Discharge Elimination System ("NPDES") Permit issued by the Missouri Department of Natural Resources ("MDNR"). The NPDES Permit imposes controls that assure that the Airport storm water discharges meet applicable water quality standards. NPDES controls are implemented at the Airport by operation of the Airport Storm Water Pollution Prevention Plan ("SWPPP"). Under the terms of the Permit, the Airport is responsible to the State of Missouri for all industrial and storm water discharges origination on Airport property. Each tenant is responsible to the Airport for contributions to the Airport industrial and storm water that originate for the tenant's leases property and from the tenant's activities anywhere on Airport property.

The following Best Management Practices ("BMP") require conformity to NPDES Permit mandates for activities that take place on Airport property. These BMP's apply to Airport departments, tenants, and all individuals (persons) whose activities could contribute to industrial or storm water discharges from Airport property. Airport departments and tenants are responsible for the actions of their personnel, contractors, supplies, services, providers, holders of operating permits, and all others who enter Airport property under their authorization.

1. All vehicles operated on the Airport shall be maintained in good condition at all times and be free of oil and gas leaks.
2. Each tenant operator shall keep individual areas clean pf vehicle liquid spills.
3. No tenant shall permit or cause to be permitted the discharge of flammable or combustibile liquids or any waste liquid containing crude petroleum or its products into or upon any, street, highway, drainage canal, ditch, storm drainage system, lake, waterway or ground.
4. Outside repairs, servicing, washing or adjustments to ground vehicles which could cause pollutants, including by not limited to grease, oil, fuel, detergents, etc., to enter storm water systems is prohibited.
5. Tenants shall properly maintain fuel systems and oil water separators as to prevent discharge of petroleum contaminants to the Airport's storm water discharge systems.
6. Outside use of soaps, surfactants or materials that would ultimately enter the storm water and negatively impact the Airport NPDES permit is prohibited.
7. Tenant will be responsible for initiating immediate containment of spills and immediate cleanup/remediation of releases that can or will impact storm water systems. Note: Application of oil dry on a petroleum sill without subsequent removal/disposal of oil dry from pavement does not constitute acceptable cleanup.

8. All spills, irrespective of exceeding environmental regulation reportable quantities, that could or have entered the storm water systems shall be reported to Airport immediately following initial actions taken to contain and/or cleanup the release. In the event that a release is deemed to be beyond the lessee's ability to safely address or presents an immediate hazard to life, property or impact or storm water systems the Airport Communications Center shall be notified immediately.
9. The application of Aircraft Deicing Fluid ("**ADF**") is authorized on carrier and cargo aprons only. Any unused or out of specification ADF will be disposed of off Airport to include the ADF impact water (rinsate) from the cleaning of tanks and vehicles. Any inadvertent loss of ASF fluid that was not sprayed on an aircraft during winter operations constitutes a spill and will be cleaned up and disposed of in the same manner as a grease/oil spill.



Legislation Text

File #: 210833, Version: 1

ORDINANCE NO. 210833

Authorizing a \$785,670.00 Cooperative Agreement with the Kansas City Area Transportation Authority (“KCATA”) for the procurement of equipment and the use of KCATA’s radio system for the KC Streetcar Main Street Extension project.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Public Works is hereby authorized to enter into a Cooperative Agreement with the KCATA to establish the means by which the City may utilize and pay KCATA for the procurement of equipment and the use of the KCATA’s radio system for the KC Streetcar Main Street Extension project. A copy of the Cooperative Agreement is on file in the office of the Director of Public Works.

Section 2. That the Director of Public Works is hereby authorized to expend an amount not to exceed \$785,670.00 for Project No. 89022014 - Kansas City Streetcar Main Street Extension from funds previously appropriated to Account Nos. AL-3445-895990-B-89022014 (\$388,828.00) and AL-3445-898990-B-89022014 (\$396,842.00).

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy Queen
Director of Finance

Approved as to form and legality:

Nelson Munoz
Assistant City Attorney

GENERAL

Ordinance Fact Sheet

210833

Ordinance Number

Brief Title	Approval Deadline	Reason
Authorizing a \$785,670.00 Cooperative Agreement with the Kansas City Area Transportation Authority ("KCATA") for the procurement of equipment and the use of KCATA's radio system for the KC Streetcar Main Street Extension project.		

Details	Positions/Recommendations														
<p>Reason for Legislation</p> <p>Authorizing a \$785,670.00 Cooperative Agreement with the Kansas City Area Transportation Authority ("KCATA") for the procurement of equipment and the use of KCATA's radio system for the KC Streetcar Main Street Extension project.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Sponsor</td> <td>Public Works Department</td> </tr> <tr> <td>Programs, Departments, or Groups Affected</td> <td>Public Works Department</td> </tr> <tr> <td>Applicants / Proponents</td> <td> Applicant Public Works Department City Department _____ Department _____ Department Other </td> </tr> <tr> <td>Opponents</td> <td> Groups or Individuals None Known Basis of opposition </td> </tr> <tr> <td>Staff Recommendation</td> <td> <input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against </td> </tr> <tr> <td>Board or Commission Recommendation</td> <td> By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions) </td> </tr> <tr> <td>Council Committee Actions</td> <td> <input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass </td> </tr> </table>	Sponsor	Public Works Department	Programs, Departments, or Groups Affected	Public Works Department	Applicants / Proponents	Applicant Public Works Department City Department _____ Department _____ Department Other	Opponents	Groups or Individuals None Known Basis of opposition	Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against	Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)	Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass
Sponsor	Public Works Department														
Programs, Departments, or Groups Affected	Public Works Department														
Applicants / Proponents	Applicant Public Works Department City Department _____ Department _____ Department Other														
Opponents	Groups or Individuals None Known Basis of opposition														
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against														
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)														
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass														
<p>Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)</p> <p>Summary</p> <p>This ordinance will authorize the Director of Public Works to enter into an agreement with KCATA for procurement and use of the KCATA transit radio system as a component of the Main Street Extension project. The existing KC Streetcar system currently utilizes the KCATA transit radio system on the streetcar vehicles. This agreement authorizes an expenditure of approximately \$785,670.00.</p> <p>Project Description</p> <p>This ordinance will support the City and Main Street Extension Project; a 3.5-mile extension of the existing Streetcar service from the current streetcar terminus at Union Station to the University of Missouri-Kansas City. The Project includes nine stations, expansion of the existing vehicle maintenance facility, the purchase of six vehicles, transit signal priority and queue-jumps, intersection and sidewalk improvements, and a communications system.</p> <p>Grant Funding</p> <p>This contract is a part of the FTA Capital Investment Grant Program which covers 49.49 % of eligible costs. The remaining 50.51% will be funded by Bond Funds.</p> <p>Is it good for the children?</p> <p>Yes, by extending a public transportation system in the core of the City.</p> <p>How will this contribute to a sustainable Kansas City?</p> <p>This ordinance contributes to a sustainable Kansas City by assisting with</p>															

Details

--

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	\$785,670.00
Financial Impact	
Fund Source (s) & Appropriation Account Codes	Bonds: 3445-898990-B-89022014 (50.51%) \$396,842.00 Grant: 3445-895990-B-89022014 (49.49%) \$388,828.00

(Use this space for further discussion, if necessary)

Applicable Dates:

Fact Sheet Prepared by:

Name Larissa Westenkirchner Date 8/20/2021

Title Regulatory Compliance Manager

Reviewed by:

Name Charles Leap Date 9/8/2021

Title Sr. Analyst

Reference Numbers

LEGISLATIVE FISCAL NOTE	LEGISLATION NUMBER:	210833
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LEGISLATION IN BRIEF:

Authorizing a \$785,670.00 Cooperative Agreement with the Kansas City Area Transportation Authority ("KCATA") for the procurement of equipment and the use of KCATA's radio system for the KC Streetcar Main Street Extension project.

What is the purpose of this legislation? CAPITAL

For the purpose of funding for the construction of fixed capitalizable assets

Does this legislation spend money? Yes/No

See Sections 01, 02 and 03 for sources of funding

Does this legislation estimate new Revenues? Yes/No

0

Does this Legislation Increase Appropriations? Yes/No

0

Does this legislation expand the scope of city services, or expand the city's infrastructure? Yes/No

Maintenance of existing assets is included in the budget. For details see Section 00: " Notes" Below

Section 00: Notes:

Operational and maintenance cost are paid by the TDD

Five years of operational and maintenance costs should be included in Section 04 below.

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST
3445	895990	B	89022014	388,828.00	
3445	898990	B	89022014	396,842.00	

Section 02: If applicable, where will new revenues be estimated?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST

Section 03: If applicable, where will appropriations be increased?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST

NET IMPACT ON OPERATIONAL BUDGET

RESERVE STATUS:

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
TOTAL REV		-	-	-	-	-	-	-

FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
3445	SO Series 2022A Streetcar Bond	785,670						
TOTAL EXP		785,670	-	-	-	-	-	-

NET Per-YEAR IMPACT (785,670)

NET IMPACT (SIX YEARS) **(785,670.00)**

REVIEWED BY DATE

Charles Leap

9/8/2021



Legislation Text

File #: 210845, Version: 1

ORDINANCE NO. 210845

Authorizing and directing the issuance, sale and delivery of not to exceed \$86,000,000.00 principal amount of Water Refunding Revenue Bonds, Series 2021A, of the City of Kansas City, Missouri, prescribing the form and details of such revenue bonds; authorizing certain actions and documents and prescribing other matters relating thereto.

WHEREAS, the City of Kansas City, Missouri (the “City”), is a constitutional charter City and political subdivision duly organized and existing under the laws of the State of Missouri (the “State”) and the City’s Charter, as amended, approved by the voters for its government (the “Charter”), and owns and operates a revenue producing waterworks system (the “System”); and

WHEREAS, pursuant to Second Committee Substitute for Ordinance No. 080197 passed by the City on August 14, 2008, as previously amended and supplemented (the “Master Bond Ordinance”), the City heretofore issued and has outstanding the following Senior Bonds (as defined herein) payable from the Pledged Revenues (as defined in the Master Bond Ordinance) of the System:

<u>Series of Bonds</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
Water Revenue Bonds, Series 2012A (the “Series 2012A Bonds”)	02/21/2012	\$47,725,000	\$34,710,000
Water Revenue Bonds, Series 2013A (the “Series 2013A Bonds”)	03/14/2013	\$54,000,000	\$45,640,000
Water Revenue Bonds, Series 2014A (the “Series 2014A Bonds”)	05/22/2014	\$54,365,000	\$45,225,000
Water Revenue Bonds, Series 2015A (the “Series 2015A Bonds”)	04/23/2015	\$59,790,000	\$54,180,000
Water Revenue Bonds, Series 2017A (the “Series 2017A Bonds”)	02/24/2017	\$78,130,000	\$70,250,000
Water Refunding Revenue Bonds, Series 2019A (the “Series 2019A Bonds”)	08/07/2019	\$72,865,000	\$57,800,000
Water Revenue Bonds, Series 2020A (the “Series 2020A Bonds”)	06/24/2020	\$64,720,000	\$61,815,000

WHEREAS, the City desires to refund (1) all of the Series 2012A Bonds outstanding in the aggregate principal amount of \$34,710,000 scheduled to mature on December 1, 2021, and thereafter (the “Refunded Series 2012A Bonds”) and (2) all of the Series 2013A Bonds outstanding in the aggregate principal amount of \$45,640,000 scheduled to mature on December 1, 2021, and thereafter (the “Refunded Series 2013A Bonds,” together with the Refunded Series 2012A Bonds, the “Refunded Bonds”) and is authorized under the provisions of Section 108.140(2), of the Revised Statutes of Missouri, as amended (the “Refunding Bond Law”), to issue and sell water refunding revenue bonds for the purpose of refunding the Refunded Bonds, which water refunding revenue bonds may be payable from the same sources as were pledged to the payment of the Refunded Bonds; and

WHEREAS, the Refunding Bond Law authorizes the issuance of refunding revenue bonds in an amount not to exceed the principal amount of the Refunded Bonds, the interest accruing to the maturity or redemption date of the Refunded Bonds, any premium which may be due under the terms of the Refunded Bonds and any amounts necessary for the payment of issuance expenses for such refunding revenue bonds and to fund a debt service reserve fund therefore, without submission of a question regarding such refunding to a popular vote; and

WHEREAS, under the provisions of the Master Bond Ordinance, the City may issue additional revenue bonds payable out of the Pledged Revenues of the System that are on a parity with the Outstanding Senior Bonds, if certain conditions are met; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and the citizens of the area served by the System that water refunding revenue bonds be issued and secured in the form and manner provided in the Master Bond Ordinance and this Ordinance in an aggregate principal amount not to exceed \$86,000,000 in order to provide funds to refund the Refunded Bonds, subject to the Certificate of Final Terms and the conditions of the Master Bond Ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. For all purposes of this Ordinance, except as otherwise provided or unless the context otherwise requires, words and terms used in this Ordinance shall have the meanings set forth in **Section 1.1** of the Master Bond Ordinance and the following meanings set forth in this **Section 1.1**. Any words and terms defined herein that are not already defined in the Master Bond Ordinance are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Master Bond Ordinance are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2021A Bonds. If any of the following definitions conflict with the definitions already set forth in the Master Bond Ordinance, the definitions set forth herein shall take precedence:

“Bond Ordinance” means collectively this Ordinance and the Master Bond Ordinance.

“Bond Registrar” means any bank or trust company designated as such by the City in the Bond Ordinance with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Bond Ordinance. U.S. Bank National Association, St. Louis, Missouri, is hereby designated as Bond Registrar for the Series 2021A Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such separate Bond Registrar designated by the issuer of the SRF Bonds.

“Certificate of Final Terms” means **Exhibit C**, executed and delivered by the Mayor pursuant to **Section 6.1** hereof, in substantially the form attached as **Exhibit D**.

“Debt Service Reserve Debt Service Coverage Requirement” means with respect to the Series 2021A Bonds, 130% of the average annual Debt Service Requirements on all Outstanding Senior Bonds, which are not Senior SRF Bonds.

“Debt Service Reserve Requirement Funding Commencement Date” means the first day of the month after a Valuation Date in which the Net Operating Revenues are less than the Debt Service Reserve Debt Service Coverage Requirement for the preceding Fiscal Year.

“Escrow Agent” means, respectively, (1) the paying agent for the Refunded Series 2012A Bonds, in its capacity

as escrow agent for the Refunded Series 2012A Bonds, and its successors or assigns, and (2) the paying agent for the Refunded Series 2013A Bonds, in its capacity as escrow agent for the Refunded Series 2013A Bonds, and its successors or assigns.

“**Escrow Agreement**” means, respectively, (1) the Escrow Deposit Agreement dated as of the date stated therein between the City and the Escrow Agent with respect to the Refunded Series 2012A Bonds, and (2) the Escrow Deposit Agreement dated as of the date stated therein between the City and the Escrow Agent with respect to the Refunded Series 2013A Bonds, as the same may from time to time be amended or supplemented in accordance with the respective terms.

“**Escrow Fund**” means the fund by that name established pursuant to each respective Escrow Agreement and referred to in **Article IV** of this Ordinance.

“**Master Bond Ordinance**” means Second Committee Substitute for Ordinance No. 080197 passed by the City on August 14, 2008, as amended from time to time.

“**Notice of Bond Sale**” means, in the event the Series 2021A Bonds are sold pursuant to a Competitive Sale as permitted by **Section 6.1(a)(1)** hereof, the Notice of Bond Sale authorized by **Section 7.2** hereof.

“**Ordinance**” means this Ordinance as from time to time amended.

“**Original Principal Amount**” means the principal amount of Series 2021A Bonds originally issued and delivered pursuant to the Master Bond Ordinance and this Ordinance, in the amount specified in the Certificate of Final Terms, subject to the terms in **Exhibit B**.

“**Paying Agent**” means any bank or trust company, including any successors and assigns thereof, authorized by the City to pay the Principal of, premium, if any, or interest on any Bonds on behalf of the City. Such Paying Agent shall perform the duties required of the Paying Agent in the Master Bond Ordinance and this Ordinance. U.S. Bank National Association, St. Louis, Missouri, is hereby designated as Paying Agent for the Series 2021A Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such Paying Agent designated by the issuer of the SRF Bonds.

“**Purchase Contract**” means, in the event the Series 2021A Bonds are sold pursuant to a Negotiated Sale as permitted by **Section 6.1(a)(2)** hereof, the Purchase Contract relating to the Series 2021A Bonds between the City and the Purchaser.

“**Purchaser**” means the original purchaser or purchasers of the Series 2021A Bonds selected by the City in accordance with **Section 6.1** hereof and specified in the Certificate of Final Terms.

“**Refunded Bonds**” means, collectively, the Refunded Series 2012A Bonds and the Refunded Series 2013A Bonds.

“**Refunded Series 2012A Bonds**” means all of the City’s outstanding Water Revenue Bonds, Series 2012A, dated February 12, 2012, outstanding in the aggregate principal amount of \$34,710,000 scheduled to mature on December 1, 2021, and thereafter, authorized by Ordinance No. 120037 and the Master Bond Ordinance.

“**Refunded Series 2013A Bonds**” means all of the City’s outstanding Water Revenue Bonds, Series 2013A, dated March 14, 2013, outstanding in the aggregate principal amount of \$45,640,000 scheduled to mature on December 1, 2021, and thereafter, authorized by Ordinance No. 130049 and the Master Bond Ordinance.

“**Senior Bonds**” means the Series 2014A Bonds, the Series 2015A Bonds, the Series 2017A Bonds, the Series 2019A Bonds, the Series 2020A Bonds, the Series 2021A Bonds and any Bonds, including Senior SRF Bonds, issued with a right to payment and secured by a lien on a parity with the Series 2014A Bonds, the Series 2015A Bonds, the

Series 2017A Bonds, the Series 2019A Bonds, the Series 2020A Bonds and the Series 2021A Bonds (except with respect to any Credit Facility which may be available only to one or more series of Senior Bonds and except that Senior SRF Bonds shall not be secured by the Debt Service Reserve Account) pursuant to **Section 5.2** or **Section 5.3** of the Master Bond Ordinance.

“**Series 2021A Bonds**” means the City’s Water Refunding Revenue Bonds, Series 2021A, in the Original Principal Amount specified in the Certificate of Final Terms attached hereto as **Exhibit C**, authorized under **Section 2.1** of this Ordinance and **Section 5.2** of the Master Bond Ordinance.

“**Series 2021A Compliance Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2021A Costs of Issuance Account**” means the account by that name within the Project Fund established in **Article IV** of this Ordinance.

“**Series 2021A Debt Service Reserve Requirement**” means an amount equal to the average annual debt service with respect to the Outstanding Series 2021A Bonds as calculated after any principal payment on the Series 2021A Bonds (whether at maturity or by redemption).

“**Series 2021A Official Statement**” means the final Official Statement respecting the Series 2021A Bonds.

“**Series 2021A Rebate Subaccount**” means the subaccount by that name within the Rebate Account established in **Article IV** of this Ordinance.

“**Valuation Date**” means the first business day of the month following the presentation of the annual financial statement of the System to the City Council, but in no event later than November 30th of any year.

ARTICLE II

AUTHORIZATION OF THE SERIES 2021A BONDS

Section 2.1. Authorization of Series 2021A Bonds; Details. The City hereby authorizes the execution, issuance, and delivery of a series of Bonds to be designated “City of Kansas City, Missouri Water Refunding Revenue Bonds, Series 2021A” (the “**Series 2021A Bonds**”) in the Original Principal Amount specified in the Certificate of Final Terms, which Series 2021A Bonds shall be executed, issued, and delivered under, and secured by, the Master Bond Ordinance and this Ordinance.

The Series 2021A Bonds shall be dated the date of delivery specified in the Certificate of Final Terms. The Series 2021A Bonds shall be numbered in a convenient manner, established by the Bond Registrar and shown by the Bond Register.

The Series 2021A Bonds and the Bond Registrar’s Certificate of Authentication shall be in substantially the form set forth in **Exhibit A** attached hereto, with such variations, omissions, substitutions and insertions as are required or permitted by the Master Bond Ordinance and this Ordinance.

The Series 2021A Bonds shall bear interest at the rates per annum to be determined upon the sale of the Series 2021A Bonds as set forth in the Certificate of Final Terms, computed on the basis of a 360-day year consisting of twelve 30-day months, from the dated date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 beginning on the date set forth in the Certificate of Final Terms and shall mature in the years and in the principal amounts to be determined upon the sale of the Series 2021A Bonds as set forth in the Certificate of Final Terms, unless earlier called for redemption, subject to the conditions set forth

in Exhibit B attached hereto.

ARTICLE III

REDEMPTION OF SERIES 2021A BONDS

Section 3.1. Optional and Mandatory Redemption of Series 2021A Bonds.

(a) *Optional Redemption of Series 2021A Bonds by City.* At the option of the City, certain of the Series 2021A Bonds or portions thereof may be called for redemption and payment prior to maturity on the dates and at the redemption prices specified in the Certificate of Final Terms.

(b) *Mandatory Redemption of Series 2021A Bonds.* In the event any Series 2021A Bonds are designated as “**Term Bonds**” in the Certificate of Final Terms, such Term Bonds shall be subject to mandatory redemption and payment prior to their maturity pursuant to the mandatory redemption requirements of this **Section 3.1(b)** on the dates and in the principal amounts specified in the Certificate of Final Terms at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Mandatory Redemption Date (hereinafter defined).

As and for a sinking fund for the retirement prior to maturity of the Term Bonds, there shall be deposited in the Payments Subaccount from the Revenue Fund an amount sufficient to redeem the principal amounts of the Term Bonds on December 1 of each year as set forth in the Certificate of Final Terms (each such date being referred to as a “**Mandatory Redemption Date**”). The City shall redeem such an aggregate principal amount of the Term Bonds at a redemption price equal to the principal amount thereof plus the interest due thereon to the Mandatory Redemption Date.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.1. Establishment of Funds and Accounts. In addition to the Funds and Accounts established in **Section 4.2** of the Master Bond Ordinance, the City hereby establishes the following accounts, and the moneys deposited in such accounts shall be held in trust for the purposes set forth in the Master Bond Ordinance and this Ordinance:

4.1.1. Within the City of Kansas City, Missouri Waterworks Rebate Account in the Revenue Fund (the “**Rebate Account**”), a Series 2021A Rebate Subaccount.

4.1.2. Within the City of Kansas City, Missouri Waterworks Project Fund (the “**Project Fund**”), a Series 2021A Compliance Account and a Series 2021A Costs of Issuance Account.

Each account listed above shall be held within the account under which it is created. All accounts listed above are further described in **Article IV** of the Master Bond Ordinance, except for (i) the Rebate Subaccount as further described in **Section 6.11** of the Master Bond Ordinance, (ii) the Project Fund as further described in **Article XI** of the Master Bond Ordinance and (iii) the Series 2021A Compliance Account as further described in **Section 6.4** of this Ordinance.

In addition to the funds and accounts described above, each respective Escrow Agreement establishes an Escrow Fund to be held and administered by the respective Escrow Agent in accordance with the applicable Escrow Agreement. The investment and use of moneys in each Escrow Fund shall be governed by the applicable Escrow Agreement.

Section 4.2. Investment Earnings. All Investment Earnings from the Series 2021A Compliance Account and the Series 2021A Costs of Issuance Account shall be retained or transferred to the Payments Subaccount of the Sinking Fund Account. All Investment Earnings on the Debt Service Reserve Subaccount shall be retained in such subaccount at all times unless the balance of the Debt Service Reserve Subaccount is equal to or greater than the Debt Service Reserve

Requirement, then such Investment Earnings shall be deposited into the Payments Subaccount.

ARTICLE V

GENERAL PROVISIONS

Section 5.1. Applicability of Master Bond Ordinance. Except as otherwise provided in this Ordinance, the provisions of the Master Bond Ordinance are hereby ratified, approved and confirmed and incorporated herein and shall be applicable to the authorization, execution, authentication, issuance, redemption, payment, sale and delivery of the Series 2021A Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof. The requirements of **Article V** of the Master Bond Ordinance regarding the issuance of additional Senior Bonds have been satisfied.

Section 5.2. General Authorization for Series 2021A Bonds. From and after the date of adoption of this Ordinance, the officials, employees, and agents of the City are hereby authorized to do all such acts and things and to execute and deliver any and all other documents, agreements, certificates and instruments as may be necessary or desirable in connection with the execution, delivery and sale of the Series 2021A Bonds, the investment of the proceeds of the Series 2021A Bonds and the transactions contemplated on the part of the City by this Ordinance. The Director of Finance and City Clerk are hereby authorized and directed to prepare and furnish to the Purchaser, when the Series 2021A Bonds are issued, certified copies of all proceedings and records of the City relating to the Series 2021A Bonds or to the Master Bond Ordinance and this Ordinance, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2021A Bonds as such facts appear from the books and records in such officers' custody and control or as otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 5.3. Debt Service Reserve Subaccount. The City elects pursuant to the definition of Debt Service Reserve Requirement under the Master Bond Ordinance to reduce the Debt Service Reserve Requirement for Senior Bonds to the amount currently on deposit, so that no deposits to the Debt Service Reserve Subaccount of the Sinking Fund Account shall be required in connection with the issuance of the Series 2021A Bonds since the City obtained the necessary confirmation from each Rating Agency that its current rating on the Senior Bonds would not be reduced or withdrawn based upon definitions or provisions pertaining to the Debt Service Reserve Requirement.

Upon the occurrence of a Debt Service Reserve Requirement Funding Commencement Date, the City shall, pursuant to the provisions of **Sections 4.3** and **4.4** of the Master Bond Ordinance, make monthly deposits to the Debt Service Reserve Subaccount equal to 1/24th of the Series 2021A Debt Service Reserve Requirement for 24 months until the Series 2021A Debt Service Reserve Requirement is satisfied.

ARTICLE VI

SALE AND APPLICATION OF PROCEEDS OF SERIES 2021A BONDS

Section 6.1. Method of Sale and Terms of Series 2021A Bonds; Authorization and Execution of Certificate of Final Terms.

(a) Upon the advice and recommendation of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City's co-financial advisors (collectively, the "**Financial Advisor**"), the City is hereby authorized to sell the Series 2021A Bonds utilizing one of the following methods:

(1) a competitive public sale ("**Competitive Sale**") pursuant to which the City will sell the Series 2021A Bonds to the bidder offering to purchase the Series 2021A Bonds, based on the principal amounts and maturities set forth in the Notice of Bond Sale and proposal form, submitting the lowest "true interest cost" as

defined therein, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto. If the City sells the Series 2021A Bonds via a Competitive Sale, the City is authorized to accept the best bid in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit B** hereto, and the Director of Finance is authorized to accept the best bid for and on behalf of and as the act and deed of the City; or

(2) a negotiated sale (“**Negotiated Sale**”) pursuant to which the City will sell the Series 2021A Bonds to Siebert Williams Shank & Co., LLC, as senior-managing underwriter, acting on its own behalf and on behalf of Raymond James & Associates, Inc., Valdés & Moreno, Inc., and Jefferies LLC, as co-managing underwriters, under the terms of the Purchase Contract, subject to the limitations set forth in this **Section 6.1** and **Exhibit B** hereto. If the City sells the Series 2021A Bonds via a Negotiated Sale, the City is authorized to enter into the Purchase Contract in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit B** hereto, and the Director of Finance is authorized to execute the Purchase Contract for and on behalf of and as the act and deed of the City.

(b) The Mayor is authorized and directed to approve the purchase price for the Series 2021A Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Series 2021A Bonds, including applicable redemption provisions, subject to the limitations set forth in this **Section 6.1** and in **Exhibit B** hereto, and in connection therewith, to execute and deliver the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Mayor’s execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms will be attached to this Ordinance as **Exhibit C**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance.

Section 6.2. Application of Series 2021A Bond Proceeds. Upon the written request of the City, the Bond Registrar shall authenticate and deliver to DTC or hold the Series 2021A Bonds as “Fast Agent” for the benefit of the Beneficial Owners and shall receive a receipt for the Series 2021A Bonds. The net proceeds received from the sale of the Series 2021A Bonds shall be deposited simultaneously with the delivery of the Series 2021A Bonds as follows:

- (a) A portion of the net proceeds of the Series 2021A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2021A Compliance Account.
- (b) A portion of the net proceeds of the Series 2021A Bonds in an amount specified in the Certificate of Final Terms shall be deposited in the Series 2021A Costs of Issuance Account to pay the costs of issuing the Series 2021A Bonds as authorized by the Director of Finance.
- (c) A portion of the net proceeds of the Series 2021A Bonds in an amount specified in the Certificate of Final Terms, shall be transferred to the Escrow Agent for the Refunded Series 2012A Bonds and applied in accordance with the Escrow Agreement for the Refunded Series 2012A Bonds. This amount, which together with the earnings to accrue thereon, if any, will be sufficient for the payment of the principal of, the redemption premium, if any, and the interest on the Refunded Series 2012A Bonds, as set forth in the Certificate of Final Terms and the Escrow Agreement for the Refunded Series 2012A Bonds.
- (d) The remaining net proceeds of the Series 2021A Bonds in an amount specified in the Certificate of Final Terms, shall be transferred to the Escrow Agent for the Refunded Series 2013A Bonds and applied in accordance with the Escrow Agreement for the Refunded Series 2013A Bonds. This amount, which together with the earnings to accrue thereon, if any, will be sufficient for the payment of the principal of, the redemption premium, if any, and the interest on the Refunded Series 2013A Bonds, as set forth in the Certificate of Final Terms and the Escrow Agreement for the Refunded Series 2013A Bonds.

Section 6.3. Moneys in the Series 2021A Costs of Issuance Account. Moneys in the Series 2021A Costs of Issuance Account shall be used solely for the purpose of paying the costs and expenses incident to the issuance of the Series 2021A Bonds upon certification thereof by the Director of Finance. On the latest to occur of (i) the payment in full of such amounts (as certified by the Director of Finance) or (ii) the date which is six months following the date on which

the Series 2021A Bonds are issued and authenticated, any moneys remaining in the Series 2021A Costs of Issuance Account shall be transferred to the Payments Subaccount for the Series 2021A Bonds and applied in accordance with **Section 4.4** of the Master Bond Ordinance to the payment of the next installment of interest scheduled to become due on the Series 2021A Bonds.

Section 6.4. Moneys in the Series 2021A Compliance Account. Moneys in the Series 2021A Compliance Account shall be used to pay costs associated with retaining any rebate analyst or other expert to perform any rebate computations or other calculations necessary to ensure the City maintains compliance with the requirements for rebate under Section 148(f) of the Code or any of the City's duties with respect to the Rebate Account as provided in **Section 6.11** of the Master Bond Ordinance. Any Series 2021A Bond proceeds or Investment Earnings thereon remaining in the Series 2021A Compliance Account five (5) years and 180 days after the date of issuance of the Series 2021A Bonds shall be transferred to the Payments Subaccount for the Series 2021A Bonds and applied in accordance with **Section 4.4** of the Master Bond Ordinance to the payment of the next installment of interest scheduled to become due on the Series 2021A Bonds.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1. Preliminary Official Statement and Series 2021A Official Statement.

(a) The use and public distribution of the Preliminary Official Statement dated the date thereof in connection with the sale of the Series 2021A Bonds is hereby authorized and approved, and the Series 2021A Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Director of Finance is hereby authorized to execute the Series 2021A Official Statement as so supplemented, amended and completed, and the use and public distribution of the Series 2021A Official Statement by the Purchaser in connection with the reoffering of the Series 2021A Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Series 2021A Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2021A Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the proper officials of the City are hereby authorized to deem the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

(c) The City agrees to provide to the Purchaser within seven business days of the date of the sale of Series 2021A Bonds sufficient copies of the Series 2021A Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 7.2. Escrow Agreement. The City is hereby authorized to enter into an Escrow Agreement for each respective series of Refunded Bonds to be dated as of the date thereof between the City and the respective Escrow Agent, in substantially the form on file in the office of the Director of Finance. The Director of Finance is hereby authorized and directed to execute each respective Escrow Agreement with such changes therein as the Director of Finance may deem appropriate, for and on behalf of and as the act and deed of the City. Each respective Escrow Agent is hereby authorized to carry out, on behalf of the City, the duties, terms and provisions of the applicable Escrow Agreement, and each respective Escrow Agent, the Purchaser, the Financial Advisor (hereinafter defined) and Bond Counsel (hereinafter defined) are authorized to take all necessary actions for the subscription and purchase of the Escrowed Securities

described in the applicable Escrow Agreement.

Section 7.3. Notice of Bond Sale. In the event the City determines to sell the Series 2021A Bonds via a Competitive Sale as set forth in **Section 6.1(a)(1)** hereof, the Director of Finance is hereby authorized to execute the Notice of Bond Sale, and the use and public distribution of the Notice of Bond Sale in connection with a Competitive Sale of the Series 2021A Bonds is hereby authorized.

Section 7.4. Continuing Disclosure Undertaking. The City covenants and agrees to enter into a Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) in order to satisfy the City’s ongoing disclosure requirements promulgated by Securities and Exchange Commission Rule 15c2-12, as amended, in connection with the issuance of the Series 2021A Bonds. The Director of Finance is hereby authorized to execute and deliver the Continuing Disclosure Undertaking for and on behalf of the City, with such changes therein as he deems necessary or desirable. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a default under this Ordinance or the Master Bond Ordinance. Remedies for a default under the Continuing Disclosure Undertaking shall be limited to those set forth in the Continuing Disclosure Undertaking.

Section 7.5. Approval of Contracts. The City hereby approves the selection (a) of Gilmore & Bell, P.C., and Clayborn & Associates, LLC, as co-bond counsel and co-disclosure counsel for the Series 2021A Bonds (collectively, the “**Bond Counsel**”), and (b) of Hilltop Securities Inc. and Independent Public Advisors, LLC, as the City’s co-financial advisors for the Series 2021A Bonds (collectively, the “**Financial Advisor**”), and approves and ratifies all contracts in connection with such selections.

Section 7.6. Severability. In case any one or more of the provisions of this Ordinance or of the Series 2021A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance or of the Series 2021A Bonds, but this Ordinance and the Series 2021A Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Series 2021A Bonds or in this Ordinance shall for any reason be held to be unenforceable or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent that the power to incur such obligation or to make such covenant, stipulation or agreement shall have been conferred on the City by law.

Section 7.7. Electronic Storage. The City agrees that the transactions described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 7.8. Applicable Provisions of Law. This Ordinance shall be governed by and construed and enforced in accordance with the laws of the State and the Charter.

Section 7.9. Establishment of Fund No. 8078; Estimation of Revenues.

(a) That Fund No. 8078, the Water Refunding Revenue Bond Fund Series 2021A, is hereby established in the records of the City of Kansas City, Missouri.

(b) That revenue of \$85,000,000.00 is hereby estimated in Fund 8078, the Water Refunding Revenue Bond Fund Series 2021A, in the following accounts:

AL-8078-120000-590000	Bond Proceeds	\$70,000,000.00
AL-8078-120000-485190	Premium on Sale of Bonds	<u>15,000,000.00</u>
	TOTAL	\$85,000,000.00

Section 7.10. Appropriation of Revenues. That the sum of \$85,000,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 8078, the Water Refunding Revenue Bond Fund Series 2021A, to the following accounts:

AL-8078-129620-G	Cost of Issuance	\$470,000.00
AL-8078-129686-B	Arbitrage Rebate Calculation	5,000.00
AL-8078-129631-G	Underwriters' Discount	525,000.00
AL-8078-129630-G	Discount on Sale of Refunding Bonds	2,000,000.00
AL-8078-129671-G	Defeasance	<u>82,000,000.00</u>
	TOTAL	\$85,000,000.00

Section 7.11. Requisitioning Authority. That the Director of Finance is designated as the requisitioning authority for Accounts Nos. AL-8078-129620, AL-8078-129686, AL-8078-129631, AL-8078-129630 and AL-8078-129671.

Section 7.12. Modification of Accounts. That the Director of Finance is hereby authorized to modify the previously approved estimated revenues and appropriations in **Section 7.10** hereof as required to correctly record the budgetary amounts finalized through the sale of the Bonds into the marketplace.

Section 7.13. Reimbursement. That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in **Section 7.10** hereof (the "**Appropriation**") with the proceeds of Series 2021A Bonds expected to be issued by the City. The maximum principal amount of the Series 2021A Bonds expected to be issued for the Appropriations is not to exceed \$86,000,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

Section 7.14. Closing of Accounts. That the Director of Finance is hereby authorized to close accounts, open encumbrances and retainage related to the accounts in **Section 7.10** hereof, and return the unspent portion to the Fund balance from which it came upon the earliest of: (i) the provisions of this ordinance; (ii) final maturity of financing or (iii) five years after issuance.

Section 7.15. Closing of Refunded Bond Fund Accounts. That the Director of Finance and the Director of Water Services is hereby authorized to close or transfer open encumbrances and retainage, make necessary budget transfers, reallocate project expenditures and any other actions necessary to expended remaining project fund proceeds of the Refunded Bonds in order to comply with United States Treasury regulations with respect to federal tax-exempt securities.

Section 7.16. Effective Date. This Ordinance will take effect and be in full force and effect ten (10) days after its passage.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Katherine Chandler
Assistant City Attorney

EXHIBIT A

FORM OF SERIES 2021A BONDS

EXCEPT AS OTHERWISE PROVIDED IN THE BOND ORDINANCE (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

UNITED STATES OF AMERICA

STATE OF MISSOURI

**Registered
No. R-___**

**Registered
\$**

CITY OF KANSAS CITY, MISSOURI

**WATER REFUNDING REVENUE BOND
SERIES 2021A**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP</u>
December 1, 20__	_____ %	_____, 2021	

Registered Owner: ** CEDE & CO. **

Principal Amount: _____ **DOLLARS**

CITY OF KANSAS CITY, MISSOURI (the “City”), a constitutional charter city and political subdivision duly organized and existing under the Constitution and laws of the State of Missouri, for value received, hereby promises to pay (but only out of the sources provided) to the registered owner identified above, or registered assigns, on the Maturity Date stated above unless this Bond shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for, the principal amount identified above and to pay (but only out of the sources provided) interest on the balance of such principal amount from time to time remaining unpaid from and including the date hereof or from and including the most recent Interest Payment Date (as hereinafter defined) with respect to which interest has been paid or duly provided for, until payment of such principal amount has been made, at the Interest Rate per annum shown above (computed on the basis of a 360-day year consisting of twelve 30-day months) on June 1 and December 1 of each year (each an “**Interest Payment Date**”) commencing [_____], [20__], until

the payment of the principal amount of this Bond is paid in full.

Principal of and redemption premium, if any, on this Bond are payable when due in lawful money of the United States of America upon presentation and surrender of this Bond at the principal payment office of U.S. Bank National Association, St. Louis, Missouri, as registrar and paying agent (the “Bond Registrar” or the “Paying Agent”). Payment of interest on this Bond shall be made to the registered owner and shall be paid in lawful money of the United States of America by check or draft mailed on the applicable Interest Payment Date to such registered owner as of the close of business on the 15th day of the calendar month (the “Record Date”) immediately preceding such Interest Payment Date at its address as it appears on the registration books (the “Bond Register”) of the City maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Notwithstanding the foregoing, interest on this Bond shall be payable to any registered owner of more than \$500,000 in aggregate principal of the Bonds of the same series as this Bond (including this Bond) by deposit of immediately available funds to the account of such registered owner maintained with the Paying Agent or transmitted by electronic transfer to such registered owner at an account maintained at a commercial bank located within the United States of America, if the Paying Agent receives from such registered owner written deposit or electronic transfer instructions not less than 15 days prior to the Record Date preceding the Interest Payment Date for which the deposit or electronic transfer is requested.

This Bond is one of a duly authorized series of bonds designated “City of Kansas City, Missouri Water Refunding Revenue Bonds, Series 2021A” (the “Series 2021A Bonds”), issued by the City pursuant to and in full compliance with the provisions of the Constitution and laws of the State of Missouri, including specifically, but without limitation, the Charter and Section 108.140 of the Revised Statutes of Missouri, as amended. The Series 2021A Bonds have been authorized by a Master Bond Ordinance and a Series Ordinance duly adopted by the City (collectively, the “Bond Ordinance”), for the purpose of (1) refunding the City’s outstanding Water Revenue Bonds, Series 2012A, (2) refunding the City’s outstanding Water Revenue Bonds, Series 2013A, and (3) paying costs of issuing the Series 2021A Bonds. The Series 2021A Bonds are all issued under and equally and ratably secured by and entitled to the benefit of the Master Bond Ordinance. *Capitalized terms not defined herein are used with the meanings given to them in the Bond Ordinance.*

The Series 2021A Bonds maturing on or after December 1, [20__], are subject to redemption prior to maturity at the option of the City on or after December 1, [20__], in whole or in part at any time, at a redemption price equal to 100% of the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the redemption date.

[The Series 2021A Bonds maturing on December 1, 20__, are subject to mandatory redemption prior to maturity by application of payments from the Sinking Fund Account, in accordance with the Bond Ordinance, at a redemption price equal to the principal amounts of the Series 2021A Bonds set forth below plus the interest due thereon on the redemption date, on December 1 in each year as set forth below:

Series 2021A Bonds Maturing December 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	
20__	
20__	
20__	
20__	

+Final Maturity]

Notice of redemption, unless waived, is to be given by first class mail at least 30 days prior to the date fixed for redemption to the registered owner of each Series 2021A Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All such Series 2021A

Bonds called for redemption and for the retirement of which funds are duly provided shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2021A Bonds on such date, and interest on the Series 2021A Bonds or portions of Series 2021A Bonds so called for redemption shall cease to accrue, such Series 2021A Bonds or portions of Series 2021A Bonds shall cease to be entitled to any lien, benefit, or security under the Bond Ordinance, and the owners of such Series 2021A Bonds or portions of Series 2021A Bonds shall have no rights in respect thereof except to receive payment of the redemption price. Any defect in any notice of redemption shall not affect the validity of proceedings for the redemption of any Series 2021A Bonds.

The City (or Paying Agent on behalf of the City) has established a book-entry system of registration for the Series 2021A Bonds. Except as specifically provided otherwise in the Bond Ordinance, an agent will hold this Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery, or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to such arrangement. While the Series 2021A Bonds are in the book-entry system of registration, the Bond Ordinance provides special provisions relating to the Series 2021A Bonds which override certain other provisions of the Bond Ordinance. This Bond is transferable by the registered owner at the principal corporate trust office of the Bond Registrar or at such other office designated by the Bond Registrar for such purpose, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Ordinance and upon surrender of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity, interest rate, aggregate principal amount, and tenor, of any authorized denomination or denominations, and bearing numbers not then outstanding, will be issued to the transferee in exchange for this Bond. The Series 2021A Bonds are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. The Bond Registrar is not required to transfer or exchange any Series 2021A Bond after notice calling such Series 2021A Bond for redemption has been given or during the period of 15 days (whether or not a Business Day for the Bond Registrar, but excluding the redemption date and including such 15th day) immediately preceding the giving of such notice of redemption. Unless this Bond is presented by an authorized representative of The Depository Trust Company (“DTC”), a New York corporation, to the City or its agent for registration of transfer, exchange, or payment, and any Series 2021A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Series 2021A Bonds, the Series 2020A Bonds, the Series 2019A Bonds, the Series 2017A, the Series 2015A Bonds, the Series 2014A Bonds, and such other revenue bonds of the City as may in the future be issued on a parity therewith, are equally and ratably secured by pledge of the “**Pledged Revenues**” of the waterworks system (the “**System**”) of the City, which is defined in the Master Bond Ordinance to include net operating revenues, certain amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, moneys and securities from time to time on deposit in the funds and accounts established in the Bond Ordinance, and earnings on investments made with the foregoing moneys and securities, excluding any amounts required in the Bond Ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated with respect to any such rebate requirement.

THE SERIES 2021A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE CITY NOR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE SERIES 2021A BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES AND AMOUNTS PLEDGED TO THE PAYMENT THEREOF, NOR SHALL THE CITY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO OWNER OR OWNERS OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY THIS BOND OR THE INTEREST HEREON, NOR TO ENFORCE PAYMENT OF THIS BOND AGAINST ANY PROPERTY OF THE CITY; NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE THE SERIES 2021A BONDS.

The City has covenanted and hereby covenants and agrees at all times while any Series 2021A Bonds are

Outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to: (i) provide for 100% of the Expenses of Operation and Maintenance of the System, and (ii) produce Net Operating Revenues, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change to any Hedge Agreement, in each Fiscal Year which, together with Investment Earnings, will: (a) equal at least 125% of the Debt Service Requirement on all Senior Bonds then Outstanding for the Fiscal Year of computation, 115% of the Debt Service Requirement on all Bonds then Outstanding for the Fiscal Year of computation and 110% of the Debt Service Requirement on all Bonds and Other System Obligations then Outstanding for the Fiscal Year of computation, (b) enable the City to make all required payments into the Debt Service Reserve Subaccount and the Rebate Account and to any Credit Facility Provider, any Reserve Account Credit Facility Provider, and any Hedge Payments, (c) enable the City to make any payments into the Renewal and Replacement Account required by the Operating and Capital Reserves Policy established and approved by the Water Services Department and the City Council, as may be amended from time to time, and (d) will remedy all deficiencies in required payments into any of the funds and accounts established under the Bond Ordinance from prior Fiscal Years.

The Bond Ordinance contains a more particular statement of the covenants and provisions securing the Series 2021A Bonds, the conditions under which the owner of this Bond may enforce covenants (other than the covenant to pay Principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which additional revenue bonds may be issued on a parity or achieve parity status with this Bond under the Bond Ordinance, and the conditions upon which the Bond Ordinance may be amended with the consent of the owners of a majority in aggregate Principal of the Series 2021A Bonds of each class (senior and subordinate) Outstanding or the issuer of any Credit Facility, if any, of such Bonds. Upon the occurrence of an Event of Default under the Bond Ordinance, the owner of this Bond shall be entitled to the remedies provided by the Bond Ordinance.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

This Bond shall not be entitled to any security or benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and has caused the official seal of the City to be affixed hereto or imprinted hereon.

CITY OF KANSAS CITY, MISSOURI

By:

Mayor

[SEAL]

ATTEST:

By:

City Clerk

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the series described in the within mentioned Bond Ordinance.

_____,
as Bond Registrar

By: _____
Authorized Signatory

Date of Registration and Authentication:

_____, _____

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property
- UNIF TRANS
- MIN ACT - _____ Custodian _____
(Custodian) (Minor)
- under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may be used although not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Print or Typewrite Name, Address and Social Security Number
or Taxpayer Identification Number of Assignee)

the within Bond of the City of Kansas City, Missouri, and does hereby irrevocably constitute and appoint

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____, _____

Notice: The signature on this assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed By:

Name of Eligible Guarantor _____ Institution as defined by SEC Rule 17 Ad-15 (12 CFR 240.17 Ad-15) or any similar rule which the Bond Registrar deems applicable

By: _____
Title: _____

EXHIBIT B

TERMS OF THE SERIES 2021A BONDS

1. Purchase Price: Not less than 95% of the Original Principal Amount.
2. Weighted Average Maturity of the Series 2021A Bonds: Not less than 6.7 years nor more than 10.7 years.
3. Costs of Issuance, not including the Purchaser's Discount: Not to exceed \$575,000.
4. True Interest Cost: Not to exceed 3.80%.
5. Optional Redemption: The Series 2021A Bonds shall be subject to redemption at the option of the City prior to their Stated Maturities on a date that is not later than December 1, 2032, at a Redemption Price not to exceed 100% of the principal amount thereof.
6. Final Maturity: Not later than December 1, 2037.
7. Present Value Savings on the Refunded Series 2012A Bonds: Not less than 3.00%.

8. Present Value Savings on the Refunded Series 2013A Bonds: Not less than 3.00%.

EXHIBIT C

CERTIFICATE OF FINAL TERMS

EXHIBIT D

FORM OF CERTIFICATE OF FINAL TERMS

The undersigned Mayor of the City of Kansas City, Missouri (the “City”), in connection with the issuance of the City’s Water Refunding Revenue Bonds, Series 2021A (the “Bonds”), certifies pursuant to **Section 6.1** of Ordinance No. 21____:

1. **Original Principal Amount.** The Series 2021A Bonds are issued in the Original Principal Amount of \$[_____].
2. **First Interest Payment Date for the Series 2021A Bonds.** [_____ 1], [20 ____].
3. **Maturity Schedule.** The Series 2021A Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
--------------------------------------	-----------------------------------	--------------------------------

† Term Bond

4. **Weighted Average Maturity of the Series 2021A Bonds.** The weighted average maturity of the Series 2021A Bonds is [_____] years, as shown on **Schedule 1** to this Certificate.
5. **True Interest Cost.** The True Interest Cost of the Series 2021A Bonds is [_____]%, as shown on **Schedule 2** to this Certificate.
6. **Costs of Issuance (excluding underwriter's discount).** The costs of issuing the Series 2021A Bonds, excluding any purchaser's/underwriter's discount, is \$[_____].
7. **Purchaser.** [*Pursuant to **Section 6.1(a)(1)** of this Ordinance, the Series 2021A Bonds are being sold to _____, as the bidder submitting the lowest "true interest cost" in accordance with the Notice of Bond Sale*] [**Pursuant to **Section 6.1(a)(2)** of this Ordinance, the Series 2021A Bonds are being sold to Siebert Williams Shank & Co., LLC, as representative of the underwriters of the Series 2021A Bonds in accordance with the Purchase Contract.**]
8. **Purchase Price.** The purchase price of the Series 2021A Bonds is \$_____, (representing the principal amount of \$_____, plus the premium of \$_____, less the [underwriter's discount] of \$_____), which purchase price is _____% of the Principal Amount.
9. **Optional Redemption.** At the option of the City, Series 2021A Bonds or portions thereof maturing on December 1, 20___, and thereafter may be called for redemption and payment prior to maturity on December 1, 20___, and thereafter in whole or in part at any time in such amounts for each maturity as shall be determined by the City at a redemption price equal to 100% of the principal amount, plus accrued interest thereon to the redemption date.
10. **Mandatory Sinking Fund Redemption.** [**There are no Term Bonds subject to mandatory sinking fund redemption prior to maturity.**][**The Term Bonds identified in paragraph 3 are subject to mandatory sinking fund redemption pursuant to Section _____ of the Ordinance on the dates and in the amounts as follows:
11. **Debt Service Reserve Subaccount.** If the Debt Service Reserve Subaccount is required to be funded pursuant to **Section 5.3** of the Ordinance, the City shall, pursuant to the provisions of **Section 4.3** of the Master Bond Ordinance, make monthly deposits equal to 1/24th of the Series 2021A Debt Service Reserve Requirement for 24 months until the Series 2021A Debt Service Reserve Requirement is satisfied.
12. **Deposit of Series 2021A Bond Proceeds.** The net proceeds received from the sale of the Series 2021A Bonds shall be deposited simultaneously with the delivery of the Series 2021A Bonds as follows:
 - (a) \$[_____] of the net proceeds of the Series 2021A Bonds shall be deposited in the Series 2021A Compliance Account.
 - (b) \$[_____] of the net proceeds of the Series 2021A Bonds shall be deposited in the Series 2021A Costs of Issuance Account to pay the costs of issuing the Series 2021A Bonds as authorized by the Director of Finance.
 - (c) \$[_____] of the net proceeds of the Series 2021A Bonds shall be transferred to the Escrow Agent for the Refunded Series 2012A Bonds and deposited in the Escrow Fund established pursuant to the Escrow Agreement for the Refunded Series 2012A Bonds and applied in accordance therewith.
 - (d) the remaining \$[_____] of the net proceeds of the Series 2021A Bonds

shall be transferred to the Escrow Agent for the Refunded Series 2013A Bonds and deposited in the Escrow Fund established pursuant to the Escrow Agreement for the Refunded Series 2013A Bonds and applied in accordance therewith.

13. **Refunded Bonds:** The Refunded Bonds, consisting of the Refunded Series 2012A Bonds and the Refunded Series 2013A Bonds, are shown in **Schedule 3** to this Certificate.

14. **Present Value Savings on the Refunded Bonds:**

(a) *Refunded Series 2012A Bonds - Present Value Savings:* The present value savings on the Refunded Series 2012A Bonds is [_____] %.

(a) *Refunded Series 2013A Bonds - Present Value Savings:* The present value savings on the Refunded Series 2013A Bonds is [_____] %.

The terms set forth in this Certificate of Final Terms are within the limitations of **Exhibit B** to the Ordinance.

Delivered this ____ day of _____, 2021.

CITY OF KANSAS CITY, MISSOURI

By:

Mayor

LEGISLATIVE FISCAL NOTE	LEGISLATION NUMBER:	210845
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LEGISLATION IN BRIEF:

Authorizing the issuance of Water Refunding Revenue Bonds, Series 2021A of the City of Kansas City, Missouri.

What is the purpose of this legislation?	DEBT
---	------

For the purpose of issuing debt to NOT fund operations, but to fund the purchase of capital.

Does this legislation pay debt service appropriated in the current fiscal year? <i>See Section 00: "Notes" Below</i>	<input type="checkbox"/> YES	Yes/No
Does this legislation estimate Revenues related to selling debt? <i>See Section 02 for the proceeds from the sale of debt</i>	<input type="checkbox"/> YES	Yes/No
Does this legislation increase appropriations related to issuing Debt? <i>See Section 02 for the total purchase credit</i>	<input type="checkbox"/> YES	Yes/No
Does the life of the Debt extend beyond the next five fiscal years? <i>See Section 00: "Notes" Below for a total debt service for all years. Section 04 for the first five.</i>	<input type="checkbox"/> YES	Yes/No

Section 00: Notes:

Debt service for the bond issue will be paid from net revenues from the Waterworks System. This is only a refunding issuance, with debt service for the Series 2012A and Series 2013A Water Revenue Bonds being replaced with lower debt service from the Series 2021A Water Refunding Revenue Bonds. The refunding is to achieve significant debt service savings to the Water System of approximately 18% on a net present value basis over sixteen years. While debt service for this bond issue in isolation will total \$95,440,597.50 (section 04), overall savings will amount to \$14,790,077.50 (attached debt service schedule)

Refunding Results
Based on a preliminary analysis prepared by Hilltop Securities, Inc., the City's co-financial advisor, the following debt service figures were calculated at a federally tax-exempt true interest cost of 1.925%:

Par Amount: \$69,640,000
Avg. Annual Debt Service: \$5,930,033.67
Total Debt Service: \$95,440,597.50
Net PV Savings: \$12,588,933.17
Savings Percent of Refunding Bonds: 18.077%

This Fiscal Note will have a debt service schedule attached.

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST

Section 02: If applicable, where will new revenues be estimated?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST
8078	120000	Various		\$ 85,000,000.00	

Section 03: If applicable, where will appropriations be increased?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST
8078	12-Various	Various		\$ 85,000,000.00	

NET IMPACT ON OPERATIONAL BUDGET

	\$ -		\$ -
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RESERVE STATUS:

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
8078	Water Refunding Rev Bond Fund Series 2021A	\$ 85,000,000.00						
TOTAL REV		85,000,000	-	-	-	-	-	-
FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
8078	Water Refunding Rev Bond Fund Series 2021A	\$ 85,000,000.00						
8010	Water		\$ 5,152,797.50	\$ 5,805,400.00	\$ 5,805,650.00	\$ 5,803,650.00	\$ 5,804,150.00	\$ 67,068,950.00
TOTAL EXP		\$ 85,000,000.00	\$ 5,152,797.50	\$ 5,805,400.00	\$ 5,805,650.00	\$ 5,803,650.00	\$ 5,804,150.00	\$ 67,068,950.00
NET Per-YEAR IMPACT		\$ -	\$ (5,152,797.50)	\$ (5,805,400.00)	\$ (5,805,650.00)	\$ (5,803,650.00)	\$ (5,804,150.00)	\$ (67,068,950.00)
NET IMPACT (SIX YEARS)		(95,440,597.50)						

SAVINGS

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

Date	Prior Debt Service	Refunding Debt Service	Savings
04/30/2022	5,152,975.00	5,152,797.50	177.50
04/30/2023	6,760,000.00	5,805,400.00	954,600.00
04/30/2024	6,760,900.00	5,805,650.00	955,250.00
04/30/2025	6,755,100.00	5,803,650.00	951,450.00
04/30/2026	6,759,850.00	5,804,150.00	955,700.00
04/30/2027	6,760,025.00	5,806,650.00	953,375.00
04/30/2028	6,754,850.00	5,800,650.00	954,200.00
04/30/2029	6,759,250.00	5,801,150.00	958,100.00
04/30/2030	6,758,825.00	5,802,400.00	956,425.00
04/30/2031	6,755,125.00	5,798,900.00	956,225.00
04/30/2032	6,761,675.00	5,810,400.00	951,275.00
04/30/2033	6,756,475.00	5,805,600.00	950,875.00
04/30/2034	6,758,025.00	5,803,800.00	954,225.00
04/30/2035	6,755,575.00	5,799,600.00	955,975.00
04/30/2036	6,758,600.00	5,802,800.00	955,800.00
04/30/2037	6,761,025.00	5,807,800.00	953,225.00
04/30/2038	3,702,400.00	3,229,200.00	473,200.00
	110,230,675.00	95,440,597.50	14,790,077.50

Savings Summary

Dated Date	10/27/2021
Delivery Date	10/27/2021
PV of savings from cash flow	12,588,663.12
Plus: Refunding funds on hand	270.05
Net PV Savings	12,588,933.17

SUMMARY OF REFUNDING RESULTS

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

	Water Refund Series 2012A Portion	Water Refund Series 2013A Portion	Total
Dated Date	10/27/2021	10/27/2021	10/27/2021
Delivery Date	10/27/2021	10/27/2021	10/27/2021
Arbitrage Yield	1.521422%	1.521422%	1.521422%
Escrow Yield	0.040616%	0.040616%	0.040616%
Value of Negative Arbitrage	49,343.65	64,752.91	114,096.56
Bond Par Amount	30,130,000.00	39,510,000.00	69,640,000.00
True Interest Cost	1.873094%	1.962344%	1.925132%
Net Interest Cost	2.103565%	2.203122%	2.161777%
All-In TIC	1.954492%	2.039038%	2.003783%
Average Coupon	4.314184%	4.269353%	4.287971%
Average Life	8.293	8.905	8.640
Par amount of refunded bonds	34,710,000.00	45,640,000.00	80,350,000.00
Average coupon of refunded bonds	4.358663%	3.844470%	4.059333%
Average life of refunded bonds	8.475	8.979	8.761
PV of prior debt	41,644,214.57	52,902,693.60	
Net PV Savings	6,199,627.07	6,389,306.10	12,588,933.17
Percentage savings of refunded bonds	17.861213%	13.999356%	15.667621%
Percentage savings of refunding bonds	20.576260%	16.171364%	18.077158%

SOURCES AND USES OF FUNDS

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
Preliminary/Subject to Change

Dated Date 10/27/2021
Delivery Date 10/27/2021

Sources:	Water Refund Series 2012A Portion	Water Refund Series 2013A Portion	Total
Bond Proceeds:			
Par Amount	30,130,000.00	39,510,000.00	69,640,000.00
Premium	5,749,773.85	7,565,771.20	13,315,545.05
	<u>35,879,773.85</u>	<u>47,075,771.20</u>	<u>82,955,545.05</u>
Uses:			
Refunding Escrow Deposits:			
Cash Deposit	0.50	0.50	1.00
SLGS Purchases	35,444,587.00	46,513,387.00	81,957,974.00
	<u>35,444,587.50</u>	<u>46,513,387.50</u>	<u>81,957,975.00</u>
Delivery Date Expenses:			
Cost of Issuance	205,510.48	269,489.52	475,000.00
Underwriter's Discount	225,975.00	296,325.00	522,300.00
	<u>431,485.48</u>	<u>565,814.52</u>	<u>997,300.00</u>
Other Uses of Funds:			
Additional Proceeds	3,700.87	-3,430.82	270.05
	<u>35,879,773.85</u>	<u>47,075,771.20</u>	<u>82,955,545.05</u>

BOND SUMMARY STATISTICS

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

Dated Date	10/27/2021
Delivery Date	10/27/2021
First Coupon	12/01/2021
Last Maturity	12/01/2037
Arbitrage Yield	1.521422%
True Interest Cost (TIC)	1.925132%
Net Interest Cost (NIC)	2.161777%
NIC w/Interest only	4.287971%
NIC w/Interest & OID	2.074973%
NIC w/Interest, OID & Und. Discount	2.161777%
All-In TIC	2.003783%
Average Coupon	4.287971%
Average Life (years)	8.640
Weighted Average Maturity (years)	8.840
Duration of Issue (years)	7.429
Par Amount	69,640,000.00
Bond Proceeds	82,955,545.05
Total Interest	25,800,597.50
Net Interest	13,007,352.45
Bond Years from Dated Date	601,697,111.11
Bond Years from Delivery Date	601,697,111.11
Total Debt Service	95,440,597.50
Maximum Annual Debt Service	5,810,400.00
Average Annual Debt Service	5,930,033.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	7.500000
Total Underwriter's Discount	7.500000
Bid Price	118.370541

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	69,640,000.00	119.121	4.288%	8.640	52,752.20
	69,640,000.00			8.640	52,752.20

BOND SUMMARY STATISTICS

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

	TIC	All-In TIC	Arbitrage Yield
Par Value	69,640,000.00	69,640,000.00	69,640,000.00
+ Accrued Interest			
+ Premium (Discount)	13,315,545.05	13,315,545.05	13,315,545.05
- Underwriter's Discount	-522,300.00	-522,300.00	
- Cost of Issuance Expense		-475,000.00	
- Other Amounts			
Target Value	82,433,245.05	81,958,245.05	82,955,545.05
Target Date	10/27/2021	10/27/2021	10/27/2021
Yield	1.925132%	2.003783%	1.521422%

BOND DEBT SERVICE

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

Dated Date 10/27/2021
Delivery Date 10/27/2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021	4,855,000	5.000%	297,797.50	5,152,797.50	
04/30/2022					5,152,797.50
06/01/2022			1,455,200.00	1,455,200.00	
12/01/2022	2,895,000	5.000%	1,455,200.00	4,350,200.00	
04/30/2023					5,805,400.00
06/01/2023			1,382,825.00	1,382,825.00	
12/01/2023	3,040,000	5.000%	1,382,825.00	4,422,825.00	
04/30/2024					5,805,650.00
06/01/2024			1,306,825.00	1,306,825.00	
12/01/2024	3,190,000	5.000%	1,306,825.00	4,496,825.00	
04/30/2025					5,803,650.00
06/01/2025			1,227,075.00	1,227,075.00	
12/01/2025	3,350,000	5.000%	1,227,075.00	4,577,075.00	
04/30/2026					5,804,150.00
06/01/2026			1,143,325.00	1,143,325.00	
12/01/2026	3,520,000	5.000%	1,143,325.00	4,663,325.00	
04/30/2027					5,806,650.00
06/01/2027			1,055,325.00	1,055,325.00	
12/01/2027	3,690,000	5.000%	1,055,325.00	4,745,325.00	
04/30/2028					5,800,650.00
06/01/2028			963,075.00	963,075.00	
12/01/2028	3,875,000	5.000%	963,075.00	4,838,075.00	
04/30/2029					5,801,150.00
06/01/2029			866,200.00	866,200.00	
12/01/2029	4,070,000	5.000%	866,200.00	4,936,200.00	
04/30/2030					5,802,400.00
06/01/2030			764,450.00	764,450.00	
12/01/2030	4,270,000	5.000%	764,450.00	5,034,450.00	
04/30/2031					5,798,900.00
06/01/2031			657,700.00	657,700.00	
12/01/2031	4,495,000	4.000%	657,700.00	5,152,700.00	
04/30/2032					5,810,400.00
06/01/2032			567,800.00	567,800.00	
12/01/2032	4,670,000	4.000%	567,800.00	5,237,800.00	
04/30/2033					5,805,600.00
06/01/2033			474,400.00	474,400.00	
12/01/2033	4,855,000	4.000%	474,400.00	5,329,400.00	
04/30/2034					5,803,800.00
06/01/2034			377,300.00	377,300.00	
12/01/2034	5,045,000	4.000%	377,300.00	5,422,300.00	
04/30/2035					5,799,600.00
06/01/2035			276,400.00	276,400.00	
12/01/2035	5,250,000	4.000%	276,400.00	5,526,400.00	
04/30/2036					5,802,800.00
06/01/2036			171,400.00	171,400.00	
12/01/2036	5,465,000	4.000%	171,400.00	5,636,400.00	

BOND DEBT SERVICE

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/30/2037					5,807,800.00
06/01/2037			62,100.00	62,100.00	
12/01/2037	3,105,000	4.000%	62,100.00	3,167,100.00	
04/30/2038					3,229,200.00
	69,640,000		25,800,597.50	95,440,597.50	95,440,597.50

BOND DEBT SERVICE

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

Dated Date 10/27/2021
Delivery Date 10/27/2021

Period Ending	Principal	Coupon	Interest	Debt Service
04/30/2022	4,855,000	5.000%	297,797.50	5,152,797.50
04/30/2023	2,895,000	5.000%	2,910,400.00	5,805,400.00
04/30/2024	3,040,000	5.000%	2,765,650.00	5,805,650.00
04/30/2025	3,190,000	5.000%	2,613,650.00	5,803,650.00
04/30/2026	3,350,000	5.000%	2,454,150.00	5,804,150.00
04/30/2027	3,520,000	5.000%	2,286,650.00	5,806,650.00
04/30/2028	3,690,000	5.000%	2,110,650.00	5,800,650.00
04/30/2029	3,875,000	5.000%	1,926,150.00	5,801,150.00
04/30/2030	4,070,000	5.000%	1,732,400.00	5,802,400.00
04/30/2031	4,270,000	5.000%	1,528,900.00	5,798,900.00
04/30/2032	4,495,000	4.000%	1,315,400.00	5,810,400.00
04/30/2033	4,670,000	4.000%	1,135,600.00	5,805,600.00
04/30/2034	4,855,000	4.000%	948,800.00	5,803,800.00
04/30/2035	5,045,000	4.000%	754,600.00	5,799,600.00
04/30/2036	5,250,000	4.000%	552,800.00	5,802,800.00
04/30/2037	5,465,000	4.000%	342,800.00	5,807,800.00
04/30/2038	3,105,000	4.000%	124,200.00	3,229,200.00
	69,640,000		25,800,597.50	95,440,597.50

BOND PRICING

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
****Preliminary/Subject to Change****

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bond:									
	12/01/2021	4,855,000	5.000%	0.580%	100.416				20,196.80
	12/01/2022	2,895,000	5.000%	0.620%	104.769				138,062.55
	12/01/2023	3,040,000	5.000%	0.720%	108.880				269,952.00
	12/01/2024	3,190,000	5.000%	0.830%	112.712				405,512.80
	12/01/2025	3,350,000	5.000%	0.940%	116.269				545,011.50
	12/01/2026	3,520,000	5.000%	1.090%	119.324				680,204.80
	12/01/2027	3,690,000	5.000%	1.180%	122.398				826,486.20
	12/01/2028	3,875,000	5.000%	1.300%	124.996				968,595.00
	12/01/2029	4,070,000	5.000%	1.380%	127.633				1,124,663.10
	12/01/2030	4,270,000	5.000%	1.440%	130.242				1,291,333.40
	12/01/2031	4,495,000	4.000%	1.530%	123.020				1,034,749.00
	12/01/2032	4,670,000	4.000%	1.580%	122.496 C	1.759%	12/01/2031	100.000	1,050,563.20
	12/01/2033	4,855,000	4.000%	1.640%	121.871 C	1.960%	12/01/2031	100.000	1,061,837.05
	12/01/2034	5,045,000	4.000%	1.700%	121.250 C	2.131%	12/01/2031	100.000	1,072,062.50
	12/01/2035	5,250,000	4.000%	1.740%	120.838 C	2.265%	12/01/2031	100.000	1,093,995.00
	12/01/2036	5,465,000	4.000%	1.790%	120.325 C	2.388%	12/01/2031	100.000	1,110,761.25
	12/01/2037	3,105,000	4.000%	1.820%	120.018 C	2.483%	12/01/2031	100.000	621,558.90
		69,640,000							13,315,545.05

Dated Date	10/27/2021	
Delivery Date	10/27/2021	
First Coupon	12/01/2021	
Par Amount	69,640,000.00	
Premium	13,315,545.05	
Production	82,955,545.05	119.120541%
Underwriter's Discount	-522,300.00	-0.750000%
Purchase Price	82,433,245.05	118.370541%
Accrued Interest		
Net Proceeds	82,433,245.05	

SUMMARY OF BONDS REFUNDED

Kansas City, MO
Water Refunding Revenue Bonds, Series 2021
Scale: AA + 50bps as of 7.21.21
(Refunding: Series 2012A & Series 2013A)
Preliminary/Subject to Change

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Water Revenue Bonds, Series 2012A, 2012A:					
SERIAL	12/01/2021	3.000%	1,585,000.00		
	12/01/2022	2.000%	1,135,000.00	12/01/2021	100.000
	12/01/2022	3.000%	500,000.00	12/01/2021	100.000
	12/01/2023	2.000%	250,000.00	12/01/2021	100.000
	12/01/2023	5.000%	1,420,000.00	12/01/2021	100.000
	12/01/2024	5.000%	1,745,000.00	12/01/2021	100.000
	12/01/2025	4.500%	1,835,000.00	12/01/2021	100.000
	12/01/2026	4.500%	1,915,000.00	12/01/2021	100.000
	12/01/2027	2.500%	350,000.00	12/01/2021	100.000
	12/01/2027	4.500%	1,650,000.00	12/01/2021	100.000
	12/01/2028	4.500%	2,085,000.00	12/01/2021	100.000
	12/01/2029	4.500%	2,180,000.00	12/01/2021	100.000
	12/01/2030	4.500%	2,275,000.00	12/01/2021	100.000
	12/01/2031	3.000%	2,380,000.00	12/01/2021	100.000
	12/01/2032	4.500%	2,450,000.00	12/01/2021	100.000
TERM	12/01/2033	4.500%	2,560,000.00	12/01/2021	100.000
	12/01/2034	4.500%	2,675,000.00	12/01/2021	100.000
	12/01/2035	4.500%	2,795,000.00	12/01/2021	100.000
	12/01/2036	4.500%	2,925,000.00	12/01/2021	100.000
			<u>34,710,000.00</u>		
Water Revenue Bonds, Series 2013A, 2013A:					
SERIAL	12/01/2021	4.000%	1,960,000.00		
	12/01/2022	4.000%	2,035,000.00	12/01/2021	100.000
	12/01/2023	4.000%	2,120,000.00	12/01/2021	100.000
	12/01/2024	4.000%	2,200,000.00	12/01/2021	100.000
	12/01/2025	2.500%	2,290,000.00	12/01/2021	100.000
	12/01/2026	4.000%	2,350,000.00	12/01/2021	100.000
	12/01/2027	4.000%	2,440,000.00	12/01/2021	100.000
	12/01/2028	4.000%	2,540,000.00	12/01/2021	100.000
	12/01/2029	4.000%	2,640,000.00	12/01/2021	100.000
	12/01/2030	3.500%	2,745,000.00	12/01/2021	100.000
	12/01/2031	4.000%	2,845,000.00	12/01/2021	100.000
	12/01/2032	4.000%	2,955,000.00	12/01/2021	100.000
	12/01/2033	3.000%	3,075,000.00	12/01/2021	100.000
TERM	12/01/2034	4.000%	3,165,000.00	12/01/2021	100.000
	12/01/2035	4.000%	3,295,000.00	12/01/2021	100.000
	12/01/2036	4.000%	3,425,000.00	12/01/2021	100.000
	12/01/2037	4.000%	3,560,000.00	12/01/2021	100.000
			<u>45,640,000.00</u>		
			<u>80,350,000.00</u>		

SAVINGS

Refund Water 2012A Portion

Date	Prior Debt Service	Refunding Debt Service	Savings
04/30/2022	2,319,587.50	2,319,544.72	42.78
04/30/2023	3,056,625.00	2,577,150.00	479,475.00
04/30/2024	3,053,925.00	2,571,400.00	482,525.00
04/30/2025	3,052,925.00	2,572,650.00	480,275.00
04/30/2026	3,055,675.00	2,575,400.00	480,275.00
04/30/2027	3,053,100.00	2,574,400.00	478,700.00
04/30/2028	3,051,925.00	2,569,650.00	482,275.00
04/30/2029	3,053,925.00	2,571,150.00	482,775.00
04/30/2030	3,055,100.00	2,573,400.00	481,700.00
04/30/2031	3,052,000.00	2,571,150.00	480,850.00
04/30/2032	3,054,625.00	2,574,400.00	480,225.00
04/30/2033	3,053,225.00	2,573,000.00	480,225.00
04/30/2034	3,052,975.00	2,573,400.00	479,575.00
04/30/2035	3,052,775.00	2,570,400.00	482,375.00
04/30/2036	3,052,400.00	2,569,000.00	483,400.00
04/30/2037	3,056,625.00	2,574,000.00	482,625.00
	48,127,412.50	40,910,094.72	7,217,317.78

Savings Summary

Dated Date	10/27/2021
Delivery Date	10/27/2021
Savings PV rate	1.954492%
PV of savings from cash flow	6,195,926.20
Plus: Refunding funds on hand	3,700.87
Net PV Savings	6,199,627.07

SUMMARY OF REFUNDING RESULTS

Refund Water 2012A Portion

Dated Date	10/27/2021
Delivery Date	10/27/2021
Arbitrage yield	1.521422%
Escrow yield	0.040616%
Value of Negative Arbitrage	49,343.65
Bond Par Amount	30,130,000.00
True Interest Cost	1.873094%
Net Interest Cost	2.103565%
All-In TIC	1.954492%
Average Coupon	4.314184%
Average Life	8.293
Par amount of refunded bonds	34,710,000.00
Average coupon of refunded bonds	4.358663%
Average life of refunded bonds	8.475
PV of prior debt to 10/27/2021 @ 1.954492%	41,644,214.57
Net PV Savings	6,199,627.07
Percentage savings of refunded bonds	17.861213%
Percentage savings of refunding bonds	20.576260%

ESCROW REQUIREMENTS

Refund Water 2012A Portion

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2021	1,585,000.00	734,587.50	33,125,000.00	35,444,587.50
	1,585,000.00	734,587.50	33,125,000.00	35,444,587.50

PRIOR BOND DEBT SERVICE

Refund Water 2012A Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021	1,585,000	3.000%	734,587.50	2,319,587.50	
04/30/2022					2,319,587.50
06/01/2022			710,812.50	710,812.50	
12/01/2022	1,635,000	** %	710,812.50	2,345,812.50	
04/30/2023					3,056,625.00
06/01/2023			691,962.50	691,962.50	
12/01/2023	1,670,000	** %	691,962.50	2,361,962.50	
04/30/2024					3,053,925.00
06/01/2024			653,962.50	653,962.50	
12/01/2024	1,745,000	5.000%	653,962.50	2,398,962.50	
04/30/2025					3,052,925.00
06/01/2025			610,337.50	610,337.50	
12/01/2025	1,835,000	4.500%	610,337.50	2,445,337.50	
04/30/2026					3,055,675.00
06/01/2026			569,050.00	569,050.00	
12/01/2026	1,915,000	4.500%	569,050.00	2,484,050.00	
04/30/2027					3,053,100.00
06/01/2027			525,962.50	525,962.50	
12/01/2027	2,000,000	** %	525,962.50	2,525,962.50	
04/30/2028					3,051,925.00
06/01/2028			484,462.50	484,462.50	
12/01/2028	2,085,000	4.500%	484,462.50	2,569,462.50	
04/30/2029					3,053,925.00
06/01/2029			437,550.00	437,550.00	
12/01/2029	2,180,000	4.500%	437,550.00	2,617,550.00	
04/30/2030					3,055,100.00
06/01/2030			388,500.00	388,500.00	
12/01/2030	2,275,000	4.500%	388,500.00	2,663,500.00	
04/30/2031					3,052,000.00
06/01/2031			337,312.50	337,312.50	
12/01/2031	2,380,000	3.000%	337,312.50	2,717,312.50	
04/30/2032					3,054,625.00
06/01/2032			301,612.50	301,612.50	
12/01/2032	2,450,000	4.500%	301,612.50	2,751,612.50	
04/30/2033					3,053,225.00
06/01/2033			246,487.50	246,487.50	
12/01/2033	2,560,000	4.500%	246,487.50	2,806,487.50	
04/30/2034					3,052,975.00
06/01/2034			188,887.50	188,887.50	
12/01/2034	2,675,000	4.500%	188,887.50	2,863,887.50	
04/30/2035					3,052,775.00
06/01/2035			128,700.00	128,700.00	
12/01/2035	2,795,000	4.500%	128,700.00	2,923,700.00	
04/30/2036					3,052,400.00
06/01/2036			65,812.50	65,812.50	
12/01/2036	2,925,000	4.500%	65,812.50	2,990,812.50	
04/30/2037					3,056,625.00
	34,710,000		13,417,412.50	48,127,412.50	48,127,412.50

SAVINGS

Refund Water 2013A Portion

Date	Prior Debt Service	Refunding Debt Service	Savings
04/30/2022	2,833,387.50	2,833,252.78	134.72
04/30/2023	3,703,375.00	3,228,250.00	475,125.00
04/30/2024	3,706,975.00	3,234,250.00	472,725.00
04/30/2025	3,702,175.00	3,231,000.00	471,175.00
04/30/2026	3,704,175.00	3,228,750.00	475,425.00
04/30/2027	3,706,925.00	3,232,250.00	474,675.00
04/30/2028	3,702,925.00	3,231,000.00	471,925.00
04/30/2029	3,705,325.00	3,230,000.00	475,325.00
04/30/2030	3,703,725.00	3,229,000.00	474,725.00
04/30/2031	3,703,125.00	3,227,750.00	475,375.00
04/30/2032	3,707,050.00	3,236,000.00	471,050.00
04/30/2033	3,703,250.00	3,232,600.00	470,650.00
04/30/2034	3,705,050.00	3,230,400.00	474,650.00
04/30/2035	3,702,800.00	3,229,200.00	473,600.00
04/30/2036	3,706,200.00	3,233,800.00	472,400.00
04/30/2037	3,704,400.00	3,233,800.00	470,600.00
04/30/2038	3,702,400.00	3,229,200.00	473,200.00
	62,103,262.50	54,530,502.78	7,572,759.72

Savings Summary

Dated Date	10/27/2021
Delivery Date	10/27/2021
Savings PV rate	2.039038%
PV of savings from cash flow	6,392,736.92
Plus: Refunding funds on hand	-3,430.82
Net PV Savings	6,389,306.10

SUMMARY OF REFUNDING RESULTS

Refund Water 2013A Portion

Dated Date	10/27/2021
Delivery Date	10/27/2021
Arbitrage yield	1.521422%
Escrow yield	0.040616%
Value of Negative Arbitrage	64,752.91
Bond Par Amount	39,510,000.00
True Interest Cost	1.962344%
Net Interest Cost	2.203122%
All-In TIC	2.039038%
Average Coupon	4.269353%
Average Life	8.905
Par amount of refunded bonds	45,640,000.00
Average coupon of refunded bonds	3.844470%
Average life of refunded bonds	8.979
PV of prior debt to 10/27/2021 @ 2.039038%	52,902,693.60
Net PV Savings	6,389,306.10
Percentage savings of refunded bonds	13.999356%
Percentage savings of refunding bonds	16.171364%

ESCROW REQUIREMENTS

Refund Water 2013A Portion

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2021	1,960,000.00	873,387.50	43,680,000.00	46,513,387.50
	1,960,000.00	873,387.50	43,680,000.00	46,513,387.50

PRIOR BOND DEBT SERVICE

Refund Water 2013A Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021	1,960,000	4.000%	873,387.50	2,833,387.50	
04/30/2022					2,833,387.50
06/01/2022			834,187.50	834,187.50	
12/01/2022	2,035,000	4.000%	834,187.50	2,869,187.50	
04/30/2023					3,703,375.00
06/01/2023			793,487.50	793,487.50	
12/01/2023	2,120,000	4.000%	793,487.50	2,913,487.50	
04/30/2024					3,706,975.00
06/01/2024			751,087.50	751,087.50	
12/01/2024	2,200,000	4.000%	751,087.50	2,951,087.50	
04/30/2025					3,702,175.00
06/01/2025			707,087.50	707,087.50	
12/01/2025	2,290,000	2.500%	707,087.50	2,997,087.50	
04/30/2026					3,704,175.00
06/01/2026			678,462.50	678,462.50	
12/01/2026	2,350,000	4.000%	678,462.50	3,028,462.50	
04/30/2027					3,706,925.00
06/01/2027			631,462.50	631,462.50	
12/01/2027	2,440,000	4.000%	631,462.50	3,071,462.50	
04/30/2028					3,702,925.00
06/01/2028			582,662.50	582,662.50	
12/01/2028	2,540,000	4.000%	582,662.50	3,122,662.50	
04/30/2029					3,705,325.00
06/01/2029			531,862.50	531,862.50	
12/01/2029	2,640,000	4.000%	531,862.50	3,171,862.50	
04/30/2030					3,703,725.00
06/01/2030			479,062.50	479,062.50	
12/01/2030	2,745,000	3.500%	479,062.50	3,224,062.50	
04/30/2031					3,703,125.00
06/01/2031			431,025.00	431,025.00	
12/01/2031	2,845,000	4.000%	431,025.00	3,276,025.00	
04/30/2032					3,707,050.00
06/01/2032			374,125.00	374,125.00	
12/01/2032	2,955,000	4.000%	374,125.00	3,329,125.00	
04/30/2033					3,703,250.00
06/01/2033			315,025.00	315,025.00	
12/01/2033	3,075,000	3.000%	315,025.00	3,390,025.00	
04/30/2034					3,705,050.00
06/01/2034			268,900.00	268,900.00	
12/01/2034	3,165,000	4.000%	268,900.00	3,433,900.00	
04/30/2035					3,702,800.00
06/01/2035			205,600.00	205,600.00	
12/01/2035	3,295,000	4.000%	205,600.00	3,500,600.00	
04/30/2036					3,706,200.00
06/01/2036			139,700.00	139,700.00	
12/01/2036	3,425,000	4.000%	139,700.00	3,564,700.00	
04/30/2037					3,704,400.00
06/01/2037			71,200.00	71,200.00	
12/01/2037	3,560,000	4.000%	71,200.00	3,631,200.00	
04/30/2038					3,702,400.00
	45,640,000		16,463,262.50	62,103,262.50	62,103,262.50

GENERAL

Ordinance Fact Sheet

210845

Ordinance Number

Brief Title	Reason
Approving the issuance by the City of Kansas City Missouri of its Water Revenue Refunding Bonds, Series 2021A ("2021A Bonds").	Refunding debt service on existing Water Revenue bonds.

<p>Reason for Legislation</p> <p>To approve issuance by the City of Kansas City Missouri of its Water Revenue Refunding Bonds ("Series 2021A Bonds"), to refund certain Water Revenue Bonds previously issued in 2012 and 2013. This ordinance also approves and authorizes certain documents and actions relating to the issuance of the Series 2021A Bonds; estimates and appropriates revenues, designates requisitioning authority; declares the City's intent to reimburse itself from bond proceeds; and authorizes the Director of Finance to modify and close project accounts.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Sponsor</td> <td>Tammy Queen, Director of Finance</td> </tr> <tr> <td>Programs, Departments, or Groups Affected</td> <td>Finance Department</td> </tr> </table>	Sponsor	Tammy Queen, Director of Finance	Programs, Departments, or Groups Affected	Finance Department						
Sponsor	Tammy Queen, Director of Finance										
Programs, Departments, or Groups Affected	Finance Department										
<p>Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account</p> <p>This ordinance authorizes the issuance of the Series 2021A Bonds. The Series 2021A Bonds are being issued in the aggregate principal amount not to exceed \$86,000,000, for the purpose of refunding the Water Revenue Bonds, Series 2012A, and Water Revenue Bonds, Series 2013A. The refunding is to achieve significant debt service savings to the Water System of approximately 18% on a net present value basis over sixteen years.</p> <p>On February 21, 2012, the City issued \$47,725,000 par of the Water Revenue Bonds, Series 2012A ("2012A Bonds"). The 2012A Bonds funded capital improvement projects in the waterworks system. On March 14, 2013, the City issued \$54,000,000 par of the Water Revenue Bonds, Series 2013A ("2013A Bonds"). Like the 2012A Bonds, the 2013A Bonds also funded capital improvement projects in the waterworks system.</p> <p>Second Committee Substitute for Ordinance No. 080197 serves as the Master Water Revenue Bond Ordinance ("Master Bond Ordinance") and passed on August 14, 2008. The Master Bond Ordinance prescribes the terms, provisions, covenants and conditions for the issuance of Water Revenue Bonds. The Series 2021A Water Bonds are being issued pursuant to the Master Bond Ordinance on parity with five other series of senior water revenue bonds. The Series 2021A Water Bonds are refunding bonds and therefore will not count against voted authorization obtained in 2014. Remaining voted authorization is \$297,360,000.</p> <p>As of September 1st, the 2012A Bonds had \$34,710,000 in remaining principal, and the 2013A Bonds had \$45,640,000. This series ordinance will authorize the issuance of bonds in a principal amount not to exceed \$86,000,000 to fully refund the 2012A Bonds and 2013A Bonds, and also establish certain provisions and terms relating to the Series 2021A Water Bonds.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Applicants / Proponents</td> <td> Applicant City Department Finance Department Other </td> </tr> <tr> <td>Opponents</td> <td> Groups or Individuals None Known Basis of opposition </td> </tr> <tr> <td>Staff Recommendation</td> <td> <input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against </td> </tr> <tr> <td>Board or Commission Recommendation</td> <td> By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions) </td> </tr> <tr> <td>Council Committee Actions</td> <td> <input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold </td> </tr> </table>	Applicants / Proponents	Applicant City Department Finance Department Other	Opponents	Groups or Individuals None Known Basis of opposition	Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against	Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)	Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold
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Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold										

(Continued on reverse side)

Details

The City has retained Gilmore & Bell, PC, and Clayborn & Associates, LLC to serve as co-bond counsel and co-disclosure counsel. The MBE/WBE goal for this engagement is 25%. Clayborn & Associates, LLC is currently a certified MBE/WBE firm. The estimated legal fees are \$32,300.

Hilltop Securities Inc., and Independent Public Advisors, LLC will serve as the City's co-financial advisors. The MBE/WBE goal for this engagement is 20%. Independent Public Advisors, LLC, is currently a certified MBE/WBE firm. At this time, the financial advisory fees are estimated at \$116,000 plus reimbursable printing and electronic dissemination costs.

The Bonds are anticipated to be sold on October 13, 2021, with a settlement date of October 27, 2021.

Is it good for the children?
By refunding the debt for Water Services at historically low interest rates, this allows for more funds to be allocated to the distribution of clean and safe drinking water to the customers of The Water Services Dept.

How will this contribute to a sustainable Kansas City?
By refunding the debt for Water Services at historically low interest rates, this allows for more funds to meet EPA mandates and operate in an environmentally sound manner.

Outstanding debt information as of August 31, 2021:

General Municipal Debt Outstanding: \$1,482,773,777

Debt Service as a Percent of Governmental Funds Revenue
Actual: 15.6%
Target: < 14.5%

Total Debt Outstanding as a Percent of Governmental Funds Revenue
Actual: 132.4%
Target: < 125.0%

Debt Outstanding as a Percent of Market Value
Actual: 3.7%
Target: < 4.5%

Percent of Debt Retired in 10 Years: 67%

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	Based on preliminary analyses prepared by Hilltop Securities, the City's co-financial advisor, the following are the debt service estimates: Par Amount: \$69,640,000 Avg. Annual Debt Service: \$5,930,033.67 Total Debt Service: \$95,440,597.50 Net PV Savings: \$12,588,933.17 Savings Percent of Refunding Bonds: 18.077%
Financial Impact	
Fund Source (s) and Appropriation Account Codes	The Series 2021A Bonds principal of and interest on such water revenue bonds shall be payable solely from the net revenues derived from the operation of the water system. The taxing power of the City is not pledged to the payment of the Series 2021A Bonds either as to principal or interest.

(Use this space for further discussion, if necessary)

Applicable Dates:

Fact Sheet Prepared by:

Name: Mike Buckman Date 09/09/2021
Title: Senior Analyst

Reviewed by:

Name: Kim Carter Date 09/09/2021
Title: City Treasurer



Legislation Text

File #: 210846, Version: 1

ORDINANCE NO. 210846

Authorizing the issuance, sale and delivery of not to exceed \$126,000,000.00 Sanitary Sewer System Refunding Revenue Bonds, Series 2021B of the City of Kansas City, Missouri, for the purpose of refunding certain of the City’s outstanding sanitary sewer system revenue bonds, prescribing the form and details of said bonds and the covenants and agreements made by the City to facilitate and protect the payment thereof; and prescribing other matters relating thereto.

WHEREAS, the City of Kansas City, Missouri (the “City”), is a constitutional charter city, organized and existing under the constitution and laws of the State of Missouri; and

WHEREAS, the City now owns and operates a revenue producing sewerage system, consisting of sanitary sewers and combined sewers, serving the City, its inhabitants and others within its service area, including connected and related appurtenances and facilities and extensions, improvements, additions and enlargements made or acquired by the City after the date of this Ordinance (the “Sanitary Sewer System” or “System”); and

WHEREAS, the City has issued and has outstanding the following revenue bonds payable from the Net Sanitary Sewer Revenues (defined herein) of the Sanitary Sewer System:

Issue and Series	Original Principal Amount	Outstanding Principal Amount as of September 1, 2021
Sanitary Sewer System Revenue Bonds (State Revolving Fund Program), Series 2001B (the “Series 2001B Bonds”)	\$17,000,000	\$1,060,000
Sanitary Sewer System Revenue Bonds (State Revolving Fund Program), Series 2002J (the “Series 2002J Bonds”)	\$10,000,000	\$635,000
Sanitary Sewer System Revenue Bonds (State Revolving Fund Program), Series 2004H (the “Series 2004H Bonds”)	\$10,500,000	\$2,520,000
Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program - ARRA), Series 2009B (the “Series 2009B Bonds”)	\$14,387,757.78	\$6,906,200
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2011A (the “Series 2011A Bonds”)	\$89,175,000	\$63,565,000

Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2012A (the “ Series 2012A Bonds ”)	\$78,650,000	\$55,555,000
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2016A (the “ Series 2016A Bonds ”)	\$183,740,000	\$151,700,000
Sanitary Sewer System Improvement Revenue Bonds, Series 2018A (the “ Series 2018A Bonds ”)	\$165,000,000	\$152,035,000
Sanitary Sewer System Refunding Revenue Bonds, Series 2018B (Forward Delivery) (the “ Series 2018B Bonds ”)	\$42,055,000	\$37,890,000
Sanitary Sewer System Improvement Revenue Bonds, Series 2019A (the “ Series 2019A Bonds ”)	\$59,735,000	\$58,330,000
Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program), Series 2021 (the “ Series 2021 Bonds ”)	\$100,000,000	\$608,500 ⁽¹⁾

⁽¹⁾ Of the total \$100,000,000 maximum principal amount authorized for the Series 2021 Bonds, \$608,500 has been disbursed and issued as of September 1, 2021.

WHEREAS, the City desires to (1) refund all of the Series 2011A Bonds outstanding in the aggregate principal amount of \$63,565,000 scheduled to mature January 1, 2022 and thereafter (the “**Refunded Series 2011A Bonds**”), and (2) refund all of the Series 2012A Bonds outstanding in the aggregate principal amount of \$55,555,000 scheduled to mature January 1, 2022 and thereafter (the “**Refunded Series 2012A Bonds**,” together with the Refunded Series 2011A Bonds, the “**Refunded Bonds**”) and is authorized under the provisions of Section 108.140(2), RSMo (the “**Refunding Bond Law**”), to issue and sell refunding revenue bonds for the purpose of refunding the Refunded Bonds, which refunding revenue bonds may be payable from the same sources as were pledged to the payment of the Refunded Bonds; and

WHEREAS, the Refunding Bond Law authorizes the issuance of refunding revenue bonds in an amount not to exceed the principal amount of the Refunded Bonds, the interest accruing to the maturity or redemption date of the Refunded Bonds, any premium which may be due under the terms of the Refunded Bonds and any amounts necessary for the payment of issuance expenses for such refunding revenue bonds and to fund a debt service reserve fund therefore without submission of a question regarding such refunding to a popular vote; and

WHEREAS, the City finds and determines that it is necessary and advisable and in the best interest of the City and of its inhabitants to issue its Sanitary Sewer System Refunding Revenue Bonds, Series 2021B, in an original principal amount not to exceed \$126,000,000 (the “**Series 2021B Bonds**” or the “**Bonds**”), for the purpose of refunding the Refunded Bonds, as set forth in the Certificate of Final Terms; and

WHEREAS, the City, upon the issuance of the Series 2021B Bonds, will not have outstanding any other bonds or other obligations payable from the Net Sanitary Sewer Revenues (as defined herein) other than the Outstanding Parity Bonds (as defined herein) and the Series 2021B Bonds; and

WHEREAS, under the provisions of the Outstanding Parity Bond Ordinance, the City may issue

additional bonds payable out of the Net Sanitary Sewer Revenues that are on a parity with the Outstanding Parity Bonds, in each case only if certain conditions are met; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that the Series 2021B Bonds be issued and secured in the form and manner provided in this Ordinance to provide funds for refunding the Refunded Bonds, subject to the Certificate of Final Terms and the conditions of the Outstanding Parity Bond Ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to the words and terms defined in the Recitals and elsewhere in this Ordinance, capitalized words and terms have the following meanings in this Ordinance:

“Administrative Service Fees” means that portion of the Current Sanitary Sewer Expenses paid to the general fund of the City for office space and certain administrative, data processing, accounting and other support services provided to the Sanitary Sewer System of the City.

“Authorized Representative” means the representative of the City designated in writing by the City.

“Bond Counsel” means Gilmore & Bell, P.C. and Clayborn & Associates, LLC, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing.

“Bond Reserve Requirement Funding Commencement Date” means the first day of the month after a Valuation Date in which the Net Sanitary Sewer Revenues Available for Debt Service are less than the Bond Reserve Debt Service Coverage Requirement for the preceding Fiscal Year.

“Bond Reserve Debt Service Coverage Requirement” means with respect to the Series 2021B Bonds, the amount set forth in the Certificate of Final Terms.

“Bond Reserve Requirement” means with respect to the Series 2021B Bonds, an amount equal to the average annual debt service with respect to the Outstanding Series 2021B Bonds as calculated after any principal payment on the Series 2021B Bonds (whether at maturity or by redemption).

“Bondowner” or **“Registered Owner”** means the individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof in whose name a bond is registered in the Bond Register.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Paying Agent is located are required or authorized by law to remain closed, or (c) a day on which the New York

Stock Exchange is closed.

“**Cede & Co.**” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

“**Certificate of Final Terms**” means **Exhibit B**, executed and delivered by the Mayor pursuant to **Section 211** hereof, in substantially the form attached as **Exhibit C**.

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

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“**Consultant**” means the Consulting Engineer, an independent certified public accountant or a firm of independent certified public accountants.

“**Consulting Engineer**” means each independent engineer or engineering firm with experience in designing and constructing wastewater treatment, sanitary sewerage or water pollution control facilities and retained by the City.

“**Current Sanitary Sewer Expenses**” means all reasonable and necessary expenses of ownership, operation, maintenance and repair of the Sanitary Sewer System and keeping the Sanitary Sewer System in good repair and working order, determined in accordance with generally accepted accounting principles, including current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant’s reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, obligations incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the ownership and operation of the Sanitary Sewer System, but excluding capital lease payments, if any, and interest paid on Sanitary Sewer System Revenue Bonds and depreciation and amortization charges.

“**Debt Service Requirements**” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and net interest or interest-like payments on the Bonds, all Senior Bonds and all Parity Bonds that are outstanding at the time of such calculation through their respective maturity; *provided, however*, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company qualified to do business in the State of Missouri and having full trust powers and interest to be paid on any SRF Program Bonds may be reduced by the SRF Subsidy, if any.

“**Defeasance Securities**” means:

- (a) Federal Securities;

(b) obligations of the Resolution Funding Corporation or any successor, but only if the use of the obligations to pay and discharge Bonds pursuant to **Article XI** will cause the discharged Bonds to be rated in the highest long-term rating category by the Rating Agency; or

(c) obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state that:

(i) are not callable at the option of the obligor prior to maturity or for which irrevocable instructions have been given by the obligor to call on the date specified in the instructions, and

(ii) are fully secured as to principal, redemption premium and interest by a fund, consisting of cash or Federal Securities, that:

(A) may be applied only to the payment of principal, redemption premium and interest on the obligations, and

(B) is sufficient, as verified by a nationally recognized independent certified public accountant, to pay the principal, redemption premium and interest on the obligations.

“Director” means, in reference to the Department of Water Services of the City, the Director or any Deputy Director of the Department of Water Services of the City, and in reference to the Department of Finance of the City, the Director or any Acting Director of the Department of Finance of the City.

“Escrow Agent” means The Bank of New York Mellon Trust Company, Chicago, Illinois, as (1) the paying agent for the Refunded Series 2011A Bonds, in its capacity as escrow agent for the Refunded Series 2011A Bonds, and its successors or assigns, and (2) the paying agent for the Refunded Series 2012A Bonds, in its capacity as escrow agent for the Refunded Series 2012A Bonds, and its successors or assigns.

“Escrow Agreement” means, respectively, (1) the Escrow Deposit Agreement dated as of the date stated therein between the City and the Escrow Agent with respect to the Refunded Series 2011A Bonds, and (2) the Escrow Deposit Agreement dated as of the date stated therein between the City and the Escrow Agent with respect to the Refunded Series 2012A Bonds, as the same may from time to time be amended or supplemented in accordance with the respective terms.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit.

“Federal Tax Certificate” means the City’s Federal Tax Certificate relating to the Series 2021B Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the City’s fiscal year then in effect.

“Fitch” means Fitch, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City.

“Interest Payment Date” means the semi-annual dates set forth in the Certificate of Final Terms.

“Moody’s” means Moody’s Investors Service or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City.

“Net Sanitary Sewer Revenues” means Sanitary Sewer Revenues less Current Sanitary Sewer Expenses.

“Net Sanitary Sewer Revenues Available for Debt Service” means, for the period of determination, Sanitary Sewer Revenues less Current Sanitary Sewer Expenses.

“Notice of Bond Sale” means the Notice of Bond Sale authorized by Section 211 hereof.

“Ordinance” means this Ordinance as from time to time amended in accordance with its terms.

“Outstanding” means, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

- (1) Bonds cancelled by the Paying Agent or properly delivered to the Paying Agent for cancellation;
- (2) Bonds for the payment of the principal or redemption price of and interest on which money or Defeasance Securities are held under Section 1101 hereof;
- (3) Bonds in exchange for which, or in lieu of which, other Bonds have been registered and delivered pursuant to this Ordinance; and
- (4) Bonds allegedly mutilated, destroyed, lost, or stolen and paid under Section 209 hereof.

“Outstanding Parity Bonds” means collectively, the Series 2001B Bonds, the Series 2002J Bonds, the Series 2004H Bonds, the Series 2009B Bonds, the Series 2016A Bonds, the Series 2018A Bonds, the Series 2018B Bonds, the Series 2019A Bonds, and the Series 2021 Bonds.

“Outstanding Parity Bond Ordinance” means collectively, the Series 2001B Ordinance, the Series 2002J Ordinance, the Series 2004H Ordinance, the Series 2009B Ordinance, the Series 2016A Ordinance, the Series 2018A Ordinance, the Series 2018B Ordinance, the Series 2019A Ordinance, and the Series 2021 Ordinance.

“Parity Bonds” means the Outstanding Parity Bonds and any parity bonds issued under Section 902 hereof payable from the Net Sanitary Sewer Revenues on a parity basis with the Bonds.

“Parity Ordinance” means the Outstanding Parity Bond Ordinance and the ordinance under which any other Parity Bonds are issued.

“Participants” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“Paying Agent” means the paying agent for the Series 2021B Bonds appointed by the Director of Finance.

“Permitted Investments” means any of the following securities, if and to the extent the same are at the time legal for investment of the moneys held in the funds and accounts listed in **Section 401** hereof:

- (a) United States Treasury Securities (Bills, Notes, Bonds and Strips).

- (b) United States Agency/GSE Securities. The City may invest in obligations issued or guaranteed by any agency of the United States Government and in obligations issued by any government sponsored enterprise (GSE) which have a liquid market and a readily determinable market value that are described as follows:
 - (i) U.S. Govt. Agency Coupon and Zero Coupon Securities.
 - (ii) U.S. Govt. Agency Discount Notes.
 - (iii) U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only.

- (iv) U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At the step-up date, the coupon rate rises to a new, higher fixed interest rate.

- (v) U.S. Govt. Agency Floating Rate Securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.

- (vi) U.S. Govt. Agency/GSE Mortgage Backed Securities (MBS, CMO, Pass-Thru Securities). Restricted to securities with final maturities of five (5) years or less or have the final projected payment no greater than five (5) years when analyzed in a +300 basis point interest rate environment.

- (c) Repurchase Agreements. The City may invest in contractual agreements between the City and commercial banks or primary government securities dealers. The Securities Industry & Financial Markets Association’s (or any successor’s) guidelines for the Master Repurchase Agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.

- (d) Bankers’ Acceptances. The City may invest in bankers’ acceptances issued by domestic commercial banks possessing the highest credit rating issued by Moody’s Investors Services, Inc. (“Moody’s”) or Standard and Poor’s Corporation (“Standard & Poor’s”).

- (e) Commercial Paper. The City may invest in commercial paper issued by domestic corporations, which has received the highest short-term credit rating issued by Moody’s or Standard & Poor’s. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000) and are not listed on Credit Watch with negative implications by any nationally recognized credit rating agency at the time of purchase.

- (f) Municipal Securities (State and Local Government Obligations). The City may invest in municipal obligations that are issued in either tax-exempt or taxable form.

- (i) Any full faith and credit obligations of the State of Missouri rated at least A or A2 by

Standard & Poor's or Moody's.

- (ii) Any full faith and credit obligations of any city, county or school district in the State of Missouri rated at least AA or Aa2 by Standard & Poor's or Moody's.
- (iii) Any full faith and credit obligations, revenue, or special obligation bonds of the City of Kansas City, Missouri rated at least A or A2 by Standard & Poor's or Moody's.
- (vi) Any full faith and credit obligation of any state or territory of the United States of America rated at least AA or Aa2 by Standard & Poor's or Moody's.
- (v) Any full faith and credit obligations of any city, county or school district in any state or territory of the United States of America rated AAA or Aaa by Standard & Poor's or Moody's.
- (vi) Any revenue bonds issued by the Missouri Department of Transportation rated at least AA or Aa2 by Standard & Poor's or Moody's.
- (vii) Any municipal obligation that is pre-refunded or escrowed to maturity as to both principal and interest with escrow securities that are fully guaranteed by the United States Government, without regard to rating by Standard & Poor's or Moody's.
- (g) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, rated in either of the two highest categories by Moody's and Standard & Poor's (in either case without regard to any modifier).
- (h) Such other investments not described above that are allowed pursuant to Missouri law and approved in the City's charter.

References to particular ratings and rating categories in this definition are applicable only at the time of purchase of the Permitted Investment.

“Purchase Contract” means, in the event the Series 2021B Bonds are sold pursuant to a Negotiated Sale as permitted by **Section 211(a)(2)** hereof, the Purchase Contract relating to the Series 2021B Bonds between the City and the Purchaser.

“Purchaser” means the original purchaser or purchasers of the Series 2021B Bonds selected by the City in accordance with **Section 211** hereof and specified in the Certificate of Final Terms.

“Rating” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

“Rating Agencies” or **“Rating Agency”** means Fitch, Moody's, and Standard & Poor's or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the City. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

“Record Date” means the 15th day (whether or not a Business Day) of the calendar month next

preceding the applicable Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Bonds” means, collectively, the Refunded Series 2011A Bonds and the Refunded Series 2012A Bonds, as shown in the Certificate of Final Terms.

“Refunded Series 2011A Bonds” means all of the City’s Series 2011A Bonds outstanding in the aggregate principal amount of \$63,565,000 scheduled to mature January 1, 2022, and thereafter, as shown in the Certificate of Final Terms.

“Refunded Series 2012A Bonds” means all of the City’s Series 2012A Bonds, outstanding in the aggregate principal amount of \$55,555,000 scheduled to mature January 1, 2022, and thereafter, as shown on the Certificate of Final Terms.

“Sewer Fund” means the account ratified by Section 401 hereof.

“Sanitary Sewer Revenues” means all income and revenues derived by the City from the Sanitary Sewer System, including any amounts deposited in the Sewer Fund, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business.

“Sanitary Sewer System” or **“System”** means the City’s sanitary sewerage system, including sanitary sewers, combined sewers, lift and pumping stations, treatment plants, with the appurtenances necessary, useful and convenient for the collection, treatment, purification and disposal of the sewage and shall include any part of the system located outside of the corporate limits of the City, and shall also include all extensions and improvements in and to the system hereafter made or acquired by the City, wherever located.

“Sanitary Sewer System Revenue Bonds” means collectively the Bonds, Parity Bonds and all other revenue bonds which are payable from the Net Sanitary Sewer Revenues.

“Securities Depository” means initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Series 2001B Bonds” means the City’s Sanitary Sewer System Revenue Bonds (State Revolving Fund Program) Series 2001B, dated November 1, 2001, in the original principal amount of \$17,000,000.

“Series 2001B Bond Ordinance” means Ordinance No. 011446, as amended, passed on October 25, 2001, and Ordinance No. 011565 passed on November 1, 2001.

“Series 2002J Bonds” means the City’s Sanitary Sewer System Revenue Bonds, Series 2002J, dated November 7, 2002, in the original principal amount of \$10,000,000.

“Series 2002J Bond Ordinance” means Ordinance No. 021206 passed on October 10, 2002, and Ordinance No. 021304 passed on October 24, 2002.

“Series 2004H Bonds” means the City’s Sanitary Sewer System Revenue Bonds (State Revolving Fund Program), Series 2004H, dated December 9, 2004, in the original principal amount of \$10,500,000.

“Series 2004H Bond Ordinance” means Committee Substitute for Ordinance No. 041202 passed on November 4, 2004, and Ordinance No. 041314 passed on November 18, 2004.

“Series 2009B Bonds” means the City’s Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program - ARRA), Series 2009B, dated December 18, 2009, in the original principal amount of \$14,387,757.78.

“Series 2009B Bond Ordinance” means Committee Substitute for Ordinance No. 090968 passed on December 3, 2009.

“Series 2011A Bonds” means the City’s Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2011A, dated November 17, 2011, in the original principal amount of \$89,175,000.

“Series 2011A Bond Ordinance” means Committee Substitute for Ordinance No. 110768 passed on October 13, 2011.

“Series 2012A Bonds” means the City’s Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2012A, dated December 13, 2012, in the original principal amount of \$78,650,000.

“Series 2012A Bond Ordinance” means Ordinance No. 120901 passed on November 1, 2012.

“Series 2016A Bonds” means the City’s Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2016A, dated February 10, 2016, in the original principal amount of \$183,740,000.

“Series 2016A Bond Ordinance” means Ordinance No. 151037 passed on December 17, 2015.

“Series 2018A Bonds” means the City’s Sanitary Sewer System Improvement Revenue Bonds, Series 2018A, dated February 14, 2018, in the original principal amount of \$165,000,000.

“Series 2018A Bond Ordinance” means Ordinance No. 171029 passed on January 18, 2018.

“Series 2018B Bonds” means the City’s Sanitary Sewer System Refunding Revenue Bonds, Series 2018B (Forward Delivery), dated October 4, 2018, in the original principal amount of \$42,055,000.

“Series 2018B Bond Ordinance” means Ordinance No. 171030 passed on January 18, 2018.

“Series 2019A Bonds” means the City’s Sanitary Sewer System Improvement Revenue Bonds, Series 2019A, dated July 2, 2019, in the original principal amount of \$59,735,000.

“Series 2019A Bond Ordinance” means Ordinance No. 190401 passed on May 23, 2019.

“**Series 2021 Bonds**” means the City’s Sanitary Sewer System Revenue Bonds (State of Missouri - Direct Loan Program), Series 2021, dated April 28, 2021, in the maximum original principal amount of \$100,000,000.

“**Series 2021 Bond Ordinance**” means Ordinance No. 210312 passed on April 15, 2021.

“**Series 2021B Bonds**” or “**Bonds**” means the City of Kansas City, Missouri, Sanitary Sewer System Refunding Revenue Bonds, Series 2021B.

“**SRF Program Bonds**” means the Series 2001B Bonds, the Series 2002J Bonds, the Series 2004H Bonds, the Series 2009B Bonds, the Series 2021 Bonds and any additional bonds issued under the State Revolving Fund Program administered jointly by the Missouri Department of Natural Resources and the State Environmental Improvement and Energy Resources Authority of the State.

“**SRF Subsidy**” means the amount of investment earnings which will accrue on the reserve account for any SRF Program Bonds during each Fiscal Year.

“**Standard & Poor’s**” or “**S&P**” means S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC, or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City.

“**State**” means the State of Missouri.

“**State Revolving Fund Program**” means the Missouri Leveraged State Water Pollution Control Revolving Fund Program of the Missouri Department of Natural Resources.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in the Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Surplus Account**” means the fund or account created or ratified and confirmed by **Section 401** hereof.

“**Valuation Date**” means the first Business Day of the month following the presentation of the annual financial statement of the System to the Governing Body, but in no event later than November 30th of any year.

ARTICLE II **AUTHORIZATION OF BONDS**

Section 201. Authorization of Bonds. The Bonds are authorized and directed to be issued in a series designated as the Sanitary Sewer System Refunding Revenue Bonds, Series 2021B in an aggregate original principal amount not to exceed \$126,000,000 for the purposes set forth in this Ordinance.

Section 202. Security for Bonds.

(a) The Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the Net Sanitary Sewer Revenues. The taxing power of the City is not pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

(b) The Bonds are issued on a parity with the Outstanding Parity Bonds.

Section 203. Description of the Bonds.

(a) The Bonds shall consist of fully registered bonds without coupons, numbered from R-1 upward, in the denomination of \$5,000 or any integral multiple thereof and not exceeding the principal amount of Bonds maturing in the year in which such Bond becomes due, as may be specified by the Owner of such Bond. The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth in **Section 204** of this Ordinance, with appropriate insertions and deletions as are approved by the Mayor, which approval will be conclusively evidenced by the Mayor’s signature on the Bonds. The Bonds shall be subject to registration, transfer and exchange as provided in **Section 207** of this Ordinance. The Bonds shall be dated their date of delivery, shall become due in the amounts on the Stated Maturities (subject to optional and mandatory redemption prior to their Stated Maturities as provided in **Article III** hereof), and shall bear interest at the rates per annum to be determined upon the sale of the Bonds as set forth in the Certificate of Final Terms.

(b) At the election of the Purchaser of the Series 2021B Bonds, term Series 2021B Bonds may be issued in lieu of serial Bonds with Stated Maturities as in this **Section 203** provided that such term Bonds shall be subject to mandatory redemption in the annual amounts and on the dates set forth in this **Section 203** as the Stated Maturities for such term Bonds.

(c) The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Interest Payment Date to which interest has been paid in full or, if no interest has been paid, from their date of delivery. Interest on the Bonds shall be payable semiannually on each Interest Payment Date in each year, commencing on the date set forth in the Certificate of Final Terms, and at their Stated Maturity. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months from their date or from the most recent Interest Payment Date to which interest has been paid or provided for and is payable on each Interest Payment Date.

Section 204. Form of Bond. The Bonds will be in substantially the following form, with appropriate insertions and deletions as are approved by the Mayor, which approval will be conclusively evidenced by the Mayor’s signature on the Bond:

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered
No. R-___

Registered
\$ _____

**CITY OF KANSAS CITY, MISSOURI
SANITARY SEWER SYSTEM REFUNDING REVENUE BOND
SERIES 2021B**

Interest Rate Maturity Date Dated Date CUSIP Number

_____% _____, 20_____, 2021_____

REGISTERED OWNER:

CEDE & CO.

PRINCIPAL

AMOUNT:

_____ DOLLARS

THE CITY OF KANSAS CITY, MISSOURI, a constitutional charter city and political subdivision of the State of Missouri (the “**City**”), for value received, hereby promises to pay to the Owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, and to pay interest thereon at the annual Interest Rate referenced above (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on January 1 and July 1 in each year, commencing [_____ 1], [20__] (each an “**Interest Payment Date**”), from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for until the Principal Amount has been paid.

The principal of and redemption premium, if any, on this Bond will be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date, upon presentation and surrender of this Bond at the principal office of U.S. Bank National Association, St. Louis, Missouri (the “**Paying Agent**”). The interest payable on this Bond on any Interest Payment Date will be paid by check or draft mailed by the Paying Agent to the person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date. The Record Date is the fifteenth day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. The principal of and redemption premium, if any, and interest on this Bond is payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from the Owner received by the Paying Agent prior to the Record Date. The principal of, redemption premium, if any, and interest on this Bond is payable in lawful money of the United States of America.

This Bond is one of a duly authorized series of bonds of the City designated “Sanitary Sewer System Refunding Revenue Bonds, Series 2021B” aggregating the principal amount of \$[_____] (the “**Series 2021B Bonds**”), issued by the City for the purpose of refunding certain outstanding sanitary sewer system revenue bonds under the authority of and in full compliance with Section 108.140(2) and Chapter 250 of the Revised Statutes of Missouri and Ordinance No. [21_____] passed by the governing body of the City (the “**Ordinance**”).

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or delivered to the Paying Agent as the Securities Depository’s “FAST Agent.” The book-entry system will evidence positions held in the Bonds by the Securities Depository’s Participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such Participants. Transfer of ownership shall be affected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The City, the bond registrar and the Paying Agent will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the Owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest

on this Bond (ii) notices, and (iii) voting. Transfers of principal, interest and any redemption premium payments to beneficial owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The City, the bond registrar and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provisions hereinabove contained payments of principal of and interest on this Bond shall be made in accordance with existing arrangements among the City, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE THE GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

The City hereby covenants with the Registered Owner of this Bond that it will keep and perform all covenants and agreements contained in the Ordinance, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, as will produce revenues sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on the Bonds as and when the same become due and provide reasonable and adequate reserve funds. Reference is made to the Ordinance for a description of the covenants and agreements made by the City with respect to the collection, segregation and application of the revenues of the System, the nature and extent of the security for the Bonds, the rights, duties and obligations of the City with respect thereto, and the rights of the Registered Owners thereof.

At the option of the City, Bonds or portions thereof maturing on [January 1, 20__], and thereafter may be called for redemption and payment prior to their Stated Maturity on [January 1, 20__], and thereafter in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at a Redemption Price equal to 100% of the principal amount, plus accrued interest thereon to the Redemption Date.

[Bonds maturing on [January 1, 20__], are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance on [January 1, ____], and on each January 1 thereafter prior to maturity, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.]

The Series 2021B Bonds will be optionally redeemed in part in integral multiples of \$5,000 from the maturities selected by the City. Upon redemption, the sinking fund redemption amounts for each maturity will be proportionately reduced, subject to rounding to integral multiples of \$5,000. The City will give written notice to the Paying Agent, designating the amount of each maturity redeemed and the reduction in each sinking fund installment, subject to verification by the Paying Agent.

The Paying Agent will give notice of redemption, unless waived, by mailing a redemption notice by first class mail, postage prepaid at least 30 days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed at the address shown on the Bond Register. If notice of redemption has been given or waived, the Bonds or portions of Bonds called for redemption will become due and payable on the redemption date at the redemption price specified in the notice. From and after the redemption date the Bonds called for redemption will cease to bear interest unless the City defaults in the payment of the redemption price.

The Bonds are limited obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Sanitary Sewer Revenues (as defined in the Ordinance). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. Under the conditions set forth in the Ordinance, the City has the right to issue additional parity bonds payable from, and secured by, the Net Sanitary Sewer Revenues. The Bonds are issued on a parity with respect to payment of principal and interest from the Net Sanitary Sewer Revenues and in all other respects with the Outstanding Parity Bonds (as defined in the Ordinance).

The City covenants with the Owner of this Bond to keep and perform all covenants and agreements contained in the Ordinance, and the City will fix, establish, maintain and collect rates, fees and charges for the use and services furnished by or through the Sanitary Sewer System to produce Sanitary Sewer Revenues sufficient to pay the operation and maintenance costs of the Sanitary Sewer System, pay the principal of and interest on the Bonds and provide reasonable and adequate reserve funds. Reference is made to the Ordinance for a description of the agreements made by the City with respect to the collection, segregation and application of the Sanitary Sewer Revenues, the nature and extent of the security for the Bonds, the rights, duties and obligations of the City with respect to the Bonds, and the rights of the Owners.

This Bond may be transferred or exchanged, as provided in the Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Paying Agent. Upon surrender of any Bond at the principal office of the Paying Agent, the Paying Agent will transfer or exchange the Bond for a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount as the Bond which was presented for transfer or exchange. All Bonds presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Owner or by the Owner's authorized agent. All Bonds presented for transfer or exchange must be surrendered to the Paying Agent for cancellation. For every exchange or transfer of Bonds the City or the Paying Agent may levy a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid for the exchange or transfer. The charge must be paid by the person requesting the exchange or transfer. Payment of the charge is a condition precedent to the exchange or transfer.

This Bond will not be valid or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication has been executed by the Paying Agent.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the Bonds, provision has been duly made for the collection, segregation and application of the income and revenues of the Sanitary Sewer System as provided in the Ordinance.

IN WITNESS WHEREOF, the City of Kansas City, Missouri, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk, with its official seal affixed or imprinted.

CERTIFICATE OF AUTHENTICATION CITY OF KANSAS CITY, MISSOURI

This Bond is one of the Bonds of the issue described in the

within-mentioned Ordinance.

By:

Mayor

Registration Date:

(SEAL)

U.S. BANK NATIONAL ASSOCIATION, Paying Agent ATTEST:

By:

Authorized Signatory

By:

City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Print or Type Name of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the registration books kept by the Paying Agent, with full power of substitution in the premises.

Dated:

By:

NOTICE: The signature to this assignment must correspond with the name of the Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

Authorized Officer
U.S. Bank National Association

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

Section 205. Designation of Paying Agent.

(a) The Director of Finance shall designate the Paying Agent for the payment of the principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds.

(b) The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties of Paying Agent and Bond Registrar hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the bank or trust company then performing such function a notice of the termination of such bank or trust company and appointing a successor, and (2) causing notice to be given by first class mail to each Bondowner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent.

(c) Every Paying Agent appointed hereunder shall at all times be (1) a commercial banking association or corporation or trust company located in the State of Missouri organized and in good standing and doing business under the laws of the United States of America or of the State of Missouri and subject to supervision or examination by federal or state regulatory authority and (2) shall have a reported capital (exclusive of borrowed capital) plus surplus of not less than \$100,000,000 or consideration may be given by the City to a bank not meeting this amount if the bank submits an acceptable form of guarantee for its financial obligations to the City. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this **Section 205** the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

(d) The Paying Agent shall be paid in accordance with its proposal for fees and expenses submitted to the Director of Finance as an operating expense of the System.

Section 206. Method and Place of Payment of Bonds.

(a) Payment of the Bonds will be made with any coin or currency that is legal tender for the payment of debts due the United States of America on the payment date.

(b) Each payment of principal of and redemption premium, if any, payable on each Bond will be made at maturity or upon earlier redemption to the Owner shown in the Bond Register at the maturity or optional redemption date of each Bond, upon presentation and surrender of the Bond at the principal office of the Paying Agent. The payment of interest payable on each Bond on any Interest Payment Date will be made by check or draft mailed by the Paying Agent to the address of the Owner shown in the Bond Register. The principal of and redemption premium, if any, and interest on the Bonds is payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from any Owner received by the Paying Agent prior to the Record Date.

(c) The Paying Agent will keep a record of payment of principal of, redemption premium, if any, and interest on all Bonds and, at least annually at the request of the City, will forward to the city a copy or summary of the record of payments.

Section 207. Registration, Transfer and Exchange of Bonds.

(a) The City will cause the Paying Agent to keep the Bond Register. Each Bond when issued will be registered in the name of the Owner on the Bond Register. Bonds will be transferred and exchanged only upon the Bond Register.

(b) Upon surrender of any Bond at the principal office of the Paying Agent, the Paying Agent will transfer or exchange the Bond for a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount as the Bond which was presented for transfer or exchange. All Bonds presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Owner or by the Owner's authorized agent. All Bonds presented for transfer or exchange must be surrendered to the Paying Agent for cancellation.

(c) For every exchange or transfer of Bonds the City or the Paying Agent may levy a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid for the exchange or transfer. The charge must be paid by the person requesting the exchange or transfer. Payment of the charge is a condition precedent to the exchange or transfer.

(d) The City and the Paying Agent will treat the person in whose name any Bond is registered as the absolute owner of the Bond, whether or not payment of the Bond is overdue, for the purpose of receiving payment of the principal of, redemption premium, if any, and interest on the Bond and for all other purposes. All payments made to any Owner or upon the Owner's order will be valid and effectual to satisfy and discharge the City's liability for payment of the Bond to the extent of the sum or sums paid. Neither the City nor the Paying Agent will be affected by any notice to the contrary.

(e) At reasonable times and under reasonable rules established by the Paying Agent, the Owners of 25% or more in principal amount of the Outstanding Bonds, or their representative designated in a manner satisfactory to the Paying Agent, may inspect and copy the Bond Register.

Section 208. Execution, Authentication and Delivery of Bonds.

(a) Each Bond must be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and have the official seal of the City affixed or imprinted. If any officer whose manual or facsimile signature appears on any Bond ceases to be an officer before the delivery of any Bond signed by the officer, the manual or facsimile signature on the Bond will be valid and sufficient for all purposes of this Ordinance.

(b) The Mayor and the City Clerk are directed to prepare and execute the Bonds as specified in this **Article II**, and when executed, to deliver the Bonds to the Paying Agent for authentication. Upon authentication, the Paying Agent will deliver the Bonds to the Bondowner, upon payment of the purchase price for the Bonds.

(c) Each Bond will be authenticated by any authorized officer or employee of the Paying Agent. No Bond is entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose until authenticated by the Paying Agent.

Section 209. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the mutilation, destruction, loss or theft of any Bond, and (ii) there is delivered to the City and the Paying Agent security or indemnity as required by them, in the absence of notice to the City or the Paying Agent that the Bond has been acquired by a bona fide purchaser, the City will execute

and the Paying Agent will register and deliver, in exchange for or in lieu of any mutilated, destroyed, lost or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount. If the Bond has become or is about to become due, the City may pay the Bond instead of issuing a new Bond.

(b) Upon the issuance of any new Bond under this **Section 209**, the City may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge imposed and any other expenses (including the fees and expenses of the Paying Agent) connected with the issuance of the Bond.

(c) Every new Bond issued pursuant to this **Section 209** in lieu of any mutilated, destroyed, lost or stolen Bond will constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost or stolen Bond is enforceable by anyone at any time, and will be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 210. Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which have otherwise been surrendered to the Paying Agent, either at or before maturity, will be cancelled immediately upon the payment or redemption and the Paying Agent's receipt of the Bonds. Cancelled Bonds will be periodically destroyed by the Paying Agent in accordance with the customary practice of the Paying Agent and applicable retention laws.

Section 211. Method of Sale and Terms of Bonds; Authorization and Execution of Certificate of Final Terms.

(a) Upon the advice and recommendation of Hilltop Securities Inc. and Independent Public Advisors, as the City's co-financial advisors (collectively, the "**Financial Advisor**"), the City is hereby authorized to sell the Bonds utilizing one of the following methods:

(1) a competitive public sale ("**Competitive Sale**") pursuant to which the City will sell the Bonds to the bidder offering to purchase the Bonds, based on the principal amounts and maturities set forth in the Notice of Bond Sale, submitting the lowest "true interest cost" as defined therein, subject to the limitations set forth in this **Section 211** and in **Exhibit A** hereto. If the City sells the Bonds via a Competitive Sale, the City is authorized to accept the best bid in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit A** hereto, and the Director of Finance is authorized to accept the best bid for and on behalf of and as the act and deed of the City; or

(2) a negotiated sale ("**Negotiated Sale**") pursuant to which the City will sell the Bonds to Siebert Williams Shank & Co., LLC, as senior-managing underwriter, acting on its own behalf and on behalf of Raymond James & Associates, Inc., Valdés & Moreno, Inc., and Jefferies LLC, as co-managing underwriters, under the terms of the Purchase Contract, subject to the limitations set forth in this **Section 211** and in **Exhibit A** hereto. If the City sells the Bonds via a Negotiated Sale, the City is authorized to enter into the Purchase Contract in accordance with the Certificate of Final Terms, subject to the limitations set forth in **Exhibit A** hereto, and the Director of Finance is authorized to execute the Purchase Contract for and on behalf of and as the act and deed of the City.

(b) The Mayor is authorized and directed to approve the purchase price for the Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Bonds, including applicable redemption provisions, subject to the limitations set forth in this **Section 211** and

Exhibit A hereto, and in connection therewith, to execute and deliver the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Mayor’s execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms will be attached to this Ordinance as **Exhibit B**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance.

Section 212. Notice of Bond Sale. In the event the City determines to sell the Bonds via a Competitive Sale as set forth in **Section 211(a)(1)** hereof, the Notice of Bond Sale is hereby ratified and approved. The Director of Finance is hereby authorized to execute the Notice of Bond Sale, and the use and public distribution of the Notice of Bond Sale in connection with the offering for public sale of the Bonds is hereby authorized.

Section 213. Preliminary and Final Official Statement.

(a) The Preliminary Official Statement, in the form on file in the office of the Director of Finance, is hereby ratified and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Director of Finance is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser of the Bonds in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with such requirement of such Rule.

(c) The City agrees to provide to the Purchaser within seven Business Days of the date of the sale of the Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 214. Book-Entry Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the Bonds shall be registered in the name of Cede & Co., the nominee for The Depository Trust Company, New York, New York (the “**Securities Depository**”). Except as provided in this **Section 214**, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee for the Securities Depository. The definitive Bonds shall be initially issued in the form of one typewritten certificate for each stated maturity of the Bonds.

(b) With respect to the Bonds registered in the name of Cede & Co., as nominee for the Securities Depository, the City and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of whom such a Participant holds an interest in the Bonds. Without limiting the immediately

preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Registered Owner, as shown on the Bond Register maintained by the Paying Agent, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a Registered Owner, as shown in the Bond Register maintained by the Paying Agent, of the principal, interest and premium, if any, with respect to the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent shall be entitled to treat and consider the person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of the principal, interest and premium, if any, with respect to the Bonds, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay the principal, interest and premium, if any, with respect to the Bonds only to or upon the order of the respective Owners, as shown in the Bond Register maintained by the Paying Agent, as provided in this Ordinance, or their representative duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of the principal, interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by the Securities Depository to the Paying Agent of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., the phrase "**Cede & Co**" in this Ordinance shall refer to such new nominee of the Securities Depository.

(c) Successor Securities Depository: Transfer Outside Book-Entry Only System. In the event that (i) the City (or Participants owning at least fifty percent (50%) of the Outstanding Bonds based on current records of the Securities Depository) determines that the Securities Depository is incapable of discharging its responsibilities described herein and in any representation letter ("**Letter of Representations**") of the City and the Paying Agent to the Securities Depository, (ii) the agreement among the City, the Paying Agent and the Securities Depository evidenced by any such Letter of Representations, or (iii) the City (or Participants owning at least fifty percent (50%) of the Outstanding Bonds based on current records of the Securities Depository) determines that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the City shall (A) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify the Securities Depository and Participants of the appointment of such successor securities depository and transfer one or more Bonds to such successor securities depository, in which event the Bonds shall be registered in the name of the successor securities depository or its nominee, or (B) notify the Securities Depository and Participants of the availability through the Securities Depository of certificated Bonds and transfer one or more separate Bonds to Participants having Bonds credited to their Securities Depository accounts, in which event the Bonds shall be registered in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In connection therewith, the Paying Agent may rely conclusively upon information provided by the Securities Depository with respect to the identity and interests of the Participants and upon information provided by said Participants with respect to the Beneficial Owners of the Bonds. The City under such circumstances agrees to provide to the Paying Agent a sufficient supply of Bond certificates to meet the Paying Agent's requirements, including without limitation Bond certificates for use in the case of transfers and exchanges of Bonds.

(d) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of the Securities Depository, all payments of the principal, interest and premium, if any, with respect to such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Letter of Representations

of the City and the Paying Agent to the Securities Depository.

Section 215. Persons Deemed Owners of Bonds. The Person in whose name any Bond shall be registered in the Bond Register shall be deemed and regarded by the City, the bond registrar and the Paying Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment therefore or on account thereof and for all purposes, and neither the City, the bond registrar nor the Paying Agent shall be affected by notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of the Owner thereof or agent duly authorized in writing. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

ARTICLE III **REDEMPTION OF BONDS**

Section 301. Redemption of Bonds. The Bonds shall be subject to redemption and payment prior to their Stated Maturities as follows:

(a) Mandatory Sinking Fund Redemption. In the event one or more term Series 2021B Bonds are issued as provided in **Section 203** of this Ordinance and as more specifically described in the Certificate of Final Terms, such Series 2021B Bonds shall be subject to mandatory redemption and payment prior to their Stated Maturity pursuant to the mandatory redemption requirements of this **Section 301(a)** on the dates of the Stated Maturities for serial Series 2021B Bonds at the principal amount thereof plus accrued interest to the Redemption Dates, without premium. The City shall redeem on such dates the principal amounts set forth as serial maturities by this Ordinance and the remaining principal amount of Series 2021B Bonds maturing on the Stated Maturity of the respective term bond, shall be paid at their Stated Maturity.

The Paying Agent shall each year in which Bonds maturing on the Stated Maturity of the respective term bonds, are to be redeemed pursuant to this **Section 301(a)** make timely selection of such Bonds or portion of such Bonds to be so redeemed and shall give notice thereof as hereinafter provided. Upon instructions duly given by the City, moneys deposited in the Series 2021B Debt Service Account may be used at any time after January 1, in the year next preceding the first of such mandatory redemption to purchase term Bonds maturing on the Stated Maturity of the respective term bond, in the open market at a price not in excess of their principal amount and moneys deposited in the Series 2021B Debt Service Account may be used for the purpose of paying interest on the Bonds so purchased at the rate specified thereon to the date of purchase. Each bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds on the next mandatory redemption date applicable to Bonds of such Stated Maturity, and the principal amount of Bonds of such Stated Maturity to be redeemed by operation of the preceding paragraph shall be reduced accordingly.

(b) Optional Redemption. At the option of the City, the Series 2021B Bonds or portions thereof may be called for redemption and payment prior to their Stated Maturities in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at a Redemption Price equal to 100% of the principal amount of the Series 2021B Bonds, plus accrued interest thereon to the Redemption Date, as set forth in the Certificate of Final Terms.

Section 302. Selection of Bonds to be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment as herein provided upon receipt

at least forty-five (45) days prior to the Redemption Date of a written request of the City; provided, however, that no such request shall be required for mandatory redemption of Bonds pursuant to **Section 301(a)** hereof. Such request shall specify the principal amount of the Bonds to be called for redemption, the Redemption Price or Price(s) and the Redemption Date.

(b) Bonds shall be redeemed in the principal amount of \$5,000 or an integral multiple thereof. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Paying Agent from the Outstanding Bonds of that Stated Maturity by such methods as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the bond registrar, who shall authenticate and deliver to the Owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption.

(a) The Paying Agent shall give written notice in the name of the City of its intention to redeem and pay Bonds at the principal corporate trust office of the Paying Agent or such other office as the Paying Agent may designate. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) days prior to the Redemption Date, to each Owner of Bonds to be redeemed, at such Owner's address appearing in the Bond Register. All notices of redemption shall state:

- (1) The Redemption Date;
- (2) The Redemption Price;
- (3) If less than all Outstanding Bonds are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (4) That on the Redemption Date, the Redemption Price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date;
- (5) The place where such Bonds are to be surrendered for payment of the Redemption Price; and
- (6) The Bond Number and CUSIP number, if any.

(b) With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no

force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

(c) The failure of the Owner of any Bond to be redeemed to receive written notice mailed as hereinabove provided shall not affect or invalidate the redemption of said Bond. If any Bond is called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are made available to the Paying Agent for its payment on the Redemption Date at the Redemption Price.

(d) The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond to be redeemed.

ARTICLE IV RATIFICATION AND CREATION OF FUNDS AND ACCOUNTS

Section 401. Ratification and Creation of Funds and Accounts.

(a) The following separate accounts and funds in the treasury of the City are created in, or ratified by, this Ordinance and/or Outstanding Parity Bond Ordinance:

- (1) Sewer Fund;
- (2) Sanitary Sewer Renewal and Replacement Account (the “**Renewal and Replacement Account**”); and
- (3) Sanitary Sewer Surplus Account (the “**Surplus Account**”)

(b) The following separate debt service funds and/or accounts created or acknowledged by the applicable Outstanding Parity Bond Ordinance are hereby acknowledged and ratified (collectively, the “**Outstanding Parity Bond Debt Service Account**”):

- (1) Principal Account, Interest Account and Debt Service Account established for the Series 2001B Bonds;
- (2) Principal Account, Interest Account and Debt Service Account established for the Series 2002J Bonds;
- (3) Principal Account, Interest Account and Debt Service Account established for the Series 2004H Bonds;
- (4) Principal Account, Interest Account and Debt Service Fund established for the Series 2009B Bonds;
- (5) Debt Service Account established for the Series 2016A Bonds;

- (6) Debt Service Account established for the Series 2018A Bonds;
- (7) Debt Service Account established for the Series 2018B Bonds;
- (8) Debt Service Account established for the Series 2019A Bonds; and
- (9) Principal Account and Interest Account within the Repayment Fund and the Debt Service Fund established for the Series 2021 Bonds.

(c) The following separate reserve funds and/or accounts created or acknowledged by the applicable Outstanding Parity Bond Ordinance are hereby acknowledged and ratified (collectively, the **“Outstanding Parity Bond Debt Service Reserve Account”**):

- (1) Reserve Account established for the Series 2001B Bonds;
- (2) Reserve Account established for the Series 2002J Bonds;
- (3) Reserve Account established for the Series 2004H Bonds;
- (4) Reserve Account established for the Series 2016A Bonds;
- (5) Reserve Account established for the Series 2018A Bonds;
- (6) Reserve Account established for the Series 2018B Bonds; and
- (7) Reserve Account established for the Series 2019A Bonds;

(d) In addition, the following separate accounts and funds created or acknowledged by the Series 2021 Bond Ordinance are hereby acknowledged and ratified:

- (1) the Construction Fund.
- (2) Administrative Expense Fund.

(e) There are hereby created the following accounts to be administered and maintained pursuant to this Ordinance:

- (1) Series 2021B Costs of Issuance Account;
- (2) Series 2021B Reserve Account;
- (3) Series 2021B Debt Service Account; and
- (4) Series 2021B Compliance Account.

Section 402. Administration of Funds and Accounts.

(a) The Sewer Fund, the Renewal and Replacement Account and the Surplus Account will be

maintained and administered by the City while any of the Bonds and the Outstanding Parity Bonds are outstanding.

(b) The other separate funds and accounts created or acknowledged under the Outstanding Parity Bond Ordinance will be maintained and administered by the City while the applicable series of bonds, for which such funds and accounts were created, are outstanding, all in accordance with the terms of the Outstanding Parity Bond Ordinance.

Section 403. Series 2021B Reserve Account.

(a) The Series 2021B Reserve Account shall not be funded at the time of issuance of the Series 2021B Bonds. Upon the occurrence of a Bond Reserve Requirement Funding Commencement Date, the City shall, pursuant to the provisions of **Section 602** hereof, make equal monthly deposits as provided in the Certificate of Final Terms until the Bond Reserve Requirement is satisfied.

(b) In lieu of making cash deposits to the Series 2021B Reserve Account, the Bond Reserve Requirement may be satisfied by a surety bond, subject to the following requirements: (1) the provider of the surety bond must, at the time of issuance, have a Rating of one of the two highest rating categories by a Rating Agency; (2) the City shall not secure any obligation to the provider of a surety bond by a lien equal to or superior to the lien granted to the Bonds; (3) the surety bond shall have a term of at least one year (or, if less, the remaining term of the Bonds) and shall entitle the City to draw upon or demand payment and receive the amount so requested in immediately available funds on the date of such draw or demand; (4) the surety bond shall permit a drawing by the City for the full stated amount in the event (i) the surety bond expires or terminates for any reason prior to the final maturity of the Bonds, and (ii) the City fails to satisfy the Bond Reserve Requirement by the deposit to the Series 2021B Reserve Account of either (A) cash or Permitted Investments or (B) a letter of credit or a substitute surety bond ("**Substitute Surety Bond**"), or (C) any combination thereof, on or before the date of such expiration or termination; and (5) if the provider of the surety bond commences any insolvency proceedings or is determined to be insolvent or fails to make payments when due on its obligations, the City shall provide a Substitute Surety Bond within sixty (60) days thereafter, and, if no Substitute Surety Bond is obtained by such date, shall fund the Bond Reserve Requirement in equal monthly deposits as described in the Certificate of Final Terms commencing not later than the first day of the month immediately succeeding the date representing the end of such sixty (60) day period. If the event described in clause (5) above occurs, the City shall not relinquish the surety bond at issue until after the Bond Reserve Requirement is fully satisfied by the provision of cash, obligations, or a Substitute Surety Bond or any combination thereof. Any amount received from a draw on the surety bond shall be deposited directly into the Series 2021B Debt Service Account, and such deposit shall constitute the application of amounts in the Series 2021B Reserve Account. Repayment of any draw-down on the surety bond (other than repayments which reinstate the surety bond) and any interest or fees due the provider of the surety bond under such surety bond shall be secured by a lien on the Net Sanitary Sewer Revenues subordinate to payments into the Series 2021B Debt Service Account securing the Bonds.

(c) If the City elects to deposit a Substitute Surety Bond in the Series 2021B Reserve Account in lieu of moneys on deposit therein, then, upon any such deposit, the cash in an amount equal to, or Permitted Investments held therein having a market value equal to, the face amount of the Substitute Surety Bond then being deposited, shall be returned to the City, except that moneys on deposit in such fund which were originally proceeds of any Bonds shall be either transferred to the Series 2021B Debt Service Account or applied for any other use specified by the City if there shall be delivered to the Paying Agent an Opinion of Bond Counsel to the effect that such other use will not adversely affect the excludability of the interest on the Series 2021B

Bonds from the gross income of the Owners thereof for purposes of Federal income taxation and is permitted by the Outstanding Parity Bond Ordinance.

(d) The Director of Finance is hereby authorized to execute any and all agreements with a bond surety company (the “**Indemnitor**”) in order to effectuate the issuance of the surety bond, specifically including, but not limited to, any agreement necessary in order to reimburse the Indemnitor for moneys advanced under the surety bond. In the event moneys are advanced by the Indemnitor, the City shall reimburse the Indemnitor from all funds legally available in the Sewer Fund, subject only to the payments required by **Section 602(a) (1) and (2)** hereof.

(e) All moneys in any Outstanding Parity Bond Reserve Account shall be used for the payment of principal of and interest on the related series of bonds for which funds might not otherwise be available, or to pay a like amount of the last maturing bonds of such series.

(f) Should the City expend any portion of the Series 2021B Reserve Account and thereby reduce the amount therein below the Bond Reserve Requirement, except for the purpose for retiring all Outstanding Bonds, or should a valuation of the 2021B Reserve Account indicate that it is below the Bond Reserve Requirement, the City shall, subject to the provisions of **subsection (g)** of this **Section 403**, transfer monthly to such Series 2021B Reserve Account, all available funds after providing for the payments and transfers set forth in **Sections 602(a)(1) and (2)** hereof, until such Series 2021B Reserve Account shall have again satisfied the Bond Reserve Requirement. Any amounts in the Series 2021B Reserve Account in excess of the Bond Reserve Requirement on any Valuation Date shall be transferred by the City to the Sewer Fund or to such other fund or account described in this **Article IV**.

(g) If at any time the moneys in the Sewer Fund shall be insufficient to make in full any payments and credits at the time required to be made by the City to the bond reserve accounts established by the City to protect the payment of the outstanding Sanitary Sewer System Revenue Bonds of the City including only the Bonds, the Outstanding Parity Bonds and other sanitary system revenue bonds of the City hereafter issued and standing on a parity with the Bonds and the Outstanding Parity Bonds, the available moneys in the Sewer Fund shall be divided among such bond reserve accounts in proportion to the respective principal amounts of said series of Sanitary Sewer System Revenue Bonds of the City at the time outstanding which are payable from the moneys in such bond reserve accounts.

ARTICLE V **APPLICATION OF BOND PROCEEDS**

Section 501. Disposition of Bond Proceeds.

(a) The net proceeds received from the sale of the Bonds, including any premium and accrued interest, will be deposited simultaneously with the delivery of the Bonds in accordance with the Certificate of Final Terms.

(b) Amounts remaining in the Series 2021B Costs of Issuance Account on the first day of the sixth month after the date of delivery of the Series 2021B Bonds, shall be transferred to the Series 2021B Debt Service Account. Any Bond proceeds or investment earnings thereon remaining in the Series 2021B Compliance Account five (5) years and 180 days after the date of delivery of the Series 2021B Bonds shall be disbursed as set forth in **Section 605(d)** of this Ordinance.

(c) Any surplus credited to the Series 2021B Debt Service Account shall be applied by the Paying Agent as directed by the City solely to the payment of principal of, redemption premium, if any, and interest on the Bonds through the payment or redemption thereof at the earliest date permissible under the terms of this Ordinance. The balance transferred to the Series 2021B Debt Service Account may first be used to pay any principal payment on the Bonds coming due in that current bond year. If the balance transferred is greater than the current bond year principal payment, the excess shall be used to call Bonds for redemption in accordance with **Section 301(b)** hereof. Any Bonds purchased by the Paying Agent pursuant to this **Section 501** with moneys from the Series 2021B Debt Service Account will be deemed cancelled.

ARTICLE VI
APPLICATION OF REVENUES

Section 601. Sewer Fund.

(a) The City covenants and agrees that all Sanitary Sewer Revenues will be deposited into the Sewer Fund when received. The Sanitary System Revenues will be segregated from all other moneys, revenues, funds and accounts of the City.

(b) All moneys deposited in the Sewer Fund will be designated as having been derived from the ownership and operation of the Sanitary Sewer System. All Sanitary Sewer Revenues will be deposited in the Sewer Fund.

(c) The Sewer Fund will be administered and applied solely for the purposes and in the manner provided in this Ordinance and any Parity Ordinance.

Section 602. Application of Moneys in Sanitary Sewer System Funds and Accounts.

(a) The City will apply moneys in the Sewer Fund on the dates, in the amounts and in the order as follows:

- (1) on the first day of each month, the estimated cost of operating and maintaining the Sanitary Sewer System during the ensuing 30-day period, which amount shall include on the dates required by the applicable Outstanding Parity Bond Ordinance the amounts required to pay the fees described in the applicable Outstanding Parity Bond Ordinance, if any, but will exclude Administrative Service Fees; and
- (2) to the Series 2021B Debt Service Account and the Outstanding Parity Bond Debt Service Account, on a parity basis, the amount required under the Outstanding Parity Bond Ordinance at the time specified therein. In the case of the Series 2021B Bonds, the City shall transfer to the Paying Agent for the Series 2021B Bonds on the Business Day prior to any Interest Payment Date the amounts of principal and interest due on the Series 2021B Bonds on the next Interest Payment Date; and
- (3) on the first day of each month after the Bond Reserve Requirement Funding Commencement Date and as otherwise required by this Ordinance, to the Series 2021B Reserve Account, and as required by the Outstanding Parity Bond Ordinance, to the Outstanding Parity Bond Debt Service Reserve Account, and in the event the trustee or the Paying Agent has withdrawn moneys from the Series 2021B Reserve Account (other than investment earnings or the amount transferred from

the Series 2021B Reserve Account upon the payment of principal on the Bonds), to the Series 2021B Reserve Account all available moneys until the Series 2021B Reserve Account has been replenished; and

- (4) on the first day of each month the Administrative Service Fees for the ensuing 30-day period; and
- (5) to deposit to the Renewal and Replacement Account (i) the amount required to be paid to such Renewal and Replacement Account, if any, by the applicable Outstanding Parity Bond Ordinance on the dates required by the applicable Outstanding Parity Bond Ordinance to be applied in accordance with said Outstanding Parity Bond Ordinance, and (ii) the amount determined by the Operating and Capital Reserves Policy established and approved by the Water Services Department and the Governing Body, as may be amended from time to time, to be applied in accordance with **subsection (c) of this Section 602**; and
 - (6) on the first day of each month the remaining balance to the Surplus Account.

(b) If the amount in the Sewer Fund is not sufficient to make the payments at the time required to be made by the City to the Series 2021B Reserve Account (if required pursuant to **Section 402** hereof) and to the Outstanding Parity Bond Debt Service Reserve Account, the City will divide the balance in the Sewer Fund between the Series 2021B Reserve Account and the Outstanding Parity Bond Debt Service Reserve Account on a proportionate basis (based upon the outstanding principal amounts of the Series 2021B Bonds and the Outstanding Parity Bonds).

(c) Except as otherwise provided in this **Section 602** or any Outstanding Parity Bond Ordinance, all sums accumulated and retained in the Renewal and Replacement Account shall be used to meet the costs of capital improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System, and such sums may be encumbered by an estimation and appropriation ordinance of the Governing Body to accomplish the same. All unencumbered sums accumulated and retained in the Renewal and Replacement Account, if any, shall be applied by the City from time to time, as and when the City shall determine, to the following purposes and, prior to the occurrence and continuation of an Event of Default, in the order of priority determined by the City in its sole discretion: (a) to maintain and improve the System as described above and (b) to pay the principal of and interest on any Sanitary Sewer System Revenue Bonds and any other obligations payable from Net Sanitary Sewer Revenues. No moneys credited to the Renewal and Replacement Account shall ever be directed or applied to the general governmental or municipal functions of the City so long as any of the Series 2021B Bonds remain Outstanding. Except as otherwise provided in the Series 2021 Bond Ordinance or any other Outstanding Parity Bond Ordinance, the total amount of money credited to the Renewal and Replacement Account shall not exceed the maximum amount established by the Operating and Capital Reserves Policy approved by the Water Services Department and the Governing Body, as may be amended from time to time.

(d) Except as otherwise provided in the Outstanding Parity Bond Ordinance, moneys in the Surplus Account are to be expended for the following purposes as determined by the Governing Body:

- (1) paying the cost of the operation, maintenance and repair of the Sanitary Sewer System to the extent necessary;
- (2) paying the cost of extending, enlarging or improving the Sanitary Sewer System;

- (3) preventing default in, anticipating payments into or increasing the amounts in the accounts confirmed or established in **Section 401** hereof, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any Sanitary Sewer System Revenue Bonds subsequently issued; or
 - (4) redeeming and paying prior to maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the call price (if any bonds are callable), the Bonds, the Outstanding Parity Bonds or any other Sanitary Sewer System Revenue Bonds of the City hereafter issued under the conditions hereinafter specified and standing on a parity with the Bonds, including principal, redemption premium, if any, and interest; or
 - (5) making payments on capital lease obligations; or
 - (6) any other lawful purpose in connection with the operation of the System and beneficial to the System.
- (e) No moneys derived by the City from the Sanitary Sewer System will be diverted to the general governmental or municipal functions of the City.

Section 603. Deficiency of Payments into Funds and Accounts.

- (a) If the Sanitary Sewer Revenues are insufficient to make any payment on any date specified in this **Article VI**, the City will make good the amount of the deficiency by making additional payments out of the first available Sanitary Sewer Revenues for application in the order specified in **Section 602** hereof.
- (b) If the moneys in the Outstanding Parity Bond Debt Service Account, the Outstanding Parity Bond Debt Service Reserve Account, the Series 2021B Debt Service Account or the Series 2021B Reserve Account (if required under **Section 403** hereof) are not sufficient to pay the principal of and interest on the Outstanding Parity Bonds and the Bonds as and when the same become due, the City will apply moneys in the Surplus Account on a proportionate basis (based upon the outstanding principal amounts of the Bonds and the Outstanding Parity Bonds) to the Series 2021B Debt Service Account and the Outstanding Parity Bond Debt Service Account to prevent any default in the payment of the principal of and interest on the Bonds and the Outstanding Parity Bonds.

Section 604. Transfer of Funds to Paying Agent. The Director of Finance is authorized and directed to make the payments to the Series 2021B Debt Service Account and the Outstanding Parity Bond Debt Service Account as provided in **Section 602** hereof, and, to the extent necessary to prevent a default in the payment of the Sanitary Sewer System Revenue Bonds, from the Outstanding Parity Bond Debt Service Reserve Account, the Series 2021B Reserve Account and the Surplus Account as provided in **Sections 602** and **603**, sums sufficient to pay the Sanitary Sewer System Revenue Bonds when due, and to forward amounts to the Paying Agent in a manner which ensures the Paying Agent will have sufficient available funds on or before the Business Day immediately preceding the dates when payments on the Sanitary Sewer System Revenue Bonds are due. Upon the payment of all principal and interest on the Sanitary Sewer System Revenue Bonds, the Paying Agent will return any excess funds to the City.

Section 605. Application of Moneys in the Series 2021B Compliance Account.

(a) There shall be deposited in the Series 2021B Compliance Account (1) the amount required by **Section 501** hereof and (2) such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. Subject to the payment provisions provided in subsection (b) and (d) below, all money in the Series 2021B Compliance Account shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2021B Compliance Account shall be governed by this Section and the Federal Tax Certificate.

(b) The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Except as provided in subsection (d) below with respect to Bond proceeds deposited in the Series 2021B Compliance Account pursuant to **Section 501** hereof, any moneys remaining in the Series 2021B Compliance Account after redemption and payment of all of the Bonds and the interest thereon and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be released to the City.

(c) Notwithstanding any other provision of this Ordinance, including in particular **Article XI**, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

(d) The moneys deposited in the Series 2021B Compliance Account pursuant to **Section 501** shall be used to pay costs associated with retaining any rebate analyst or other expert to perform any rebate computations or other calculations necessary to ensure the City maintains compliance with the requirements for rebate under Section 148(f) of the Code or any of the City's duties with respect to the Series 2021B Compliance Account (as defined in the Federal Tax Certificate). Any Bond proceeds or investment earnings thereon remaining in the Series 2018B Compliance Account five (5) years and 180 days after the date of issuance of the Series 2021B Bonds shall be deposited in and credited to the Series 2021B Debt Service Account created by **Section 401(e)(3)** of this Ordinance.

ARTICLE VII
DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Investment of Moneys.

(a) Moneys in each of the funds and accounts created or ratified and confirmed by this Ordinance may be invested by the City in Permitted Investments, but no investment will be made for a period extending longer than the date when the moneys invested may be needed. Unless stated otherwise, all earnings on any investments held in any fund or account will accrue to the Sewer Fund. In determining the amount held in any fund or account under this Ordinance, obligations will be valued at the lower of cost or market value. If the amount in any fund or account held within the Treasury of the City is greater than the required amount, the City may transfer the excess to the Sewer Fund.

(b) So long as the Outstanding Parity Bonds are outstanding, any investments made pursuant to this **Section 701** are subject to the applicable restrictions in the Outstanding Parity Bond Ordinance.

ARTICLE VIII
PARTICULAR COVENANTS OF THE CITY

Section 801. Efficient and Economical Operation. The City will continuously own and will operate the Sanitary Sewer System in an efficient and economical manner and will keep and maintain the Sanitary Sewer System in good repair and working order.

Section 802. Rate Covenant.

(a) The City will fix, establish, maintain and collect rates and charges for the use and services furnished by or through the Sanitary Sewer System to produce income and revenues sufficient to (1) pay the costs of the operation and maintenance of the Sanitary Sewer System; (2) pay the principal of and interest on the Bonds as and when due; (3) enable the City to have in each Fiscal Year Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Service Fees of not less than 110% of the amount required to be paid by the City in the Fiscal Year on account of both principal of and interest on all Sanitary Sewer System Revenue Bonds at the time outstanding, plus capital lease payments, if any, provided that interest on any SRF Program Bonds will be reduced by the SRF Subsidy, if any; and (4) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the Sanitary Sewer System as provided in this Ordinance. The City will require the prompt payment of accounts for service rendered by or through the Sanitary Sewer System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges.

(b) The City has covenanted in the ordinances applicable to the Outstanding Parity Bonds to comply with the rate covenant set forth in the applicable ordinance so long as such bonds are outstanding.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the Sanitary Sewer System will be furnished to any user without a reasonable charge being made therefore.

Section 804. Performance of Duties. The City will faithfully and punctually perform all duties and obligations with respect to the operation of the Sanitary Sewer System now or hereafter imposed upon the City by any applicable laws, including the constitution and laws of the State and the provisions of this Ordinance.

Section 805. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bonds and (2) comply with all provisions and requirements of the Federal Tax Certificate. The Director of Finance is hereby authorized to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the City. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The covenants contained in this **Section 805** and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article XI** of this Ordinance or any other provision of this Ordinance until the final Maturity of all Bonds Outstanding.

Section 806. Continuing Disclosure. The City covenants and agrees to enter into a Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) in order to satisfy the City’s ongoing disclosure requirements promulgated by Securities and Exchange Commission Rule 15c2-12, as amended, in

connection with the issuance of the Bonds. The Director of Finance is hereby authorized to execute and deliver the Continuing Disclosure Undertaking for and on behalf of the City, with such changes therein as he deems necessary or desirable. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a default under this Ordinance. Remedies for a default under the Continuing Disclosure Undertaking shall be limited to those set forth in the Continuing Disclosure Undertaking.

Section 807. Escrow Agreement. The City is hereby authorized to enter into an Escrow Agreement for each respective series of Refunded Bonds to be dated as of the date thereof between the City and the respective Escrow Agent, in substantially the form on file in the office of the Director of Finance. The Director of Finance is hereby authorized and directed to execute each respective Escrow Agreement with such changes therein as the Director of Finance may deem appropriate, for and on behalf of and as the act and deed of the City. The Escrow Agent is hereby authorized to carry out, on behalf of the City, the duties, terms and provisions of the applicable Escrow Agreement, and the Escrow Agent, the Purchaser, the Financial Advisor and Bond Counsel are authorized to take all necessary actions for the subscription and purchase of the escrowed securities described in the applicable Escrow Agreement.

ARTICLE IX **ADDITIONAL BONDS**

Section 901. Prior Lien Bonds. Except as provided in **Section 904** hereof, the City will not issue any debt obligations payable out of the Net Sanitary Sewer Revenues which are superior in lien, security or otherwise to the Bonds.

Section 902. Parity Lien Bonds or Obligations.

(a) Except as provided in **Section 904** hereof, the City will not issue any additional bonds or other long-term obligations payable out of the Net Sanitary Sewer Revenues which stand on a parity or equality with the Bonds unless the following conditions are met:

- (1) The City is not in default in the payment of principal or interest on the Bonds or the Parity Bonds or in making any deposit into the funds and accounts under this Ordinance or any Parity Ordinance; and
- (2) For so long as any of the Series 2021B Bonds remain Outstanding, the City provides to the Paying Agent a certificate showing either of the following:
 - (i) The average annual Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Service Fees as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least 110% of the average annual debt service on the Sanitary Sewer System Revenue Bonds (excluding subordinate revenue bonds or obligations), including the additional bonds proposed to be issued, to be paid out of the Net Sanitary Sewer Revenues Available for Debt Service in all succeeding Fiscal Years. Interest to be paid on any SRF Program Bonds may be reduced by the SRF Subsidy, if any. In determining Net Sanitary Sewer Revenues Available for Debt Service, the City may rely on a certificate of the Consultant to add the additional Net Sanitary Sewer Revenues Available for Debt Service which would have resulted if the rate increase had been in effect for the entire period to the audited Net Sanitary Sewer Revenues if the City has made any increase in rates for the use and

services of the Sanitary Sewer System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available; or

(ii) The estimated average annual Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Service Fees for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the Sanitary Sewer System being financed by the additional bonds are to be in commercial operation, as certified by the Consultant, is at least 110% of the average annual debt service on the Sanitary Sewer System Revenue Bonds (excluding subordinate revenue bonds or obligations), including the additional bonds proposed to be issued, to be paid out of the Net Sanitary Sewer Revenues Available for Debt Service in succeeding Fiscal Years following the commencement of commercial operation of the improvements. Interest to be paid on any SRF Program Bonds may be reduced by the SRF Subsidy, if any. In determining the amount of estimated Net Sanitary Sewer Revenues Available for Debt Service for the purpose of this subsection, the Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Sanitary Sewer Revenues Available for Debt Service resulting from any increase in rates for the use and services of the Sanitary Sewer System approved by the City.

(b) If the conditions set forth in this **Section 902** are satisfied, the City (i) may issue additional revenue bonds or other obligations of the City on a parity with the Bonds and that enjoy complete equality of the lien on the Net Sanitary Sewer Revenues with the Bonds, (ii) may make equal provision for paying the additional revenue bonds or other obligations from the Sewer Fund, and (iii) may secure the additional revenue bonds or other obligations by funding reasonable debt service accounts and debt service reserve accounts from the Net Sanitary Sewer Revenues.

(c) The City has covenanted in the ordinances applicable to the Outstanding Parity Bonds to comply with the additional bonds test set forth in the applicable ordinance so long as such bonds are outstanding.

Section 903. Junior Lien Bonds. Nothing in this **Article IX** prohibits or restricts the right of the City to issue additional revenue obligations, including revenue bonds, for the purpose of extending, improving, enlarging, repairing or altering the Sanitary Sewer System, that are subordinate to the Bonds if at the time of the issuance of the additional revenue obligations the City is not in default in the performance of any covenant or agreement in this Ordinance. If the City is in default in paying either interest on or principal of the Bonds, or if the Series 2021B Reserve Account is not fully funded to the extent required by **Section 403** hereof, the City shall not make any payments on the subordinate revenue obligations until the default is cured. Subject to the limitations in this **Section 903**, the City may make provision for paying the principal of and interest on the subordinate revenue bonds or obligations from moneys in the Sewer Fund.

Section 904. Refunding Bonds. The City may, without complying with the provisions of **Section 902** hereof, refund any of the Bonds in a manner which provides debt service savings to the City, and the refunding bonds so issued will be on a parity with any of the Bonds that are not refunded and any Outstanding Parity Bonds.

ARTICLE X **DEFAULT AND REMEDIES**

Section 1001. Acceleration of Maturity in Event of Default. The City covenants and agrees that if it shall default in the payment of the principal of or interest on any of the Bonds as the same shall become due on

any bond payment date, or if the City or the Council of the City or any of the officers, agents, or employees thereof shall fail or refuse to comply with any of the provisions of this Ordinance or of the constitution or statutes of the State, and such default continues for a period of sixty (60) days after written notice specifying such default has been given to the City by the Registered Owner of any Bond then Outstanding, then, at any time thereafter and while such default continues, the Registered Owners of twenty-five percent (25%) in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to the City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of the Bonds shall become and be immediately due and payable, anything in this Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of the Outstanding Bonds has been so declared to be due and payable, all arrears of interest upon all Outstanding Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full, and all other defaults, if any, by the City under the provisions of this Ordinance and under the provisions of the constitution or statutes of the State shall have been cured, then and in every such case, the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Section 1002. Remedies.

(a) The provisions of this Ordinance constitute a contract between the City and the Owners of the Bonds. The Owner or Owners of not less than 25% in principal amount of the Bonds at the time Outstanding have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

- (1) by any proceeding at law or in equity to enforce the rights of the Owner or Owners against the City and its officers, agents and employees, and to compel the performance by the City of its duties and obligations under this Ordinance, the Constitution and the laws of the State;
- (2) by any proceeding at law or in equity to require the City, its officers, agents and employees to account as if they were the Paying Agents of an express trust; and
- (3) by any proceeding at law or in equity to enjoin any act or thing which is unlawful or in violation of the rights of the Owners of the Bonds.

(b) Any amounts paid on the Bonds to the Owners will be applied first to interest and second to principal, to the extent due and payable.

Section 1003. Limitation on Rights of Bondowners. No Owner has any right in any manner whatever by the Owner's action to affect, disturb or prejudice the security granted and provided for in, or enforce any right under, this Ordinance, except in the manner provided in this Ordinance. All proceedings at law or in equity will be for the equal benefit of all Owners.

Section 1004. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy. Each remedy is in addition to every other remedy and may be exercised without exhausting any other remedy conferred under this Ordinance. No waiver by any Owner of any default or breach of duty or contract of the City under this Ordinance will affect any subsequent default or breach of duty or contract by the City or impair any rights or remedies thereon. No delay or omission of any Owner to

exercise any right or power accruing upon any default will impair any right or power or will be construed to be a waiver of any default. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be expedient. If any Owner discontinues any proceeding or the decision in the proceeding is against the Owner, the City and the Owners of the Bonds will be restored to their former positions and rights under this Ordinance.

Section 1005. Exception for Continuing Disclosure. This **Article X** shall not apply to **Section 806** hereof regarding the City's continuing disclosure obligations, and the Registered Owners of the Bonds shall have no remedies for enforcement of said obligations other than the remedies provided for in **Section 806** hereof and the City's Continuing Disclosure Undertaking (hereinafter defined).

Section 1006. No Obligation to Levy Taxes. Nothing in this Ordinance imposes any duty or obligation on the City to levy any taxes either to meet any obligation incurred under this Ordinance or to pay the principal of or interest on the Bonds.

ARTICLE XI **DEFEASANCE**

Section 1101. Defeasance. When all of the Bonds have been paid and discharged, the provisions of this Ordinance will terminate. Bonds will be treated as paid and discharged within the meaning of this Ordinance if the City has deposited with the Paying Agent, or other bank or trust company located in the State, having full trust powers and meeting the requirements of a successor paying agent, (i) moneys and non-callable Defeasance Securities which, together with interest to be earned, as evidenced by the written report of an independent certified public accountant, will be sufficient for the payment of the principal and redemption premium, if any, of and interest to accrue on the Bonds to the date of maturity or redemption, and (ii) an opinion of Bond Counsel, addressed to the Paying Agent, that providing for the payment of the Bonds by depositing moneys or Defeasance Securities with the Paying Agent in accordance with this **Section 1101** will not cause the interest on the Bonds to be included in gross income for federal income tax purposes. If any Bonds will be redeemed prior to maturity, the City must have given irrevocable instructions to the Paying Agent to redeem the Bonds. Any moneys and obligations which at any time are deposited with the Paying Agent or other bank by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, are assigned, transferred and set over in trust for the applicable Owners, and the moneys and obligations are irrevocably appropriated to the payment and discharge of the applicable Bonds.

ARTICLE XII **AMENDMENTS**

Section 1201. Amendments.

(a) The provisions of this **Article XII** are not applicable to (1) the Certificate of Final Terms or (2) the Continuing Disclosure Undertaking, which is subject to amendment and modification only as provided therein.

(b) Any provision of the Bonds or of this Ordinance may be amended by an ordinance, provided however, that the prior written consent of the Bondowners is required for any amendment which would:

- (1) extend the maturity of any payment of principal or interest on any Bond;

- (2) reduce the amount of principal or interest payable on any Bond; or
- (3) permit the priority of any Bond over any other Bond.

(c) No amendment will be effective until (i) the City has received an opinion of Bond Counsel stating that the amendment is permitted by this Ordinance and the Act, complies with their respective terms, is valid and binding upon the City in accordance with its terms and does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes, and (ii) the City Clerk has on file a copy of the amendment and all required consents.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

Section 1301. Further Authority. The officers of the City, including the Mayor, the City Manager, the City Treasurer, the Director of Finance and the City Clerk, are authorized and directed to execute all documents and take the actions as are necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial changes in the documents approved by this Ordinance which they may approve. The execution of any document or taking of any related action constitutes conclusive evidence of the necessity or advisability of the action or change.

Section 1302. Approval of Contracts. The City hereby approves the selection (1) of Gilmore & Bell, P.C., and Clayborn & Associates, LLC, as co-bond counsel and co-disclosure counsel for the Bonds and (2) of Hilltop Securities Inc., and Independent Public Advisors, LLC, as the City’s co-financial advisors.

Section 1303. Severability. If any section or other part of this Ordinance is for any reason held invalid, the invalidity will not affect the validity of the other provisions of this Ordinance.

Section 1304. Electronic Transaction. The transaction described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 1305. Governing Law. This Ordinance is governed by and will be construed in accordance with the laws of the State.

Section 1306. Establishment of Fund. That Fund No. 8192, the Sewer Refunding Revenue Bond Fund Series 2021B, is hereby established in the records of the City of Kansas City, Missouri.

Section 1307. Estimation of Revenues. That revenue of \$125,000,000.00 is hereby estimated in Fund 8192, the Sewer Refunding Revenue Bond Fund Series 2021B, in the following accounts:

AL-8192-120000-590000	Bond Proceeds	\$105,000,000.00
AL-8192-120000-485190	Premium on Sale of Bonds	20,000,000.00
	TOTAL	\$125,000,000.00

Section 1308. Appropriation of Revenues. That the sum of \$125,000,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 8192, the Sewer Refunding Revenue Bond Fund Series 2021B, to the following accounts:

AL-8192-129620-G	Cost of Issuance	\$ 495,000.00
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AL-8192-129686-B	Arbitrage Rebate Calculation	5,000.00
AL-8192-129631-G	Underwriters' Discount	800,000.00
AL-8192-129630-G	Discount on Sale of Refunding Bonds	2,000,000.00
AL-8192-129671-G	Defeasance	<u>121,700,000.00</u>
	TOTAL	\$125,000,000.00

Section 1309. Requisitioning Authority. That the Director of Finance is designated as the requisitioning authority for Accounts Nos. AL-8192-129620, AL-8192-129686, AL-8192-129631, AL-8192-129630 and AL-8192-129671.

Section 1310. Modification of Accounts. That the Director of Finance is hereby authorized to modify the previously approved estimated revenues and appropriations in **Section 1308** hereof as required to correctly record the budgetary amounts finalized through the sale of the Bonds into the marketplace.

Section 1311. Reimbursement. That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in **Section 1308** hereof (the "**Appropriation**") with the proceeds of Bonds expected to be issued by the City. The maximum principal amount of Bonds expected to be issued for the Appropriations is not to exceed \$126,000,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

Section 1312. Closing of Accounts. That the Director of Finance is hereby authorized to close accounts, open encumbrances and retainage related to the accounts in **Section 1308** hereof, and return the unspent portion to the Fund balance from which it came upon the earliest of: (i) the provisions of this ordinance; (ii) final maturity of financing or (iii) five years after issuance.

Section 1313. Closing of Refunded Bond Fund Accounts. That the Director of Finance and the Director of Water Services is hereby authorized to close or transfer open encumbrances and retainage, make necessary budget transfers, reallocate project expenditures and any other actions necessary to expended remaining project fund proceeds of the Refunded Bonds in order to comply with United States Treasury regulations with respect to federal tax-exempt securities.

Section 1314. Effective Date. This Ordinance will take effect and be in full force and effect ten (10) days after its passage.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Katherine Chandler
Assistant City Attorney

EXHIBIT A

TERMS OF BONDS

1. Purchase Price: Not less than 95% of the Principal Amount.
2. Weighted Average Maturity of the Bonds: Not less than 6.2 years nor more than 10.2 years.
3. Costs of Issuance, not including the Purchaser's Discount: Not to exceed \$700,000.
4. True Interest Cost: Not to exceed 3.55%.
5. Optional Redemption: The Bonds shall be subject to redemption at the option of the City prior to their Stated Maturities on a date that is not later than January 1, 2032, at a Redemption Price not to exceed 100% of the principal amount thereof.
6. Final Maturity: Not later than January 1, 2037.
7. Present Value Savings on the Refunded Series 2011A Bonds: Not less than 3.00%.
8. Present Value Savings on the Refunded Series 2012A Bonds: Not less than 3.00%.

EXHIBIT B

FINAL EXECUTED CERTIFICATE OF FINAL TERMS

EXHIBIT C

FORM OF CERTIFICATE OF FINAL TERMS

The undersigned Mayor of the City of Kansas City, Missouri (the “City”), in connection with the issuance of the City’s Sanitary Sewer System Refunding Revenue Bonds, Series 2021B (the “Bonds”), certifies pursuant to Section 211 of Ordinance No. 21 _____:

1. **Principal Amount**. The Bonds are issued in the Principal Amount of \$_____.
2. **Interest Payment Dates**. Each [January 1] and [July 1], commencing [_____ 1, 20__].]
3. **Maturity Schedule**. The Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

4.

Maturity (January 1)

Principal Amount

Interest Rate

20__[†]

[†] Term Bond

5. **Weighted Average Maturity of the Bonds.** The weighted average maturity of the Bonds is _____ years, as shown on **Schedule 1** to this Certificate.
6. **True Interest Cost:** The True Interest Cost of the Bonds is _____%, as shown on **Schedule 2** to this Certificate.
7. **Purchaser.** [*Pursuant to **Section 211(a)(1)** of this Ordinance, the Bonds are being sold to _____*, as the bidder submitting the lowest “true interest cost” in accordance with the Notice of Bond Sale*] [**Pursuant to **Section 211(a)(2)** of this Ordinance, the Bonds are being sold to Siebert Williams Shank & Co., LLC, as representative of the underwriters of the Bonds in accordance with the Purchase Contract.**]
8. **Purchase Price.** The purchase price of the Bonds is \$ _____, (representing the principal amount of \$ _____, plus the premium of \$ _____, less the underwriter’s discount of \$ _____, plus accrued interest in the amount of \$ _____), which purchase price is _____% of the Principal Amount.
9. **Mandatory Sinking Fund Redemption.** [**There are no Term Bonds subject to mandatory sinking fund redemption prior to maturity.**][**The Term Bonds identified in paragraph 2 are subject to mandatory sinking fund redemption pursuant to **Section 301(a)** of the Ordinance on the dates and in the amounts as follows:

Term Bonds Maturing on [January 1], 20__

13. Bond Reserve Debt Service Coverage Requirement. **[**130%**]** of the average annual Debt Service Requirements.

The terms set forth in this Certificate of Final Terms are within the limitations of **Exhibit A** to the Ordinance.

Delivered this ____ day of _____, 2021.

CITY OF KANSAS CITY, MISSOURI

By:

Mayor

LEGISLATIVE FISCAL NOTE	LEGISLATION NUMBER:	210846
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LEGISLATION IN BRIEF:

Authorizing the issuance of Sewer Refunding Revenue Bonds, Series 2021B of the City of Kansas City, Missouri.

What is the purpose of this legislation? DEBT

For the purpose of issuing debt to NOT fund operations, but to fund the purchase of capital.

Does this legislation pay debt service appropriated in the current fiscal year? <i>See Section 00: " Notes" Below</i>	YES	Yes/No
Does this legislation estimate Revenues related to selling debt? <i>See Section 02 for the proceeds from the sale of debt</i>	YES	Yes/No
Does this legislation increase appropriations related to issuing Debt? <i>See Section 02 for the total purchase credit</i>	YES	Yes/No
Does the life of the Debt extend beyond the next five fiscal years? <i>See Section 00: " Notes" Below for a total debt service for all years. Section 04 for the first five.</i>	YES	Yes/No

Section 00: Notes:

Debt service for the bond issue will be paid from net revenues from the Sanitary Sewer System. This is only a refunding issuance, with debt service for the Series 2011A and Series 2012A Sewer Refunding and Improvement Revenue Bonds being replaced with lower debt service from the Series 2021B Sewer Refunding Revenue Bonds. The refunding is to achieve significant debt service savings to the Sanitary Sewer System of approximately 19% on a net present value basis over fifteen years. While debt service for this bond issue in isolation will total \$140,536,655.56 (section 04), overall savings will amount to \$23,122,606.97 (attached debt service schedule)

Refunding Results
Based on a preliminary analysis prepared by Hilltop Securities, Inc., the City's co-financial advisor, the following debt service figures were calculated at a federally tax-exempt true interest cost of 1.969%:

Par Amount: \$104,025,000
Avg. Annual Debt Service: \$9,259,369.69
Total Debt Service: \$140,536,655.56
Net PV Savings: \$19,711,006.52
Savings Percent of Refunding Bonds: 18.948%

This Fiscal Note will have a debt service schedule attached.

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?				FY 21-22 BUD	FY 22-23 EST
FUND	DEPTID	ACCOUNT	PROJECT		
Section 02: If applicable, where will new revenues be estimated?				FY 21-22 BUD	FY 22-23 EST
FUND	DEPTID	ACCOUNT	PROJECT		
8192	120000	Various		\$ 125,000,000.00	
Section 03: If applicable, where will appropriations be increased?				FY 21-22 BUD	FY 22-23 EST
FUND	DEPTID	ACCOUNT	PROJECT		
8192	12-Various	Various		\$ 125,000,000.00	
NET IMPACT ON OPERATIONAL BUDGET				\$ -	\$ -
<i>RESERVE STATUS:</i>					

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
8192	Sewer Refunding Rev Bond Fund Series 2021B	\$ 125,000,000.00						
TOTAL REV		125,000,000	-	-	-	-	-	-
FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
8192	Sewer Refunding Rev Bond Fund Series 2021B	\$ 125,000,000.00						
8110	Sewer		\$9,554,755.56	\$9,761,250.00	\$9,754,000.00	\$8,578,500.00	\$8,572,500.00	\$ 94,315,650.00
TOTAL EXP		\$ 125,000,000.00	\$ 9,554,755.56	\$ 9,761,250.00	\$ 9,754,000.00	\$ 8,578,500.00	\$ 8,572,500.00	\$ 94,315,650.00
NET Per-YEAR IMPACT		\$ -	\$ (9,554,755.56)	\$ (9,761,250.00)	\$ (9,754,000.00)	\$ (8,578,500.00)	\$ (8,572,500.00)	\$ (94,315,650.00)
NET IMPACT (SIX YEARS)								(140,536,655.56)

REVIEWED BY Kitty Steffens, OMB DATE 9/13/2021

SAVINGS

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

Date	Prior Debt Service	Refunding Debt Service	Savings
04/30/2022	9,560,781.25	9,554,755.56	6,025.69
04/30/2023	11,301,462.50	9,761,250.00	1,540,212.50
04/30/2024	11,298,812.50	9,754,000.00	1,544,812.50
04/30/2025	10,117,312.50	8,578,500.00	1,538,812.50
04/30/2026	10,113,312.50	8,572,500.00	1,540,812.50
04/30/2027	10,115,687.50	8,574,750.00	1,540,937.50
04/30/2028	10,118,187.50	8,574,250.00	1,543,937.50
04/30/2029	10,113,437.50	8,570,500.00	1,542,937.50
04/30/2030	10,113,125.00	8,573,000.00	1,540,125.00
04/30/2031	10,113,875.00	8,575,750.00	1,538,125.00
04/30/2032	10,116,175.00	8,578,000.00	1,538,175.00
04/30/2033	10,117,625.00	8,576,800.00	1,540,825.00
04/30/2034	10,115,250.00	8,574,800.00	1,540,450.00
04/30/2035	10,118,031.26	8,576,600.00	1,541,431.26
04/30/2036	10,115,156.26	8,571,600.00	1,543,556.26
04/30/2037	10,111,031.26	8,569,600.00	1,541,431.26
	163,659,262.53	140,536,655.56	23,122,606.97

Savings Summary

Dated Date	10/27/2021
Delivery Date	10/27/2021
PV of savings from cash flow	19,707,986.40
Plus: Refunding funds on hand	3,020.12
	<hr/>
Net PV Savings	19,711,006.52

SUMMARY OF REFUNDING RESULTS

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

	Sewer Refund Series 2011A Portion	Sewer Refund Series 2012A Portion	Total
Dated Date	10/27/2021	10/27/2021	10/27/2021
Delivery Date	10/27/2021	10/27/2021	10/27/2021
Arbitrage Yield	1.484146%	1.484146%	1.484146%
Escrow Yield		0.040688%	0.040688%
Value of Negative Arbitrage		144,479.37	144,479.37
Bond Par Amount	55,415,000.00	48,610,000.00	104,025,000.00
True Interest Cost	1.972400%	1.964324%	1.968712%
Net Interest Cost	2.204932%	2.195170%	2.200475%
All-In TIC	2.030325%	2.024747%	2.027778%
Average Coupon	4.316690%	4.323367%	4.319739%
Average Life	8.288	7.939	8.125
Par amount of refunded bonds	63,565,000.00	55,555,000.00	119,120,000.00
Average coupon of refunded bonds	4.925742%	3.586165%	4.320781%
Average life of refunded bonds	8.562	8.068	8.332
PV of prior debt	78,599,263.08	62,546,340.32	
Net PV Savings	13,753,341.20	5,957,665.32	19,711,006.52
Percentage savings of refunded bonds	21.636657%	10.723905%	16.547185%
Percentage savings of refunding bonds	24.818806%	12.256049%	18.948336%

SOURCES AND USES OF FUNDS

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

Dated Date 10/27/2021
Delivery Date 10/27/2021

Sources:	Sewer Refund Series 2011A Portion	Sewer Refund Series 2012A Portion	Total
Bond Proceeds:			
Par Amount	55,415,000.00	48,610,000.00	104,025,000.00
Premium	10,114,844.40	8,577,960.10	18,692,804.50
	<u>65,529,844.40</u>	<u>57,187,960.10</u>	<u>122,717,804.50</u>
Uses:			
	Sewer Refund Series 2011A Portion	Sewer Refund Series 2012A Portion	Total
Refunding Escrow Deposits:			
Cash Deposit	64,845,921.88		64,845,921.88
SLGS Purchases		56,588,675.00	56,588,675.00
	<u>64,845,921.88</u>	<u>56,588,675.00</u>	<u>121,434,596.88</u>
Delivery Date Expenses:			
Cost of Issuance	266,354.24	233,645.76	500,000.00
Underwriter's Discount	415,612.50	364,575.00	780,187.50
	<u>681,966.74</u>	<u>598,220.76</u>	<u>1,280,187.50</u>
Other Uses of Funds:			
Additional Proceeds	1,955.78	1,064.34	3,020.12
	<u>65,529,844.40</u>	<u>57,187,960.10</u>	<u>122,717,804.50</u>

BOND SUMMARY STATISTICS

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

Dated Date	10/27/2021
Delivery Date	10/27/2021
First Coupon	01/01/2022
Last Maturity	01/01/2037
Arbitrage Yield	1.484146%
True Interest Cost (TIC)	1.968712%
Net Interest Cost (NIC)	2.200475%
NIC w/Interest only	4.319739%
NIC w/Interest & OID	2.108170%
NIC w/Interest, OID & Und. Discount	2.200475%
All-In TIC	2.027778%
Average Coupon	4.319739%
Average Life (years)	8.125
Weighted Average Maturity (years)	8.321
Duration of Issue (years)	7.032
Par Amount	104,025,000.00
Bond Proceeds	122,717,804.50
Total Interest	36,511,655.56
Net Interest	18,599,038.56
Bond Years from Dated Date	845,228,333.33
Bond Years from Delivery Date	845,228,333.33
Total Debt Service	140,536,655.56
Maximum Annual Debt Service	9,761,250.00
Average Annual Debt Service	9,259,369.69
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	7.500000
Total Underwriter's Discount	7.500000
Bid Price	117.219531

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	104,025,000.00	117.970	4.320%	8.125	71,481.35
	104,025,000.00			8.125	71,481.35

BOND SUMMARY STATISTICS

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

	TIC	All-In TIC	Arbitrage Yield
Par Value	104,025,000.00	104,025,000.00	104,025,000.00
+ Accrued Interest			
+ Premium (Discount)	18,692,804.50	18,692,804.50	18,692,804.50
- Underwriter's Discount	-780,187.50	-780,187.50	
- Cost of Issuance Expense		-500,000.00	
- Other Amounts			
Target Value	121,937,617.00	121,437,617.00	122,717,804.50
Target Date	10/27/2021	10/27/2021	10/27/2021
Yield	1.968712%	2.027778%	1.484146%

BOND DEBT SERVICE

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

Dated Date 10/27/2021
Delivery Date 10/27/2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2022	8,710,000	5.000%	844,755.56	9,554,755.56	
04/30/2022					9,554,755.56
07/01/2022			2,158,125.00	2,158,125.00	
01/01/2023	5,445,000	5.000%	2,158,125.00	7,603,125.00	
04/30/2023					9,761,250.00
07/01/2023			2,022,000.00	2,022,000.00	
01/01/2024	5,710,000	5.000%	2,022,000.00	7,732,000.00	
04/30/2024					9,754,000.00
07/01/2024			1,879,250.00	1,879,250.00	
01/01/2025	4,820,000	5.000%	1,879,250.00	6,699,250.00	
04/30/2025					8,578,500.00
07/01/2025			1,758,750.00	1,758,750.00	
01/01/2026	5,055,000	5.000%	1,758,750.00	6,813,750.00	
04/30/2026					8,572,500.00
07/01/2026			1,632,375.00	1,632,375.00	
01/01/2027	5,310,000	5.000%	1,632,375.00	6,942,375.00	
04/30/2027					8,574,750.00
07/01/2027			1,499,625.00	1,499,625.00	
01/01/2028	5,575,000	5.000%	1,499,625.00	7,074,625.00	
04/30/2028					8,574,250.00
07/01/2028			1,360,250.00	1,360,250.00	
01/01/2029	5,850,000	5.000%	1,360,250.00	7,210,250.00	
04/30/2029					8,570,500.00
07/01/2029			1,214,000.00	1,214,000.00	
01/01/2030	6,145,000	5.000%	1,214,000.00	7,359,000.00	
04/30/2030					8,573,000.00
07/01/2030			1,060,375.00	1,060,375.00	
01/01/2031	6,455,000	5.000%	1,060,375.00	7,515,375.00	
04/30/2031					8,575,750.00
07/01/2031			899,000.00	899,000.00	
01/01/2032	6,780,000	4.000%	899,000.00	7,679,000.00	
04/30/2032					8,578,000.00
07/01/2032			763,400.00	763,400.00	
01/01/2033	7,050,000	4.000%	763,400.00	7,813,400.00	
04/30/2033					8,576,800.00
07/01/2033			622,400.00	622,400.00	
01/01/2034	7,330,000	4.000%	622,400.00	7,952,400.00	
04/30/2034					8,574,800.00
07/01/2034			475,800.00	475,800.00	
01/01/2035	7,625,000	4.000%	475,800.00	8,100,800.00	
04/30/2035					8,576,600.00
07/01/2035			323,300.00	323,300.00	
01/01/2036	7,925,000	4.000%	323,300.00	8,248,300.00	
04/30/2036					8,571,600.00
07/01/2036			164,800.00	164,800.00	
01/01/2037	8,240,000	4.000%	164,800.00	8,404,800.00	
04/30/2037					8,569,600.00
	104,025,000		36,511,655.56	140,536,655.56	140,536,655.56

BOND DEBT SERVICE

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
Preliminary/Subject to Change

Dated Date 10/27/2021
Delivery Date 10/27/2021

Period Ending	Principal	Coupon	Interest	Debt Service
04/30/2022	8,710,000	5.000%	844,755.56	9,554,755.56
04/30/2023	5,445,000	5.000%	4,316,250.00	9,761,250.00
04/30/2024	5,710,000	5.000%	4,044,000.00	9,754,000.00
04/30/2025	4,820,000	5.000%	3,758,500.00	8,578,500.00
04/30/2026	5,055,000	5.000%	3,517,500.00	8,572,500.00
04/30/2027	5,310,000	5.000%	3,264,750.00	8,574,750.00
04/30/2028	5,575,000	5.000%	2,999,250.00	8,574,250.00
04/30/2029	5,850,000	5.000%	2,720,500.00	8,570,500.00
04/30/2030	6,145,000	5.000%	2,428,000.00	8,573,000.00
04/30/2031	6,455,000	5.000%	2,120,750.00	8,575,750.00
04/30/2032	6,780,000	4.000%	1,798,000.00	8,578,000.00
04/30/2033	7,050,000	4.000%	1,526,800.00	8,576,800.00
04/30/2034	7,330,000	4.000%	1,244,800.00	8,574,800.00
04/30/2035	7,625,000	4.000%	951,600.00	8,576,600.00
04/30/2036	7,925,000	4.000%	646,600.00	8,571,600.00
04/30/2037	8,240,000	4.000%	329,600.00	8,569,600.00
	104,025,000		36,511,655.56	140,536,655.56

BOND PRICING

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
****Preliminary/Subject to Change****

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	01/01/2022	8,710,000	5.000%	0.580%	100.783				68,199.30
	01/01/2023	5,445,000	5.000%	0.620%	105.131				279,382.95
	01/01/2024	5,710,000	5.000%	0.720%	109.230				527,033.00
	01/01/2025	4,820,000	5.000%	0.830%	113.050				629,010.00
	01/01/2026	5,055,000	5.000%	0.940%	116.593				838,776.15
	01/01/2027	5,310,000	5.000%	1.090%	119.630				1,042,353.00
	01/01/2028	5,575,000	5.000%	1.180%	122.693				1,265,134.75
	01/01/2029	5,850,000	5.000%	1.300%	125.276				1,478,646.00
	01/01/2030	6,145,000	5.000%	1.380%	127.901				1,714,516.45
	01/01/2031	6,455,000	5.000%	1.440%	130.501				1,968,839.55
	01/01/2032	6,780,000	4.000%	1.530%	121.072 C	1.733%	01/01/2031	100.000	1,428,681.60
	01/01/2033	7,050,000	4.000%	1.580%	120.597 C	1.941%	01/01/2031	100.000	1,452,088.50
	01/01/2034	7,330,000	4.000%	1.640%	120.030 C	2.124%	01/01/2031	100.000	1,468,199.00
	01/01/2035	7,625,000	4.000%	1.700%	119.466 C	2.281%	01/01/2031	100.000	1,484,282.50
	01/01/2036	7,925,000	4.000%	1.740%	119.091 C	2.403%	01/01/2031	100.000	1,512,961.75
	01/01/2037	8,240,000	4.000%	1.790%	118.625 C	2.516%	01/01/2031	100.000	1,534,700.00
		104,025,000							18,692,804.50

Dated Date	10/27/2021	
Delivery Date	10/27/2021	
First Coupon	01/01/2022	
Par Amount	104,025,000.00	
Premium	18,692,804.50	
Production	122,717,804.50	117.969531%
Underwriter's Discount	-780,187.50	-0.750000%
Purchase Price	121,937,617.00	117.219531%
Accrued Interest		
Net Proceeds	121,937,617.00	

SUMMARY OF BONDS REFUNDED

Kansas City, MO
Sanitary Sewer System Revenue Refunding Bonds, Series 2021
Scale: AA + 50pbs rates 7.21.21
(Refunding: Series 2011A & Series 2012A)
Preliminary/Subject to Change

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price	
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2011A, 2011A:						
SERIAL	01/01/2022	5.000%	3,510,000.00	12/01/2021	100.000	
	01/01/2023	3.000%	2,855,000.00	12/01/2021	100.000	
	01/01/2024	5.000%	2,940,000.00	12/01/2021	100.000	
	01/01/2025	5.000%	3,090,000.00	12/01/2021	100.000	
	01/01/2026	5.000%	3,240,000.00	12/01/2021	100.000	
	01/01/2027	5.000%	3,405,000.00	12/01/2021	100.000	
	01/01/2028	5.000%	3,575,000.00	12/01/2021	100.000	
	01/01/2029	3.750%	3,755,000.00	12/01/2021	100.000	
	01/01/2030	5.000%	3,895,000.00	12/01/2021	100.000	
	01/01/2031	5.000%	4,090,000.00	12/01/2021	100.000	
TERM	01/01/2032	5.000%	4,295,000.00	12/01/2021	100.000	
	01/01/2033	5.000%	4,510,000.00	12/01/2021	100.000	
	01/01/2034	5.000%	4,735,000.00	12/01/2021	100.000	
	01/01/2035	5.000%	4,970,000.00	12/01/2021	100.000	
	01/01/2036	5.000%	5,220,000.00	12/01/2021	100.000	
	01/01/2037	5.000%	5,480,000.00	12/01/2021	100.000	
				<u>63,565,000.00</u>		
Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2012A, 2012A:						
SERIAL	01/01/2022	2.000%	3,480,000.00			
	01/01/2023	4.000%	3,550,000.00	01/01/2022	100.000	
	01/01/2024	5.000%	3,690,000.00	01/01/2022	100.000	
	01/01/2025	5.000%	2,690,000.00	01/01/2022	100.000	
	01/01/2026	2.500%	2,825,000.00	01/01/2022	100.000	
	01/01/2027	3.500%	1,500,000.00	01/01/2022	100.000	
	01/01/2027	5.000%	1,395,000.00	01/01/2022	100.000	
	01/01/2028	5.000%	3,020,000.00	01/01/2022	100.000	
	01/01/2029	2.750%	1,500,000.00	01/01/2022	100.000	
	01/01/2029	5.000%	1,665,000.00	01/01/2022	100.000	
	01/01/2030	5.000%	3,290,000.00	01/01/2022	100.000	
	TERM32	01/01/2031	4.000%	3,455,000.00	01/01/2022	100.000
		01/01/2032	4.000%	3,595,000.00	01/01/2022	100.000
TERM37	01/01/2033	3.125%	3,740,000.00	01/01/2022	100.000	
	01/01/2034	3.125%	3,855,000.00	01/01/2022	100.000	
	01/01/2035	3.125%	3,980,000.00	01/01/2022	100.000	
	01/01/2036	3.125%	4,100,000.00	01/01/2022	100.000	
	01/01/2037	3.125%	4,225,000.00	01/01/2022	100.000	
			<u>55,555,000.00</u>			
			<u>119,120,000.00</u>			

SAVINGS

Refund Sewer 2011A Portion

Date	Prior Debt Service	Refunding Debt Service	Savings
04/30/2022	5,047,106.25	5,043,960.00	3,146.25
04/30/2023	5,753,712.50	4,680,650.00	1,073,062.50
04/30/2024	5,753,062.50	4,676,400.00	1,076,662.50
04/30/2025	5,756,062.50	4,681,400.00	1,074,662.50
04/30/2026	5,751,562.50	4,674,900.00	1,076,662.50
04/30/2027	5,754,562.50	4,682,150.00	1,072,412.50
04/30/2028	5,754,312.50	4,677,150.00	1,077,162.50
04/30/2029	5,755,562.50	4,680,150.00	1,075,412.50
04/30/2030	5,754,750.00	4,680,400.00	1,074,350.00
04/30/2031	5,755,000.00	4,682,650.00	1,072,350.00
04/30/2032	5,755,500.00	4,681,400.00	1,074,100.00
04/30/2033	5,755,750.00	4,683,400.00	1,072,350.00
04/30/2034	5,755,250.00	4,679,400.00	1,075,850.00
04/30/2035	5,753,500.00	4,679,400.00	1,074,100.00
04/30/2036	5,755,000.00	4,678,000.00	1,077,000.00
04/30/2037	5,754,000.00	4,680,000.00	1,074,000.00
	91,364,693.75	75,241,410.00	16,123,283.75

Savings Summary

Dated Date	10/27/2021
Delivery Date	10/27/2021
Savings PV rate	2.030325%
PV of savings from cash flow	13,751,385.42
Plus: Refunding funds on hand	1,955.78
Net PV Savings	13,753,341.20

SUMMARY OF REFUNDING RESULTS

Refund Sewer 2011A Portion

Dated Date	10/27/2021
Delivery Date	10/27/2021
Arbitrage yield	1.484146%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	55,415,000.00
True Interest Cost	1.972400%
Net Interest Cost	2.204932%
All-In TIC	2.030325%
Average Coupon	4.316690%
Average Life	8.288
Par amount of refunded bonds	63,565,000.00
Average coupon of refunded bonds	4.925742%
Average life of refunded bonds	8.562
PV of prior debt to 10/27/2021 @ 2.030325%	78,599,263.08
Net PV Savings	13,753,341.20
Percentage savings of refunded bonds	21.636657%
Percentage savings of refunding bonds	24.818806%

ESCROW REQUIREMENTS

Refund Sewer 2011A Portion

Period Ending	Interest	Principal Redeemed	Total
12/01/2021	1,280,921.88	63,565,000.00	64,845,921.88
	1,280,921.88	63,565,000.00	64,845,921.88

PRIOR BOND DEBT SERVICE

Refund Sewer 2011A Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2022	3,510,000	5.000%	1,537,106.25	5,047,106.25	
04/30/2022					5,047,106.25
07/01/2022			1,449,356.25	1,449,356.25	
01/01/2023	2,855,000	3.000%	1,449,356.25	4,304,356.25	
04/30/2023					5,753,712.50
07/01/2023			1,406,531.25	1,406,531.25	
01/01/2024	2,940,000	5.000%	1,406,531.25	4,346,531.25	
04/30/2024					5,753,062.50
07/01/2024			1,333,031.25	1,333,031.25	
01/01/2025	3,090,000	5.000%	1,333,031.25	4,423,031.25	
04/30/2025					5,756,062.50
07/01/2025			1,255,781.25	1,255,781.25	
01/01/2026	3,240,000	5.000%	1,255,781.25	4,495,781.25	
04/30/2026					5,751,562.50
07/01/2026			1,174,781.25	1,174,781.25	
01/01/2027	3,405,000	5.000%	1,174,781.25	4,579,781.25	
04/30/2027					5,754,562.50
07/01/2027			1,089,656.25	1,089,656.25	
01/01/2028	3,575,000	5.000%	1,089,656.25	4,664,656.25	
04/30/2028					5,754,312.50
07/01/2028			1,000,281.25	1,000,281.25	
01/01/2029	3,755,000	3.750%	1,000,281.25	4,755,281.25	
04/30/2029					5,755,562.50
07/01/2029			929,875.00	929,875.00	
01/01/2030	3,895,000	5.000%	929,875.00	4,824,875.00	
04/30/2030					5,754,750.00
07/01/2030			832,500.00	832,500.00	
01/01/2031	4,090,000	5.000%	832,500.00	4,922,500.00	
04/30/2031					5,755,000.00
07/01/2031			730,250.00	730,250.00	
01/01/2032	4,295,000	5.000%	730,250.00	5,025,250.00	
04/30/2032					5,755,500.00
07/01/2032			622,875.00	622,875.00	
01/01/2033	4,510,000	5.000%	622,875.00	5,132,875.00	
04/30/2033					5,755,750.00
07/01/2033			510,125.00	510,125.00	
01/01/2034	4,735,000	5.000%	510,125.00	5,245,125.00	
04/30/2034					5,755,250.00
07/01/2034			391,750.00	391,750.00	
01/01/2035	4,970,000	5.000%	391,750.00	5,361,750.00	
04/30/2035					5,753,500.00
07/01/2035			267,500.00	267,500.00	
01/01/2036	5,220,000	5.000%	267,500.00	5,487,500.00	
04/30/2036					5,755,000.00
07/01/2036			137,000.00	137,000.00	
01/01/2037	5,480,000	5.000%	137,000.00	5,617,000.00	
04/30/2037					5,754,000.00
	63,565,000		27,799,693.75	91,364,693.75	91,364,693.75

SAVINGS

Refund Sewer 2012A Portion

Date	Prior Debt Service	Refunding Debt Service	Savings
04/30/2022	4,513,675.00	4,510,795.56	2,879.44
04/30/2023	5,547,750.00	5,080,600.00	467,150.00
04/30/2024	5,545,750.00	5,077,600.00	468,150.00
04/30/2025	4,361,250.00	3,897,100.00	464,150.00
04/30/2026	4,361,750.00	3,897,600.00	464,150.00
04/30/2027	4,361,125.00	3,892,600.00	468,525.00
04/30/2028	4,363,875.00	3,897,100.00	466,775.00
04/30/2029	4,357,875.00	3,890,350.00	467,525.00
04/30/2030	4,358,375.00	3,892,600.00	465,775.00
04/30/2031	4,358,875.00	3,893,100.00	465,775.00
04/30/2032	4,360,675.00	3,896,600.00	464,075.00
04/30/2033	4,361,875.00	3,893,400.00	468,475.00
04/30/2034	4,360,000.00	3,895,400.00	464,600.00
04/30/2035	4,364,531.26	3,897,200.00	467,331.26
04/30/2036	4,360,156.26	3,893,600.00	466,556.26
04/30/2037	4,357,031.26	3,889,600.00	467,431.26
	72,294,568.78	65,295,245.56	6,999,323.22

Savings Summary

Dated Date	10/27/2021
Delivery Date	10/27/2021
Savings PV rate	2.024747%
PV of savings from cash flow	5,956,600.98
Plus: Refunding funds on hand	1,064.34
Net PV Savings	5,957,665.32

SUMMARY OF REFUNDING RESULTS

Refund Sewer 2012A Portion

Dated Date	10/27/2021
Delivery Date	10/27/2021
Arbitrage yield	1.484146%
Escrow yield	0.040688%
Value of Negative Arbitrage	144,479.37
Bond Par Amount	48,610,000.00
True Interest Cost	1.964324%
Net Interest Cost	2.195170%
All-In TIC	2.024747%
Average Coupon	4.323367%
Average Life	7.939
Par amount of refunded bonds	55,555,000.00
Average coupon of refunded bonds	3.586165%
Average life of refunded bonds	8.068
PV of prior debt to 10/27/2021 @ 2.024747%	62,546,340.32
Net PV Savings	5,957,665.32
Percentage savings of refunded bonds	10.723905%
Percentage savings of refunding bonds	12.256049%

ESCROW REQUIREMENTS

Refund Sewer 2012A Portion

Period Ending	Principal	Interest	Principal Redeemed	Total
01/01/2022	3,480,000.00	1,033,675.00	52,075,000.00	56,588,675.00
	3,480,000.00	1,033,675.00	52,075,000.00	56,588,675.00

PRIOR BOND DEBT SERVICE

Refund Sewer 2012A Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2022	3,480,000	2.000%	1,033,675.00	4,513,675.00	
04/30/2022					4,513,675.00
07/01/2022			998,875.00	998,875.00	
01/01/2023	3,550,000	4.000%	998,875.00	4,548,875.00	
04/30/2023					5,547,750.00
07/01/2023			927,875.00	927,875.00	
01/01/2024	3,690,000	5.000%	927,875.00	4,617,875.00	
04/30/2024					5,545,750.00
07/01/2024			835,625.00	835,625.00	
01/01/2025	2,690,000	5.000%	835,625.00	3,525,625.00	
04/30/2025					4,361,250.00
07/01/2025			768,375.00	768,375.00	
01/01/2026	2,825,000	2.500%	768,375.00	3,593,375.00	
04/30/2026					4,361,750.00
07/01/2026			733,062.50	733,062.50	
01/01/2027	2,895,000	** %	733,062.50	3,628,062.50	
04/30/2027					4,361,125.00
07/01/2027			671,937.50	671,937.50	
01/01/2028	3,020,000	5.000%	671,937.50	3,691,937.50	
04/30/2028					4,363,875.00
07/01/2028			596,437.50	596,437.50	
01/01/2029	3,165,000	** %	596,437.50	3,761,437.50	
04/30/2029					4,357,875.00
07/01/2029			534,187.50	534,187.50	
01/01/2030	3,290,000	5.000%	534,187.50	3,824,187.50	
04/30/2030					4,358,375.00
07/01/2030			451,937.50	451,937.50	
01/01/2031	3,455,000	4.000%	451,937.50	3,906,937.50	
04/30/2031					4,358,875.00
07/01/2031			382,837.50	382,837.50	
01/01/2032	3,595,000	4.000%	382,837.50	3,977,837.50	
04/30/2032					4,360,675.00
07/01/2032			310,937.50	310,937.50	
01/01/2033	3,740,000	3.125%	310,937.50	4,050,937.50	
04/30/2033					4,361,875.00
07/01/2033			252,500.00	252,500.00	
01/01/2034	3,855,000	3.125%	252,500.00	4,107,500.00	
04/30/2034					4,360,000.00
07/01/2034			192,265.63	192,265.63	
01/01/2035	3,980,000	3.125%	192,265.63	4,172,265.63	
04/30/2035					4,364,531.26
07/01/2035			130,078.13	130,078.13	
01/01/2036	4,100,000	3.125%	130,078.13	4,230,078.13	
04/30/2036					4,360,156.26
07/01/2036			66,015.63	66,015.63	
01/01/2037	4,225,000	3.125%	66,015.63	4,291,015.63	
04/30/2037					4,357,031.26
	55,555,000		16,739,568.78	72,294,568.78	72,294,568.78

GENERAL

Ordinance Fact Sheet

210846

Ordinance Number

Brief Title	Reason
Approving the issuance by the City of Kansas City Missouri of its Sewer Revenue Refunding Bonds, Series 2021B ("2021B Bonds").	Refunding debt service on existing Sewer Revenue bonds for savings purposes.

<p>Reason for Legislation</p> <p>To approve issuance by the City of Kansas City Missouri of its Sewer Revenue Refunding Bonds ("Series 2021B Bonds"), to refund certain Sewer Revenue Bonds previously issued in 2011 and 2012. This ordinance also approves and authorizes certain documents and actions relating to the issuance of the Series 2021B Bonds; estimates and appropriates revenues, designates requisitioning authority; declares the City's intent to reimburse itself from bond proceeds; and authorizes the Director of Finance to modify and close project accounts.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Sponsor</td> <td>Tammy Queen, Director of Finance</td> </tr> <tr> <td>Programs, Departments, or Groups Affected</td> <td>Finance Department</td> </tr> </table>	Sponsor	Tammy Queen, Director of Finance	Programs, Departments, or Groups Affected	Finance Department						
Sponsor	Tammy Queen, Director of Finance										
Programs, Departments, or Groups Affected	Finance Department										
<p>Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account</p> <p>This ordinance authorizes the issuance of the Series 2021B Bonds. The Series 2021B Bonds are being issued in the aggregate principal amount not to exceed \$126,000,000, for the purpose of refunding the Sewer Revenue Improvement and Refunding Bonds, Series 2011A ("2011A Bonds"), and Sewer Revenue Improvement and Refunding Bonds, Series 2012A ("2012A Bonds"). The refunding is to achieve significant debt service savings to the Sanitary Sewer System of approximately 19% on a net present value basis over fifteen years.</p> <p>On November 17, 2011, the City issued \$89,175,000 par of the 2011A Bonds. The 2011A Bonds funded capital improvement projects in the Sanitary Sewer system and refunded Sewer Revenue Bonds, Series 2002D-1. On December 13, 2012, the City issued \$78,650,000 par of the 2012A Bonds. Like the 2011A Bonds, the 2012A Bonds also funded capital improvement projects in the Sanitary Sewer System, and provided refunding of Sewer Revenue Bonds, Series 2004A.</p> <p>The Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of the net Sanitary Sewer revenues. The taxing power of the City is not pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.</p> <p>Certain of the Bond covenants require the City to fix, establish, maintain and collect rates and charges for the use and services of the Sanitary Sewer System to produce income and revenues sufficient to: (a) pay the costs of the operation and maintenance of the Sanitary Sewer System; (b) pay the principal of and interest on the Bonds when due and (c) enable the City to have in each Fiscal Year Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Fee of not less than 110%.</p> <p>As of September 1st, the 2011A Bonds had \$66,910,000 in remaining principal, and the 2012A Bonds had \$58,905,000. This series ordinance will authorize the issuance of bonds in a principal amount not to exceed \$126,000,000 to fully refund the 2011A Bonds and 2012A Bonds, and also establish certain provisions and terms relating to the Series 2021B Sewer Bonds.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Applicants / Proponents</td> <td> Applicant City Department Finance Department Other </td> </tr> <tr> <td>Opponents</td> <td> Groups or Individuals None Known Basis of opposition </td> </tr> <tr> <td>Staff Recommendation</td> <td> <input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against </td> </tr> <tr> <td>Board or Commission Recommendation</td> <td> By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions) </td> </tr> <tr> <td>Council Committee Actions</td> <td> <input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold </td> </tr> </table>	Applicants / Proponents	Applicant City Department Finance Department Other	Opponents	Groups or Individuals None Known Basis of opposition	Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against	Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)	Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold
Applicants / Proponents	Applicant City Department Finance Department Other										
Opponents	Groups or Individuals None Known Basis of opposition										
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against										
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)										
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold										

(Continued on reverse side)

Details

The City has retained Gilmore & Bell, PC, and Clayborn & Associates, LLC to serve as co-bond counsel and co-disclosure counsel. The MBE/WBE goal for this engagement is 25%. Clayborn & Associates, LLC is currently a certified MBE/WBE firm. The estimated legal fees are \$44,300.

Hilltop

Securities Inc., and Independent Public Advisors, LLC will serve as the City's co-financial advisors. The MBE/WBE goal for this engagement is 20%. Independent Public Advisors, LLC, is currently a certified MBE/WBE firm. At this time, the financial advisory fees are estimated at \$156,000, plus reimbursable printing and electronic dissemination costs.

The Bonds are anticipated to be sold on October 12, 2021, with a settlement date of October 27, 2021.

Is it good for the children?
By refunding the debt for the Sanitary Sewer System at historically low interest rates, this allows for more funds to be allocated to the sanitary sewers, which can improve the health and sanitary conditions in the City.

How will this contribute to a sustainable Kansas City?
By refunding the debt for Sanitary Sewer System at historically low interest rates, this allows for more funds to meet EPA mandates, operate in an environmentally sound manner, and fund improvements to the sewer system.

Outstanding debt information as of August 31, 2021:

General Municipal Debt Outstanding: \$1,482,773,777

Debt Service as a Percent of Governmental Funds Revenue
Actual: 15.6%
Target: < 14.5%

Total Debt Outstanding as a Percent of Governmental Funds Revenue
Actual: 132.4%
Target: < 125.0%

Debt Outstanding as a Percent of Market Value
Actual: 3.7%
Target: < 4.5%

Percent of Debt Retired in 10 Years: 67%

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	Based on preliminary analyses prepared by Hilltop Securities, the City's co-financial advisor, the following are the debt service estimates: Par Amount: \$104,025,000 Avg. Annual Debt Service: \$9,259,369.69 Total Debt Service: \$140,536,655.56 Net PV Savings: \$19,711,006.52 Savings Percent of Refunding Bonds: 18.948%
Financial Impact	
Fund Source (s) and Appropriation Account Codes	The Series 2021B Bonds principal of and interest on such sewer revenue bonds shall be payable solely from the net revenues derived from the operation of the Sewer System. The taxing power of the City is not pledged to the payment of the Series 2021B Bonds either as to principal or interest.

(Use this space for further discussion, if necessary)

Applicable Dates:

Fact Sheet Prepared by:

Name: Mike Buckman Date 09/09/2021
Title: Senior Analyst

Reviewed by:

Name: Kim Carter Date 09/09/2021
Title: City Treasurer



Legislation Text

File #: 210852, Version: 1

RESOLUTION NO. 210852

RESOLUTION - Directing the City Manager to implement a COVID-19 Mandatory Vaccination Policy for the City's workforce consistent with the requirements for federal employees.

WHEREAS, the CDC has recommended vaccinations to maximize protection from COVID-19 and prevent possibly spreading it to others; and

WHEREAS, one COVID-19 vaccine has received approval from the U.S. Food and Drug Administration (FDA) and two others are currently authorized for emergency use; and

WHEREAS, Kansas City currently has a vaccination rate of less than fifty percent; and

WHEREAS, the City Council considers the health and safety of the City workforce and the public with which they interact a priority and believes all available actions should be taken to protect its workforce and the public; and

WHEREAS, on September 9, 2021, President Biden issued Executive Order 14043, Requiring Coronavirus Disease 2019 Vaccination for Federal Employees; and

WHEREAS, Executive Order 14043 requires implementation of programs to require COVID-19 vaccinations for all Federal employees with exceptions only as required by law; and

WHEREAS, it has been announced that the United States Department of Labor's Occupational Safety and Health Administration (OSHA) is developing an emergency temporary standard (ETS) to apply to private-sector workforces; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is directed to implement a COVID-19 Mandatory Vaccination Policy for the City's workforce consistent with any vaccination requirement for Federal employees.

Section 2. That the City Manager is directed to report back to Council within 14 days with an implementation plan for the COVID-19 Mandatory Vaccination Policy.

Section 3. That the City Manager is directed to report back to Council on any ETS issued by OSHA as well as any other law, regulation or order at the Federal level related to the COVID-19 pandemic and vaccines within 14 days of the issuance of such ETS or law, regulation or order, and to modify the City's Mandatory Vaccination Policy as necessary.



Legislation Text

File #: 210853, Version: 1

ORDINANCE NO. 210853

Requiring face coverings or masks at indoor places of public accommodation with certain exceptions; appropriating \$1,000.00 from the Unappropriated Fund Balance of the Health Levy Fund; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, on March 12, 2020, a proclamation of a state of emergency was issued to allow the City of Kansas City to take measures to reduce the possibility of exposure to COVID-19 and promote the health and safety of Kansas City residents; and

WHEREAS, COVID-19 spreads between people who are in contact with one another or present in shared spaces and a gathering of individuals without necessary mitigation for the spread of infection will pose a risk of the spread of infectious disease; and

WHEREAS, the share of COVID-19 cases in Kansas City of those under 12 years old rose from just 4% of all cases in January 2021 to 15% in September 2021, and those 18 and under now comprise 25% of all new COVID-19 cases. Children under 12 years old cannot be vaccinated. In the absence of vaccines, the best method left to protect the children of Kansas City in public is by requiring the wearing of face coverings and masks; and

WHEREAS, Kansas City Mayor Quinton Lucas signed Order 21-01 on July 30, 2021, requiring face coverings or masks at indoor places of public accommodations in Kansas City with certain exceptions, effective at 12:01 a.m. on Monday, August 2, 2021, and expiring Saturday, August 28, 2021, at 12:01 a.m. unless rescinded, extended, modified or amended pursuant to applicable law; and

WHEREAS, on September 15, 2021, the Kansas City Health Department confirmed 207,657 total cases of COVID-19 in Kansas City metro-wide and 2,800 deaths from COVID-19 in Kansas City metro-wide. In addition, the Centers for Disease Control (CDC) confirmed 219,000,000 total cases and 4,550,000 deaths world-wide; and

WHEREAS, on September 15, 2021, approximately 44% of all Kansas Citians were fully vaccinated for COVID-19 and 51.2% have had at least one vaccine dose; and

WHEREAS, the number of COVID-19 cases and hospitalizations in Kansas City decreased slightly in the last three weeks; however, the weekly average for new COVID-19 cases remains high and local hospitals are at or near capacity; and

WHEREAS, on July 27, 2021, the CDC issued new guidance, recommending all vaccinated individuals (in addition to their previous recommendation for unvaccinated individuals) in “substantial” or “high” transmission areas, with either more than 50 cases per 100,000 people in the area over a seven-day period, or with a COVID-19 test positivity rate higher than 5%, wear masks indoors; and

WHEREAS, the CDC recommends all individuals wear a mask in public indoor settings in areas with high or substantial transmission and Kansas City’s case rate currently stands at two times the CDC threshold for designation as a high transmission area; and

WHEREAS, the four counties in which Kansas City is located (Cass, Clay, Jackson, and Platte) remain classified as high transmission areas by the CDC; and

WHEREAS, Regional Health guidance from medical professionals in the Kansas City metropolitan area recommended a return to masks indoors in July 2021 based on the positivity rate for COVID-19 cases in Missouri and the increase in hospitalizations and those recommendations have not changed; and

WHEREAS, on July 30, 2021, Kansas City Interim Director of Health Frank Thompson, pursuant to RSMo. Section 67.265, submitted a report to City Council, attached hereto as Exhibit A, outlining and recommending a need for Order 21-01; and

WHEREAS, on August 18, 2021, Kansas City Interim Director of Health Frank Thompson, pursuant to RSMo. Section 67.265, submitted an updated report to City Council, attached hereto as Exhibit B, outlining and recommending a need for continued mask requirements; and

WHEREAS, on August 19, 2021, the Kansas City Council passed Committee Substitute for Ordinance 210694, attached hereto as Exhibit C, rescinding Order 21-01 and requiring masks in indoor locations in Kansas City with specific exceptions until September 23, 2021; and

WHEREAS, on September 16, 2021, Kansas City Interim Director of Health Frank Thompson, pursuant to RSMo. Section 67.265, submitted an updated report to City Council, attached hereto as Exhibit D, outlining and recommending a need for this ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. Community Health Guidance

- A. All persons are encouraged to limit exposure by obtaining a federally-approved vaccine and properly wearing a face covering or mask when applicable and maintaining social distancing when indoors at a place of public accommodation. The use of face coverings or masks is recommended in indoor private settings and crowded outdoor settings where there is close contact with other people who may not be fully vaccinated.
- B. As used herein, the terms below shall have the following meanings:
 - 1. A “face covering or mask” means a uniform piece of cloth, fabric, or other material that securely covers a person’s nose and mouth. It is properly worn when it remains affixed in place without the use of one’s hands.
 - 2. A “place of public accommodation” means any place or business offering or holding out to the general public goods, services, privileges, facilities, advantages or accommodations for the peace, comfort, health, welfare, and safety of the general public. Public accommodation shall not include a private club or a place of public

accommodation owned or operated on behalf of a religious corporation, association, or society.

3. “Social distancing” is maintaining at least six-feet of distance from others.

Section 2. Indoor Places of Public Accommodations

- A. An individual in an indoor place of public accommodation must properly wear a face covering or mask while performing an activity involving close contact or proximity to co-workers or the public where six feet of separation is not feasible. These spaces include, but are not limited to, grocery and retail stores, special events, and public transit, but do not include private dwellings or private transportation vehicles.
- B. Exceptions to the face covering or mask requirement include:
 1. Minors below the age of 5; and
 2. Persons who have disabilities where face coverings or masks constitute a substantial impairment to their health and well-being based upon medical, behavioral, or legal direction; and
 3. Persons in a restaurant or tavern consuming food or drink; and
 4. Persons obtaining a service involving the nose or face when temporary removal of the face covering or mask is necessary to perform the service; and
 5. Persons who are alone in a separate room or office; and
 6. Any interaction or gathering, per CDC guidance, where parties have knowledge all persons present are fully vaccinated by federally-approved vaccine(s).

Section 3. Violation of any provision of this ordinance constitutes an imminent threat and immediate menace to public health. It shall be unlawful for any person to fail, neglect or refuse to comply with this ordinance, or for any person to otherwise violate or in any manner aid, assist, encourage, or support the commission or perpetration of a violation of this ordinance, and upon conviction thereof any such person shall be punished by a fine of not less than \$25.00 and not more than \$500.00, or by imprisonment in the municipal penal correctional institution for a period of time not less than one day and not more than six months. All remedies prescribed by this ordinance or otherwise available under applicable law shall be cumulative and the use of one or more remedies by the City shall not bar the use of any other remedy to enforce this ordinance.

Section 4. The Interim Director of Health, the Director of Regulated Industries, the Chief of the Kansas City Police Department, and the Chief of the Kansas City Fire Department, or their designees (“Directors”) are, under the Constitutions of the United States and Missouri, the Kansas City Charter and this ordinance, subject to applicable law, authorized to enter all property necessary to enforce laws relating to public health and to provide for the avoidance, suppression or mitigation of disease, and abatement of nuisances and other unhealthy conditions. Upon complaint, or whenever the Directors deem an action carried on or engaged in by any person in the City detrimental to the public health, the Directors shall notify that person to show cause to the City at a time and place to be specified in the notice, why the trade or profession should not be discontinued

or removed. The notice shall be served before the time specified therein as provided by law.

Section 5. Violation of any provision of this ordinance may result in the suspension or revocation of the Certificate of Occupancy and/or any license or permit issued by the City in accordance with Sections 18-23 and 40-28 of the City's Code of Ordinances.

Section 6. If any provision of this ordinance or the application thereof to any person, entity, or circumstance is determined to be invalid by a court of competent jurisdiction, such determination shall not affect or impair the validity of the other provisions of this ordinance or its application to other persons, entities, and circumstances.

Section 7. That the sum of \$1,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Health Levy Fund to the following account:

22-2330-502400-B	Communicable Disease Prevention	\$1,000.00
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Section 8. That the Interim Director of the Department of Health is designated as requisitioning authority for Account No. 22-2330-502400 and is hereby authorized to expend the sum of \$1,000.00 in funds heretofore appropriated to the account.

Section 9. That this ordinance, appropriating money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with Section 503 of the City Charter.

Section 10. That this ordinance shall expire on October 7, 2021, at 11:59 p.m. unless rescinded, extended, modified or amended pursuant to applicable law.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Eluard Alegre
Assistant City Attorney



Health Department

2400 Troost Avenue, Suite 4000
Kansas City, Missouri 64108
Office (816) 513-6252 Fax (816) 513-6293

Director's Office



Date: September 15, 2021

To: Mayor Quinton Lucas

Cc: City Council Members

Brian Platt, City Manager

From: Frank E. Thompson, Interim Director

Re: Report Supporting Order for Mask Wearing in Public Places

This report is submitted to provide the data and research necessary to make an evidence-based decision on ordering the wearing of masks in places of public accommodation. By providing this report, the Kansas City Health Department seeks to inform the Mayor and City Council of the impact extending the current mask order could have on reducing the spread of the COVID-19 Delta variant in our community.

Please note: Studies cited reflect the prevailing scientific research at the time of writing. Data cited is provisional and is subject to change (increase) as many indicators have a data-lag in reporting. In short, due to the exponential stressors placed upon the public health systems at this time, data is likely to show an increase as more reporting institutions are able to report.

For example, initial reports for the total deaths due to COVID-19 occurring the week ending July 24th established a count of 0 deaths for that week. As subsequent reports were confirmed, reported deaths increased to 6. This is standard and any death totals for recent weeks should be seen as provisional and subject to change.

Also, as the predominate variant active in Kansas City is the Delta variant, studies that reference earlier variants, earlier time periods of the pandemic and/or the parent COVID-19 virus may not address the issues present with the Delta or future variants.

- **How COVID Spreads And Why Masking Helps Decrease Spread**
 - a. CDC STATEMENT ON MASK WEARING BASED ON AVAILABLE RESEARCH - SARS-CoV-2 infection is transmitted predominately by inhalation of respiratory droplets generated when people cough, sneeze, sing, talk, or breathe. CDC recommends community use of [masks](#), specifically non-valved multi-layer cloth masks, to prevent transmission of SARS-CoV-2. Masks are primarily intended to reduce the emission of virus-laden droplets (“source control”), which is especially relevant for asymptomatic or presymptomatic infected wearers who feel well and may be unaware of their infectiousness to others, and who are estimated to account for more than 50% of transmissions. Masks also help reduce inhalation of these droplets by the wearer (“filtration for wearer protection”). The community benefit of masking for SARS-CoV-2 control is due to the combination of these effects; individual prevention benefit increases with increasing numbers of people using masks *consistently and correctly*. Adopting universal masking policies can help avert

future lockdowns, especially if combined with other non-pharmaceutical interventions such as *social distancing, hand hygiene, and adequate ventilation.* [emphasis added]

- “...wearing a face covering decreased the number of projected droplets by >1000-fold. We estimated that a person standing 2m from someone coughing without a mask is exposed to over 1000 times more respiratory droplets than from someone standing 5 cm away wearing a basic single layer mask. Our results indicate that face coverings show consistent efficacy at blocking respiratory droplets.”

Bandiera L., Pavar G., Pisetta G., et al. Face coverings and respiratory tract droplet dispersion. medRxiv. 2020;doi:10.1101/2020.08.11.20145086
<https://www.medrxiv.org/content/10.1101/2020.08.11.20145086v1.full.pdf>

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b. RANDOMIZED TRIALS SUPPORT MASKING EFFICACY TO REDUCE INFECTION:

- New large-scale research with more than adequate observations (N=806,547) has illustrated direct evidence that mask use can reduce transmission of COVID-19 specifically. Authors state that “adjusting for baseline covariates, the intervention reduced symptomatic seroprevalence by 9.3%” (Abaluck et al., 2021)

Abaluck, Jason; Kwong, Laura H.; Styczynski, Ashley; Haque, Ashraful; Kabir, Md. Alamgir; Bates-Jeffries, Ellen; Crawford, Emily; Benjamin-Chung, Jade; Benhachmi, Salim; Raihan, Shabib; Rahman, Shadman; Zaman, Neeti; Winch, Peter J.; Hossain, Md. Maqsood; Reza, Hasan Mahmud; Luby, Stephen P.; Mobarak, Ahmed Mushfiq; Al Jaber, Abdulla; Gulshan Momen, Shawkee; Laz Bani, Faika; Rahman, Aura; and Saiha Huq, Tahrima, "The Impact of Community Masking on COVID-19: A Cluster-Randomized Trial in Bangladesh" (2021). Discussion Papers. 1086.
<https://elischolar.library.yale.edu/egcenter-discussion-paper-series/1086>

c. TRANSMISSION BY PERSONS WHO DON'T KNOW (OR DON'T ACCEPT) THAT THEY ARE INFECTED IS A FACTOR IN INCREASED CASES – The issue of asymptomatic spreaders has been of concern for most of the pandemic:

- “We found that the majority of incidences may be attributable to silent transmission from a combination of the presymptomatic stage and asymptomatic infections.”
Moghadas SM, Fitzpatrick MC, Sah P, et al. The implications of silent transmission for the control of COVID-19 outbreaks. Proc Natl Acad Sci U S A. Jul 28 2020;117(30):17513-17515. doi:10.1073/pnas.2008373117
<https://www.pnas.org/content/pnas/117/30/17513.full.pdf>
- “...the identification and isolation of persons with symptomatic COVID-19 alone will not control the ongoing spread of SARS-CoV-2.”
Johansson MA, Quandelacy TM, Kada S, et al. SARS-CoV-2 Transmission From People Without COVID-19 Symptoms. JAMA

Network Open. Jan 4 2021;4(1):e2035057.
doi:10.1001/jamanetworkopen.2020.35057

The Delta variant has different symptoms than the original COVID virus and previous variants. This plus the fact that a vaccinated person who becomes infected with COVID can have very mild or no symptoms at all means the potential number of asymptomatic spreaders is larger than previous case spikes.

- c. **ADDITIONAL STUDIES ON EFFECTIVENESS AND PROPER WEARING OF MASKS**
- Moghadas SM, Fitzpatrick MC, Sah P, et al. The implications of silent transmission for the control of COVID-19 outbreaks. *Proc Natl Acad Sci U S A*. Jul 28 2020;117(30):17513-17515. doi:10.1073/pnas.2008373117
 - Lindsley WG, Blachere FM, Law BF, Beezhold DH, Noti JD. Efficacy of face masks, neck gaiters and face shields for reducing the expulsion of simulated cough-generated aerosols. *Aerosol Sci Technol*. 2020; in press
 - Leung NHL, Chu DKW, Shiu EYC, et al. Respiratory virus shedding in exhaled breath and efficacy of face masks. *Nature medicine*. Apr 03 2020;26(5):676-680. doi:https://dx.doi.org/10.1038/s41591-020-0843-2
 - Ueki H, Furusawa Y, Iwatsuki-Horimoto K, et al. Effectiveness of Face Masks in Preventing Airborne Transmission of SARS-CoV-2. *mSphere*. Oct 21 2020;5(5)doi:10.1128/mSphere.00637-20
 - Brooks JT, Beezhold DH, Noti JD, et al. Maximizing Fit for Cloth and Medical Procedure Masks to Improve Performance and Reduce SARS-CoV-2 Transmission and Exposure. *MMWR Morb Mortal Wkly Rep*. 2021
 - Hendrix MJ, Walde C, Findley K, Trotman R. Absence of Apparent Transmission of SARS-CoV-2 from Two Stylists After Exposure at a Hair Salon with a Universal Face Covering Policy – Springfield, Missouri, May 2020. *MMWR Morb Mortal Wkly Rep*. Jul 17 2020;69(28):930-932. doi:10.15585/mmwr.mm6928e2
 - Van Dyke ME, Rogers TM, Pevzner E, et al. Trends in County-Level COVID-19 Incidence in Counties With and Without a Mask Mandate – Kansas, June 1- August 23, 2020. *MMWR Morb Mortal Wkly Rep*. Nov 27 2020;69(47):1777-1781. doi:10.15585/mmwr.mm6947e2
- **Current Conditions In Missouri**
 - a. **VACCINATION RATES FOR MISSOURI AND SW MISSOURI** - The Missouri statewide vaccination rate is 46.4% completed as of 9/13/2021. Areas in Missouri that are popular summer destinations have lower vaccination rates like Taney County (33.2% completed) and Benton County (38.7% completed). These are all below the 50% vaccination level need to begin providing community protection.

<https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus/data/public-health/county.php> accurate through August 16th, 2021

b. INCREASING RATES - Daily average cases have increased over 635% since the first week in June, from 239 to 1,519 as of September 14th, reaching numbers not seen since mid-January.

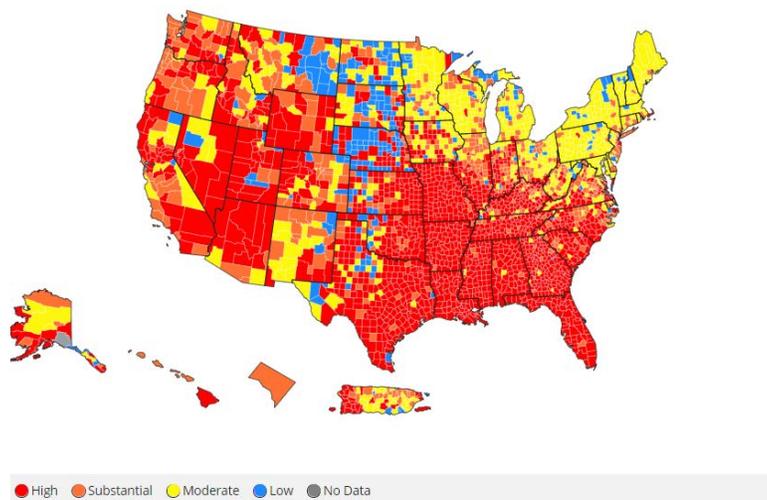
- Data source: MODHSS, COVID-19 in Missouri Dashboard based on confirmed PCR cases on June 1, 2021 and September 14, 2021
<https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus/data/public-health/statewide.php>

c. SPREAD OF DELTA VARIANT – The estimated R0 (average number of persons each new case will infect) for the delta variant of COVID-19 is between 4.8 and 6, meaning that each individual infected with COVID-19 Delta will transmit the disease to 4-6 others. Sewer shed data show that 100% of collection sites in Missouri now show Delta variant, with 95% showing Delta variant exclusively.

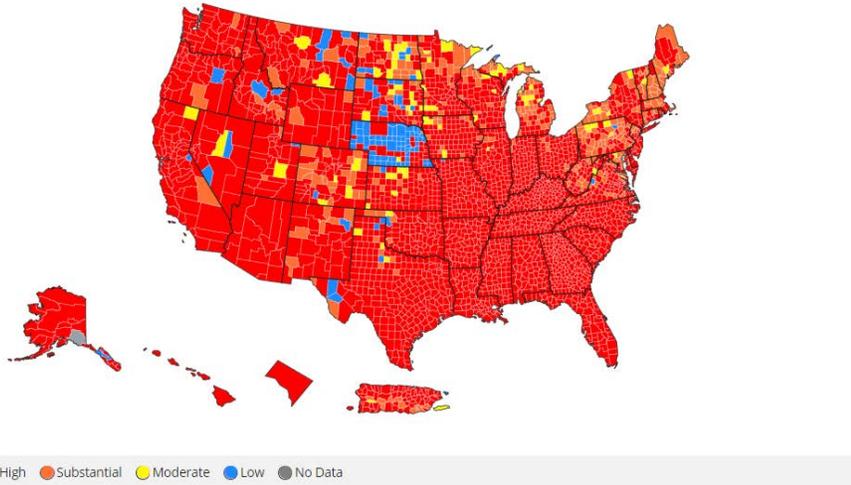
- R0 data source: <https://www.fil.ion.ucl.ac.uk/spm/covid-19/forecasting/>
- Sewershed data source: <https://storymaps.arcgis.com/stories/f7f5492486114da6b5d6fdc07f81aacf> accurate through July 27

d. LOCATION OF HOT SPOTS - The CDC designates 97% of Missouri counties as experiencing “High” levels of community transmission (see map pulled 9/14/2021 at 4:39 PM)

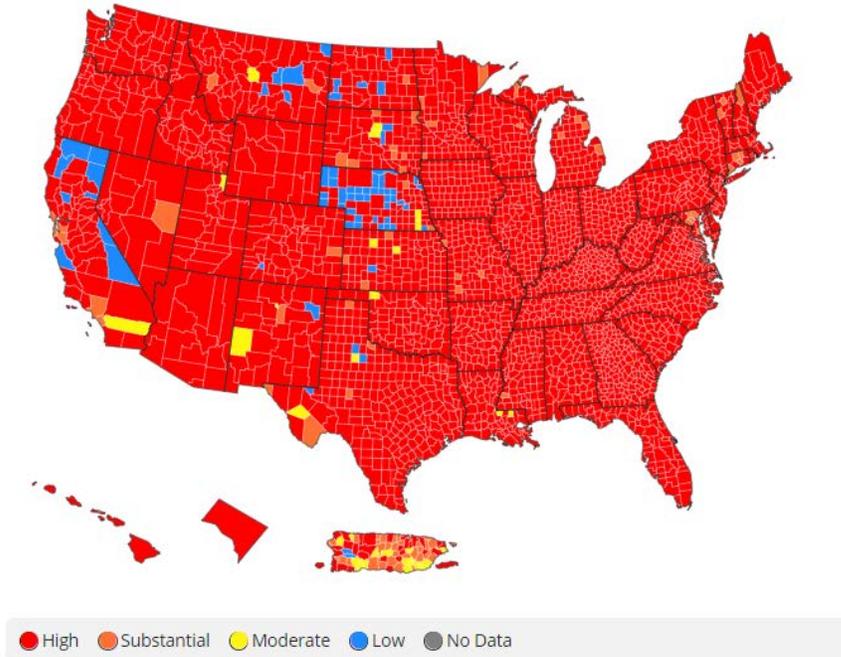
Map as of 7/26/2021



Map as of 8/16/21



Map as of 9/14/21



- **Current KCMO Numbers**
 - a. **TOTAL CASES AND DEATHS FOR KC REGION** - on September 14, 2021, the Kansas City Health Department confirmed 207,657 total cases of COVID-19 in Kansas City metro-wide and 2,800 deaths from COVID-19 in Kansas City metro-wide.
 - b. **INCREASED CASES IN KC REGION AND KCMO** – In the KC Region, average weekly cases went from 61 new cases per day in early June to 709 cases per day in late August. Weekly new cases for KCMO have increased over **1,500%** since the first week in June, from 102 (6/5/21) to 1,531 (8/14/21) reaching numbers not seen since mid-January. This has since dropped slightly to about 1000 per week, but KCMO is currently averaging about 133 new cases per day.

- KC Region data source: MARC KC Region COVID-19 Data Hub
<https://marc2.org/covidhub/>
- KCMO Data source: MODHSS (epitrax) internal report of confirmed cases, data accurate through September 14, 2021
- On June 6 hospitalizations due to COVID-19 were at a pandemic low, averaging 7 per day. As of Sunday August 30, the average daily hospitalizations have decreased from 38 per day to 30 per day, resulting in 11% of all hospital beds being taken by COVID patients and only 32% of hospital beds being available, comparable to the peak of previous hospitalizations.
- Hospital update from September 13th regional call - The slight reduction in new cases has also been seen in the number of new hospitalizations. However, staffing remains a serious concern. Hospital capacity, the number of hospital and ICU beds in use, remains low. High volume continues in Emergency Rooms (ER) throughout the region. High volume suspension occurs when 12 or more hospitals in the region face high volume in their ER. This suspension has been in regular occurrence throughout August and September. FEMA ambulance strike teams to help with discharges and patient movement have been extended through October 5th
- The Public Health Systems continue to experience challenges with staffing critical roles, such as investigators (including our contract for contact tracing), nurses and call center staff. This increases the need for masking as the mitigation efforts of vaccinations, social distancing, and surveillance efforts stall and genomic testing is low.
- The mitigation efforts of contract tracing are severely compromised by affected individuals not cooperating with investigations leading to the need for a mask mandate. When individuals who are COVID positive will not talk to investigators, choose to go to work sick or not take appropriate measures in workplace environments, the rate of infection increases and places additional burdens on an already compromised medical care and public health system.
- Although the volume of cases is decreasing, the initial surge of delta variant cases exceeded the investigation capacity of the Health Department. As a result the department has prioritized investigating cases that are between the ages of 15 years old and 40 years old and those who are hospitalized. This decision was based on which ages have the lowest vaccination rates and where the bulk of new cases occur. Cases not in one of these groups remain unassigned. There were 769 unassigned cases from September 6th to 13th. This number increases every day. Masking will help slow the rate of new cases and help stop hyper-local outbreaks of COVID-19.
- **New CDC Guidance**
 - a. SUMMARY OF LATEST CDC GUIDANCE -
 - Updated information for fully vaccinated people given new evidence on the B.1.617.2 (Delta) variant currently circulating in the United States.

- Added a recommendation for fully vaccinated people to wear a mask in public indoor settings in areas of substantial or high transmission. (*Kansas City's COVID-19 case rate currently stands at **two times** the CDC threshold for designation as a high transmission area.*)
 - Added information that fully vaccinated people might choose to wear a mask regardless of the level of transmission, particularly if they are immunocompromised or at increased risk for severe disease from COVID-19, or if they have someone in their household who is immunocompromised, at increased risk of severe disease or not fully vaccinated.
 - Added a recommendation for fully vaccinated people who have a known exposure to someone with suspected or confirmed COVID-19 to be tested 3-5 days after exposure, and to wear a mask in public indoor settings for 14 days or until they receive a negative test result.
 - CDC recommends universal indoor masking for all teachers, staff, students, and visitors to schools, regardless of vaccination status.
 - Infections happen in only a small proportion of people who are fully vaccinated, even with the Delta variant. However, preliminary evidence suggests that fully vaccinated people who do become infected with the Delta variant can spread the virus to others. To reduce their risk of becoming infected with the Delta variant and potentially spreading it to others, CDC recommends that fully vaccinated people:
 - Wear a mask in public indoor settings if they are in an area of substantial or high transmission.
 - Fully vaccinated people might choose to mask regardless of the level of transmission, particularly if they or someone in their household is immunocompromised or at increased risk for severe disease, or if someone in their household is unvaccinated. People who are at increased risk for severe disease include older adults and those who have certain medical conditions, such as diabetes, overweight or obesity, and heart conditions.
 - Get tested if experiencing COVID-19 symptoms.
 - Get tested 3-5 days following a known exposure to someone with suspected or confirmed COVID-19 and wear a mask in public indoor settings for 14 days after exposure or until a negative test result.
 - Isolate if they have tested positive for COVID-19 in the prior 10 days or are experiencing COVID-19 symptoms.
 - General prevention of COVID-19: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html> (for anyone)
 - Wear a mask
 - Stay 6 ft away from others
 - Get vaccinated
 - Avoid crowds and poorly ventilated spaces
 - Wash your hands often
 - Cover coughs and sneezes
 - Clean and disinfect
 - Monitor your health daily
- b. DEFINITIONS – A high transmission area is a jurisdiction (city, county or state) with a COVID case rate higher than 100 per 100,000 population over the past seven days and a test positivity rate of greater than 10% over the over the past seven days.

A substantial transmission area is a jurisdiction (city, county or state) with a COVID case rate between 50-99 per 100,000 population over the past seven days and a test positivity rate of between 8-9.99% over the past seven days.

- c. **WHY KC MEETS THE DEFINITION OF HIGH AND/OR SUBSTANTIAL TRANSMISSION AREA** – Kansas City’s two-week positivity rate from August 29 – September 11th is 25.14%, and our case rate is 201 per 100k from September 5th to the 11th

Source – MODHSS Confirmed Cases Database (accurate through September 14, 2021)

- **Kids And Masking:**

- a. **KIDS ARE GETTING INFECTED** - The case rate in those under 12 increased by 12x between June and August 2021, to 863 per 100,000. This rate is higher than the previous peak of COVID-19 for this age group so far, from November 2020 (467 per 100,000). So far in the month of September (through the 14th), 263 cases in those under 12 have been confirmed, and 428 cases in those under 18 have been confirmed.

Source – MODHSS Confirmed Cases Database (accurate through September 14th, 2021)

IN PERSON LEARNING – Cases in children 18 and under have increased as a proportion of the total case count in a drastic fashion. Thus far in September children 18 and under represent over 25% of all new confirmed cases, by far the highest of the pandemic.

- b. **KIDS CAN SPREAD COVID** - Studies that have systematically tested children and adolescents, irrespective of symptoms, for acute SARS-CoV-2 infection (using antigen or RT-PCR assays) or prior infection (through antibody testing) have found their rates of infection can be comparable, and in some settings higher, than in adults. Outbreaks among children attending camps and sports events have demonstrated that children can transmit SARS-CoV-2 to others. This includes previous and current outbreaks in youth camps and sporting events in the Kansas City region.

Source - Szablewski CM, Chang KT, Brown MM, et al. SARS-CoV-2 Transmission and Infection Among Attendees of an Overnight Camp – Georgia, June 2020. MMWR Morb Mortal Wkly Rep 2020;69(31):1023-1025. doi:10.15585/mmwr.mm6931e1

Atherstone C, Siegel M, Schmitt-Matzen E, et al. SARS-CoV-2 Transmission Associated with High School Wrestling Tournaments – Florida, December 2020-January 2021. MMWR Morb Mortal Wkly Rep 2021;70(4):141-143. doi:10.15585/mmwr.mm7004e4

- c. **KIDS CAN GET SICK** – From January to September 13, 2021 there have been 2,366 children in Kanas City hospitals due to COVID-19

Source – HHS Protect/TeleTracking

- d. **KIDS (UNDER 12) CANNOT GET VACCINATED AND ARE COMPLETELY EXCLUDED FROM THAT POSSIBLE PROTECTION** – Although Emergency Use Authorization for 5-12-year-old children is expected within the coming months, the

clinical trials for the Pfizer and Moderna vaccine may begin expanding the number of children in this age range who can participate.

- e. **MASKS HELP PREVENT COVID-19 FROM SPREADING IN SCHOOLS:** Research from within Missouri has clearly illustrated that “Schools implementing strategies including mask mandates, physical distancing, and increased ventilation had much lower SARS-CoV-2 transmission than in the community. K–12 schools should continue implementing these measures and following CDC isolation and quarantine guidance to minimize secondary transmission in schools” (Dawson et al., 2021)

Dawson P, Worrell MC, Malone S, et al. Pilot Investigation of SARS-CoV-2 Secondary Transmission in Kindergarten Through Grade 12 Schools Implementing Mitigation Strategies — St. Louis County and City of Springfield, Missouri, December 2020. *MMWR Morb Mortal Wkly Rep* 2021;70:449–455. DOI: <http://dx.doi.org/10.15585/mmwr.mm7012e4>

- **Regional Guidance On Masking And Vaccinations**
 - a. **REGIONAL NEWS RELEASE FOR PUBLIC HEALTH ADVISORY - Ten Kansas City area health departments (including Cass, Clay, Jackson and Platte Counties in Missouri) issued a Public Health Advisory through a Regional News Release on July 16, 2021 recommending mask wearing while indoors for all unvaccinated persons and vaccinated individuals with underlying health conditions. This advisory was a result of discussions during a joint meeting with the Chief Medical Officers from several metropolitan area hospitals. The Chief Medical Officers found that due to the rapidly increasing COVID-19 cases and hospitalizations in the Kansas City Area due to emergence of the delta variant, unvaccinated residents of all ages who have resumed normal activities without adequate protection (masking and vaccinations) are most at risk, particularly immune-compromised individuals.**

This Advisory was prior to the CDC’s Morbidity and Mortality Weekly Report from July 27, 2021 that stated: “Based on emerging evidence on the Delta variant (2), CDC also recommends that fully vaccinated persons wear masks in public indoor settings in areas of substantial or high transmission.”

(2)CDC. Science brief: COVID-19 vaccines and vaccination. Atlanta, GA: US Department of Health and Human Services, CDC; 2021.

<https://www.cdc.gov/coronavirus/2019-ncov/science/science-briefs/fully-vaccinated-people.html>

- **Masking Is Needed Because Vaccination Alone Is Not Working**
 - a. **VACCINES ALONE CAN’T STOP COVID-19 IF ENOUGH PEOPLE DON’T RECEIVE THEM - In November 2020, Molecular Diversity Preservation International (MDPI) a publisher of online scientific journals, published an article titled “Is a COVID-19 Vaccine Likely to Make Things Worse?”. In this article (written before the first COVID-19 vaccine was approved), the authors used mathematical modeling to predict what impact the introduction of a highly effective vaccine would have on COVID-19 infections. The authors concluded that “use of a vaccine in combination with these measures [*contact tracing, masks wearing, physical distancing, travel quarantine and isolation of infected persons*] will reduce**

the per-day risk of infection **so long as at least 50%** of people receive it, with significant benefits if more than 80% people do. However, **if there is too much vaccine defiance and a concomitant abandoning of other protection options, then we run the risk of a perverse outcome: the introduction of an excellent vaccine could nevertheless make the overall situation worse.**” In short, the mathematical models used by the authors predicted the exact situation Kansas City and other communities now find ourselves in – we removed the protective measures before enough people were vaccinated and so the virus had a resurgence. It is important to note that the version of COVID-19 the models factored in was not as contagious or as virulent as the Delta variant. This article closed with the following cautionary statement: **“unless these vaccines are given to a sizable majority of people, vaccination is unable to fully replace existing protection measures.** Until this goal is achieved, it is vital that public-health education about the importance of non-medical protection options remain in place.”

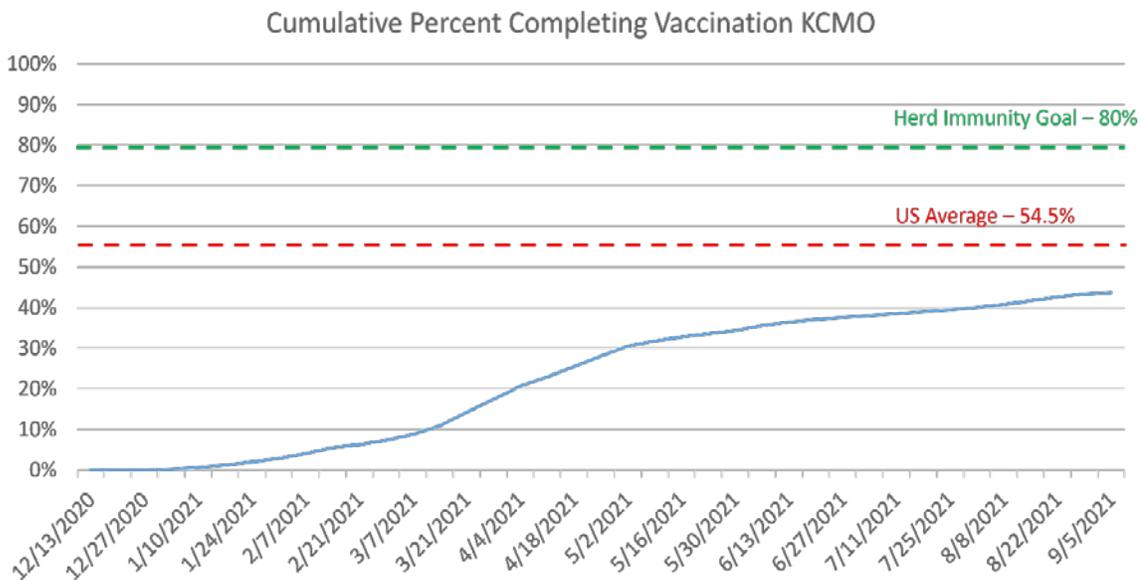
- b. **VACCINATION AVAILABILITY CANNOT BE A SUBSTITUTE FOR OTHER PROTECTIVE MEASURES SUCH AS MASKING** – COVID-19 vaccines are available to most Kansas City residents. In addition to community-based, COVID vaccination clinics offered each day by the Health Department, clinics under contract with the Health Department and other medical providers/community organizations in this community, there are vaccinations available at pharmacies, in hospital emergency rooms, COVID specific private clinics and urgent care centers.

Vaccine uptake is shifting from an availability problem to a desirability issue. Financial incentives being introduced by the state of Missouri may have some impact, but preliminary studies of the impact of financial incentives in other states show mixed results. One study that looked at the impact of \$10 and \$100 financial incentives found that “While having to pay a \$20 co-pay for the vaccine did deter individuals, the additional economic incentives had no positive effect although they did not discourage vaccination. Consistent with past research further analysis shows that the negative effect of the \$20 co-pay was concentrated among low-income earners. Financial incentives failed to increase vaccination willingness across income levels.”

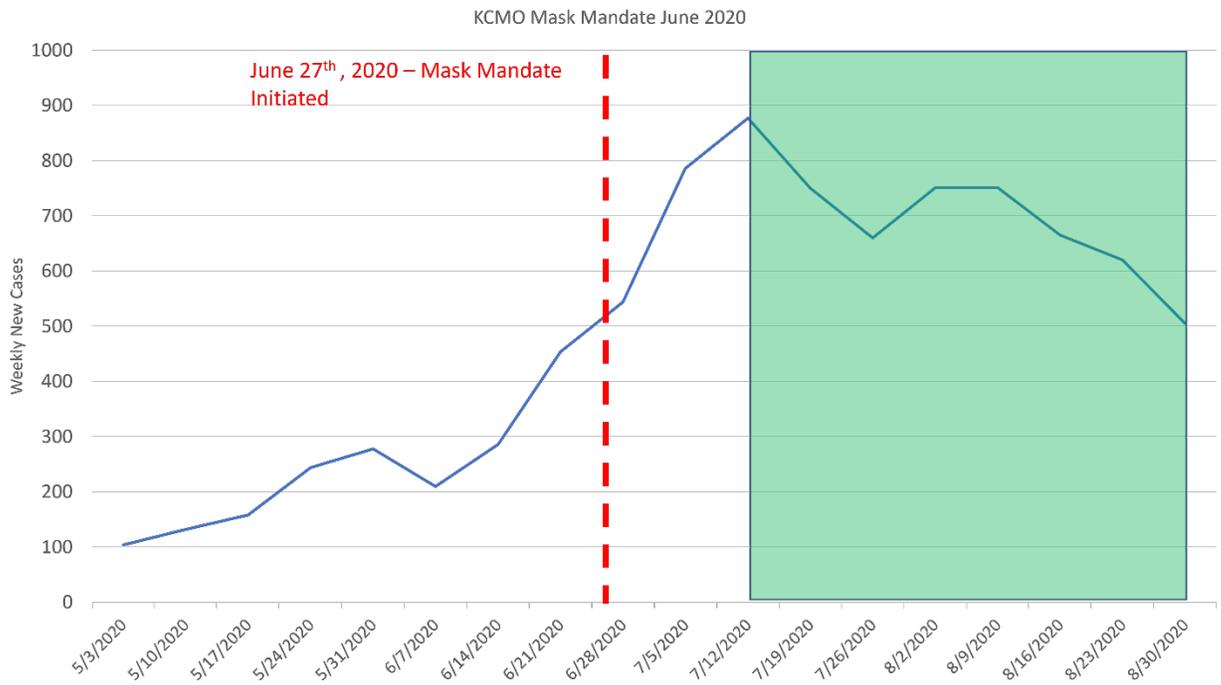
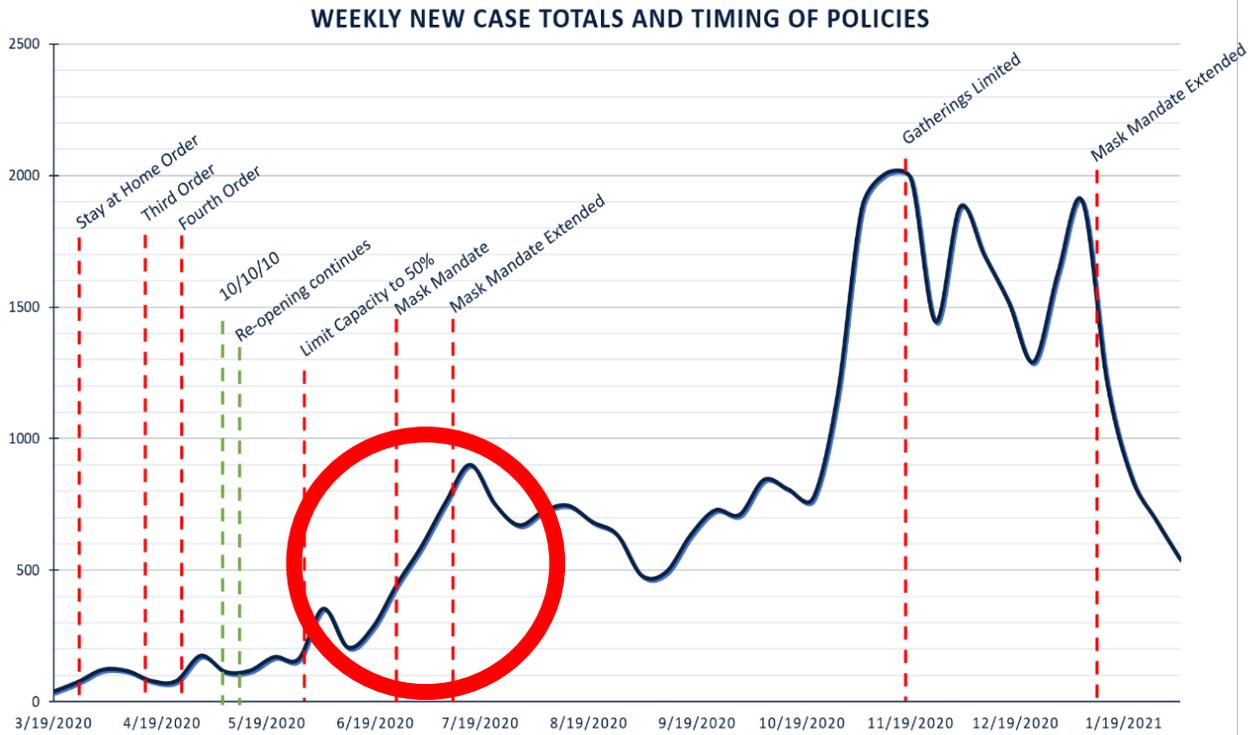
Source - Kreps, S., Dasgupta, N., Brownstein, J.S. et al. Public attitudes toward COVID-19 vaccination: The role of vaccine attributes, incentives, and misinformation. *npj Vaccines* 6, 73 (2021). <https://doi.org/10.1038/s41541-021-00335-2>

- c. In a similar fashion, CDC guidance was updated on May 14th dropping masking requirements for those fully vaccinated. With no way to enforce a mask order for only those unvaccinated, the city was left with no choice but to drop its mask order. The emergence of the delta variant precipitated fastest increase in cases over the entire pandemic, with cases rising nearly 1,600% in a 9-week period. At that time the vaccination rate in the city was just over 32%. In addition, between April 9 (the date of full eligibility) and May 13 (the day before the mask mandate ended) the vaccination rate had been increasing at an average rate of 2.4% per week. Subsequently, the vaccination rate slowed to a rate of 0.6% increase per week. On July 27, 2021 the CDC issued updated guidance that added a recommendation for fully vaccinated people to also wear a mask in public indoor settings in areas of

substantial or high transmission. Kansas City continues to meet the definition as a high transmission area (case rate above 100 per 100,000 population).



- d. WE HAVE SEEN MASK ORDERS AND OTHER MITIGATION APPROACHES WORK DURING EARLIER CASE SPIKES IN AND NEAR KANSAS CITY – The graphic below shows how previous orders by Mayor Lucas have impacted the trend line for local cases:



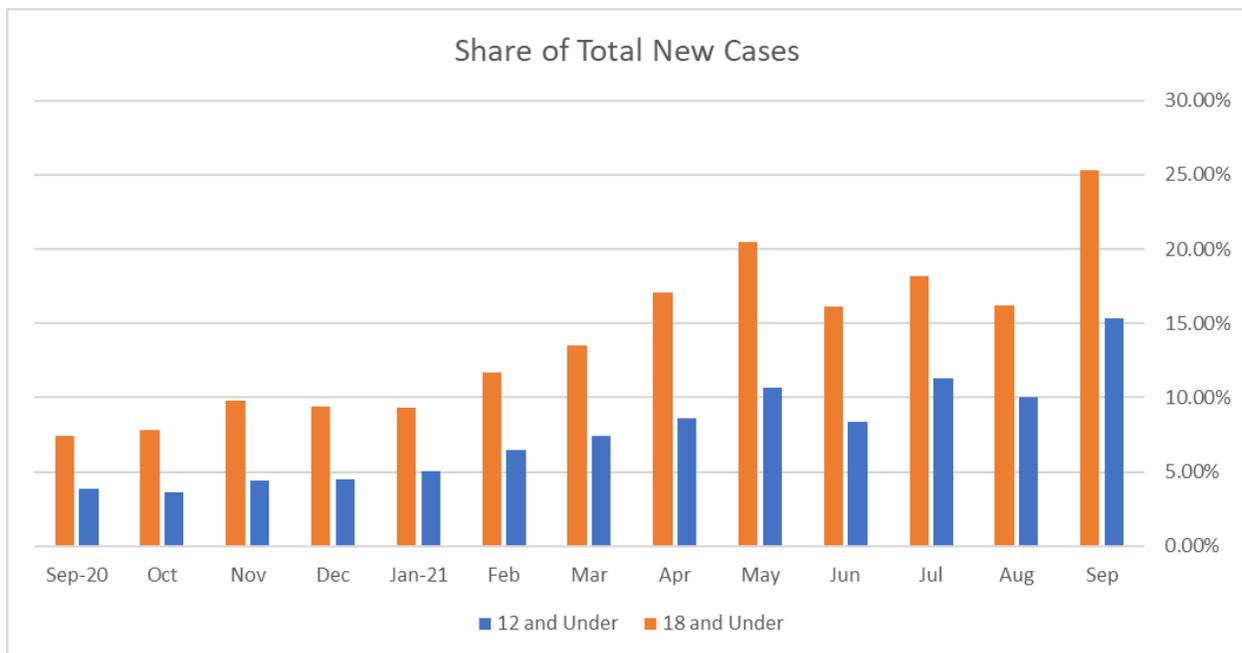
In addition, we have another example from Kansas:
 “The governor of Kansas issued an executive order requiring wearing masks in public spaces, effective July 3, 2020, which was subject to county authority to opt out. After July 3,

COVID-19 incidence decreased in 24 counties with mask mandates but continued to increase in 81 counties without mask mandates.”

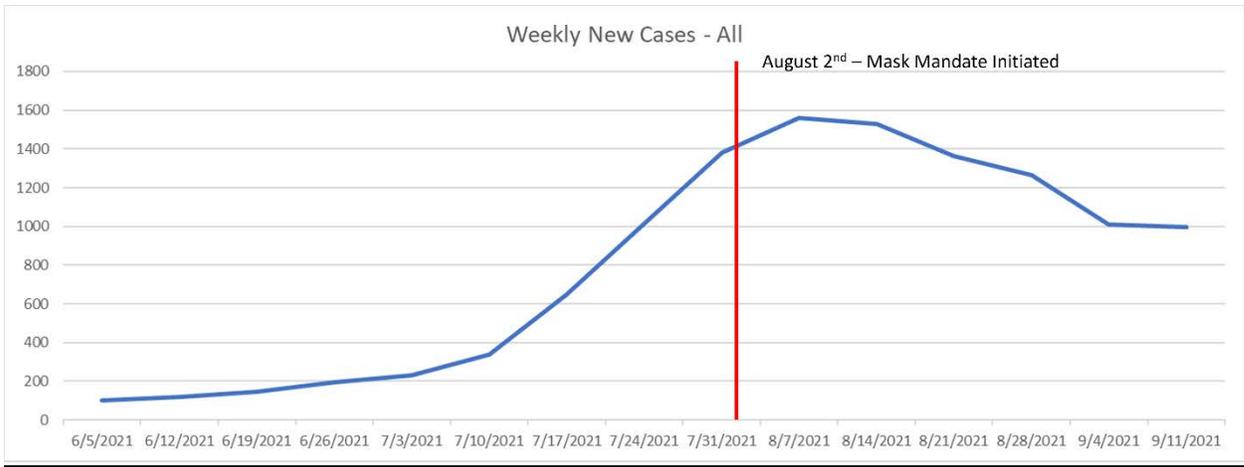
Van Dyke ME, Rogers TM, Pevzner E, et al. Trends in County-Level COVID-19 Incidence in Counties With and Without a Mask Mandate – Kansas, June 1-August 23, 2020. MMWR Morb Mortal Wkly Rep. Nov 27 2020;69(47):1777-1781. doi:10.15585/mmwr.mm6947e2

<https://www.cdc.gov/mmwr/volumes/69/wr/mm6947e2.htm>
https://www.cdc.gov/mmwr/volumes/69/wr/pdfs/mm6947e2_H.pdf

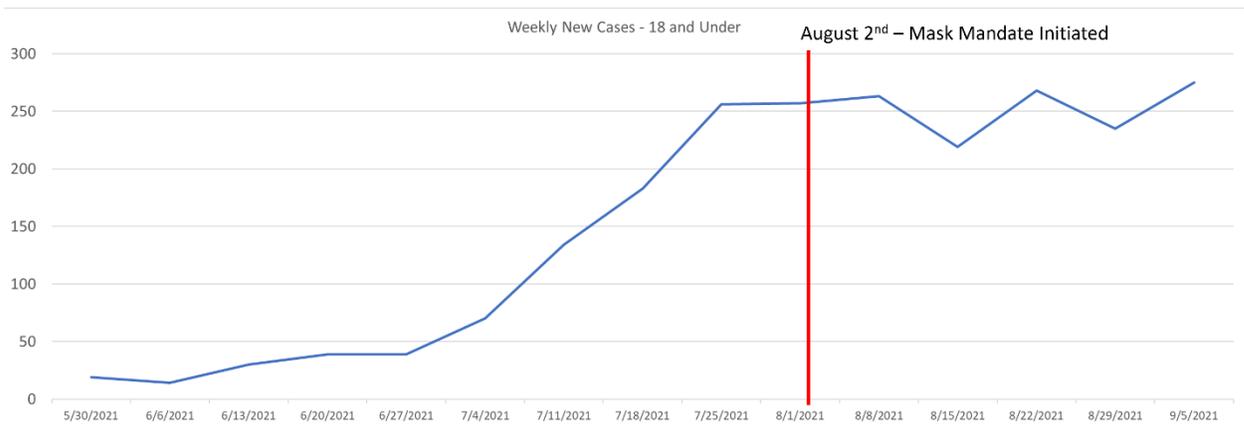
Furthermore, the share of cases in those under 12 rose from just 4% of all cases in January 2021, to over 15% of all cases so far in September 2021. These children cannot be vaccinated. In the absence of higher vaccination rates, the only method left to protect the children of Kansas City is through mask mandates. Those 18 and under now make up over 25% of all new cases – in the first two weeks of September 2020 we had 1170 new cases, and those under 18 made up just 7% of those cases. In the first two weeks of September 2021, we have nearly twice the number of total cases (2090) and those 18 and under make up 25.3% of those, clearly illustrating the gravity of the situation in our children.



THE CURRENT MASK ORDER HAS FLATTENED THE CURVE: Following a two-week delay, the mask mandate has flattened what was previously illustrated to be exponential growth in the number of new cases. The mask order preceded a drop in the overall case rate in the following month, illustrated below:



However, as shown by the next image, the decline is only taking place in those over 18, as cases in children are currently showing a plateau. In fact, the week of September 4 to September 11th was the highest single week on record for new cases in kids 18 and under (275 new cases). Removal of mask mandates in schools and in public would likely lead to a further increase in cases for this population, which cannot be fully vaccinated:



- **Justification for Exclusions to be Included In Mask Order**
 - a. MINORS BELOW THE AGE OF 5 - Current CDC recommendations state that face masks can be safely worn by all children 2 years of age and older, including most children with special health conditions, with rare exception. Children should not wear a mask if they are under 2 years old, however, because of suffocation risk. In addition, for children under age five in community settings the World Health Organization recommends against face masks.
 - <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html#stay6ft>
 - <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated-guidance.html>

- <https://www.jwatch.org/fw116969/2020/08/24/who-recommends-against-face-masks-kids-community-settings>

- PERSONS WHO HAVE DISABILITIES WHERE FACE COVERINGS OR MASKS CONSTITUTE A SUBSTANTIAL IMPAIRMENT TO THEIR HEALTH AND WELL-BEING BASED UPON MEDICAL, BEHAVIORAL, OR LEGAL DIRECTION - Employees who can't wear a face mask for medical reasons, should not work in close proximity with other coworkers or the public. For the public who can't wear face masks for medical reasons, they should utilize alternative services such as online shopping, and/or curbside pickup and delivery.

The CDC does not recommend the use of face shields because they provide minimal protection from inhalation or exhalation of small droplets.

- PERSONS IN A RESTAURANT OR TAVERN ACTIVELY CONSUMING FOOD OR DRINK - While actively consuming food, exposure can be minimized by seating households and close contact groups together, maintaining proper social distance, and remaining seated while consuming food or drink. The CDC recommends that restaurant and bar settings consider spacing tables at least 6 feet apart to mitigate risk while customers are eating and drinking. <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/business-employers/bars-restaurants.html>
- PERSONS OBTAINING A SERVICE INVOLVING THE NOSE OR FACE WHEN TEMPORARY REMOVAL OF THE FACE COVERING OR MASK IS NECESSARY TO PERFORM THE SERVICE- This exclusion is only for those who are receiving the service, person rendering service must still wear a face mask at all times.
- PERSONS WHO ARE ALONE IN A SEPARATE ROOM OR OFFICE – minimal risk for a fully enclosed office; no need for masking
- ANY INTERACTION OR GATHERING, PER CDC GUIDANCE, WHERE PARTIES HAVE KNOWLEDGE ALL PERSONS PRESENT ARE FULLY VACCINATED BY FEDERALLY-APPROVED VACCINE(S) – Current CDC recommendations do not support this exclusion

Based on the information included in this report, as Interim Director of the Kansas City Health Department, I strongly support an extension of the order from the City Council requiring masks in all indoor, public accommodations within Kansas City, MO. Such an extension is needed to provide additional relief to local hospitals, to continue “turning the curve” of Kansas City’s latest COVID-19 surge, and to protect the public health of Kansas City’s children.



Legislation Text

File #: 210694, Version: 1

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 210694

Rescinding Order 21-01; requiring face coverings or masks at indoor places of public accommodations with certain exceptions; appropriating \$1,000.00 from the Unappropriated Fund Balance of the Health Levy Fund; designating requisitioning authority; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, on March 12, 2020, a proclamation of a state of emergency was issued to allow the City of Kansas City to take measures to reduce the possibility of exposure to COVID-19 and promote the health and safety of Kansas City residents; and

WHEREAS, the current proclamation, the Sixth Amended Proclamation Declaring a State of Emergency, remains in effect until August 31, 2021, running parallel with the state of emergency declared by the Governor of the State of Missouri, and authorizes the Mayor to, among other things, issue orders protecting Kansas Citians from the contraction and spread of COVID-19; and

WHEREAS, COVID-19 spreads between people who are in contact with one another or present in shared spaces and a gathering of individuals without necessary mitigation for the spread of infection will pose a risk of the spread of infectious disease; and

WHEREAS, Missouri is experiencing another wave of new COVID-19 cases, fueled by low rates of full vaccination (under 50%), the spread of new strain of COVID-19 variant (the Delta variant), and COVID-19 hot spots now extending from southwest Missouri to Kansas City; and

WHEREAS, on August 10, 2021, the Kansas City Health Department confirmed 167,664 total cases of COVID-19 in Kansas City metro-wide and 2,391 deaths from COVID-19 in Kansas City metro-wide. In addition, the Centers for Disease Control (CDC) confirmed 204,000,000 total cases and 4,320,000 deaths world-wide; and

WHEREAS, on August 10, 2021, approximately 40.3% of all Kansas Citians were fully vaccinated for COVID-19 and 48.5% have had at least one vaccine dose; and

WHEREAS, the number of COVID-19 cases and hospitalizations in Kansas City has increased steadily, the weekly average for new COVID-19 cases is the highest in almost six months, and local hospitals are at or near capacity; and

WHEREAS, on July 27, 2021, the CDC issued new guidance, recommending all vaccinated individuals (in addition to their previous recommendation for unvaccinated individuals) in “substantial” or “high” transmission areas, with either more than 50 cases per 100,000 people in the area over a seven-day period, or with a COVID-19 test positivity rate higher than 5%, wear masks indoors; and

WHEREAS, the four counties in which Kansas City is located (Cass, Clay, Jackson, and Platte) are

currently classified as high transmission areas by the CDC; and

WHEREAS, Regional Health guidance from medical professionals in the Kansas City metropolitan area recommended a return to masks indoors in July 2021 based on the positivity rate for COVID-19 cases in Missouri and the increase in hospitalizations; and

WHEREAS, Kansas City Mayor Quinton Lucas signed Order 21-01 on July 30, 2021, requiring face coverings or masks at indoor places of public accommodations in Kansas City with certain exceptions, effective at 12:01 a.m. on Monday, August 2, 2021, and expiring Saturday, August 28, 2021, at 12:01 a.m. unless rescinded, extended, modified or amended pursuant to applicable law; and

WHEREAS, on July 30, 2021, Kansas City Interim Director of Health Frank Thompson, pursuant to RSMo. Section 67.265, submitted a report to City Council, attached hereto as Exhibit A, outlining and recommending a need for Order 21-01; and

WHEREAS, on August 18, 2021, Kansas City Interim Director of Health Frank Thompson, pursuant to RSMo. Section 67.265, submitted an updated report to City Council, attached hereto as Exhibit B, outlining and recommending a need for this ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Order 21-01, signed by Mayor Quinton Lucas on July 30, 2021, is hereby rescinded.

Section 2. Community Health Guidance

A. All persons are encouraged to limit exposure by obtaining a federally-approved vaccine and properly wearing a face covering or mask when applicable and maintaining social distancing when indoors at a place of public accommodation. The use of face coverings or masks is recommended in indoor private settings and crowded outdoor settings where there is close contact with other people who may not be fully vaccinated.

B. As used herein, the terms below shall have the following meanings:

1. A “face covering or mask” means a uniform piece of cloth, fabric, or other material that securely covers a person’s nose and mouth. It is properly worn when it remains affixed in place without the use of one’s hands.
2. A “place of public accommodation” means any place or business offering or holding out to the general public goods, services, privileges, facilities, advantages or accommodations for the peace, comfort, health, welfare, and safety of the general public. Public accommodation shall not include a private club or a place of public accommodation owned or operated on behalf of a religious corporation, association, or society.
3. “Social distancing” is maintaining at least six-feet of distance from others.

Section 3. Indoor Places of Public Accommodations

A. An individual in an indoor place of public accommodation must properly wear a face covering

or mask while performing an activity involving close contact or proximity to co-workers or the public where six feet of separation is not feasible. These spaces include, but are not limited to, grocery and retail stores, special events, and public transit, but do not include private dwellings or private transportation vehicles.

B. Exceptions to the face covering or mask requirement include:

1. Minors below the age of 5; and
2. Persons who have disabilities where face coverings or masks constitute a substantial impairment to their health and well-being based upon medical, behavioral, or legal direction; and
3. Persons in a restaurant or tavern actively consuming food or drink; and
4. Persons obtaining a service involving the nose or face when temporary removal of the face covering or mask is necessary to perform the service; and
5. Persons who are alone in a separate room or office; and
6. Any interaction or gathering, per CDC guidance, where parties have knowledge all persons present are fully vaccinated by federally-approved vaccine(s).

Section 4. Violation of any provision of this ordinance constitutes an imminent threat and immediate menace to public health. It shall be unlawful for any person to fail, neglect or refuse to comply with this ordinance, or for any person to otherwise violate or in any manner aid, assist, encourage, or support the commission or perpetration of a violation of this ordinance, and upon conviction thereof any such person shall be punished by a fine of not less than \$25.00 and not more than \$500.00, or by imprisonment in the municipal penal correctional institution for a period of time not less than one day and not more than six months. All remedies prescribed by this ordinance or otherwise available under applicable law shall be cumulative and the use of one or more remedies by the City shall not bar the use of any other remedy to enforce this ordinance.

Section 5. The Interim Director of Health, the Director of Regulated Industries, the Chief of the Kansas City Police Department, and the Chief of the Kansas City Fire Department, or their designees (“Directors”) are, under the Constitutions of the United States and Missouri, the Kansas City Charter and this ordinance, subject to applicable law, authorized to enter all property necessary to enforce laws relating to public health and to provide for the avoidance, suppression or mitigation of disease, and abatement of nuisances and other unhealthy conditions. Upon complaint, or whenever the Directors deem an action carried on or engaged in by any person in the City detrimental to the public health, the Directors shall notify that person to show cause to the City at a time and place to be specified in the notice, why the trade or profession should not be discontinued or removed. The notice shall be served before the time specified therein as provided by law.

Section 6. Violation of any provision of this ordinance may result in the suspension or revocation of the Certificate of Occupancy and/or any license or permit issued by the City in accordance with Sections 18-23 and 40-28 of the City’s Code of Ordinances.

Section 7. If any provision of this ordinance or the application thereof to any person, entity, or circumstance is determined to be invalid by a court of competent jurisdiction, such determination shall not

affect or impair the validity of the other provisions of this ordinance or its application to other persons, entities, and circumstances.

Section 8. That the sum of \$1,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Health Levy Fund to the following account:

22-2330-502400-B	Communicable Disease Prevention	\$1,000.00
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Section 9. That the Interim Director of the Department of Health is designated as requisitioning authority for Account No. 22-2330-502400 and is hereby authorized to expend the sum of \$1,000.00 in funds heretofore appropriated to the account.

Section 10. That this ordinance, appropriating money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter and shall take effect in accordance with Section 503 of the City Charter.

Section 11. That this ordinance shall expire on September 23, 2021, at 3:00 p.m. unless rescinded, extended, modified or amended pursuant to applicable law.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Eluard Alegre
Assistant City Attorney



Health Department

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Director's Office



Date: August 18, 2021

To: Mayor Quinton Lucas

Cc: City Council Members

Brian Platt, City Manager

From: Frank E. Thompson, Interim Director

Re: Report Supporting Order for Mask Wearing in Public Places

This report is submitted to provide the data and research necessary to make an evidence-based decision on ordering the wearing of masks in places of public accommodation. By providing this report, the Kansas City Health Department seeks to inform the Mayor and City Council of the impact a new mask order could have on reducing the spread of the COVID-19 Delta variant in our community.

Please note: Studies cited reflect the prevailing scientific research at the time of writing. Data cited is provisional and is subject to change (increase) as many indicators have a data-lag in reporting. In short, due to the exponential stressors placed upon the public health systems at this time, data is likely to show an increase as more reporting institutions are able to report.

For example, initial reports for the total deaths due to COVID-19 occurring the week ending July 24th established a count of 0 deaths for that week. As subsequent reports were confirmed, reported deaths increased to 6. This is standard and any death totals for recent weeks should be seen as provisional and subject to change. There are currently 28 deaths that have pending causes which may be attributed to COVID-19 in KCMO.

Also, as the predominate variant active in Kansas City is the Delta variant, studies that reference earlier variants, earlier time periods of the pandemic and/or the parent COVID-19 virus may not address the issues present with the Delta or future variants.

- **How COVID Spreads And Why Masking Helps Decrease Spread**
 - a. CDC STATEMENT ON MASK WEARING BASED ON AVAILABLE RESEARCH - SARS-CoV-2 infection is transmitted predominately by inhalation of respiratory droplets generated when people cough, sneeze, sing, talk, or breathe. CDC recommends community use of [masks](#), specifically non-valved multi-layer cloth masks, to prevent transmission of SARS-CoV-2. Masks are primarily intended to reduce the emission of virus-laden droplets (“source control”), which is especially relevant for asymptomatic or presymptomatic infected wearers who feel well and may be unaware of their infectiousness to others, and who are estimated to account for more than 50% of transmissions. Masks also help reduce inhalation of these droplets by the wearer (“filtration for wearer protection”). The community benefit of masking for SARS-CoV-2 control is due to the combination of these effects; individual prevention benefit increases with increasing numbers of people using masks *consistently and correctly*. Adopting

universal masking policies can help avert future lockdowns, especially if combined with other non-pharmaceutical interventions such as *social distancing*, *hand hygiene*, and *adequate ventilation*. [emphasis added]

- “...wearing a face covering decreased the number of projected droplets by >1000-fold. We estimated that a person standing 2m from someone coughing without a mask is exposed to over 1000 times more respiratory droplets than from someone standing 5 cm away wearing a basic single layer mask. Our results indicate that face coverings show consistent efficacy at blocking respiratory droplets.”

Bandiera L., Pavar G., Pisetta G., et al. Face coverings and respiratory tract droplet dispersion. medRxiv. 2020;doi:10.1101/2020.08.11.20145086
<https://www.medrxiv.org/content/10.1101/2020.08.11.20145086v1.full.pdf>

b. TRANSMISSION BY PERSONS WHO DON'T KNOW (OR DON'T ACCEPT) THAT THEY ARE INFECTED IS A FACTOR IN INCREASED CASES – The issue of asymptomatic spreaders has been of concern for most of the pandemic:

- “We found that the majority of incidences may be attributable to silent transmission from a combination of the presymptomatic stage and asymptomatic infections.”
Moghadas SM, Fitzpatrick MC, Sah P, et al. The implications of silent transmission for the control of COVID-19 outbreaks. Proc Natl Acad Sci U S A. Jul 28 2020;117(30):17513-17515. doi:10.1073/pnas.2008373117
<https://www.pnas.org/content/pnas/117/30/17513.full.pdf>
- “...the identification and isolation of persons with symptomatic COVID-19 alone will not control the ongoing spread of SARS-CoV-2.”
Johansson MA, Quandelacy TM, Kada S, et al. SARS-CoV-2 Transmission From People Without COVID-19 Symptoms. JAMA Netw Open. Jan 4 2021;4(1):e2035057.
doi:10.1001/jamanetworkopen.2020.35057

The Delta variant has different symptoms than the original COVID virus and previous variants. This plus the fact that a vaccinated person who becomes infected with COVID can have very mild or no symptoms at all means the potential number of asymptomatic spreaders is larger than previous case spikes.

c. ADDITIONAL STUDIES ON EFFECTIVENESS AND PROPER WEARING OF MASKS

- Moghadas SM, Fitzpatrick MC, Sah P, et al. The implications of silent transmission for the control of COVID-19 outbreaks. Proc Natl Acad Sci U S A. Jul 28 2020;117(30):17513-17515. doi:10.1073/pnas.2008373117

- Lindsley WG, Blachere FM, Law BF, Beezhold DH, Noti JD. Efficacy of face masks, neck gaiters and face shields for reducing the expulsion of simulated cough-generated aerosols. *Aerosol Sci Technol.* 2020; in press
- Leung NHL, Chu DKW, Shiu EYC, et al. Respiratory virus shedding in exhaled breath and efficacy of face masks. *Nature medicine.* Apr 03 2020;26(5):676-680. doi:<https://dx.doi.org/10.1038/s41591-020-0843-2>
- Ueki H, Furusawa Y, Iwatsuki-Horimoto K, et al. Effectiveness of Face Masks in Preventing Airborne Transmission of SARS-CoV-2. *mSphere.* Oct 21 2020;5(5)doi:10.1128/mSphere.00637-20
- Brooks JT, Beezhold DH, Noti JD, et al. Maximizing Fit for Cloth and Medical Procedure Masks to Improve Performance and Reduce SARS-CoV-2 Transmission and Exposure. *MMWR Morb Mortal Wkly Rep.* 2021
- Hendrix MJ, Walde C, Findley K, Trotman R. Absence of Apparent Transmission of SARS-CoV-2 from Two Stylists After Exposure at a Hair Salon with a Universal Face Covering Policy – Springfield, Missouri, May 2020. *MMWR Morb Mortal Wkly Rep.* Jul 17 2020;69(28):930-932. doi:10.15585/mmwr.mm6928e2
- Van Dyke ME, Rogers TM, Pevzner E, et al. Trends in County-Level COVID-19 Incidence in Counties With and Without a Mask Mandate – Kansas, June 1- August 23, 2020. *MMWR Morb Mortal Wkly Rep.* Nov 27 2020;69(47):1777-1781. doi:10.15585/mmwr.mm6947e2

- **Current Conditions In Missouri**

- a. VACCINATION RATES FOR MISSOURI AND SW MISSOURI - The Missouri statewide vaccination rate is 43.1% completed as of 8/16/2021. Areas in Missouri that are popular summer destinations have lower vaccination rates like Taney County (29.5% completed) and Benton County (35.2% completed). These are all below the 50% vaccination level need to begin providing community protection.

<https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus/data/public-health/county.php> accurate through August 16th, 2021

- b. INCREASING RATES - Daily average cases have increased over 750% since the first week in June, from 239 to 1,834 as of August 14th, reaching numbers not seen since mid-January.
 - Data source: MODHSS, COVID-19 in Missouri Dashboard based on confirmed PCR cases on June 1, 2021 and August 14, 2021
<https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus/data/public-health/statewide.php>

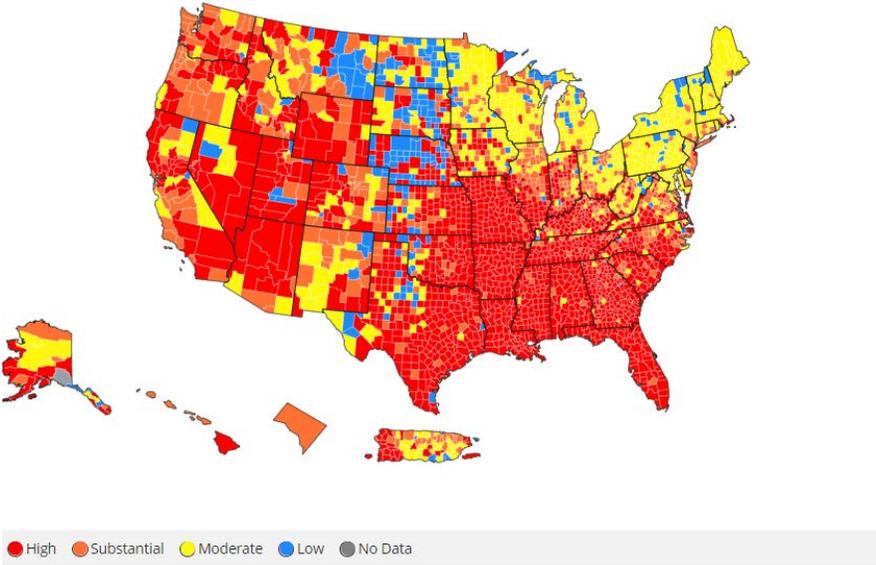
- c. SPREAD OF DELTA VARIANT – The estimated R0 (average number of persons each new case will infect) for the delta variant of COVID-19 is between 4.8 and 6, meaning that each individual infected with COVID-19 Delta will transmit the disease to 4-6

others. Sewer shed data show that 100% of collection sites in Missouri now show Delta variant, with 95% showing Delta variant exclusively.

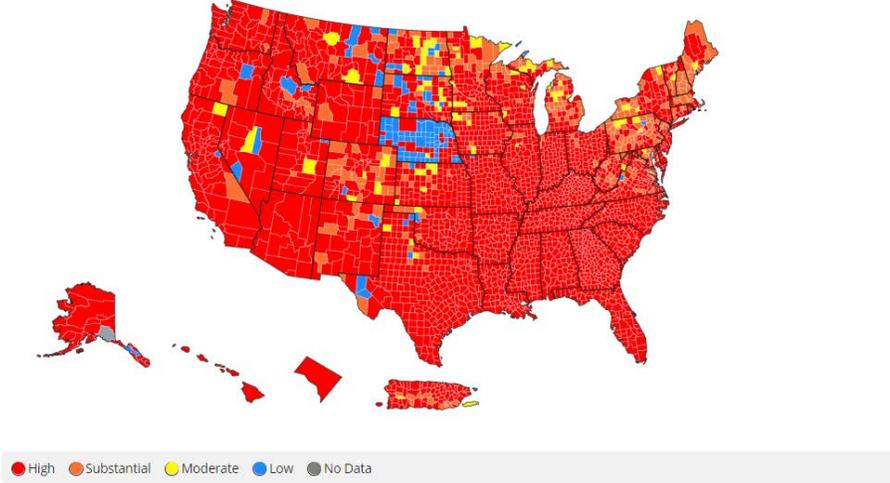
- R0 data source: <https://www.fil.ion.ucl.ac.uk/spm/covid-19/forecasting/>
- Sewershed data source: <https://storymaps.arcgis.com/stories/f7f5492486114da6b5d6fdc07f81aacf> accurate through July 27

d. LOCATION OF HOT SPOTS - Taney County (Branson) has a case rate of 347 per 100k, Howell County has a case rate of 551 per 100k, and Phelps County has a case rate of 473 per 100k. The CDC designates 99% of Missouri counties as experiencing “High” levels of community transmission (see map pulled 8/16/2021 at 11:00 AM)

Map as of 7/26/2021



Map as of 8/16/21



- **Current KCMO Numbers**

- a. TOTAL CASES AND DEATHS FOR KC REGION - on August 12, 2021, the Kansas City Health Department confirmed 187,168 total cases of COVID-19 in Kansas City metro-wide and 2,535 deaths from COVID-19 in Kansas City metro-wide.
- b. INCREASED CASES IN KC REGION AND KCMO – In the KC Region, average weekly cases went from 67 new cases per week in early June to 344 cases per week in mid-July. Weekly new cases for KCMO have increased **over 1,440% since the first week in June, from 99 (6/5/21) to 1,425 (8/14/21)** reaching numbers not seen since mid-January. KCMO is currently averaging about 203 new cases per day.
 - KC Region data source: MARC KC Region COVID-19 Data Hub <https://marc2.org/covidhub/>
 - KCMO Data source: MODHSS (epitrax) internal report of confirmed cases, data accurate through Aug 14, 2021

HOSPITAL CAPACITY IS BEING CHALLENGED - During a joint call on July 14th between local public health directors and chief medical officers (CMOs) for local hospitals, the CMOs shared that more hospitals were going on “high volume” than at any other time during the pandemic. High volume means that the hospital doesn’t have enough staffed beds to admit patients from the Emergency Room (ER), so the ER must keep those patients until a bed opens up. This in turn impacts the ER’s ability to provide beds for new patients. During a subsequent joint call on August 11, 2021, it was stated that the majority of the hospitals are not accepting transfers outside the Kansas City Region.

- On June 6 hospitalizations due to COVID-19 were at a pandemic low, averaging 7 per day. As of Sunday August 15, the average daily hospitalizations have increased by 570% to 40, resulting in 16% of all hospital beds being taken by COVID patients and only 30% of hospital beds being available, comparable to the peak of our hospitalizations last year.
- Hospitalizations reported by the Health Department on the KCMO Data dashboard represent those individuals that have been interviewed by Health Department staff or may have provided information to the department due to mandatory laboratory reporting by KCMO Reportable Disease Ordinances: Kansas City Ordinances (Article II, Sec. 34-51, 34-53, 34-54, 34-55, 34-56, 34-68, 34-72 or statute Diseases and Conditions Reportable In Missouri (19 CSR 20-20.020) or through the Missouri Department of Health and Senior Services reporting mechanism EpiTrax. The Mid-America Regional Council’s dashboard represents a 2-day lag in reporting from data obtained from HHS Protect data system which is the hospital reporting structure. Both dashboards combined provide insight to the scope and scale of the burden of COVID-19 cases on the hospital system.
- The Public Health Systems continue to experience challenges with staffing critical roles, such as investigators (including our contract for contact tracing), nurses and call center staff. This increases the need for masking as the mitigation

efforts of vaccinations, social distancing, and surveillance efforts stall and genomic testing is low.

- The mitigation efforts of contact tracing are severely compromised by affected individuals not cooperating with investigations leading to the need for a mask mandate. When individuals who are COVID positive will not talk to investigators, choose to go to work sick or not take appropriate measures in workplace environments, the rate of infection increases and places additional burdens on an already compromised health and public health system.

- The volume of cases is increasing. The department has prioritized investigating cases that are between the ages of 12 years old and 40 years old and those who are hospitalized. This decision was made as that is where there are the lowest vaccination rates and the bulk of new cases occur. There are 929 cases from August 1 forward that meet priority but remain unassigned to an investigator. This number increases every day. Masking will help slow the rate of new cases and help stop hyper-local outbreaks of COVID-19.

- **New CDC Guidance**
 - a. SUMMARY OF LATEST CDC GUIDANCE -
 - Updated information for fully vaccinated people given new evidence on the B.1.617.2 (Delta) variant currently circulating in the United States.
 - Added a recommendation for fully vaccinated people to wear a mask in public indoor settings in areas of substantial or high transmission. (*Kansas City's COVID-19 case rate currently stands at **three times** the CDC threshold for designation as a high transmission area.*)
 - Added information that fully vaccinated people might choose to wear a mask regardless of the level of transmission, particularly if they are immunocompromised or at increased risk for severe disease from COVID-19, or if they have someone in their household who is immunocompromised, at increased risk of severe disease or not fully vaccinated.
 - Added a recommendation for fully vaccinated people who have a known exposure to someone with suspected or confirmed COVID-19 to be tested 3-5 days after exposure, and to wear a mask in public indoor settings for 14 days or until they receive a negative test result.
 - CDC recommends universal indoor masking for all teachers, staff, students, and visitors to schools, regardless of vaccination status.
 - Infections happen in only a small proportion of people who are fully vaccinated, even with the Delta variant. However, preliminary evidence suggests that fully vaccinated people who do become infected with the Delta variant can spread the virus to others. To reduce their risk of becoming infected with the Delta variant and potentially spreading it to others, CDC recommends that fully vaccinated people:
 - Wear a mask in public indoor settings if they are in an area of substantial or high transmission.
 - Fully vaccinated people might choose to mask regardless of the level of transmission, particularly if they or someone in their household is immunocompromised or at increased risk for severe disease, or if someone in

their household is unvaccinated. People who are at increased risk for severe disease include older adults and those who have certain medical conditions, such as diabetes, overweight or obesity, and heart conditions.

- Get tested if experiencing COVID-19 symptoms.
- Get tested 3-5 days following a known exposure to someone with suspected or confirmed COVID-19 and wear a mask in public indoor settings for 14 days after exposure or until a negative test result.
- Isolate if they have tested positive for COVID-19 in the prior 10 days or are experiencing COVID-19 symptoms.

- General prevention of COVID-19: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html> (for anyone)

- Wear a mask
- Stay 6 ft away from others
- Get vaccinated
- Avoid crowds and poorly ventilated spaces
- Wash your hands often
- Cover coughs and sneezes
- Clean and disinfect
- Monitor your health daily

- b. DEFINITIONS – A high transmission area is a jurisdiction (city, county or state) with a COVID case rate higher than 100 per 100,000 population over the past seven days and a test positivity rate of greater than 10% over the over the past seven days. A substantial transmission area is a jurisdiction (city, county or state) with a COVID case rate between 50-99 per 100,000 population over the past seven days and a test positivity rate of between 8-9.99% over the past seven days.
- c. WHY KC MEETS THE DEFINITION OF HIGH AND/OR SUBSTANTIAL TRANSMISSION AREA – Kansas City’s two-week positivity rate from August 1 – August 14th is 34%, and our case rate is 288 per 100k from August 8th to the 14th

Source – MODHSS Confirmed Cases Database (accurate through August 17th, 2021)

- **Kids And Masking:**

- a. KIDS ARE GETTING INFECTED - The case rate in those under 12 has increased by 7x between June and July, to 507 per 100,000. This rate is higher than the previous peak of COVID-19 for this age group so far, from November 2020 (4,248 per 100,000). So far in the month of August (through the 15th), 308 cases in those under 12 have been reported.

Source – MODHSS Confirmed Cases Database (accurate through August 17th, 2021)

- b. KIDS CAN SPREAD IT - Studies that have systematically tested children and adolescents, irrespective of symptoms, for acute SARS-CoV-2 infection (using antigen or RT-PCR assays) or prior infection (through antibody testing) have found their rates of infection can be comparable, and in some settings higher, than in adults. Outbreaks among children attending camps and sports events have demonstrated that children can transmit SARS-CoV-2 to others. This includes previous and current outbreaks in youth camps and sporting events in the Kansas City region.

Source - Szablewski CM, Chang KT, Brown MM, et al. SARS-CoV-2 Transmission and Infection Among Attendees of an Overnight Camp – Georgia, June 2020. MMWR Morb Mortal Wkly Rep 2020;69(31):1023-1025. doi:10.15585/mmwr.mm6931e1

Atherstone C, Siegel M, Schmitt-Matzen E, et al. SARS-CoV-2 Transmission Associated with High School Wrestling Tournaments – Florida, December 2020-January 2021. MMWR Morb Mortal Wkly Rep 2021;70(4):141-143. doi:10.15585/mmwr.mm7004e4

- c. KIDS CAN GET SICK - The average hospitalization percentage for those under 12 in 2021 is 17% of reported cases in Kansas City.
Source – MODHSS Confirmed Cases Database (accurate through July, 2021)
 - d. KIDS (UNDER 12) CANNOT GET VACCINATED AND ARE COMPLETELY EXCLUDED FROM THAT POSSIBLE PROTECTION – Although Emergency Use Authorization for 5-12-year-old children is expected within the coming months, the clinical trials for the Pfizer and Moderna vaccine may begin expanding the number of children in this age range who can participate.
- **Regional Guidance On Masking And Vaccinations**
 - a. REGIONAL NEWS RELEASE FOR PUBLIC HEALTH ADVISORY - Ten Kansas City area health departments (including Cass, Clay, Jackson and Platte Counties in Missouri) issued a Public Health Advisory through a Regional News Release on July 16, 2021 recommending mask wearing while indoors for all unvaccinated persons and vaccinated individuals with underlying health conditions. This advisory was a result of discussions during a joint meeting with the Chief Medical Officers from several metropolitan area hospitals. The Chief Medical Officers found that due to the rapidly increasing COVID-19 cases and hospitalizations in the Kansas City Area due to emergence of the delta variant, unvaccinated residents of all ages who have resumed normal activities without adequate protection (masking and vaccinations) are most at risk, particularly immune-compromised individuals.

This Advisory was prior to the CDC’s Morbidity and Mortality Weekly Report from July 27, 2021 that stated: “Based on emerging evidence on the Delta variant (2), CDC also recommends that fully vaccinated persons wear masks in public indoor settings in areas of substantial or high transmission.”
(2)CDC. Science brief: COVID-19 vaccines and vaccination. Atlanta, GA: US Department of Health and Human Services, CDC; 2021.
<https://www.cdc.gov/coronavirus/2019-ncov/science/science-briefs/fully-vaccinated-people.html>
- **Masking Is Needed Because Vaccination Alone Is Not Working**
 - a. VACCINES ALONE CAN’T STOP COVID-19 IF ENOUGH PEOPLE DON’T RECEIVE THEM - In November 2020, Molecular Diversity Preservation International (MDPI) a publisher of online scientific journals, published an article titled “Is a COVID-19 Vaccine Likely to Make Things Worse?”. In this article (written before the first COVID-19 vaccine was approved), the authors used mathematical modeling to predict what impact the introduction of a highly effective vaccine would have on COVID-19 infections. The authors concluded that “use of a vaccine in combination with these measures [*contact tracing, masks wearing, physical distancing, travel quarantine and*

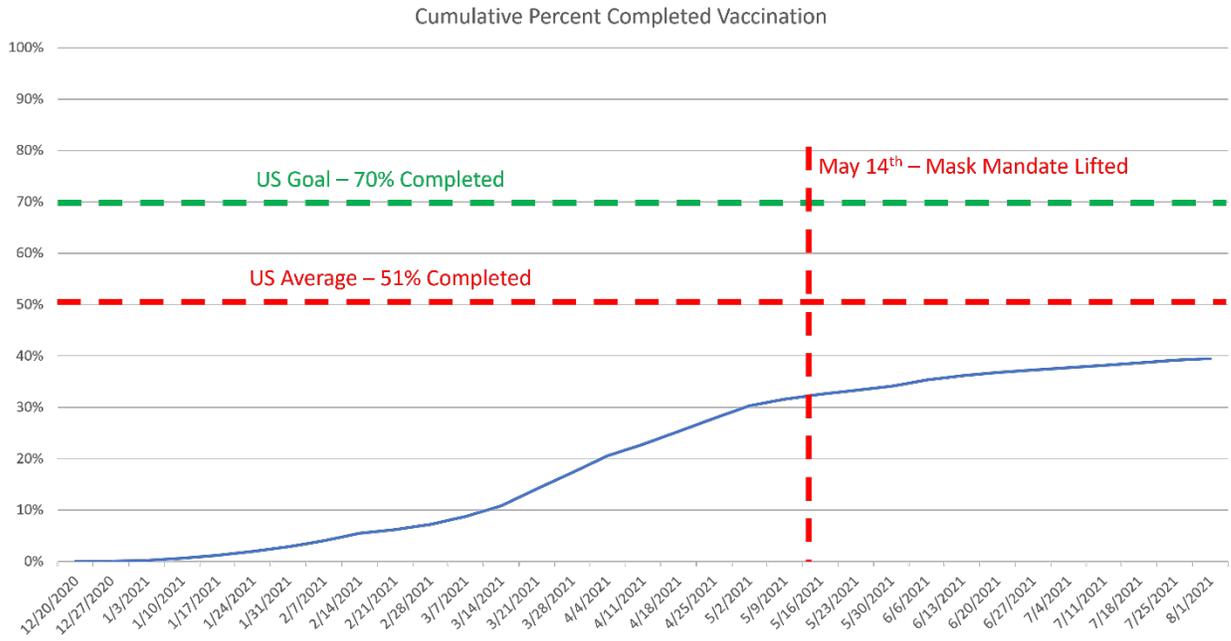
isolation of infected persons] will reduce the per-day risk of infection **so long as at least 50%** of people receive it, with significant benefits if more than 80% people do. However, **if there is too much vaccine defiance and a concomitant abandoning of other protection options, then we run the risk of a perverse outcome: the introduction of an excellent vaccine could nevertheless make the overall situation worse.**” In short, the mathematical models used by the authors predicted the exact situation Kansas City and other communities now find ourselves in – we removed the protective measures before enough people were vaccinated and so the virus had a resurgence. It is important to note that the version of COVID-19 the models factored in was not as contagious or as virulent as the Delta variant. This article closed with the following cautionary statement: **“unless these vaccines are given to a sizable majority of people, vaccination is unable to fully replace existing protection measures.** Until this goal is achieved, it is vital that public-health education about the importance of non-medical protection options remain in place.”

- b. **VACCINATION AVAILABILITY CANNOT BE A SUBSTITUTE FOR OTHER PROTECTIVE MEASURES SUCH AS MASKING** – COVID-19 vaccines are available to most Kansas City residents. In addition to community-based, COVID vaccination clinics offered each day by the Health Department, clinics under contract with the Health Department and other medical providers/community organizations in this community, there are vaccinations available at pharmacies, in hospital emergency rooms, COVID specific private clinics and urgent care centers.

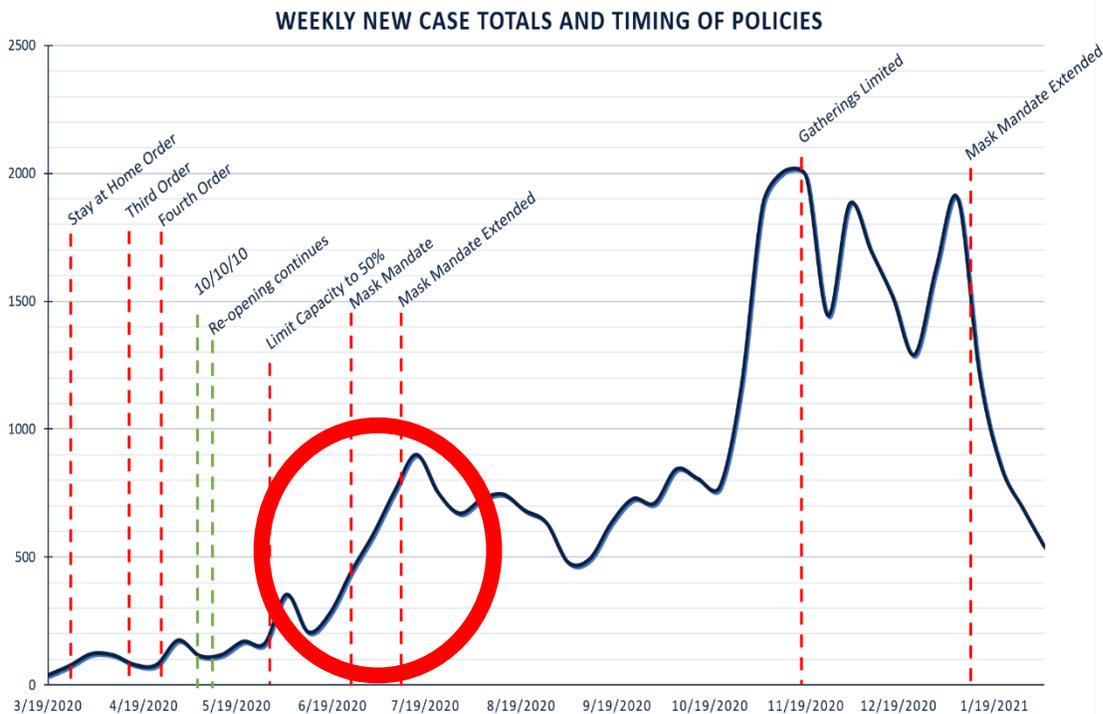
Vaccine uptake is shifting from an availability problem to a desirability issue. Financial incentives being introduced by the state of Missouri may have some impact, but preliminary studies of the impact of financial incentives in other states show mixed results. One study that looked at the impact of \$10 and \$100 financial incentives found that “While having to pay a \$20 co-pay for the vaccine did deter individuals, the additional economic incentives had no positive effect although they did not discourage vaccination. Consistent with past research further analysis shows that the negative effect of the \$20 co-pay was concentrated among low-income earners. Financial incentives failed to increase vaccination willingness across income levels.”

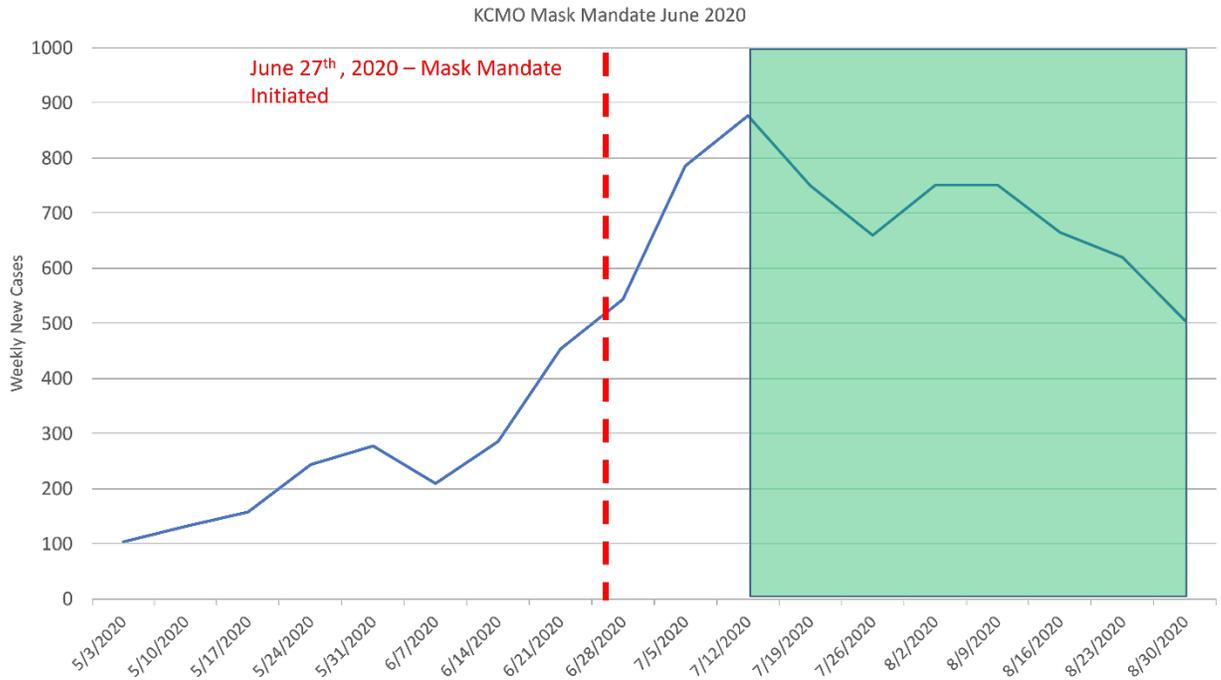
Source - Kreps, S., Dasgupta, N., Brownstein, J.S. et al. Public attitudes toward COVID-19 vaccination: The role of vaccine attributes, incentives, and misinformation. *npj Vaccines* 6, 73 (2021). <https://doi.org/10.1038/s41541-021-00335-2>

- c. In a similar fashion, CDC guidance was updated on May 14th to and dropping masking requirements for those fully vaccinated. With no way to enforce a mask mandate for only those unvaccinated, the city was left with no choice but to drop the mandate. This precipitated fastest increase in cases over the entire pandemic, with cases rising nearly 1,600% in a 9-week period. At that time the vaccination rate in the city was just over 32%. In addition, between April 9 (the date of full eligibility) and May 13 (the day before the mask mandate ended) the vaccination rate had been increasing at an average rate of 2.4% per week. Subsequently, the vaccination rate slowed to a rate of 0.6% increase per week.



- d. WE HAVE SEEN MASK ORDERS AND OTHER MITIGATION APPROACHES WORK DURING EARLIER CASE SPIKES IN AND NEAR KANSAS CITY – The graphic below shows how previous orders by Mayor Lucas have impacted the trend line for local cases:





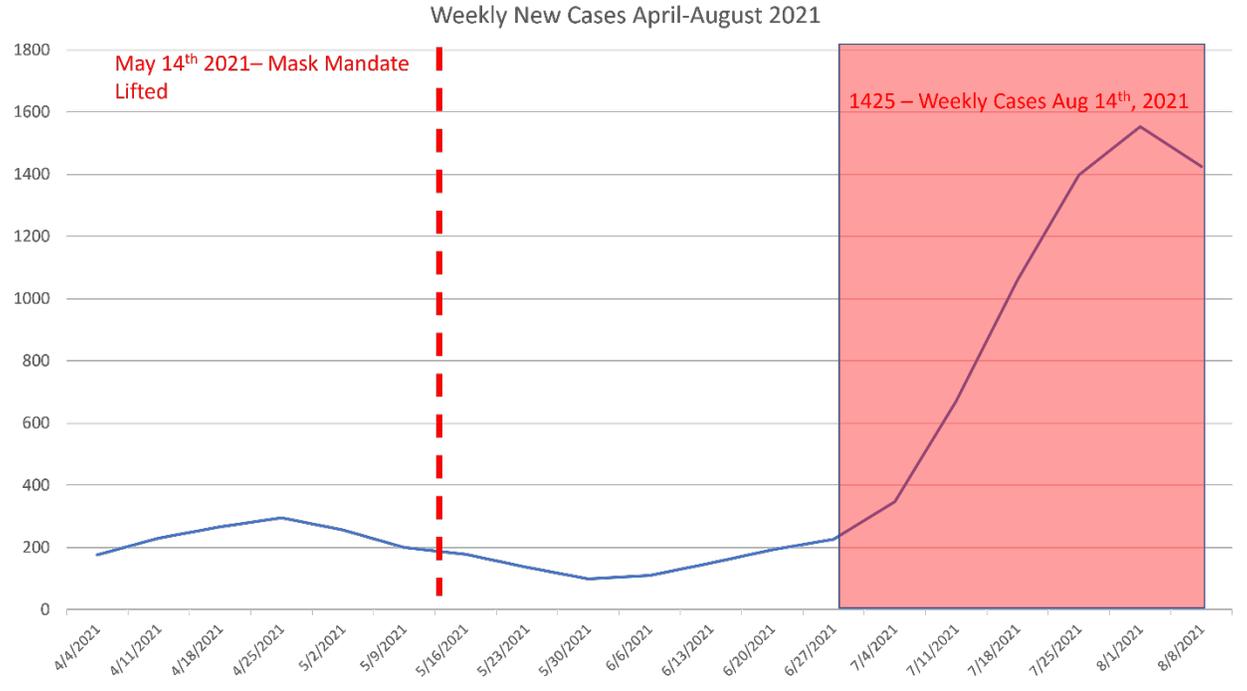
In addition, we have another example from Kansas:

“The governor of Kansas issued an executive order requiring wearing masks in public spaces, effective July 3, 2020, which was subject to county authority to opt out. After July 3, COVID-19 incidence decreased in 24 counties with mask mandates but continued to increase in 81 counties without mask mandates.”

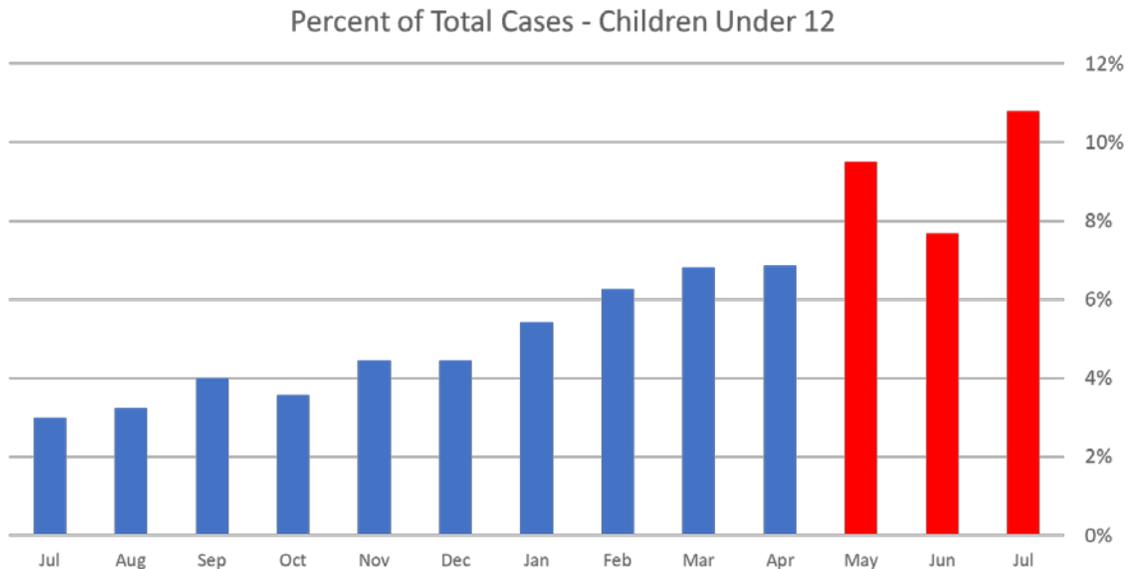
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<https://www.cdc.gov/mmwr/volumes/69/wr/mm6947e2.htm>

<https://www.cdc.gov/mmwr/volumes/69/wr/pdfs/mm6947e2-H.pdf>



Furthermore, the share of cases in those under 12 rose from just 4% of all cases in January 2021, to nearly 11% of all cases in July 2021. These children cannot be vaccinated. In the absence of higher vaccination rates, the only method left to protect the children of Kansas City is through mask mandates.



- **Justification for Exclusions to be Included In Mask Order**
 - a. MINORS BELOW THE AGE OF 5 - Current CDC recommendations state that face masks can be safely worn by all children 2 years of age and older, including most children with

special health conditions, with rare exception. Children should not wear a mask if they are under 2 years old, however, because of suffocation risk. In addition, for children under age five in community settings the World Health Organization recommends against face masks.

- <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html#stay6ft>
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- <https://www.jwatch.org/fw116969/2020/08/24/who-recommends-against-face-masks-kids-community-settings>

- b. PERSONS WHO HAVE DISABILITIES WHERE FACE COVERINGS OR MASKS CONSTITUTE A SUBSTANTIAL IMPAIRMENT TO THEIR HEALTH AND WELL-BEING BASED UPON MEDICAL, BEHAVIORAL, OR LEGAL DIRECTION - Employees who can't wear a face mask for medical reasons, should not work in close proximity with other coworkers or the public. For the public who can't wear face masks for medical reasons, they should utilize alternative services such as online shopping, and/or curbside pickup and delivery.

The CDC does not recommend the use of face shields because they provide minimal protection from inhalation or exhalation of small droplets.

- c. PERSONS IN A RESTAURANT OR TAVERN ACTIVELY CONSUMING FOOD OR DRINK - While actively consuming food, exposure can be minimized by seating households and close contact groups together, maintaining proper social distance, and remaining seated while consuming food or drink. The CDC recommends that restaurant and bar settings consider spacing tables at least 6 feet apart to mitigate risk while customers are eating and drinking. <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/business-employers/bars-restaurants.html>
- d. PERSONS OBTAINING A SERVICE INVOLVING THE NOSE OR FACE WHEN TEMPORARY REMOVAL OF THE FACE COVERING OR MASK IS NECESSARY TO PERFORM THE SERVICE- This exclusion is only for those who are receiving the service, person rendering service must still wear a face mask at all times.
- e. PERSONS WHO ARE ALONE IN A SEPARATE ROOM OR OFFICE – minimal risk for a fully enclosed office; no need for masking
- f. ANY INTERACTION OR GATHERING, PER CDC GUIDANCE, WHERE PARTIES HAVE KNOWLEDGE ALL PERSONS PRESENT ARE FULLY VACCINATED BY FEDERALLY-APPROVED VACCINE(S) – Current CDC recommendations do not support this exclusion

Based on the information included in this report, as Interim Director of the Kansas City Health Department, I strongly support the issuance of an Order from the City Council requiring masks in all indoor, public accommodations within Kansas City, MO, for at least the next 30 days. Such an order is needed to provide relief to local hospitals, to “turn the curve” of Kansas City’s latest COVID-19 surge, and to protect the public health of Kansas Citizens.



Health Department

2400 Troost Avenue, Suite 4000
Kansas City, Missouri 64108
Office (816) 513-6252 Fax (816) 513-6293

Director’s Office



Public Health

Date: July 30, 2021

To: Mayor Quinton Lucas

Cc: City Council Members

Brian Platt, City Manager

From: Frank E. Thompson, Deputy Director

Re: Report Supporting Order for Mask Wearing in Public Places

This report is submitted to provide the data and research necessary to make an evidence-based decisions on ordering wearing of masks in places of public accommodation. By provide this report the Kansas City Health Department seeks to inform the Mayor and City Council of the impact a new mask order could have on reducing the spread of the COVID-19 Delta variant in our community.

- **How COVID Spreads And Why Masking Helps Decrease Spread**
 - a. CDC STATEMENT ON MASK WEARING BASED ON AVAILABLE RESEARCH - SARS-CoV-2 infection is transmitted predominately by inhalation of respiratory droplets generated when people cough, sneeze, sing, talk, or breathe. CDC recommends community use of [masks](#), specifically non-valved multi-layer cloth masks, to prevent transmission of SARS-CoV-2. Masks are primarily intended to reduce the emission of virus-laden droplets (“source control”), which is especially relevant for asymptomatic or presymptomatic infected wearers who feel well and may be unaware of their infectiousness to others, and who are estimated to account for more than 50% of transmissions. Masks also help reduce inhalation of these droplets by the wearer (“filtration for wearer protection”). The community benefit of masking for SARS-CoV-2 control is due to the combination of these effects; individual prevention benefit increases with increasing numbers of people using masks *consistently and correctly*. Adopting universal masking policies can help avert future lockdowns, especially if combined with other non-pharmaceutical interventions such as *social distancing, hand hygiene, and adequate ventilation. [emphasis added]*
 - “...wearing a face covering decreased the number of projected droplets by >1000-fold. We estimated that a person standing 2m from someone coughing without a mask is exposed to over 1000 times more respiratory droplets than from someone standing 5 cm away wearing a basic single layer mask. Our results indicate that face coverings show consistent efficacy at blocking respiratory droplets.”

Bandiera L., Pavar G., Pisetta G., et al. Face coverings and respiratory tract droplet dispersion. medRxiv. 2020;doi:10.1101/2020.08.11.20145086
<https://www.medrxiv.org/content/10.1101/2020.08.11.20145086v1.full.pdf>

b. TRANSMISSION BY PERSONS WHO DON'T KNOW (OR DON'T ACCEPT) THAT THEY ARE INFECTED IS A FACTOR IN INCREASED CASES – The issue of asymptomatic spreaders has been of concern for most of the pandemic:

- “We found that the majority of incidences may be attributable to silent transmission from a combination of the presymptomatic stage and asymptomatic infections.”
Moghadas SM, Fitzpatrick MC, Sah P, et al. The implications of silent transmission for the control of COVID-19 outbreaks. *Proc Natl Acad Sci U S A*. Jul 28 2020;117(30):17513-17515. doi:10.1073/pnas.2008373117 <https://www.pnas.org/content/pnas/117/30/17513.full.pdf>
- “...the identification and isolation of persons with symptomatic COVID-19 alone will not control the ongoing spread of SARS-CoV-2.”
Johansson MA, Quandelacy TM, Kada S, et al. SARS-CoV-2 Transmission From People Without COVID-19 Symptoms. *JAMA Netw Open*. Jan 4 2021;4(1):e2035057. doi:10.1001/jamanetworkopen.2020.35057

The Delta variant has different symptoms than the original COVID virus and previous variants. This plus the fact that a vaccinated person who becomes infected with COVID can have very mild or no symptoms at all means the potential number of asymptomatic spreaders is larger than previous case spikes.

c. ADDITIONAL STUDIES ON EFFECTIVENESS AND PROPER WEARING OF MASKS

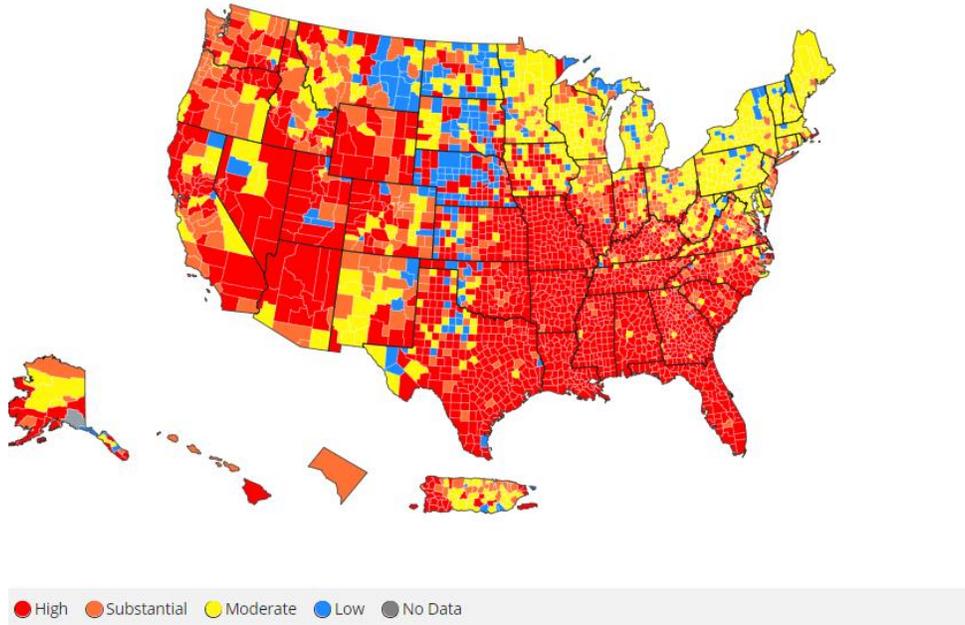
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- Lindsley WG, Blachere FM, Law BF, Beezhold DH, Noti JD. Efficacy of face masks, neck gaiters and face shields for reducing the expulsion of simulated cough-generated aerosols. *Aerosol Sci Technol*. 2020; in press
- Leung NHL, Chu DKW, Shiu EYC, et al. Respiratory virus shedding in exhaled breath and efficacy of face masks. *Nature medicine*. Apr 03 2020;26(5):676-680. doi:<https://dx.doi.org/10.1038/s41591-020-0843-2>
- Ueki H, Furusawa Y, Iwatsuki-Horimoto K, et al. Effectiveness of Face Masks in Preventing Airborne Transmission of SARS-CoV-2. *mSphere*. Oct 21 2020;5(5)doi:10.1128/mSphere.00637-20

- Brooks JT, Beezhold DH, Noti JD, et al. Maximizing Fit for Cloth and Medical Procedure Masks to Improve Performance and Reduce SARS-CoV-2 Transmission and Exposure. MMWR Morb Mortal Wkly Rep. 2021
- Hendrix MJ, Walde C, Findley K, Trotman R. Absence of Apparent Transmission of SARS-CoV-2 from Two Stylists After Exposure at a Hair Salon with a Universal Face Covering Policy – Springfield, Missouri, May 2020. MMWR Morb Mortal Wkly Rep. Jul 17 2020;69(28):930-932. doi:10.15585/mmwr.mm6928e2
- Van Dyke ME, Rogers TM, Pevzner E, et al. Trends in County-Level COVID-19 Incidence in Counties With and Without a Mask Mandate – Kansas, June 1- August 23, 2020. MMWR Morb Mortal Wkly Rep. Nov 27 2020;69(47):1777-1781. doi:10.15585/mmwr.mm6947e2
- **Current Conditions In Missouri**
 - a. VACCINATION RATES FOR MISSOURI AND SW MISSOURI - The Missouri statewide vaccination rate is 41.1% completed as of 7/29/2021. Areas in Missouri that are popular summer destinations have lower vaccination rates like Taney County (27.3% completed) and Benton County (34% completed). These are all below the 50% vaccination level need to begin providing community protection.

<https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus/data/public-health/county.php> accurate through July 29, 2021
 - b. INCREASING RATES - Daily average cases have increased over 700% since the first week in June, from 239 to 1,696 at the end of July reaching numbers not seen since mid-January.
 - Data source: MODHSS, COVID-19 in Missouri Dashboard based on confirmed PCR cases on June 1, 2021 and July 26, 2021

<https://health.mo.gov/living/healthcondiseases/communicable/novel-coronavirus/data/public-health/statewide.php>
 - c. SPREAD OF DELTA VARIANT – The estimated R^0 (average number of persons each new case will infect) for the delta variant of COVID-19 is between 4.8 and 6, meaning that each individual infected with COVID-19 Delta will transmit the disease to 4-6 others. Sewer shed data show that 100% of collection sites in Missouri now show Delta variant, with 95% showing Delta variant exclusively.
 - R^0 data source: <https://www.fil.ion.ucl.ac.uk/spm/covid-19/forecasting/>
 - Sewershed data source: <https://storymaps.arcgis.com/stories/f7f5492486114da6b5d6fdc07f81aacf> accurate through July 12

- d. LOCATION OF HOT SPOTS - Taney county (Branson) has a case rate of 347 per 100k, Howell County has a case rate of 551 per 100k, and Phelps county has a case rate of 473 per 100k. The CDC designates 99% of Missouri counties as experiencing “High” levels of community transmission (see map pulled 7/29/2021 at 4:30 PM)



- **Current KCMO Numbers**
 - a. TOTAL CASES AND DEATHS FOR KC REGION - on July 25, 2021, the Kansas City Health Department confirmed 171,327 total cases of COVID-19 in Kansas City metro-wide and 2,378 deaths from COVID-19 in Kansas City metro-wide.
 - b. INCREASED CASES IN KC REGION AND KCMO – In the KC Region, average weekly cases went from 67 new cases per week in early June to 344 cases per week in mid-July. Weekly new cases for KCMO have increased over **1,000%** since the first week in June, from 100 (6/5/21) to 1,068 (7/29/21) reaching numbers not seen since mid-January, KCMO is currently averaging over 140 new cases per day.
 - KC Region data source: MARC KC Region COVID-19 Data Hub <https://marc2.org/covidhub/>
 - KCMO Data source: MODHSS (epitrax) internal report of confirmed cases, data accurate through July 29, 2021
 - c. HOSPITAL CAPACITY IS BEING CHALLENGED - During a joint call on July 14th between local public health directors and chief medical officers (CMOs) for local hospitals, the CMOs shared that more hospitals were going on “high volume” than at any other time during the pandemic. High volume means that the hospital doesn’t have enough staffed beds to admit patients from the Emergency Room (ER), so the ER must keep those patients until a bed opens up. This in turn impacts the ER’s ability to provide beds for new patients.

- Hospitalizations are 8 times higher than the first week in June. 10% of all hospital beds are currently taken by COVID patients and only 23% of hospital beds are available, lower than the peak of our hospitalizations last year
- **New CDC Guidance**
 - a. SUMMARY OF LATEST CDC GUIDANCE -
 - Updated information for fully vaccinated people given new evidence on the B.1.617.2 (Delta) variant currently circulating in the United States.
 - Added a recommendation for fully vaccinated people to wear a mask in public indoor settings in areas of substantial or high transmission.
 - Added information that fully vaccinated people might choose to wear a mask regardless of the level of transmission, particularly if they are immunocompromised or at increased risk for severe disease from COVID-19, or if they have someone in their household who is immunocompromised, at increased risk of severe disease or not fully vaccinated.
 - Added a recommendation for fully vaccinated people who have a known exposure to someone with suspected or confirmed COVID-19 to be tested 3-5 days after exposure, and to wear a mask in public indoor settings for 14 days or until they receive a negative test result.
 - CDC recommends universal indoor masking for all teachers, staff, students, and visitors to schools, regardless of vaccination status.
 - Infections happen in only a small proportion of people who are fully vaccinated, even with the Delta variant. However, preliminary evidence suggests that fully vaccinated people who do become infected with the Delta variant can spread the virus to others. To reduce their risk of becoming infected with the Delta variant and potentially spreading it to others, CDC recommends that fully vaccinated people:
 - Wear a mask in public indoor settings if they are in an area of substantial or high transmission.
 - Fully vaccinated people might choose to mask regardless of the level of transmission, particularly if they or someone in their household is immunocompromised or at increased risk for severe disease, or if someone in their household is unvaccinated. People who are at increased risk for severe disease include older adults and those who have certain medical conditions, such as diabetes, overweight or obesity, and heart conditions.
 - Get tested if experiencing COVID-19 symptoms.
 - Get tested 3-5 days following a known exposure to someone with suspected or confirmed COVID-19 and wear a mask in public indoor settings for 14 days after exposure or until a negative test result.
 - Isolate if they have tested positive for COVID-19 in the prior 10 days or are experiencing COVID-19 symptoms.
 - General prevention of COVID-19: <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html> (for anyone)
 - Wear a mask
 - Stay 6 ft away from others
 - Get vaccinated

- Avoid crowds and poorly ventilated spaces
 - Wash your hands often
 - Cover coughs and sneezes
 - Clean and disinfect
 - Monitor your health daily
- b. DEFINITIONS – A high transmission area is a jurisdiction (city, county or state) with a COVID case rate higher than 100 per 100,000 population over the past seven days and a test positivity rate of greater than 10% over the over the past seven days. A substantial transmission area is a jurisdiction (city, county or state) with a COVID case rate between 50-99 per 100,000 population over the past seven days and a test positivity rate of between 8-9.99% over the past seven days.
- c. WHY KC MEETS THE DEFINITION OF HIGH AND/OR SUBSTANTIAL TRANSMISSION AREA – Kansas City’s two-week positivity rate from July 11th – July 24th is 29.3%, and our case rate is 216 per 100k over the past seven days

Source – MODHSS Confirmed Cases Database (accurate through July 29, 2021)

- **Kids And Masking:**

- a. KIDS ARE GETTING INFECTED - The case rate in those under 12 has increased by 5.5x between June and July, to 418 per 100,000. This rate is equivalent to the highest peak of COVID-19 for this age group so far, from December 2020 (424 per 100,000). So far in the month of July (through the 28th) 308 cases in those under 12 have been reported

Source – MODHSS Confirmed Cases Database (accurate through July 29, 2021)

- b. KIDS CAN SPREAD IT - Studies that have systematically tested children and adolescents, irrespective of symptoms, for acute SARS-CoV-2 infection (using antigen or RT-PCR assays) or prior infection (through antibody testing) have found their rates of infection can be comparable, and in some settings higher, than in adults. Outbreaks among children attending camps and sports events have demonstrated that children can transmit SARS-CoV-2 to others. This includes previous and current outbreaks in youth camps and sporting events in the Kansas City region.

Source - Szablewski CM, Chang KT, Brown MM, et al. SARS-CoV-2 Transmission and Infection Among Attendees of an Overnight Camp – Georgia, June 2020. MMWR Morb Mortal Wkly Rep 2020;69(31):1023-1025. doi:10.15585/mmwr.mm6931e1

Atherstone C, Siegel M, Schmitt-Matzen E, et al. SARS-CoV-2 Transmission Associated with High School Wrestling Tournaments – Florida, December 2020-January 2021. MMWR Morb Mortal Wkly Rep 2021;70(4):141-143. doi:10.15585/mmwr.mm7004e4

- c. KIDS CAN GET SICK - The average hospitalization percentage for those under 12 in 2021 is 18% of reported cases in Kansas City.

Source – MODHSS Confirmed Cases Database (accurate through July 29, 2021)

- d. KIDS (UNDER 12) CANNOT GET VACCINATED AND ARE COMPLETELY EXCLUDED FROM THAT POSSIBLE PROTECTION – Although Emergency Use Authorization for 5-12-year-old children is expected within the coming months, the clinical trials for the Pfizer and Moderna vaccine may begin expanding the number of children in this age range who can participate.

- **Regional Guidance On Masking And Vaccinations**

- a. REGIONAL NEWS RELEASE FOR PUBLIC HEALTH ADVISORY - Ten Kansas City area health departments (including Cass, Clay, Jackson and Platte Counties in Missouri) issued a Public Health Advisory through a Regional News Release on July 16, 2021 recommending mask wearing while indoors for all unvaccinated persons and vaccinated individuals with underlying health conditions. This advisory was a result of discussions during a joint meeting with the Chief Medical Officers from several metropolitan area hospitals. The Chief Medical Officers found that due to the rapidly increasing COVID-19 cases and hospitalizations in the Kansas City Area due to emergence of the delta variant, unvaccinated residents of all ages who have resumed normal activities without adequate protection (masking and vaccinations) are most at risk, particularly immune-compromised individuals.

This Advisory was prior to the CDC’s Morbidity and Mortality Weekly Report from July 27, 2021 that stated: “Based on emerging evidence on the Delta variant (2), CDC also recommends that fully vaccinated persons wear masks in public indoor settings in areas of substantial or high transmission.”

(2)CDC. Science brief: COVID-19 vaccines and vaccination. Atlanta, GA: US Department of Health and Human Services, CDC; 2021.

<https://www.cdc.gov/coronavirus/2019-ncov/science/science-briefs/fully-vaccinated-people.html>

- b. CHILDREN’S MERCY GUIDANCE – On July 12th Children’s Mercy Hospital updated their document titled Guidance for Keeping Schools Safe for Students and Staff. This updated guidance from one of the preeminent children’s hospitals in the nation stated: “Schools may want to consider universal masking in cases where:
 - Vaccine status of staff or students is not able to be verified
 - In communities and/or schools where high vaccination rates have not been achieved (e.g. >70%)
 - Individuals at high-risk of COVID-19 complications work or attend school
 - Increasing, substantial, or high COVID-19 transmission in the school or community
 - Break-through infection is occurring in vaccinated persons”

The first and fourth conditions listed above would be true in all schools in Missouri. The first condition applies to all schools because state law now prohibits requiring proof of vaccination to receive public services (including attending school). The second condition would be true of most schools located in Kansas City, MO. As of July 22nd only two zip codes (64120 & 64152) have over 70% of adults vaccinated.

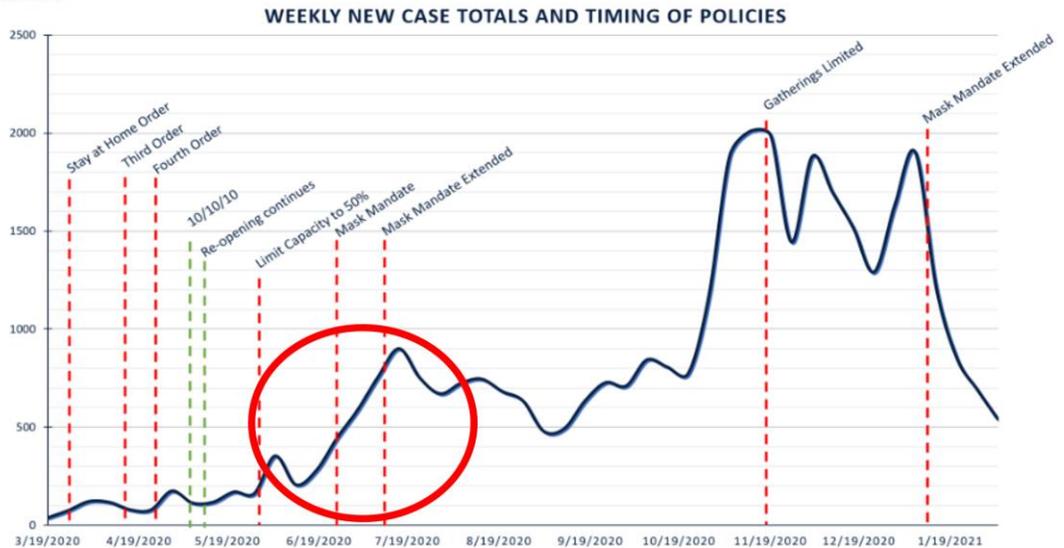
- **Masking Is Needed Because Vaccination Alone Is Not Working**

- a. **VACCINES ALONE CAN'T STOP COVID-19 IF ENOUGH PEOPLE DON'T RECEIVE THEM** - In November 2020, Molecular Diversity Preservation International (MDPI) a publisher of online scientific journals, published an article titled “Is a COVID-19 Vaccine Likely to Make Things Worse?”. In this article (written before the first COVID-19 vaccine was approved), the authors used mathematical modeling to predict what impact the introduction of a highly effective vaccine would have on COVID-19 infections. The authors concluded that “use of a vaccine in combination with these measures [*contact tracing, masks wearing, physical distancing, travel quarantine and isolation of infected persons*] will reduce the per-day risk of infection **so long as at least 50%** of people receive it, with significant benefits if more than 80% people do. However, **if there is too much vaccine defiance and a concomitant abandoning of other protection options, then we run the risk of a perverse outcome: the introduction of an excellent vaccine could nevertheless make the overall situation worse.**” In short, the mathematical models used by the authors predicted the exact situation Kansas City and other communities now find ourselves in – we removed the protective measures before enough people were vaccinated and so the virus had a resurgence. It is important to note that the version of COVID-19 the models factored in was not as contagious or as virulent as the Delta variant. This article closed with the following cautionary statement: **“unless these vaccines are given to a sizable majority of people, vaccination is unable to fully replace existing protection measures.** Until this goal is achieved, it is vital that public-health education about the importance of non-medical protection options remain in place.”
- b. **VACCINATION AVAILABILITY CANNOT BE A SUBSTITUTE FOR OTHER PROTECTIVE MEASURES SUCH AS MASKING** – COVID-19 vaccines are available to most Kansas City residents. In addition to community-based, COVID vaccination clinics offered each day by the Health Department, clinics under contract with the Health Department and other medical providers/community organizations in this community, there are vaccinations available at pharmacies, in hospital emergency rooms, COVID specific private clinics and urgent care centers.

Vaccine uptake is shifting from an availability problem to a desirability issue. Financial incentives being introduced by the state of Missouri may have some impact, but preliminary studies of the impact of financial incentives in other states show mixed results. One study that looked at the impact of \$10 and \$100 financial incentives found that “While having to pay a \$20 co-pay for the vaccine did deter individuals, the additional economic incentives had no positive effect although they did not discourage vaccination³². Consistent with past research further analysis shows that the negative effect of the \$20 co-pay was concentrated among low-income earners. Financial incentives failed to increase vaccination willingness across income levels.”

Source - Kreps, S., Dasgupta, N., Brownstein, J.S. et al. Public attitudes toward COVID-19 vaccination: The role of vaccine attributes, incentives, and misinformation. *npj Vaccines* 6, 73 (2021). <https://doi.org/10.1038/s41541-021-00335-2>

- c. WE HAVE SEEN MASK ORDERS AND OTHER MITIGATION APPROACHES WORK DURING EARLIER CASE SPIKES IN AND NEAR KANSAS CITY – The graphic below shows how previous orders by Mayor Lucas have impacted the trend line for local cases:



“The governor of Kansas issued an executive order requiring wearing masks in public spaces, effective July 3, 2020, which was subject to county authority to opt out. After July 3, COVID-19 incidence decreased in 24 counties with mask mandates but continued to increase in 81 counties without mask mandates.”

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<https://www.cdc.gov/mmwr/volumes/69/wr/mm6947e2.htm>

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- <https://www.jwatch.org/fw116969/2020/08/24/who-recommends-against-face-masks-kids-community-settings>

- b. PERSONS WHO HAVE DISABILITIES WHERE FACE COVERINGS OR MASKS CONSTITUTE A SUBSTANTIAL IMPAIRMENT TO THEIR HEALTH AND WELL-BEING BASED UPON MEDICAL, BEHAVIORAL, OR LEGAL DIRECTION - Employees who can't wear a face mask for medical reasons, should not work in close proximity with other coworkers or the public. For the public who can't wear face masks for medical reasons, they should utilize alternative services such as online shopping, and/or curbside pickup and delivery.

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- d. PERSONS OBTAINING A SERVICE INVOLVING THE NOSE OR FACE WHEN TEMPORARY REMOVAL OF THE FACE COVERING OR MASK IS NECESSARY TO PERFORM THE SERVICE- This exclusion is only for those who are receiving the service, person rendering service must still wear a face mask at all times.
- e. PERSONS WHO ARE ALONE IN A SEPARATE ROOM OR OFFICE – minimal risk for a fully enclosed office; no need for masking
- f. ANY INTERACTION OR GATHERING, PER CDC GUIDANCE, WHERE PARTIES HAVE KNOWLEDGE ALL PERSONS PRESENT ARE FULLY VACCINATED BY FEDERALLY-APPROVED VACCINE(S) – **Current CDC recommendations do not support this exclusion**

Based on the information included in this report, as Deputy Director (and designated Interim Director as of 8/1/2021), I strongly support the issuance of an Order from the Mayor and any authorizing action by the City Council requiring masks in all indoor, public accommodations within Kansas City, MO for at least the next 30 days. Such an order is needed to provide relief to local hospitals and to “turn the curve” of Kansas City’s latest COVID-19 surge.



Legislation Text

File #: 210726, Version: 1

ORDINANCE NO. 210726

Authorizing the Director of Water Services to execute a \$725,365.00 (year 1 obligation) Contract Amendment No. 6 to Contract EV2087 with Milestone Utility Services, Inc., to extend support for the Milestone Pay Portal and corporate website and to add Amazon Web Services and additional customer support modules; and authorizing the Director to amend the Contract and execute five one-year renewal options.

WHEREAS, the City has previously entered into a contract with Milestone Utility Services, Inc., dated April 1, 2015, (EV2087) for Contractor to provide for the implementation of the Milestone Pay Portal and the migration of KC Water's Corporate website with an option to renew support for five years; and

WHEREAS, the Contractor has performed the services required by the contract and the City desires that the contract with the Contractor be amended for Contractor to extend support for the Milestone Pay Portal and corporate website and add Amazon Web Services support and additional customer support modules; and

WHEREAS, the contract amendment would allow the contract to be renewed for up to five one-year renewal terms and a scope of work would be added to enhance access to KC Water's web portal; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Water Services is authorized to execute Amendment No. 6 to the contract (EV2087) with Milestone Utility Services, Inc., in the amount of \$725,365.00 (1-year amount), for the Contractor to extend support for the Milestone Pay Portal and corporate website and to add Amazon Web Services and additional customer support modules. A copy of proposed amendment is on file with the Director of Water Services.

Section 2. That the Director of Water Services is authorized to expend up to the sum of \$725,365.00 from funds previously appropriated to Account No. 22-8010-807710-B, Service Facility Improvement, to satisfy the costs of this contract.

Section 3. That the Director of Water Services is authorized to amend the Contract and to exercise the City's five one-year renewal options without additional Council authorization.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation

hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

James Brady
Assistant City Attorney

GENERAL

Ordinance Fact Sheet

210726

Ordinance Number

Brief Title	Approval Deadline	Reason
Amendment Milestone Portal Support		To improve existing Water Customer pay-portal

Details	Positions/Recommendations														
<p>Reason For Legislation</p> <p>The City has an existing contract with Milestone for Customer Self-Service Portal. The Water Services Department is asking to amend the current agreement to add time and scope, detailed below. The Milestone Amendment provides to ongoing support for the existing KC Water corporate website/pay portal and provide for additional modules to be included to the base pay portal application to include; Customer appointment scheduler, eIVR, eAdmin, Kiosk integration, offline pay function) and AWS support/integration to CIS system. Renewal Terms. At any time prior to the expiration of the initial term or any subsequent term, the CITY, in its sole discretion, may renew this Contract for up to two (2) additional three (3) year terms.</p> <p>Configuration and application one-time fee \$300,000.00 Year 1 Infrastructure and managed service \$425,365.00 Year 1 TOTAL. \$725,365.00 Year 2 Infrastructure and managed service \$438,125.95 Year 3 Infrastructure and managed service \$451,269.73 Year 4 Infrastructure and managed service \$464,807.82 Year 5 Infrastructure and managed service \$478, 752.05 Year 6 Infrastructure and managed service \$493,114.62</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Sponsor</td> <td>General Services Department</td> </tr> <tr> <td>Programs, Departments, or Groups Affected</td> <td>Water Services Department</td> </tr> <tr> <td>Applicants / Proponents</td> <td> Applicant Water Services Department City Department Water Services Department Other </td> </tr> <tr> <td>Opponents</td> <td> Groups or Individuals None Known Basis of opposition </td> </tr> <tr> <td>Staff Recommendation</td> <td> <input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against </td> </tr> <tr> <td>Board or Commission Recommendation</td> <td> By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions) </td> </tr> <tr> <td>Council Committee Actions</td> <td> <input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass </td> </tr> </table>	Sponsor	General Services Department	Programs, Departments, or Groups Affected	Water Services Department	Applicants / Proponents	Applicant Water Services Department City Department Water Services Department Other	Opponents	Groups or Individuals None Known Basis of opposition	Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against	Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)	Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass
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<p>Discussion</p> <p>The original Milestone master contract was approved and executed May 1, 2015 for the implementation of Milestone Pay Portal and migration of KC Water Corporate website with option to renew support for five years. This amendment will extend support for the Milestone Pay Portal and corporate website as well as adding Amazon Web Services (AWS) support and provision to add additional customer support modules, including:</p> <p>* Customer Appointment Schedule - (Pandemic Response) This will allow customers to schedule onsite visits in a safe manner and ensure appropriate resources are available for the type of issue.</p> <p>* eIVR (interactive voice response) - an added module built off the base pay portal product that leverages the existing conductivity to allow customers to interact via a telephone keypad or by speech recognition and allow payment, request copy of bill, and some service requests options.</p> <p>* eAdmin - a companion module to allow KC Water Customer Service Representatives to process online requests (move in/out, payment arrangements, special requests) and track full communication and messages with customer.</p> <p>* Kiosk Integration - allows support to integrate kiosk data channels for retrieving customer information and payment processing using existing secure portal channels</p> <p>* AWS support - Provide fill AWS infrastructure support leveraging Milestone skillsets for cloud hosted solutions •</p>															

(Continued on reverse side)

Details

M/WBE: At the time of signing this contract it was deemed in the City's best interest to waive solicitation requirements. Milestone Utility Services, Inc. has unique and specialized experience making it exceptionally well situated to perform this work. Their proprietary software has a long history of experience with the Banner Customer Suite and, in fact, has recently formed a strategic alliance with Hansen Technologies, which is Banner's parent company. Milestone Utility Services, Inc. has been engaged with 25 utilities and performed over 60 customer information system related projects and 15 Banner implementations in 16 states. Their customer self service portal is the only such portal which has been independently developed to support the Banner Customer Suite and includes not only access from the web but also the ability to have self-service access from Smartphones.

The Human Relations Department waived MBE/WBE goals on this project on June 10, 2021.

Recommendation: KC Water supports the amendment of the Milestone support contract to maintain systems and enable KC Water to consolidate platforms and move towards cloud-based responsive systems to improve customer interactions.

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	
Finances	
Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	
Fund Source (s) and Appropriation Account Codes	22-8010-807710-B-80XX0002 = \$725,365.00 Service Facility Improvement
Is this Ordinance or Resolution Good for the Children?	Yes.

Applicable Dates:

Fact Sheet Prepared by:

Name: Cory Burress Date: 8/10/2021
Title: Senior Procurement Officer

Reviewed by:

Reference Numbers: EV2087

**MASTER CONTRACT FOR PRODUCTS AND SERVICES
THE CITY OF KANSAS CITY, MISSOURI
AMENDMENT NO. 6
CONTRACT NO. EV2087**

This amendment ("Amendment") is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (CITY) and Milestone UTILITY SERVICES, INC. (CONTRACTOR). The parties desire to amend the Contract EV2087 entered into on April 1, 2015 for Customer self-service portal implementation as follows:

WHEREAS, City previously entered into a contract with CONTRACTOR to provide a self-service portal; and

WHEREAS, the parties now wish to amend the contract to add the following initial term of contract and additional periods:

- The CITY and CONTRACTOR wish to add additional renewal periods to the existing contract. CITY may renew this Contract for up to two (2) additional three (3) year terms. Also, new scope of work added covers enhance access to KC Water's web portal. This will allow enhancing the portal with a web-based CSR communication tool and creating an offline accessible database, and backup VPN tunnel we can minimize the risks associated with pandemic response in addition to providing improved responses to our customer requests.

Sec. 1. Sections Amended. The following section(s) are hereby added to the Contract:

Attachment A Scope of Work
Attachment B: Pricing Schedule

Sec. 2. Initial Term of Contract and Additional Periods.

- (a) Initial Term. The initial term of this Contract shall begin on April 15, 2015 and shall end on March 30, 2021. The Manager of Procurement Services is authorized to enter into an amendment of this Contract with CONTRACTOR to extend the term of this Contract and time of performance for this Contract.
- (b) Renewal Terms. At any time prior to the expiration of the initial term or any subsequent term, the CITY, in its sole discretion, may renew this Contract for up to five (5) additional one (1) year terms.
- (c) Transition Term. Notwithstanding the expiration of the initial term or any subsequent term or all options to renew, CONTRACTOR and CITY shall continue performance under this Contract until the CITY has a new contract in place with either CONTRACTOR or another provider or until the CITY terminates the Contract, but in no event more than six months from the date of expiration or termination.

This section covers added scope and services. All other terms and conditions still apply.

Attachment A Scope of Work

Application Managed Services

CONTRACTOR will operate the EPORTAL application on behalf of the CITY and provide necessary staff to ensure the application is up and available. Meetings and status reporting will occur between CONTRACTOR and the CITY. The source code will be managed, upgraded (adhering to the CONTRACTOR's release schedule) and promoted

by the CONTRACTOR. The following services will be performed by the CONTRACTOR as part of Managed Services:

- a) Any and all patches, enhancements, updates, upgrades and new versions of the EPORTAL that CONTRACTOR makes generally commercially available as part of the product release schedule. Any such patches, enhancements, updates, upgrades and new versions will be covered by the Managed Services set forth in Section 3.1.6.
- b) Provide support for operational and troubleshooting issues and the applicable resolutions as needed within the guidelines set forth herein.
- c) Monitor ePortal and ensure the application is up and available for the CITY's CITYs and provide support to the CITY on a 24x7 basis.
- d) Managing EPORTAL source code and promotion through the testing and production environments.
- e) Updates and management of configuration and content that does not reside within EPORTAL's Admin console with the CITY.
- f) Reporting of issues and resolution progress as set forth herein.
- g) Status Meetings/Management Reports as set forth herein.

1.1. Scope

CONTRACTOR will provide the CITY with the Managed Services related to EPORTAL as described in this section. The CITY may request services by creating a ticket in the CONTRACTOR ticketing system or other system as mutually agreed upon. The CITY will assign a priority using the Incident and Severity Level table in Section 3.1.8.2. The CONTRACTORS representative will review the request and work with the CITY to fully understand the request. The CITY will be responsible for any and all approvals to promote any source code, configuration, content or any other system changes through the environment stack, as well as any changes to non-CONTRACTOR controlled applications.

1.1.1. Configuration Management

CONTRACTOR will provide the following Configuration Management Services to maintain and support the functionality of the EPORTAL Solution. CONTRACTOR will be responsible for updating Configuration settings in the EPORTAL Admin Portal and promoting the changes through the lower environments and into Production.

The CITY and CONTRACTOR will each perform their respective responsibilities as set out in the table:

Function	Responsibility	
	CITY	CONTRACTOR
User Creation and Role Assignment	RESPONSIBLE	Consults
Add or remove a user update User role assignment	RESPONSIBLE	Informs
Request Configuration setting updates in Admin Portal & assign priority.	RESPONSIBLE	Informs
Change Configuration settings in Admin Portal	Consults	RESPONSIBLE
Promote configuration settings in all portal environments.	Consults	RESPONSIBLE
Approve configuration setting promotions.	RESPONSIBLE	Informs

Function	Responsibility	
	CITY	CONTRACTOR
Assign Priority to requested changes.	RESPONSIBLE	Consults

1.1.2.EPORTAL CITY Notification Management

CONTRACTOR will configure and monitor the SMS and email notification engine and ensure that EPORTAL related CITY notifications are being sent out and provide a user interface to show returned emails.

The CITY and CONTRACTOR will each perform their respective responsibilities as set out in the table:

Function	Responsibility	
	CITY	CONTRACTOR
Manage email server used for outbound CITY communication generated by EPORTAL	Informs	RESPONSIBLE
Review and correct failed emails.	RESPONSIBLE	Consults
Run ePortal batch jobs to generate outbound CITY notifications	Informs	RESPONSIBLE
Manage outbound text service used for outbound CITY communication generated by EPORTAL	Informs	RESPONSIBLE
Assign Priority to requested changes.	RESPONSIBLE	Consults
Generate batch files of accounts or profiles for notifications triggered by 3 rd party applications.	RESPONSIBLE	Informs

1.1.3.EPORTAL Content Management

CONTRACTOR will provide a mechanism that allows a functional user (either CITY or CONTRACTOR) to be able to edit and publish content on EPORTAL.

CITY will be responsible for managing the configured Content using the Admin module. This includes changes in the lower environments and into production. CONTRACTOR will provide the required support.

CONTRACTOR will be responsible for managing and changing any content that cannot be managed through the Admin module and promote these changes through the lower environments and into production.

The CITY and CONTRACTOR will each perform their respective responsibilities as set out in the table:

Function	Responsibility	
	CITY	CONTRACTOR
Edit content through the Admin portal in lower environments	RESPONSIBLE	Informs
Publish content	RESPONSIBLE	Informs

Edit content through the Admin portal in production environment	RESPONSIBLE	Informs
Approve all non-Admin portal content changes	RESPONSIBLE	Informs
Update non-Admin portal content changes	Consults	RESPONSIBILITY
Promote non-Admin portal content changes	Informs	RESPONSIBLE
Assign Priority to requested changes	RESPONSIBLE	Consults
Support/provide backup resources to edit and publish Admin content in lower and production environments	ACCOUNTABLE	RESPONSIBLE

1.1.4. Code Migration / Promotion Management

CONTRACTOR will be responsible for managing the source code and promoting EPORTAL related source code from one environment to another. CONTRACTOR will track the code in an online source code repository (GitHub) and will be responsible for checking code out/in. Code promotions will be based upon the approval of the CITY. The CITY will be responsible for source code managed of CITY controlled applications (any applications not provided by CONTRACTOR). CONTRACTOR and the CITY will collaborate on source code promotions that are dependent on more than one system.

The CITY and CONTRACTOR will each perform their respective responsibilities as set out in the table:

Function	Responsibility	
	CITY	CONTRACTOR
Execute tests on any fixes in Test / Pre-Prod before moving to production.	RESPONSIBLE	Informs
Acknowledge acceptance of fixes prior to deployment in production	RESPONSIBLE	Informs
Promote EPORTAL code through lower tier environments	Consults	RESPONSIBLE
Approve code promotions through lower tier environments	RESPONSIBLE	Informs
Promote EPORTAL code to Production environments	Consults	RESPONSIBLE
Approve code promotions to Production environments	RESPONSIBLE	Informs
Promote any non CONTRACTOR provided code fixes & enhancements	RESPONSIBLE	Consults
Perform data refreshes of lower environments. Not to exceed 4 refreshes per year.	Consults	RESPONSIBLE

1.1.5. Usage Performance Metrics and Improvements

EPORTAL application will track usage and certain elements of transactions being performed by the CITY's. CONTRACTOR will work with the CITY to define 6 KPI's that can be derived out of the data being captured by EPORTAL. KPI's will be defined after deployment stabilization as part of turn over to the Managed Services team. The CITY may request additional reports / KPI's that may be extracted from the data as a change order. The CITY owns all data that

exists within EPORTAL. CONTRACTOR will provide reports on a monthly basis, unless a different frequency is agreed upon. The CITY and CONTRACTOR will each perform their respective responsibilities as set out in table:

Function	Responsibility	
	CITY	CONTRACTOR
Define KPI's to be included in monthly reporting.	RESPONSIBLE	Consults
Develop reports and deliver them on an agreed upon frequency.	Informs	RESPONSIBLE

1.1.6.EPORTAL Upgrade Services

1.1.6.1. Upgrades and patches

CONTRACTOR will perform two types of changes to EPORTAL periodically: i) new features and functions ii) technical currency

New features and functions: As part of continued improvements, CONTRACTOR will perform the upgrades to the EPORTAL with new features and functions. CITY may activate these non-mandatory new features whenever CITY is ready to implement them after they have been made generally available by CONTRACTOR.

Technical currency: CONTRACTOR apply changes to the platform to maintain the technical currency of the platform, including but not limited to security patches. These generally have minimal impact to CITY and end user functionalities but are mandatory. CITY is required to implement them. Urgent updates are packaged as patches and non-urgent updates are packaged with upgrades

1.1.6.2. Process and communication

1. The CONTRACTOR shall provide notice to the CITY no later than 30 days prior to the release of an Upgrade or Service Pack and no later than 5 days prior to a patch.
2. Inclusive of these notices will be supporting documentation and the availability of staff to discuss relevant details
3. The CITY will provide notice to the CONTRACTOR no later than 30 days prior to deployment of upgrades, Service packs for applications under its control and at the same time that it is notified of Patches to these systems that will be deployed.
4. The CITY will be responsible for notifying the CONTRACTOR of any known integration changes being introduced to non EPORTAL applications under its control. CONTRACTOR will provide a cost estimate to make changes to EPORTAL to accommodate changes.

Function	Responsibility	
	CITY	CONTRACTOR
Notify CITY that an Upgrade, Patch, or Service Pack is available	Informs	RESPONSIBLE

Function	Responsibility	
	CITY	CONTRACTOR
Develop project schedule for implementation of new feature	RESPONSIBLE	Consults
Apply upgraded software to the CITY's environment	Informs	RESPONSIBLE
Apply all necessary styles according to Style Guide for new pages.	Informs	RESPONSIBLE
Perform functional testing on upgraded EPORTAL application in Dev environment.	Informs	RESPONSIBLE
Make adapters to 3 rd party or CITY controlled applications available for new feature operability.	RESPONSIBLE	Consults
Provide updated training documentation for Upgraded system	Informs	RESPONSIBLE
Provide training to CITY trainers of new features	Consults	RESPONSIBLE
Provide functional test scripts used to test upgraded system	Informs	RESPONSIBLE
Correct defects to the upgraded application.	Consults	RESPONSIBLE
Promote upgraded system through lower tier environments	Consults	RESPONSIBLE
Approve upgraded system for promotion through lower environments and into production	RESPONSIBLE	Informs
Notify & train CITY end users on new features being introduced	RESPONSIBLE	Informs

1.1.7. Application Monitoring / 24x7 Support

CONTRACTOR will monitor EPORTAL and ensure the application is up and available for the CITY's CITYs and will provide support to the CITY on a 24x7 basis. The following lists the method which reported incidents will be resolved.

- 1) For issues detected by the CONTRACTOR, the CITY will be notified of any application incident that is detected by CONTRACTOR. CONTRACTOR will log an incident in their online ticketing system and will begin triage on the ticket.
- 2) For incidents detected by the CITY, the CITY will log an incident in the Contractors' online ticketing system and CONTRACTOR will begin triage on the ticket. CITY provide a reasonable number of support personnel who may access the CONTRACTOR's online ticketing system.
- 3) The CITY will be responsible for assigning the Severity to tickets as defined in section 3.1.8.2.
- 4) THE CITY will be responsible for resolving end user data input errors and addressing any end user errors or training issues.
- 5) The CITY will provide the first level of support for the application. This includes triage of functionality issues reported by CITYs and other CITY personnel, and categorize the issue

before turning the issue over to the CONTRACTOR (ie. bug, training issue, 3rd party application issue, etc) before reporting an incident to the CONTRACTOR. (Level 1 support)

- 6) The responsibility for Application Monitoring tasks are summarized in the Application Incident Management Responsibility Matrix below.

The CITY and CONTRACTOR will each perform their respective responsibilities as set out in the table:

Function	Responsibility	
	CITY	CONTRACTOR
Identify & document application incident (performance, defect, system generated error message) reported by CITY CITYs or staff.	RESPONSIBLE	Informs
Identify and document application incident as detected by system and application monitoring	Informs	RESPONSIBLE
Log Application Incident & provide supporting details	RESPONSIBLE	Informs
Assign severity to Application Incident	RESPONSIBLE	Consults
Categorize Incident and provide root cause analysis	Consults	R
Resolve application Defects (code and configuration fixes	Consults	RESPONSIBLE
Validate resolution of Defect (code and configuration fixes)	RESPONSIBLE	Consults
Resolve technical interface issues	Consults	R
Resolve system performance issue	Informs	RESPONSIBLE
Resolve end user data input errors	RESPONSIBLE	Informs
Address end user errors or training issues	RESPONSIBLE	Informs I
Generate and log application, transactional exceptions	Consults	RESPONSIBLE
Manage and resolve application, transactional exceptions	RESPONSIBLE	Consults
Support transaction exception resolution	Consults	RESPONSIBLE
Monitor EPORTAL batch jobs and correct any job failures	Informs	RESPONSIBLE

Attachment B: Pricing Schedule

This section covers added prices for additional scope and services. All other terms, conditions and pricing still apply. Pricing is required to be firm and fixed pricing. Do not submit travel and living expenses or cost of bonds separately in cost proposal.

KC Water will pay 20% upfront	\$60,000
Remaining 80% per KC Water sign off at project completion	<u>\$240,000</u>
<i>Configuration and Application Installation One-Time Fee.</i>	\$300,000 (total)
Infrastructure and Managed Services Year 1	\$425,365
Infrastructure and Managed Services Year 2	\$438,125.95
Infrastructure and Managed Services Year 3	\$451,269.73
Infrastructure and Managed Services Year 4	\$464,807.82
Infrastructure and Managed Services Year 5	\$478,752.05
Infrastructure and Managed Services Year 6	\$493,114.62
TOTAL	\$2,751,435.39

Configuration and Application Installation Breakdown:

With the managed services agreement Contractor will implement and configure additional plug-in modules for eIVR and eAdmin. eIVR will provide better self-service features to water customer by providing advanced IVR Features and eAdmin will allow customer service employees to better serve water customers by providing customer-centric dashboards.

Below components will be configured and installed as part of this proposal

- Configure Install eIVR with the following features
 1. PCI Pay by Phone
 2. Outbound Calling Feature
 3. Dynamic Call Routing
 4. Dynamic configuration dashboard easy deployment of call recordings and routing

- Configure Install eAdmin with the following dashboard views
 1. Account Locator
 2. Account Summary
 3. Notes Entry and History
 4. Master Bill
 5. Financials
 6. Collections
 7. Customer Communications and Contacts
 8. Case Management
 9. Service Orders
 10. Meter Reading Analysis with Graphical Representations integration to STAR
- Configure Install Appointment Scheduling Plugin
 1. KC Water Customers book appointments before coming to KC water facility
 2. Case management tool to work customer requests.
 3. Dyanmic configuration dashboard with rules to add appointment types
 4. Scheduling and Resource management

Upgrade Services (ePortal)

Contractor will include upgrade services at no additional costs for implementation. As part of the new contract the current version of ePortal will be eligible for upgrades to our latest release including failover capabilities, batch notifications payments due, and updated user experience.

Application Managed Services

- Provide support for operational and troubleshooting issues and the applicable resolutions as needed within the guidelines set forth herein.
- Monitor ePortal and ensure the application is up and available on a 24x7 basis.
- Managing source code and promotion through the testing and production environments.
- Updates and management of configuration and content.
- Reporting of issues and resolution.
- Status Meetings/Management Reports

Infrastructure and Managed Services Breakdown

Maintenance Services

- **Configuration Management** – Contractor will be responsible for updating Configuration settings and promoting the changes through the lower environments and into Production.
- **Customer Notification Management** - CONTRACTOR will configure and monitor the SMS and email notification engine and ensure that EPORTAL related customer notifications are being sent out and provide a user interface to show returned emails.
- **Content Management** - CONTRACTOR will be responsible for managing and changing any content that cannot be managed through the Admin module and promote these changes through the lower environments and into production.
- **Usage Performance Metrics and Improvements** - CONTRACTOR will work with the CUSTOMER to define 6 KPI's that can be derived out of the data being captured by EPORTAL
- **Support payment Kiosk interface** for account information and payment posting

Infrastructure Services

- Hardware and database patching, licensing, upgrades
- Failover, Backup and disaster recovery

- Code Migration / Promotion Management - Contractor will be responsible for managing the source code and promoting EPORTAL related source code from one environment to another. Will track the code in an online source code repository (GitHub) and will be responsible for checking code out/in.

Sec. 2. Sections not Amended. All other sections of the Contract shall remain in full force and effect.

Sec. 3. Effectiveness; Date. This amendment will become effective when all the parties have signed it. The date this amendment is signed by the last party to sign it will be deemed the date of this amendment.

Each party is signing this amendment on the date stated opposite that party's signature.

CONTRACTOR

I hereby certify that I have authority to execute this document on behalf of Contractor

Date: _____

By: _____

Title: _____

KANSAS CITY, MISSOURI

Date: _____

By: _____

Title: _____

Approved as to form:

Assistant City Attorney

CONTRACT FOR SERVICES
STANDARD CITY CONTRACT
AMENDMENT NO. 5
CONTRACT EV2087

This amendment is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (City), and Milestone Utility Services, Inc. (Contractor). The parties amend the Contract entered into on April 1, 2015, as follows:

Sec. 1. Sections Amended. The Contract is amended as follows.

This is an amendment to add scope and pricing providing additional support to CITY assisting with customer care related to CONTRACTOR ePortal and other 3rd Party Applications. CONTRACTOR will provide part-time support as needed that can be a blended resource that is either technical, functional or both depending on the CITY need.

The following language is being added to Attachment A.

Attachment A: Scope of Work

CUSTOMER SELF-SERVICE PORTAL TO CONTRACTOR EPORTAL 2.0

1 Overview

1.1 Introduction

CITY has requested the CONTRACTOR to provide additional support helping with customer care and billing issues on as needed basis part-time. The resource will be a blended resource so there is no restriction on the type of work that might need to be performed.

1.2 Assumptions

- CITY will be responsible for procuring any necessary software or hardware.
- CITY will provide a development environment with data recently cloned from Production. CONTRACTOR will develop corrections and enhancements in this development environment, and therefore will need complete access to apply forms, processes and database objects.
- CITY will provide CONTRACTOR with remote access to Development, Training, and Testing Hansen Banner, LLC. Banner 4.3 environments. This includes the front-end application, as well as the servers and database. CONTRACTOR will be able to access and utilize other applications such as document repositories, defect tracking, log/lis file viewers, etc.

The services contained in this amendment are Fixed Price. Any changes in scope, assumptions or cost of execution will result in an additional Project Change Request. CONTRACTOR will invoice in full at the execution of this Amendment . The payment terms for all invoicing is Net 30 Days.

The table below describes the deliverables and the payment schedule.

Deliverable	Deliverable Description	Amount
2.1.1	Additional Support	\$45,000
	Total	\$45,000

TRAVEL:

No travel, living or incidental expenses are authorized to be billed separately. The fee for the deliverable is firm and fixed and inclusive of any additional charges.

Sec. 2. Sections not Amended. All other sections of the Contract shall remain in full force and effect.

Sec. 3. Effectiveness; Date. This amendment will become effective when all the parties have signed it. The date this amendment is signed by the last party to sign it will be deemed the date of this amendment.

CONTRACT FOR SERVICES
STANDARD CITY CONTRACT
AMENDMENT NO. 4
CONTRACT EV2087

This amendment is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (City), and Milestone Utility Services, Inc. (Contractor). The parties amend the Contract entered into on April 1, 2015, as follows:

Sec. 1. Sections Amended. The Contract is amended as follows.

This is an amendment to add scope and pricing for the replacement of the current corporate website, configuration of AWS hosted servers, exposing ePortal web services for integration with Alexa Skillset, creation of oracle form to manage web profiles, creation oracle forms to manage start or stop service requests submitted using ePortal, saving payment methods, separation of web checks in extract files sent to the CITY banking institution, blocking customers from making credit card payments and initiating the ACH Automatic Payment Prenote process.

The following language is being added to Attachment A.

Attachment A: Scope of Work

CUSTOMER SELF-SERVICE PORTAL TO CONTRACTOR EPORTAL 2.0

1 Overview

1.1 Introduction

CITY has requested several modification related to the implementation of CONTRACTOR ePortal 2.0 (EV2087 Amendment No.3) based on gaps in functionality identified as part of the requirements gathering. The modification will be included as part of the migration to the latest release of CONTRACTOR ePortal. The modifications include a replacement of the current corporate website, configuration of AWS hosted servers to allow CONTRACTOR ePortal installation, exposing ePortal web services for integration with Alexa Skillset, creation of oracle form to manage web profiles and creation oracle forms to manage start or stop service requests submitted using ePortal.

1.2 Assumptions

- CITY will be responsible for procuring any necessary software or hardware.
- CITY will provide a development environment with data recently cloned from Production. CONTRACTOR will develop corrections and enhancements in this development environment, and therefore will need complete access to apply forms, processes and database objects.

CONTRACTOR will replace the current corporate website <https://www.kcwaterservices.org/> with a new website that will utilize Responsive Design for mobile devices and WordPress for content management. The new website will be installed on the same AWS hosted server that ePortal was installed. The configuration will include several iterations of CITY review and requirements session to finalize the overall content and appearance. CONTRACTOR will provide training on configuration and content management using WordPress. CONTRACTOR will migrate existing content from current website to the new website as required by the CITY.

2.1.2 AWS Configuration

CONTRACTOR will assist the necessary steps needed to install ePortal on hosted AWS servers. This will include configuration of a VPN tunnel necessary to communicate with CITY database servers located behind CITY firewall. Configuration of Wildfly (JBoss) web application servers required for ePortal installation for development and production environments. Configuration of outbound email and SMS messages using AWS pinpoint gateway.

2.1.3 Expose ePortal web services for Alexa Skillset

CONTRACTOR will expose ePortal web service for integration to Amazon Alexa Skillset. This will include the necessary security configuration and assistance with integration testing of web service to Alexa Skillset. CONTRACTOR will only be responsible for integrating Alexa Skillset to use the web services once exposed.

2.1.4 Web Profile Management Form

CONTRACTOR will create an Oracle form that can be used to manage ePortal Web Profiles. The ePortal base product provides a web page located within Administration console for Account Profile Management but it would require CITY employees to navigate away from the billing application to manage ePortal portal inquiries. The oracle form will have same functionality web page besides sending an email for password reset. The form will include the following information related a customer's web profile:

- UserID
- Email
- Security Questions
- Unlock Account
- Reset Password allowing a new password defined by CITY employees
- Reset Password allowing a customer to set a new password by selecting Forgot Password link on ePortal website
- View and Remove Share Account access that has been granted by a customer
- Remove ePortal registration

2.1.5 Web Start/Stop Service Requests

CONTRACTOR will create a Bank Draft extract process that will separate web check payments from recurring bank payments in extract files sent to the CITY financial institution. The process will create two separate extract files in NACHA format identifying web checks and recurring bank payments separately. The process will be executed from the Banner Application and run as part of batch processing or independently. The process will use same processing logic as the existing Bank Draft Process (UAPCBDD) that is ran today with the exception of summing payment records made on the same day using the same bank information and customer. The new Bank Draft process should be used in place of the current Bank Draft Process (UAPCBDD)

2.1.10 Bank Draft Enrollment Real-time Prenote

CONTRACTOR will modify the existing bank draft enrollment logic to create a prenote bank draft record that is sent to CITY financial institution for validation. The current process can take up to two billing periods or 60 days to begin drafting a customer’s bank account for CITY charges. The enhancement allows the customer to begin having their account drafted starting with their next bill instead of two billing periods. Prenote bank draft records will be created for both new bank draft enrollments and modifications of an existing enrollment that are the result of an ePortal web transaction.

The following language is being added to Attachment B.

Attachment B: Cost Breakdown

CUSTOMER SELF-SERVICE PORTAL TO CONTRACTOR EPORTAL 2.0

The services contained in this amendment are Fixed and Fixed Price. Any changes in scope, assumptions or cost of execution will result in an additional Project Change Request. CONTRACTOR will invoice in full once all modifications have been delivered and accepted by the CITY. The payment terms for all invoicing is Net 30 Days.

CONTRACTOR will provide CITY with Maintenance and Support on the CONTRACTOR modifications as part of CONTRACTOR ePortal maintenance agreement. This maintenance will provide CITY with defect corrections on any issue related to the identified modifications in this amendment. There will be no cost increase in the original CONTRACTOR Maintenance terms.

The table below describes the deliverables and the payment schedule.

Deliverable	Deliverable Description	Amount
2.1.1	Corporate Website Replacement	\$10,000
2.1.2	AWS Configuration	\$5,000
2.1.3	Expose ePortal web services for Alexa Skillset	\$5,000
2.1.4	Web Profile Management Form	\$0
2.1.5	Web Start/Stop Service Request Forms	\$0
2.1.6	ACH Wallet Integration	\$32,000
2.1.7	Credit Card Wallet Integration	\$16,000
2.1.8	Restrict Credit Card Payments by Customer	\$3,000
2.1.9	Web Check NACHA Extract	\$5,400
2.1.10	Bank Draft Enrollment Real-time Prenote	\$21,500
Total		\$97,900

Each party is signing this amendment on the date stated opposite that party's signature.

CONTRACTOR

I hereby certify that I have authority to execute this document on behalf of Contractor

By: Frank W Anderson

Date: 2/18/2019

Title:
Chief Operating Officer

KANSAS CITY, MISSOURI

By: Wendy Joellen

Title:
Procurement Mgr

Date: 3/27/19

Approved as to form:

[Signature]
Assistant City Attorney

CONTRACT FOR SERVICES
STANDARD CITY CONTRACT
AMENDMENT NO. 3
CONTRACT EV2087

This amendment is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (City), and Milestone Utility Services, Inc. (Contractor). The parties amend the Contract entered into on April 1, 2015, as follows:

Sec. 1. Sections Amended. The Contract is amended as follows.

This is an amendment to add scope and pricing for the creation of a secure interface using a website redirect to JetPay to accept credit card payments using the Customer Self Service Portal.

The following language is being added to Attachment A.

Attachment A: Scope of Work

CUSTOMER SELF-SERVICE PORTAL TO CONTRACTOR EPORTAL 2.0

1 Overview

1.1 Introduction

CITY implemented the CONTRACTOR Customer Self-Service Portal in 2015. Today, CONTRACTOR ePortal 2.0 is the latest release available for upgrade and has new features and functionality aimed to improve the customer experience. As outlined in this SOW, CONTRACTOR will upgrade CONTRACTOR Customer Self-Service Portal to the new CONTRACTOR ePortal 2.0 release and provide support for 3 years.

The project is targeted to start on March 1, 2018. The names and titles of all CONTRACTOR project resources are included in the Statement of Work. A training plan is included for all functionality, administration, reporting, and technical training requirements.

CONTRACTOR will provide a Project Manager (PM) to oversee all activities for both CONTRACTOR and CITY, acting independently from the project. The resource identified will serve specifically as the PM role for CONTRACTOR with the expectation that CITY will also rely heavily on the same PM. The PM will serve independently from the technical or functional resources.

- Social Media Access – This provides the customer with the ability to login through their Facebook, Twitter, and Google accounts for the benefit of making engagement more accessible.

1.2.2 Account Summary

Account Summary provides an overview of account specific information in dashboard format and provides a user-friendly display of billing related information.

- Name and Address
- Account Number
- Account Status
- Balance on the account
- Past Due Amount if applicable
- Current Amount Due
- Next payment due date
- Meter number on the account
- Last meter read date
- Consumption amount at the last reading
- All programs the customer is enrolled in
- The ability to make a payment

1.2.3 Account History

- Billing History
- Payment History
- Usage History
- Graphical Representation of Usage for the past 36 months
- Access Current Billing Statement
- Access Past Billing Statements

*Release 2.0 Notes

- Responsive Charts and Graphs – The customer can now view more customer-friendly, easy-to-understand usage charts and graphs to improve the customer experience.

1.2.4 Payment

- Credit/Debit Card Payments (redirects to payment vendor website)
- Automatic Bank Draft
- Electronic Check (One-time Phone Check)
- Pay by Phone (Displays the Contact Phone Number to make a payment by phone)
- Payment Location (Display all the pay location in a map view and provide address)
- Payment Arrangements

*Release 2.0 Notes

- Dynamic Rules – Gives more flexibility to the utility in managing the website by making it easier to configure without CONTRACTOR’s assistance.
- Analytics – Reporting capabilities making it easier to obtain and drill down on the information from the analytics captured in graphs, charts, etc. Provides information needed to improve the quality of service to customers.
- Dynamic Alerts – The utility can now configure the portal with dynamic alerts which are based on the utility’s specific billing and payment business processes.
- Rebates and Other Programs – Added the ability to provide information about rebates and other programs.

1.4 Technology/Architectural Overview

CONTRACTOR ePortal API’s can be used by the self-service portal as well as through the IVR application. These API’s are configurable and rule-driven. These API’s include all the same edits found in the Banner forms when a CSR is performing these transactions manually.

The presentation layer is separated from business layer and data layer. CONTRACTOR ePortal model is based on N-tier architecture, Presentation Layer, Business Layer and Data Layer. This model helps the client make changes to the presentation layer without affecting the business or data layer and vice versa. This model also allows the client to add new enhancements to any of the layers to reduce the implementation time and downtime to apply the new releases.

The frontend framework is designed and developed on SOA architecture. CONTRACTOR ePortal is mobile ready through responsive design. CONTRACTOR used HTML5, Spring Mobile and JQuery Mobile.

- ***Release 2.0 Feature**
Responsive Design – Responsive design provides the ePortal user with the ability for the ePortal to adapt to any device, tablet, desktop, and smartphone. This adds another way to view the website on a smartphone without downloading the mobile app.

1.5 Assumptions

- CITY will be responsible for procuring any necessary software or hardware.
- CITY will provide a development environment with data recently cloned from Production. CONTRACTOR will develop corrections and enhancements in this development environment, and therefore will need complete access to apply forms, processes and database objects.
- CITY will provide CONTRACTOR with remote access to Development, Training, and Testing Hansen Banner, LLC. Banner 4.3 environments. This includes the front-end application, as well as the servers and database. CONTRACTOR will be able to access and utilize other applications such as document repositories, defect tracking, log/lis file viewers, etc.
- CITY will provide the project team with knowledge of current installation and business processes (or access to them) and has the authority to make decisions about online self-service web offerings.

Deliverable Number	1.
Content	A detailed task list including schedules, and resource assignments.
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR Project Manager, CONTRACTOR Customer Engagement Specialist, & CITY Project Manager
CITY Contribution	Work with CONTRACTOR Project Manager to finalize CITY resources and project deliverables.
Deliverable Format	MS Project

Deliverable Number	2.
Deliverable Name	Weekly Activity Status Reports
Purpose	To provide clear, on-going communications to the project team concerning the status of the CONTRACTOR deliverables, the CONTRACTOR Project Manager will prepare a formal weekly activity report providing current project status.
Content	Ongoing communication between the project managers will help to ensure that any variances to the project plan are identified and addressed in a timely manner. The reports will contain sufficiently detailed information to enable CITY to determine the status of the project and any variance from the project plan.
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR PM will provide information to the CITY PM
CITY Contribution	Attend status meetings, provide feedback on any CITY tasks.
Deliverable Format	MS Word delivered electronically on a weekly basis.

2.1.2 Configuration Workshop

CONTRACTOR will conduct an on-site workshop to review the Admin Console and new configuration settings included with the solution. The content management system will be demonstrated, and CITY will review the content that has been converted from the existing website. This content includes on screen messaging, email content, and enrollment policies displayed to the user.

CONTRACTOR will capture these different settings in a configuration setting document. This document will be used to set up the software in the CONTRACTOR development instance. Additionally, these will be the configuration settings provided on the initial software installation on CITY's development instance.

CONTRACTOR will document the configuration settings in a configuration document and provide to CITY. This document will be used to set up the CONTRACTOR ePortal system for testing and then as the installed application on CITY's development box.

Deliverable Number	5.
Deliverable Name	Updated Configuration Document – Initial Configuration
Purpose	Provide up-to-date configuration document to CITY in the event of an agreed upon setting change (if there are any changes).
Content	Specific codes and setting to be used to set up CONTRACTOR ePortal software.
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR Functional Consultants, CITY Functional Personnel, CITY Technical Personnel
CITY Contribution	Resolve any issues or conflicting requirements.
Deliverable Format	MS Excel Document

2.1.4 Configuration Testing

Once the Application Configuration has occurred, CONTRACTOR will conduct a basic test ensuring that the application has been configured properly, the appropriate transactions are being created in Hansen Banner, LLC. Banner, and that the correct modules are available to the end user. The testing verification will also include migration of existing content from previous version of ePortal to the new release where it can be managed within the Admin Console. CONTRACTOR will make the base test cases available to CITY when they are complete, and prior to Configuration Testing, so they can be used in the creation of UAT test cases. CONTRACTOR will provide completed test cases with results at the completion of UAT.

Verification of all web content will be done by CONTRACTOR Customer Engagement Specialist Marketing Resource to ensure all customer facing information is clear and concise. The objective of this test is to verify configuration, operability, registration migration, and website content is in accordance with CITY's configuration settings. This test will be conducted in CITY development servers. CONTRACTOR will deliver all testing documentation to CITY for review of test results and to assist with the creation of UAT test scripts.

Deliverable Number	6.
Deliverable Name	Unit Test Results – Initial Configuration
Purpose	Provide proof to CITY of the functioning system after configuration.
Content	Test purpose, test steps, and testing results
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR QA Testers, CONTRACTOR Customer Engagement Specialist
CITY Contribution	None
Deliverable Format	MS Word – CONTRACTOR Test Case Template

3. Training

After the configuration has been tested to verify it is operating according to CITY's requirements, CONTRACTOR will provide CITY with application training for CSRs and supervisors. This training will demonstrate each module that has been configured. Instruction will be provided on each of the modules and how the different settings accomplish CITY's requirements. CONTRACTOR will work directly with CITY Trainer(s) to finalize training documentation that will be used for training and can also be utilized for end user training classes going forward.

Additionally, CONTRACTOR will provide training for the support and communication staff to go over the technical support and administrative requirements of the system. CONTRACTOR will provide training on content management, template configuration (SMS/email) and dashboard analytical reporting to CITY communication staff so they can properly configure and manage customer facing interaction. CONTRACTOR will also provide support training to go over rule configuration, database schemas/table structure and basic triage of potential issues.

CONTRACTOR Customer Engagement Specialist will provide input and collaborate with CITY Marketing Director.

As we move through the training, CITY may find that there are some final configuration changes that they would like to make. These final changes will be updated in the Configuration Setting Document or Gap analysis document.

3.1 Training Plan and Agenda

3.1.1 Train the Trainer Training (Duration: 1 week, Sessions: 2)

The first part of training will consist of training CSRs and supervisor. The training will last approximately 4 days and will be available in two-separate, one-week sessions. Each training session will contain no more than 24 people and users will be expected to complete activities that will involve training PC's connected to a test environment. The complete functionality of CONTRACTOR ePortal including both existing and new functionality will be included. The first two days will primarily focus on the customer-facing CONTRACTOR ePortal functionality highlighting new functionality to this release. The next two days will focus on making updates to customers' accounts based on requests received. If needed, CONTRACTOR will provide one Saturday training session shifting the schedule below to include a full-day of training on Saturday.

Day	Description	CITY Resources
Monday AM	Travel	
Monday PM	Introduction and Demo ePortal Registration via Social Media Pay Now* Sharing the Account* Find an Account Profile Management Notifications*	CSRs and Supervisors

Day	Description	CITY Resources
	Follow up items and questions.	
Wednesday AM	System Rules and Configuration, Dashboard reporting for APIs	IT Support
Wednesday PM	Database Schema and Table, Researching Account Issues	IT Support
Thursday AM	Follow up on items, Questions	IT Support

Deliverable Number	9.
Deliverable Name	Technical Training
Purpose	To provide an overview on the database structure and system configuration to assist IT Support inquiries and future configuration changes.
Content	Classroom setting consisting of lecture and hands-on practice training as described.
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR Trainer, CITY CS Support Team
CITY Contribution	Attend Training
Deliverable Format	Classroom training environment for 4 days designed for 1-3 attendees.

Deliverable Number	10.
Deliverable Name	Functional Training
Purpose	To provide functional training on the complete application including both old and new features.
Content	Classroom setting consisting of lecture and hands-on practice training as described.
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR Trainer / CITY Trainer(s)
CITY Contribution	Attend Training.
Deliverable Format	Classroom setting for 4 days consisting of lecture and hands-on practice training for up to 12 attendees.

Deliverable Number	11.
Deliverable Name	Functional Training Documentation
Purpose	To develop step-by-step training documentation that will be used for CSR training sessions for current and future needs.
Content	The content of the training document will cover all modules that will be utilized by CITY and available to their customers. This will include but not limited to e-bill payments, service orders, automatic payments, password reset/unlock, usage and history.
Primary Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR Trainer / CITY Trainer

5. User Acceptance Testing

CONTRACTOR will provide functional and technical support for CITY’s User Acceptance Testing. This support includes triaging issues found by CITY’s testers, addressing any of those issues via configuration, coding corrections, and/or potential training issues. CONTRACTOR will provide 1 FTE (Full Time Equivalent) for 2 weeks of support. (The hours for this task may be split between multiple technical and functional resources.) CONTRACTOR will provide the base configuration test cases to CITY to be utilized in the creation of CITY UAT test cases. CONTRACTOR functional resources will work with CITY resources to review and finalize UAT test cases that will perform complete end-to-end testing based on business processes. The CONTRACTOR Project Manager will oversee the development and execution of the CITY UAT test cases to assure the tasks are completed by the agreed upon dates. CITY will be responsible for the creation of UAT test cases with CONTRACTOR review and the execution of all UAT test cases.

Deliverable Number	14.
Deliverable Name	User Acceptance Testing Documentation
Purpose	Proof of completed test cases
Content	Test steps, testing results, sign off
Primary Responsibility	CITY
Participants/Roles	CITY Functional/Business Resources: Development and execution of UAT test cases; CONTRACTOR Support: Triage and fix UAT issues; CONTRACTOR Functional Resource: assist in reviewing/finalizing UAT test cases; CONTRACTOR PM: track status of UAT tasks to assure completion by agreed upon date.
CITY Contribution	Create, Execute and document tests
Deliverable Format	To be determined by CITY to notify CONTRACTOR that UAT is complete. Testing should be completed within the 15-day period after final configuration is delivered.

6. Go-Live Support

CONTRACTOR will provide go-live support to CITY that may be used after User Acceptance Testing and during go-live. These support tasks include triage of issues reported by CITY, correction of base application issues and answering questions regarding functionality of the application.

CONTRACTOR will provide 1 FTE (Full Time Equivalent) for 4 weeks of support post Go-Live. The hours for this task may be split between multiple technical and functional resources. After the 4 weeks, all support will rollover into the Maintenance period.

Deliverable Number	15.
Deliverable Name	Go Live Support
Purpose	To assist CITY in the execution of the migration cut-over plan.

8. Marketing and Communications Support Services

CONTRACTOR will provide (1) Customer Engagement Specialist to provide communication campaign support. Work is expected to include content consulting and strategic guidance for materials such as email, landing page, web banner, social media asset, article content, video, event materials, and/or press release. CONTRACTOR will share best practices to increase customer acquisition and retention to help support more recognized value to CITY from the CONTRACTOR ePortal 2.0 upgrade. Marketing assets will be created, produced, and distributed by CITY.

The Customer Engagement Specialist will test documentation prepared by CONTRACTOR. The effort will include reporting on customer-specific testing to ensure a positive customer journey is executed in the upgraded CONTRACTOR ePortal.

Deliverable Number	17.
Deliverable Name	Customer Engagement Campaign Support
Purpose	To support a successful communication campaign launch of new features available to customers.
Content	Consulting and strategic guidance related to marketing materials for the new ePortal customer launch campaign. May include materials such as email, landing page, web banner, social media asset, article content, event materials, and/or press release. *marketing assets will be created, produced, and distributed by CITY.
Primary Responsibility	CONTRACTOR
Participants/Roles	Customer Engagement Specialist
CITY Contribution	Collaboration with communications manager and team members.
Deliverable Format	As determined by CITY.

9. Customizations

Any gaps regarding eligibility for certain programs or plans that were captured during the workshop phase are discussed with CITY. If CITY wishes to pursue the additional functionality, then this will proceed using the change request methodology detailed below.

10. Schedule of Work

For this CONTRACT, electronic media will be MS Word or Adobe (PDF) for text and MS Project for project plans. The deliverables are discussed in detail in the tables within each task.

The schedule of work will be agreed by both parties upon acceptance of any work incorporated under this implementation SOW. CONTRACTOR will provide resources to perform work within a mutually agreed upon start date. Estimated start date is targeted for March 1, 2018 or 2 weeks following contract execution.

10.2 Methodology

Task Name	Duration	Start	Finish
- Project Management	126 days	Thu 3/1/18	Thu 5/23/18
Finalize Project Plan and Resources	10 days?	Mon 9/11/17	Fri 9/22/17
Manage all project resources	121 days?	Mon 9/18/17	Mon 3/5/18
Conduct weekly status meetings	121 days?	Mon 9/18/17	Mon 3/5/18
Deliver Project Status updates to KC Water	121 days?	Mon 9/18/17	Mon 3/5/18
- Milestone ePortal Implementation	121 days?	Thu 3/1/18	Thu 8/16/18
- Project Initiation	13 days?	Thu 3/1/18	Mon 3/19/18
Develop Detailed Joint Project Plan & Schedule	2 days	Thu 3/1/18	Fri 3/2/18
Identify Project Resources	0 days?	Fri 3/2/18	Fri 3/2/18
Establish Project Communication & recurring meetings	0 days?	Fri 3/2/18	Fri 3/2/18
Project Kickoff	1 day	Mon 3/19/18	Mon 3/19/18
- Platform Installation - Development	8 days	Mon 3/5/18	Wed 3/14/18
Install and Config Framework Software	1 day	Mon 3/5/18	Mon 3/5/18
Install ePortal Software	5 days	Tue 3/6/18	Mon 3/12/18
Installation Verification	2 days	Tue 3/13/18	Wed 3/14/18
- Configuration Workshop	17 days?	Thu 3/15/18	Fri 4/6/18
Conduct Onsite Config Workshop	4 days	Thu 3/15/18	Tue 3/20/18
Configuration Settings Document - Draft	2 days	Wed 3/21/18	Thu 3/22/18
Document Gaps	2 days	Fri 3/23/18	Mon 3/26/18
Document Screen Mock Ups	3 days	Tue 3/27/18	Thu 3/29/18
Review Documentation with Client	1 day?	Wed 4/4/18	Wed 4/4/18
Deliver Final Documentation	1 day?	Fri 4/6/18	Fri 4/6/18
- Platform Configuration	12 days	Mon 4/9/18	Tue 4/24/18
Enable / Disable Modules	2 days	Mon 4/9/18	Tue 4/10/18
Enter Config based on Config Document	3 days	Mon 4/9/18	Fri 4/13/18
Application Blending	3 days	Wed 4/11/18	Tue 4/17/18
Modify Screens as per Mock Ups	3 days	Wed 4/16/18	Tue 4/24/18
- Interfaces and Enhancements	11 days?	Mon 4/9/18	Mon 4/23/18
Configure Bill Presentment Interface	1 day	Mon 4/9/18	Mon 4/9/18
Configure JetPay Payment Interface	1 day	Tue 4/10/18	Tue 4/10/18
Configure Aclara MDM interfac	3 days	Wed 4/11/18	Fri 4/20/18
Testing Complete - System Ready for Ci	1 day?	Mon 4/23/18	Mon 4/23/18

- Additional Support	121 days	Thu 3/1/18	Thu 8/16/18
Support for out of scope items	10 days	Mon 3/5/18	Fri 3/16/18
- Marketing	120 days?	Mon 3/5/18	Fri 8/17/18
Implementation Workshops and Meetings	1 day?	Mon 3/5/18	Mon 3/5/18
Post Go-Live reporting metrics	1 day?	Fri 8/17/18	Fri 8/17/18
Customer-centric testing	3 days	Thu 5/17/18	Wed 5/23/18
Communication and Reporting	1 day?	Fri 7/13/18	Fri 7/13/18
- Campaign Consulting	10 days	Tue 3/20/18	Mon 4/2/18
Marketing Plan	3 days	Tue 3/20/18	Thu 3/22/18
Consultation on existing marketing strategy	3 days	Fri 3/23/18	Tue 3/27/18
Content consulting, writing, design	4 days	Wed 3/28/18	Mon 4/2/18

11. Resources

The following CONTRACTOR resources will work on the identified objectives and deliverables.

SOURCE	NAME	TITLE	ROLE/RESPONSIBILITY
CONTRACTOR	Brian Menard	Project Manager	Manage overall implementation tasks for both CONTRACTOR and CITY resources.
CONTRACTOR	Mike Burnor	Senior Business Consultant	Configuration workshop, Application testing, Documentation, Training, Support
CONTRACTOR	Phani Kosuri	Technical Consultant (Web)	Application Configuration, Support
CONTRACTOR	Sreenivasa Kosuri	Technical Consultant (Web)	Application Configuration, Support
CONTRACTOR	Anil Mittamidi	Technical Consultant (DB)	Application Configuration, Support
CONTRACTOR	TBD	QA Tester	Run and verify testing according to scripts
CONTRACTOR	Jennifer Espelien	Communications Director/ Customer Engagement Specialist	Testing, QA, and verification of Marketing Review and requirements
CITY	Joel Mendoza	Co-Technical Lead	Oversee technical aspects of project
CITY	Liz Duggan	Functional Lead	Oversee functional requirements

Sec. 2. Sections not Amended. All other sections of the Contract shall remain in full force and effect.

Sec. 3. Effectiveness; Date. This amendment will become effective when all the parties have signed it. The date this amendment is signed by the last party to sign it will be deemed the date of this amendment.

Each party is signing this amendment on the date stated opposite that party's signature.

CONTRACTOR

I hereby certify that I have authority to execute this document on behalf of Contractor

By: Frank W Anderson

Date: 2/28/2018

Title: Chief Business Development Officer

KANSAS CITY, MISSOURI

By: Renee Medlin

Date: 03/01/2018

Title: Procurement Manager

Approved as to form:

Assistant City Attorney

CONTRACT FOR SERVICES
STANDARD CITY CONTRACT
AMENDMENT NO. 2.
CONTRACT EV2087

This amendment is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (City), and Milestone Utility Services, Inc. (Contractor). The parties amend the Contract entered into on April 1, 2015, as follows:

Sec. 1. Sections Amended. The Contract is amended as follows.

This is an amendment to add scope and pricing for the creation of a secure interface using a website redirect to JetPay to accept credit card payments using the Customer Self Service Portal.

The following language is being added to Attachment A.

Attachment A: Scope of Work

CREDIT CARD INTERFACE FOR JETPAY

1. INTRODUCTION AND OBJECTIVES

CONTRACTOR will modify the CONTRACTOR Customer Self Service Portal.

Provide Kansas City Water Services with a means to accept credit card payments using the Customer Self Service Portal by creating an interface to JetPay to process payments. The interface will be a secure interface using a combination of server and web packages to assure information is secure. The customer will be redirected to JetPay website to complete payment. This modification will apply to both the website and mobile application.

The applicable assumptions, definitions, scope, and deliverables applicable to the modifications to the CONTRACTOR Customer Self Service Portal are contained within this SOW.

1.1 Understanding the Requirements

CONTRACTOR will create a new credit card interface to JetPay to allow customers to submit credit card payments using a redirect to JetPay website to complete the payment from the website and mobile app. Payments will also be accepted from IVR allowing the customer to enter the credit card information also notifying the customer of the fee amount.

2. ASSUMPTIONS

2.1 CITY will be responsible for procuring any necessary software or hardware.

2.2 CITY will provide a Banner or Customer Suite development environment with data recently cloned from Production. CONTRACTOR will develop corrections and enhancements in this development environment, and therefore will need complete access to apply forms, processes and database objects.

- 2.3 CITY will provide CONTRACTOR with remote access to Development, Training and Testing Banner or Customer Suite environments. This includes the front-end application, as well as the servers and database. CONTRACTOR will be able to access and utilize other applications such as document repositories, defect tracking, log/lis file viewers, etc.
- 2.4 All CONTRACTOR-led training will be conducted with an optimal class size of twelve (12) attendees and a moderate level of interaction. If there are additional attendees, an additional trainer will be allocated and utilized, pursuant to the Change Request provisions otherwise specified in this SOW.
- 2.5 CITY will provide training room with equipment setup.
- 2.6 CITY provides project team with knowledge of current installation and business processes (or access to them) and has the authority to make decisions about online self-service web offerings.
- 2.7 CITY has a project manager who is responsible for managing CITY's tasks and resources. CONTRACTOR will provide a project manager who is responsible for managing CONTRACTOR tasks and resources.
- 2.8 The target version to integrate CONTRACTOR Customer Self-Service Portal is Customer Suite Version 4.3. The target version of MCSSP to implement is ePortal 2.0.
- 2.9 CITY will create an environment on the operating server such that the CONTRACTOR ePortal 2.0 can be installed.
- 2.10 If online Credit/Debit payments are to be utilized, CITY will negotiate with the online payment card vendor where the portal will navigate the customer.
- 2.11 All software will be delivered electronically.
- 2.12 Project Management and Technical and Functional Support ("Project Oversight") Services are based on a project duration of no longer than six (6) months. Any extension or delay of the project, or requests for additional Project Oversight will require CITY to develop and execute a separate, additional Statement of Work for any additional Project Management and/or Technical and Functional Support hours.
- 2.13 Upon acceptance by both parties, CONTRACTOR and CITY shall each assign a representative to act as Project Manager for the appointing party through the final acceptance by CITY. The total project duration will not exceed six (6) months without mutual agreement of the project managers, including a user acceptance test period lasting no longer than (10) calendar days.
- 2.14 CITY will be responsible for the development and execution of Acceptance Testing test plans, test cases and other testing artifacts with support from CONTRACTOR personnel.
- 2.15 This SOW is for professional services only. It does not include costs associated with obtaining licensed products from CONTRACTOR, hardware costs, or third party software or services costs associated with the implementation.
- 2.16 CITY is responsible for testing the Software and reporting any deficiencies to CONTRACTOR for investigation. All software deficiencies will be resolved under the terms of the Software License Agreement.
- 2.17 CITY is responsible for all changes on the IVR side to communicate with the JetPay interface through the Billing Database.

2.18 CONTRACTOR will not be responsible for stopping payments made from the mobile app for previous version downloads. The code is stored on the mobile device so it can't be modified without the customer downloading a new version.

3. DEFINITIONS

All capitalized terms used and not defined herein shall have the same meanings given them in the Agreement.

(a) "Baseline Component System" has the meaning ascribed to such term in the Software License Agreement between the parties, and further, for purposes of this SOW, refers specifically to the CONTRACTOR Customer Self-Service Portal (MCSSP).

(b) "Change Request" means any request for a change to this SOW as specified in Section 5 of this SOW.

(c) "Customizations" mean those modifications and/or interfaces made to the Baseline Component System. Also referred to as "Customization" or "Modification."

(d) "Cut-over" means the period of time beginning with final migration and working towards production processing.

(e) "Deliverable" means the Services, documents and /or materials identified in Section 4 of this SOW.

(f) "Target Release" means the version of the Baseline Component System to which CITY is implementing.

(g) "Work Effort" means the Services rendered by the team of CITY and CONTRACTOR as specified in this SOW.

(h) "Third party software" means binary versions of the computer software programs licensed to Ventyx from third parties and sublicensed to CITY pursuant to the terms and conditions of a License Agreement.

4. SCOPE OF WORK AND DELIVERABLES

CITY has purchased and implemented the CONTRACTOR Customer Self-Service Portal and wishes to make a modification to the Baseline product. The Work Effort consists of the major activities described below.

4.1 Create a package on both the website and mobile application that will be called when a customer requests to make a credit card payment. The package will send a request to the JBOSS server to retrieve the transaction id required to redirect a customer to JetPay website.

4.2 Create a JBOSS server package to retrieve the transaction id from JetPay. The package will be created on the JBOSS server to keep JetPay user credentials secure. The package will send a request to JetPay using the saved credentials returning a unique transaction id that can only be used one time.

4.3 Create an interface using a 3rd party redirect on both the website and mobile application to send the transaction id and account information to JetPay. This will allow the customer to complete a credit card payment using the JetPay Website.

4.4 Update Self Service Database Package to populate the credit card payment history table using the new interface.

- 4.5 Create an interface to IVR that will return the fee amount and allow customers to submit credit card payments. The interface will first return a fee amount to the customer based on the payment amount the customer requests to submit. Once the customer accepts the fee a second transaction will be made that will include the credit information. The credit card and account information will be sent to JetPay to complete payment transaction. The JetPay interface will then return a success or failure message.
- 4.6 Modify the mobile app login to restrict users from logging in on the old mobile app versions to keep credit card payments from being submitted to the old vendor Elavon. A new parameter will be added to the login procedure to identify the app version.

The following language is being added to Attachment B.

Attachment B: Cost Breakdown

CREDIT CARD INTERFACE FOR JETPAY

PRICING SUMMARY:

Create a secure interface to JetPay to accept credit card payments using the Customer Self Service Portal.

Modification	Cost
Mod 1: Credit Card Interface for JetPay	\$28,000

PAYMENT TERMS:

The services contained in this PCR are Fixed Price. Any changes in scope, assumptions or cost of execution will result in an additional Project Change Request. CONTRACTOR will invoice in full at the end of project once City has accepted portal. The payment terms for all invoicing is Net 30 Days.

Deliverable	Amount
Code Delivery	\$28,000
Total Cost	\$28,000

TRAVEL:

All above pricing is inclusive of all travel and living expenses. No additional fees will be accepted for payment. There will be no Travel & Living expenses for this project. CONTRACTOR will do all the work remotely.

Sec. 2. Sections not Amended. All other sections of the Contract shall remain in full force and effect.

Sec. 3. Effectiveness; Date. This amendment will become effective when all the parties have signed it. The date this amendment is signed by the last party to sign it will be deemed the date of this amendment.

Each party is signing this amendment on the date stated opposite that party's signature.

CONTRACTOR

I hereby certify that I have authority to execute this document on behalf of Contractor

By: Frank W Anderson

Title: Chief Business Development Officer

Date: 8/9/17

KANSAS CITY, MISSOURI

By: Cedric K...

Title: Manager of Procurement Services

Date: 8/31/17

Approved as to form:

[Signature]
Assistant City Attorney

**CONTRACT FOR SERVICES
STANDARD CITY CONTRACT**

AMENDMENT NO. 1

CONTRACT EV2087

This amendment is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation (City), and Milestone Utility Services, Inc. (Contractor). The parties amend the Contract entered into on April 1, 2015, as follows:

Sec. 1. Sections Amended. The Contract is amended as follows.

The following language is being added to Attachment A.

Attachment A: Scope of Work

MCSSP Modify MVOT Processing: Self-service portal currently generates move out service orders automatically without a manual review process. The self-service portal will be modified to restrict generation of move out orders prior to the request being reviewed manually. Orders will be reviewed using the same process in place for move in request.

SCOPE OF WORK:

Create a new procedure to process move out orders that will create a record on the UZTSMVN/UZTMVIN allowing manual review of the order. The UZTMVIN/UZTSMVN will be modified to add the order type, default customer number, default customer first/last name and Internal Review Indicator (Default to Checked for Office). The form will also be modified to generate the move out service order when a user accepts the order. The portal and mobile app will be modified to utilize the new service order procedure.

SCHEDULE OF WORK:

The project duration will be 1.5 weeks of work. The go-live date will be 8/13/2015.

	Task	Duration	Deliverable
1	Modify and test UZTMVIN/UZTSMVN adding order type, default customer information and internal indicator for Office target system.	24	Modified UZTSMVN/UZTMVIN form
2	Create and test new service order procedure to generate move out requests on UZTMVIN to be reviewed manually	26	New service order procedure for move out orders
3	Modify and test web and mobile app to use the new database procedure	10	Modification to web services to utilize database package.

The following language is being added to Attachment B.

Attachment B: Cost Breakdown

Addition of new project:

MCSSP Modify MVOT Processing

PRICING SUMMARY:

Description	Amount
Firm and Fixed Cost	\$10,530

PAYMENT TERMS:

The services contained in this PCR are Fixed Price. Any changes in scope, assumptions or cost of execution will result in an additional Project Change Request.

Milestone will invoice KCMO as follows:

Invoice	Deliverable	Amount
1	Completion of Client testing and Go Live Prep	\$5,265
2	Acceptance of Software	\$5,265
	Total	\$10,530

TRAVEL:

All above pricing is inclusive of all travel and living expenses. No additional fees will be accepted for payment.

Sec. 2. Sections not Amended. All other sections of the Contract shall remain in full force and effect.

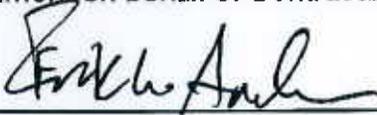
Sec. 3. Effectiveness; Date. This amendment will become effective when all the parties have signed it. The date this amendment is signed by the last party to sign it will be deemed the date of this amendment.

Each party is signing this amendment on the date stated opposite that party's signature.

CONTRACTOR

I hereby certify that I have authority to execute this document on behalf of Contractor

Date: 8/14/15

By: 

Title: Chief Business Development Officer

KANSAS CITY, MISSOURI

Date: 8/17/15

By: 

Title: Manager of Procurement Services

Approved as to form:


Assistant City Attorney

STANDARD CITY CONTRACT

MASTER CONTRACT FOR PRODUCTS AND SERVICES - THE CITY OF KANSAS CITY, MISSOURI

CONTRACT NO.: EV2087

TITLE/DESCRIPTION: MILESTONE CUSTOMER SELF-SERVICE PORTAL IMPLEMENTATION

THIS Contract (the "Contract") is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation ("CITY"), and Milestone Utility Services, Inc. ("MUSI"), a Florida corporation ("CONTRACTOR"). Each of the CITY and CONTRACTOR shall be referred to hereinafter as a "Party" and collectively, as the "Parties."

Sec. 1. The Contract. The Contract between the CITY and CONTRACTOR consists of the following Contract Documents:

- (a) this Contract; and
- (d) any and all Attachments and Exhibits attached to the Contract. All documents listed in this Section 1 shall be collectively referred to as the "Contract Documents" and are incorporated into this Contract. CITY and CONTRACTOR agree that the terms "Agreement" and "Contract" and "Contract Documents" are used interchangeably in this Contract and the terms "Agreement" and "Contract" and "Contract Documents" each include all "Contract Documents." The Contract Documents include:

Attachment A:	Scope of Work
Attachment B:	Cost Breakdown
Attachment C:	Software Maintenance and License Terms and Conditions
Attachment D:	Contractor Support Priority, Response and Resolution Guidelines
Attachment E:	City Support Escalation Contacts

Sec. 2. Initial Term of Contract and Additional Periods.

- (a) Initial Term. The initial term of this Contract shall begin on April 1, 2015 and shall end on March 30, 2016. The Manager of Procurement Services is authorized to enter into an amendment of this Contract with CONTRACTOR to extend the term of this Contract and time of performance for this Contract.
- (b) Renewal Terms. At any time prior to the expiration of the initial term or any subsequent term, the CITY, in its sole discretion, may renew this Contract for up to four (4) additional one (1) year terms.
- (c) Transition Term. Notwithstanding the expiration of the initial term or any subsequent term or all options to renew, CONTRACTOR and CITY shall continue performance under this

Contract until the CITY has a new contract in place with either CONTRACTOR or another provider or until the CITY terminates the Contract.

Sec. 3. Compensation.

- A. CITY shall order all services to be provided by CONTRACTOR under this Contract by means of a Purchase Order issued by the CITY's Manager of Procurement Services for which funds have been certified and encumbered by the City's Director of Finance. CITY shall not have any financial obligations to CONTRACTOR under this Contract until the CITY issues a Purchase Order to CONTRACTOR. CONTRACTOR shall not provide any services in excess of the dollar amount contained in any Purchase Order and CONTRACTOR shall not be entitled to any payment in excess of the dollar amount of the Purchase Orders from CITY.

Sec. 4. Effective Date of Contract.

- (a) Notwithstanding Section 2 of this Contract, neither party has any obligation under this Contract until the Manager of Procurement Services issues a Purchase Order which shall be signed by the City's Director of Finance certifying there is a balance, otherwise unencumbered, to the credit of the appropriation to which the expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment will be made, each sufficient to meet the obligation incurred in the Purchase Order.
- (b) The date of the first Purchase Order issued by the CITY is the effective date of this Contract
- (c) The date of the first Purchase Order issued by the CITY after the CITY renews this Contract shall be the effective date of the renewal term or transition term.

Sec. 5. Invoices.

- (a) CONTRACTOR shall submit to CITY a request for payment (hereinafter "Invoice") for services performed in sufficient detail for the CITY to determine that the amount CONTRACTOR is requesting is in fact due and payable.
- (b) CITY shall not pay any Invoice from CONTRACTOR unless CONTRACTOR is in compliance with, and not in breach or default of, all terms, covenants and conditions of this Contract. If damages are sustained by CITY as a result of breach or default by CONTRACTOR, CITY may withhold payment(s) to CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to CITY from CONTRACTOR may be determined.
- (c) CITY shall not pay CONTRACTOR's Invoice unless CONTRACTOR's Invoice is in proper form, correctly computed, and is approved by CITY as payable under the terms of this Contract. In the event that CONTRACTOR submits an invoice with any error(s) a to form or computation, CITY will provide CONTRACTOR with written notice of such error(s) within fifteen (15) days of receipt of such Invoice, so that CONTRACTOR may promptly cure such error(s) and submit a corrected Invoice.

- (d) CITY is not liable for any obligation incurred by CONTRACTOR except as approved under the provisions of this Contract.
- (e) If CONTRACTOR is required to meet MBE/WBE goals for this Contract, CONTRACTOR shall not submit an Invoice to the City unless CONTRACTOR's Invoice is accompanied by a copy of the most recent 00485.01 M/WBE Monthly Utilization Report submitted by CONTRACTOR to the City's Human Relations Department. CONTRACTOR shall remain current on CONTRACTOR's filing of 00485.01 M/WBE Monthly Utilization Reports. CITY shall not pay CONTRACTOR's Invoice unless CONTRACTOR is current on CONTRACTOR's filing of 00485.01 M/WBE Monthly Utilization Reports.

Sec. 6. Representations and Warranties of CONTRACTOR. CONTRACTOR hereby represents and warrants to the CITY the following:

- (a) CONTRACTOR is in good standing under the laws of the state of Missouri and each state in which it does business, except any such state where the failure to be in good standing would not have a material adverse effect on CONTRACTOR's ability to perform this Contract in accordance with its terms.
- (b) The execution, delivery and performance by CONTRACTOR of this Contract have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval of CONTRACTOR's board of directors; (ii) require any authorization, consent or approval by, or registration, declaration or filing with, or notice to, any governmental department, commission, board, bureau, agency or instrumentality, or any third party, except such authorization, consent, approval, registration, declaration, filing or notice as has been obtained prior to the date hereof; (iii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect having applicability to CONTRACTOR or its articles or by-laws; and (iv) result in a breach of or constitute a default under any material agreement, lease or instrument to which CONTRACTOR is a party or by which it or its properties may be bound or affected.
- (c) CONTRACTOR shall not enter into any contract for the services to CITY that purports to grant a security interest or right of repossession to any person or entity respecting the services, or any portions thereof or chattels placed thereon.
- (d) There is no litigation, proceeding or other investigation pending or, to the knowledge of CONTRACTOR, threatened against CONTRACTOR which would prevent consummation of the transaction contemplated by this Contract or would have a materially adverse effect on CONTRACTOR.

Sec. 7. Survival of the Representations, Warranties and Covenants. All representations, warranties and covenants expressed herein shall survive the execution of this Contract for the benefit of the parties hereto.

Sec. 8. Governing Law This Contract shall be construed and governed in accordance with the laws of the State of Missouri without giving effect to Missouri's choice of law provisions. The CITY and CONTRACTOR: (1) submit to the jurisdiction of the state and federal courts located in Jackson County,

Missouri; (2) waive any and all objections to jurisdiction and venue; and (3) will not raise forum *non conveniens* as an objection to the location of any litigation.

Sec. 9. Termination for Convenience. CITY may, at any time upon thirty (30) days' prior written notice to CONTRACTOR specifying the effective date of termination, terminate this Contract, in whole or in part. CONTRACTOR shall provide CITY with a final Invoice within fifteen (15) days of the effective date of termination, and CITY shall pay all amounts submitted and approved under such final Invoice upon the normal payment terms set forth herein.

Sec. 10. Default and Remedies.

- (a) If CONTRACTOR shall be in default or breach of any provision of this Contract, CITY may terminate this Contract, suspend CITY's performance, withhold payment or invoke any other legal or equitable remedy after giving CONTRACTOR ten (10) days' prior written notice and opportunity to cure such default or breach.
- (b) If CITY shall be in default or breach of any provision of this Contract, CONTRACTOR may terminate this contract or suspend CONTRACTOR's performance after giving CITY ten (10) days' prior written notice and opportunity to cure such default or breach. If CITY fails to cure such default, then CONTRACTOR shall deliver to CITY a final Invoice for all approved amounts outstanding, and CITY shall tender payment for all amounts outstanding within thirty (30) days of receiving the final Invoice.

Sec. 11. Waiver. Waiver by CITY of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of the same or of any other term, covenant or condition. No term, covenant, or condition of this Contract can be waived except by written consent of CITY, and forbearance or indulgence by CITY in any regard whatsoever shall not constitute a waiver of same to be performed by CONTRACTOR to which the same may apply and, until complete performance by CONTRACTOR of the term, covenant or condition, CITY shall be entitled to invoke any remedy available to it under this Contract or by law despite any such forbearance or indulgence.

Sec. 12. Acceptance. No payment made under this Contract shall be proof of satisfactory performance of the Contract, either wholly or in part, and no payment shall be construed as acceptance of deficient or unsatisfactory services.

Sec. 13. Records.

- (a) For purposes of this Section:
 - 1. "CITY" shall mean the City Auditor, the City's Internal Auditor, the City's Director of Human Relations, the City Manager, the City department administering this Contract and their delegates and agents.
 - 2. "Record" shall mean any document, book, paper, photograph, map, sound recordings or other material, regardless of physical form or characteristics, made or received in connection with this Contract and all Contract amendments and renewals.

- (b) CONTRACTOR shall maintain and retain all Records for a term of five (5) years that shall begin after the expiration or termination of this Contract and all Contract amendments. CITY shall have a right to examine or audit all Records, and CONTRACTOR shall provide access to CITY of all Records upon ten (10) days written notice from the CITY.
- (c) The books, documents and records of CONTRACTOR in connection with this Contract shall be made available to the City Auditor, the City's Internal Auditor, the City's Director of Human Relations and the City department administering this Contract within ten (10) days after the written request is made.

Sec. 14. Affirmative Action. If this Contract exceeds \$300,000.00 and CONTRACTOR employs fifty (50) or more people, CONTRACTOR shall comply with City's Affirmative Action requirements in accordance with the provisions of Chapter 3 of City's Code, the rules and regulations relating to those sections, and any additions or amendments thereto; in executing any Contract subject to said provisions, CONTRACTOR warrants that it has an affirmative action program in place and will maintain the affirmative action program in place for the duration of the Contract. CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin or ancestry, disability, sexual orientation, gender identity or age in a manner prohibited by Chapter 3 of City's Code. CONTRACTOR shall:

- (a) Submit, in print or electronic format, a copy of CONTRACTOR'S current certificate of compliance to the City's Human Relations Department (HRD) prior to receiving the first payment under the Contract, unless a copy has already been submitted to HRD at any point within the previous two (2) calendar years. If, and only if, CONTRACTOR does not possess a current certification of compliance, CONTRACTOR shall submit, in print or electronic format, a copy of its affirmative action program to HRD prior to receiving the first payment under the Contract, unless a copy has already been submitted to HRD at any point within the previous two (2) calendar years.
- (b) Require any Subcontractor awarded a subcontract exceeding \$300,000.00 to affirm that Subcontractor has an affirmative action program in place and will maintain the affirmative action program in place for the duration of the subcontract.
- (c) Obtain from any Subcontractor awarded a subcontract exceeding \$300,000.00 a copy of the Subcontractor's current certificate of compliance and tender a copy of the same, in print or electronic format, to HRD within thirty (30) days from the date the subcontract is executed. If, and only if, Subcontractor does not possess a current certificate of compliance, CONTRACTOR shall obtain a copy of the Subcontractor's affirmative action program and tender a copy of the same, in print or electronic format, to HRD within thirty (30) days from the date the subcontract is executed.

City has the right to take action as directed by City's Human Relations Department to enforce this provision. If CONTRACTOR fails, refuses or neglects to comply with the provisions of Chapter 3 of City's Code, then such failure shall be deemed a total breach of this Contract and this Contract may be terminated, canceled or suspended, in whole or in part, and CONTRACTOR may be declared ineligible for any further contracts funded by City for a period of one (1) year. This is a material term of this Contract.

Sec. 15. Tax Compliance. If the CITY's payments to CONTRACTOR exceed \$150,000.01 for the period of May 1st through April 30th, CONTRACTOR shall provide proof of compliance with the CITY's tax ordinances administered by the CITY's Commissioner of Revenue as a precondition to the CITY making the first payment under this Contract. CONTRACTOR also shall submit to the CITY proof of compliance

with the CITY's tax ordinances administered by the CITY's Commissioner of Revenue as a condition precedent to the CITY making final payment under the Contract.

Sec. 16. Buy American Preference. It is the policy of the CITY that any manufactured goods or commodities used or supplied in the performance of any CITY Contract or any subcontract thereto shall be manufactured or produced in the United States whenever possible.

Sec. 17. Notices. All notices to be given hereunder shall be in writing and may be given, served or made by depositing the same in the United States mail addressed to the party to be notified, postpaid and registered or certified with return receipt requested or by delivering the same in person to such person. Notice deposited in the mail in accordance with the provisions hereof shall be effective unless otherwise stated in such notice or in this Contract from and after the second day next following the date postmarked on the envelope containing such notice. Notice given in any other manner shall be effective only if and when received by the party to be notified. All notices shall be sent to the following addresses:

If to the CITY: City of Kansas City, Missouri
Procurement Services Division
414 East 12th Street, 1st Floor, Room 102 W
Kansas City, Missouri 64106
Attention: Cedric Rowan, C.P.M., Manager
Telephone: (816) 513-1592
Facsimile: (816) 513-1156

With copies to: William Geary, Esq.
City Attorney
Law Department of Kansas City, Missouri
414 East 12th Street, 28th Floor
Kansas City, Missouri 64106
Telephone: (816) 513-3118

If to the CONTRACTOR: Ram Kasarla, President & CEO
11830 NW 4th Street
Plantation, Florida 33325-2416

With copies to: Michael De Biase, Esq.
Tobin & Reyes, P.A.
225 N.E. Mizner Blvd.
Suite 510
Boca Raton, Florida 33432
Telephone: (561) 620-0656
Facsimile: (561) 620-0657

Sec. 18. General Indemnification.

(a) For purposes of this Section only, the following terms shall have the meanings listed:

1. Claims means all claims, damages, liability, losses, costs and expenses, court costs and reasonable attorneys' fees, including attorneys' fees incurred by the CITY in the enforcement of this indemnity obligation.
 2. CONTRACTOR's Agents means CONTRACTOR's officers, employees, subcontractors, successors, assigns, invitees, and other agents.
 3. CITY means CITY, its Agencies, its agents, officials, officers and employees.
- (b) CONTRACTOR's obligations under this Section with respect to indemnification for acts or omissions, including negligence, of CITY, shall be limited to the coverage and limits of insurance that CONTRACTOR is required to procure and maintain under this Contract. CONTRACTOR affirms that it has had the opportunity to recover all costs of the insurance requirements imposed by this Contract in its contract price.
- (c) CONTRACTOR shall defend, indemnify and hold harmless CITY from and against all claims arising out of or resulting from all acts or omissions in connection with this Contract caused in whole or in part by CONTRACTOR or CONTRACTOR's Agents, regardless of whether or not caused in part by any act or omission, including negligence, of CITY. CONTRACTOR is not obligated under this Section to indemnify CITY for the sole negligence of CITY.
- (d) In no event shall the language in this Section constitute or be construed as a waiver or limitation of the CITY's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the federal and state constitutions or by law.

Sec. 19. Indemnification for Professional Negligence. If this contract is for professional services, CONTRACTOR shall indemnify, and hold harmless CITY and any of its agencies, officials, officers, or employees from and against all claims, damages, liability, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any negligent acts or omissions in connection with this Contract, caused by CONTRACTOR, its employees, agents, subcontractors, or caused by others for whom CONTRACTOR is liable, in the performance of professional services under this Contract. CONTRACTOR is not obligated under this Section to indemnify CITY for the negligent acts of CITY or any of its agencies, officials, officers, or employees.

Sec. 20. Insurance.

- (a) CONTRACTOR shall procure and maintain in effect throughout the term of this Contract insurance policies with coverage not less than the types and amounts specified in this Section. CONTRACTOR must have:
1. Commercial General Liability Insurance Policy: with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate, written on an "occurrence" basis. The policy shall be written or endorsed to include the following provisions:
 - a. Severability of Interests Coverage applying to Additional Insureds
 - b. Contractual Liability

- c. Per Project Aggregate Liability Limit or, where not available, the aggregate limit shall be \$2,000,000.
 - d. No Contractual Liability Limitation Endorsement
 - e. Additional Insured Endorsement, ISO form CG20 10, current edition, or its equivalent.
2. Workers' Compensation Insurance and Employers Liability Policies as required by Missouri law.
 3. Commercial Automobile Liability Insurance Policy: with a limit of \$1,000,000 per occurrence, covering owned, hired, and non-owned automobiles. The Policy shall provide coverage on an "any auto" basis and on an "occurrence" basis. This insurance policy will be written on a Commercial Business Auto form, or acceptable equivalent, and will protect against claims arising out of the operation of motor vehicles, as to acts done in connection with the Contract, by CONTRACTOR.
 4. If this Contract is for professional services, CONTRACTOR shall obtain Professional Liability Insurance with limits per claim and annual aggregate of \$1,000,000.
- (b) All insurance policies required in this Section shall provide that the policy will not be canceled until after the Insurer provides the CITY ten (10) days' prior written notice of cancellation in the event that the cancellation is for CONTRACTOR's nonpayment of premiums and thirty (30) days' prior written notice of cancellation to CITY for all other reasons of cancellation.
 - (c) The Commercial General and Automobile Liability Insurance Policies specified above shall provide that CITY and its agencies, agents, officials, officers, and employees, while acting within the scope of their authority, will be named as additional insureds for the services performed under this Contract. CONTRACTOR shall provide to CITY at execution of this Contract a certificate of insurance showing all required endorsements and additional insureds.
 - (d) All insurance policies must be provided by Insurance Companies that have an A.M. Best's rating of "A-V" or better, and are licensed or approved by the State of Missouri to provide insurance in Missouri.
 - (e) Regardless of any approval by CITY, CONTRACTOR shall maintain the required insurance coverage in force at all times during the term of this Contract. CONTRACTOR's failure to maintain the required insurance coverage will not relieve CONTRACTOR of its contractual obligation to indemnify the CITY pursuant to this Section of this Contract. In the event CONTRACTOR fails to maintain the required insurance coverage in effect, CITY may declare CONTRACTOR in default.
 - (f) In no event shall the language in this Section constitute or be construed as a waiver or limitation of the CITY's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the federal and state constitutions or by law.

Sec. 21. Interpretation of the Contract.

- (a) CITY selected CONTRACTOR through a negotiated procurement process rather than an Invitation for Bids ("IFB") solicitation. Unlike the IFB, this process allows the CITY and CONTRACTOR to discuss and negotiate a contract at arms length prior to entering a final contract that is acceptable to both the CITY and the CONTRACTOR. After negotiation and discussion, CONTRACTOR and CITY have incorporated multiple exhibits and documents into this Agreement. In the event of any conflict between the CITY and CONTRACTOR regarding the terms and provisions of this Agreement, the CITY and CONTRACTOR shall follow the following conflict resolution procedure before either party may issue a notice of default under Section 10 of the Contract. First, the CITY's Senior Buyer in its Procurement Services Division and the CONTRACTOR's Chief Business Development Officer shall enter into good faith, non-binding discussions and meet at least once, either in person or over the phone, during a period of not less than fifteen (15) calendar days to seek to mutually and amicably resolve the conflict. If these two officials are unable to mutually and amicably resolve the conflict during the 15 day (or longer) period, the head of the CITY's Procurement Services Division and the CONTRACTOR's Chief Business Development Officer, shall enter into good faith, non-binding discussions and meet at least once, either in person or over the phone, during an additional period of not less than ten (10) calendar days to seek to mutually and amicably resolve the conflict. If these two officials are further unable to mutually and amicably resolve the conflict during the 10 day (or longer) period, the City Manager and/or the CITY's Director of Neighborhood & Community Services Department and the CONTRACTOR's Chief Business Development Officer shall enter into good faith, non-binding discussions and meet at least once, either in person or over the phone, during an additional period of not less than ten (10) days to seek to mutually and amicably resolve the conflict. If the conflict resolution procedure is unsuccessful and the conflict remains unresolved at the end of the last 10 day (or longer) period, either party may then pursue the remedies available to them under the terms of this Contract including, but not limited to, the remedies available under Section 10 of this Contract
- (b) CONTRACTOR acknowledges and agrees that the CITY has provided CONTRACTOR with an opportunity to have CONTRACTOR's attorney review and advise CONTRACTOR on the Contract and any potential ambiguities or areas of disagreement and the potential adverse legal consequences of CONTRACTOR agreeing to this Section as well as the entire Contract.
- (c) CONTRACTOR certifies that CONTRACTOR has either (1) waived its right to have CONTRACTOR's attorney review this Section and the Contract; or (2) CONTRACTOR has consulted with an attorney on this Section and the Contract.
- (d) CONTRACTOR knowingly and voluntarily agrees to this Section and the entire Contract. CONTRACTOR certifies that this Contract was not procured by fraud, duress or undue influence.

Sec. 22. Contract Execution. This Contract may be executed in one or more counterparts, each of which will be deemed an original copy of this Contract and all of which, when taken together, will be deemed to constitute one and the same Contract. This Contract shall be effective upon the execution of counterparts by both Parties, notwithstanding that both Parties may not sign the same counterpart. The Parties'

signatures transmitted by facsimile or by other electronic means shall be proof of the execution of this Contract and shall be acceptable in a court of law.

Sec. 23. Guaranteed Lowest Pricing. CONTRACTOR certifies that this Contract contains CONTRACTOR's lowest and best pricing for all services supplied by CONTRACTOR to any government, governmental entity, political subdivision, city, state, school district or any other public entity in the United States as of the date of this Contract.

Sec. 24. Assignability and Subcontracting.

- (a) Assignability. CONTRACTOR shall not assign or transfer any part or all of CONTRACTOR'S obligation or interest in this Contract without prior written approval of City. If CONTRACTOR shall assign or transfer any of its obligations or interests under this Contract without the City's prior written approval, it shall constitute a material breach of this Contract. This provision shall not prohibit CONTRACTOR from subcontracting as otherwise provided for herein.
- (b) Subcontracting. CONTRACTOR shall not subcontract any part or all of CONTRACTOR'S obligations or interests in this Contract unless the subcontractor has been identified in a format required by City. If CONTRACTOR shall subcontract any part of CONTRACTOR'S obligations or interests under this Contract without having identified the subcontractor, it shall constitute a material breach of this Contract. The utilization of subcontractors shall not relieve CONTRACTOR of any of its responsibilities under the Contract, and CONTRACTOR shall remain responsible to City for the negligent acts, errors, omissions or neglect of any subcontractor and of such subcontractor's officers, agents and employees. City shall have the right to reject, at any point during the term of this Contract, any subcontractor identified by CONTRACTOR, and to require that any subcontractor cease working under this Contract. City's right shall be exercisable in its sole and subjective discretion. City shall not be obligated to pay or be liable for payment of any monies which may be due to any subcontractor. CONTRACTOR shall include in any subcontract a requirement that the subcontractor comply with all requirements of this Contract in performing CONTRACTOR'S services hereunder.

Sec. 25. Professional Services – Conflict of Interest Certification. If this Contract is for professional services other than for medical doctors or appraisers, CONTRACTOR certifies that CONTRACTOR is not an expert witness for any party in litigation against the CITY at the time of the issuance of this Contract.

Sec. 26. Intellectual Property Rights. CONTRACTOR shall grant to CITY a license to utilize CONTRACTOR'S Software, substantially in the form of Attachment C, hereto.

Sec. 27. RESERVED.

Sec. 28. Employee Eligibility Verification. CONTRACTOR shall execute and submit an affidavit, in a form prescribed by the CITY, affirming that CONTRACTOR does not knowingly employ any person in connection with the contracted services who does not have the legal right or authorization under federal law to work in the United States as defined in 8 U.S.C. §1324a(h)(3). CONTRACTOR shall attach to the affidavit documentation sufficient to establish CONTRACTOR's enrollment and participation in an electronic verification of work program operated by the United States Department of Homeland Security to

verify information of newly hired employees, under the Immigration and Reform and Control Act of 1986. CONTRACTOR may obtain additional information about E-Verify and enroll at <https://e-verify.uscis.gov/enroll/StartPage.aspx?JS=YES>. For those CONTRACTORS enrolled in E-Verify, the first and last pages of the E-Verify Memorandum of Understanding that CONTRACTOR will obtain upon successfully enrolling in the program shall constitute sufficient documentation for purposes of complying with this section. CONTRACTOR shall submit the affidavit and attachments to the CITY prior to execution of the contract, or at any point during the term of the contract if requested by the CITY.

Sec. 29. Emergencies.

- (a) Disaster means any large scale event such as an act of terrorism, fire, wind, flood, earthquake or other natural or man-made calamity which results in, or has the potential to result in a significant loss of life or property.
- (b) During and after a disaster, CONTRACTOR shall provide special services to the CITY including CONTRACTOR shall open CONTRACTOR'S facilities even on nights and weekends as necessary to meet the needs of the City during a disaster.
- (c) CONTRACTOR shall not charge CITY any fee for opening facilities during an emergency or for extending CONTRACTOR'S hours of operation during a disaster. CITY shall pay CONTRACTOR the agreed upon contract prices for all purchases made by CITY during the disaster and CONTRACTOR shall not charge CITY any additional mark-up, fee or cost for any purchases made by CITY during a disaster.
- (d) CONTRACTOR shall quickly mobilize CONTRACTOR's internal and external resources to assist CITY when a disaster unfolds.
- (e) Extended hours and personnel. During disasters, CONTRACTOR'S facilities shall stay open 24 hours if requested by the CITY. CONTRACTOR shall utilize additional CONTRACTOR personnel to take CITY orders if necessary. CONTRACTOR's Call Center shall accept phone orders 24 hours a day.
- (f) CONTRACTOR shall have contingency plans with CONTRACTOR'S suppliers to provide additional supplies and equipment quickly to CITY as needed.
- (g) CONTRACTOR shall cooperate with CITY to properly document any and all expenses incurred by CITY with CONTRACTOR and CONTRACTOR shall assist CITY in meeting any and all documentation requirements of the Federal Emergency Management Agency (FEMA).
- (h) Notwithstanding the foregoing, CONTRACTOR'S duties and obligations under this Section 29, shall be limited to the provision of CONTRACTOR's services as contemplated by this Contract. CONTRACTOR shall not be required to provide any additional services outside the scope of this Contract.

Sec. 42. Tax Exemption - Federal and State.

- A. The CITY is exempt from Federal Excise and Transportation taxes on purchases under Chapter 32, Internal Revenue Code. The federal tax registration number issued by the St. Louis District Director on November 11, 1974 is No. 43740340K.
- B. The CITY is exempt from payment of Missouri Sales and Use Tax in Accordance with Section 39(10) Article 3, of the Missouri Constitution and Sections 144.040 and 144.615 RSMo 1969 and supplement thereto. A copy of the exemption from Missouri Sales and Use Tax is available upon request.

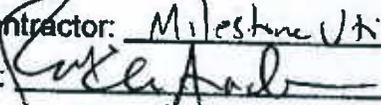
Sec. 43. Annual Appropriation of Funds.

- A. Multi-year term supply and service contracts and leases and the exercise of options to renew term contracts are subject to annual appropriation of funds by the City Council. Payments made under term contracts and leases are considered items of current expense. Purchase orders are funded when issued, therefore are current expense items and are not subject to any subsequent appropriation of funds.
- B. In the event sufficient funds are not appropriated for the payment of lease payments or anticipated term contract payments required to be paid in the next occurring lease or contract term and if no funds are legally available from other sources, the lease or contract may be terminated at the end of the original term or renewal term and the CITY shall not be obligated to make further payments beyond the then current original or renewal term. The CITY will provide notice of its inability to continue the lease or contract at such time as the Manager of Procurement Services is aware of the nonappropriation of funds; however, failure to notify does not renew the term of lease or contract. If a lease is cancelled, the events of default will occur as described in the lease and/or the section titled TERMINATION FOR DEFAULT. The CITY shall have no further monetary obligations in event of termination or reduction of a term contract, other than for services performed (if approved) but not yet invoiced, since such contracts represent estimated quantities and are not funded as a contract, but only to the extent of purchase orders issued.

CONTRACTOR

I hereby certify that I have the authority to execute
this document on behalf of CONTRACTOR.

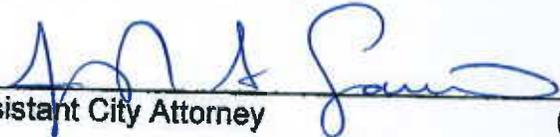
Contractor: Milestone Utility Services, Inc

By: 

Title: Chief Business Development Officer

Date: 3/28/15

APPROVED AS TO FORM


Assistant City Attorney (Date)

KANSAS CITY, MISSOURI

By: Pranee Medlin

Title: Procurement Manager

Date: 03-31-2015

ATTACHMENT A SCOPE OF WORK

1. MILESTONE CUSTOMER SELF-SERVICE PORTAL AND LICENSE AGREEMENT

CITY has purchased the software license for Milestone Customer Self-Service Portal. CONTRACTOR will provide the services needed to implement the new software. CONTRACTOR will perform the work required to install the new software according to City of Kansas City's requirements. When new production issues arise, CITY will first report the issue to CONTRACTOR. for support services and receive a case number.

1.1 ASSUMPTIONS

- CITY will be responsible for procuring any necessary software or hardware.
- CITY will provide a Banner or Customer Suite development environment with data recently cloned from Production. CONTRACTOR will develop corrections and enhancements in this development environment, and therefore will need complete access to apply forms, processes and database objects.
- CITY will provide CONTRACTOR with remote access to Development, Training and Testing Banner or Customer Suite environments. This includes the front end application, as well as the servers and database. CONTRACTOR will be able to access and utilize other applications such as document repositories, defect tracking, log/lis file viewers, etc.
- All CONTRACTOR-led training will be conducted with an optimal class size of twelve (12) attendees and a moderate level of interaction. If there are additional attendees, an additional trainer will be allocated and utilized.
- CITY will provide training room with equipment setup.
- CITY will provide a project team with knowledge of current installation and business processes (or access to them) and they will have the authority to make decisions about online self-service web offerings.
- CITY will have a project manager who is responsible for managing CITY's tasks and resources. CONTRACTOR will provide a project manager who is responsible for managing CONTRACTOR tasks and resources.
- The target version to integrate Milestone Customer Self-Service Portal is Customer Suite Version 4.3. The target version of MCSSP to implement is version 1.0.
- CITY will create an environment on the operating server such that the Milestone Customer Self-Service Portal can be installed.
- If online Credit/Debit payments are to be utilized, CITY will negotiate with the online payment card vendor where the portal will navigate the customer.
- All software will be delivered electronically.
- Project Management and Technical and Functional Support ("Project Oversight") Services are based on a project duration of no longer than six (6) months. Any

extension or unforeseen delay of the project, or requests for additional Project Oversight will require an amendment approved by both the CITY and CONTRACTOR for the additional work.

- Upon acceptance by both parties, CONTRACTOR and CITY shall each assign a representative to act as Project Manager for the appointing party through the final acceptance by CITY. The total project duration will not exceed six (6) months without mutual agreement of the project managers, including a user acceptance test period lasting no longer than (10) calendar days. If the project exceeds six (6) months, an amendment to the project schedule via contract amendment must be approved.
- CITY will be responsible for the development and execution of Acceptance Testing test plans, test cases and other testing artifacts with support from CONTRACTOR personnel.
- CITY is responsible for testing the Software and reporting any deficiencies to CONTRACTOR for investigation. All software deficiencies will be resolved under the terms of the Software License Agreement.

2. DEFINITIONS

All capitalized terms used and not defined herein shall have the same meanings given them in the Contract.

(a) "Baseline Component System" has the meaning ascribed to such term in the Software License Agreement between the parties, and further, for purposes of this CONTRACT, refers specifically to the Milestone Customer Self-Service Portal (MCSSP).

(b) "Change Request" means any request for a change to this CONTRACT as specified in Section 5 of this CONTRACT.

(c) "Customizations" mean those modifications and/or interfaces made to the Baseline Component System. Also referred to as "Customization" or "Modification."

(d) "Cut-over" means the period of time beginning with final migration and working towards production processing.

(e) "Deliverable" means the Services, documents and /or materials identified in Section 3 of this CONTRACT.

(f) "Target Release" means the version of the Baseline Component System to which CITY is implementing.

(g) "Work Effort" means the Services rendered by the team of CITY and CONTRACTOR as specified in this CONTRACT.

(h) "Third party software" means binary versions of the computer software programs licensed to Ventyx from third parties and sublicensed to CITY pursuant to the terms and conditions of a License Agreement.

3. PROJECT DELIVERABLES

3.1 PROJECT INITIATION

CONTRACTOR Project Manager will meet with CITY Project Manager and Core Team to review the project schedule and tasks that are required to complete the project and the implementation rollout strategy and the roles and responsibilities of the participants for completing the Work Effort as defined in the CONTRACT. The review meeting will also help to establish the project parameters and enables the parties to address concerns early in the project. The key project individuals will be identified as well as the stakeholders and decision makers. Project resources will be agreed on as well as the project schedule and detailed project plan. The Milestone Project Manager will provide input on the Milestone tasks and deliverables to the CITY project manager, so that the full project schedule can be developed.

Deliverable Number	1.
Deliverable Name	Detailed Project Plan
Purpose	To provide the detailed information in support of the delivery of the elements in the CONTRACT.
Content	A detailed task list including schedules, and resource assignments.
Primary Responsibility	CITY
Participants/Roles	CONTRACTOR Project Manager & CITY Project Manager
CITY Contributon	Develop the overall project plan and schedule.
Deliverable Format	MS Project

Deliverable Number	2.
Deliverable Name	Monthly Activity Status Reports
Purpose	To provide clear on-going communications to the project team concerning the status of the Milestone deliverables, the CONTRACTOR Project Manager will prepare a formal monthly activity report and provide informal weekly status updates.
Content	Ongoing communication between the Project Managers will help to ensure that any variances to the Project Plan are identified and addressed in a timely manner. The reports will contain sufficiently detailed information to enable CITY to determine the status of the Project and any variance from the Project Plan.
Responsibility	Milestone
Participants/Roles	Milestone PM will provide information to the CITY PM
CITY Contributon	Attend status meetings, provide feedback on any CITY tasks
Deliverable Format	Electronic media format and will be delivered/transmitted by the close of business on the first Friday of each month.

3.2 CONFIGURATION WORKSHOP

CONTRACTOR will conduct an onsite workshop to go over the different modules and configuration settings of the product. It is at this point that preliminary decisions will be made about which modules will be offered to the end customer. Once the modules are decided upon, then the different configuration settings will be reviewed (such as Payment Codes, Payment Arrangement Types, etc). CONTRACTOR will capture these different settings a configuration setting document. This document will be used to set up the software in the CONTRACTOR development instance. Additionally, these will be the configuration settings provided on the initial software installation on CITY's development instance.

In addition to configuration settings, CONTRACTOR will work with CITY to mock up the MCSSP screens for both the web portal and mobile App. We will start out with the base screen shots and then work with CITY to determine if and where each field should be on the screen so that it will make the most sense to their customer.

CONTRACTOR will document the configuration settings and screen mockups in a configuration document that will be provided to CITY. This document will be used to set up the initial MCSSP system for testing and then as the installed application on CITY's development box.

In addition to configuration and screen mock up information, CONTRACTOR will capture any requirement or request that is not offered in the base product. This Gap document will be provided to CITY along with the initial configuration setting document. CITY may decide to pursue one or more of the Gap requirements as a modification; however that would fall into the Project Change Request procedure.

Deliverable Number	3.
Deliverable Name	Configuration Document
Purpose	To document the configuration settings needed by CITY
Content	Specific codes and setting to be used to set up the MCSSP software.
Responsibility	Milestone
Participants/Roles	CONTRACTOR Functional Consultants, CITY Functional Personnel, CITY Technical Personnel
CITY Contributor	Attend configuration workshop, provide requirements and resolve any issues or conflicting requirements.
Deliverable Format	MS Excel Document.

Deliverable Number	4.
Deliverable Name	Gap Document
Purpose	To provide a listing of requirements to CITY that cannot be handled by the base software or standard configuration.
Content	CONTRACTOR personnel will document these requirements and provide them to CITY for review CITY may decide to either forgo these requirements or opt for a modification to the software.
Responsibility	Milestone
Participants/Roles	CONTRACTOR Functional Consultant, CITY Core Team
CITY Contributor	Review and Agree with the documented gaps.
Deliverable Format	MS Word Document.

3.3 APPLICATION CONFIGURATION

After the initial configuration document has been completed, CONTRACTOR will begin configuring the application in the development instance. This configuration consists of the following:

1. Enable / Disable different modules
2. Setting the different rules and validations according to the Configuration Setting Document that was developed during Training.
3. 'Blending' of the MCSSP front end application into CITY's website and mobile App.
4. Hide / Display / Move fields on the screens

If there are additional Customer Suite rules that are being established with the implementation of MCSSP, then those rules and validations will need to be managed by CITY. CONTRACTOR may set these rules up in the Development/Training environment just for testing & training purposes, but CITY must be responsible for creating the appropriate rules in other environments (for example, Milestone will not deliver scripts to set up new Payment Arrangement types on UTRPYAR).

Deliverable Number	5.
Deliverable Name	Updated Configuration Document – Initial Configuration
Purpose	Provide up to date configuration document to the CITY in the event of an agreed upon setting change (if there are any changes)
Content	Specific codes and setting to be used to set up the MCSSP software.
Responsibility	Milestone
Participants/Roles	CONTRACTOR Functional Consultants, CITY Functional Personnel, CITY Technical Personnel
CITY Contributor	Resolve any issues or conflicting requirements.
Deliverable Format	MS Excel Document.

3.4 CONFIGURATION TESTING

Once the Application Configuration has occurred, CONTRACTOR will conduct a basic test ensuring that the application has been configured properly, the appropriate transactions are being created in Customer Suite, and that the correct modules are available to the end user. The objective of this test is to verify configuration and operability with CITY's configuration settings. This test will be conducted in the CITY development servers.

Deliverable Number	6.
Deliverable Name	Unit Test Results – Initial Configuration
Purpose	Provide proof to CITY of the functioning system after configuration.
Content	Test Purpose, Test steps, and testing results
Responsibility	Milestone
Participants/Roles	Milestone
CITY Contributor	None
Deliverable Format	MS Word – Milestone Test Case Template

3.5 SOFTWARE INSTALLATION

The configured software will be installed on CITY's development server. CONTRACTOR will provide installers and a System Engineer/Technical Lead to perform off-site and on-site installation and verification activities.

CONTRACTOR will install the development instance, which will be the first database installed; however, we also anticipate using this instance for training. This instance should be connected to a development instance of the Customer Suite application (specifically, an instance of Customer Suite where CONTRACTOR has access to manipulate the customer data if necessary).

CONTRACTOR will provide detailed installation instructions to CITY so that additional instances of the application may be brought online. CITY is responsible for creating the other instances of MCSSP.

Deliverable Number	7.
Deliverable Name	Dev Environment Configuration
Purpose	Set up and configure the Development environment in preparation for MCSSP installation
Content	n/a
Responsibility	CITY
Participants/Roles	CITY DBA / System Admin, CONTRACTOR Technical Consultant
CITY Contributor	Configure development environment
Deliverable Format	n/a

Deliverable Number	8.
Deliverable Name	Installation of the base product install
Purpose	Install the Baseline Component System on CITY's hardware.
Content	This includes the installation instructions and media for the CITY's machines.
Responsibility	CONTRACTOR
Participants/Roles	CONTRACTOR Technical Consultant, CITY's IT Installer, CITY's DBA
CITY Contributor	Provide development environment
Deliverable Format	Application code placed on CITY's machine that has been designated for training, testing, functional review, and one server.

3.6 TRAINING

After the configuration has been tested to verify it is operating according to CITY's requirements, CONTRACTOR will provide CITY with training on the application. Training will require 1 day preparation and will be a 3 day training session designed for 12 attendees. This training will demonstrate each module that CITY has configured. Instruction will be provided on each of the configuration settings for the module and how the different setting accomplishes CITY's

requirements. Additionally, CONTRACTOR will provide training, in a smaller setting, for the technical staff to go over the technical support and administrative requirements of the system.

As we move through the training, CITY may find that there are some final configurations changes that they would like to make. These final changes will be updated in the Configuration Setting Document.

Deliverable Number	9.
Deliverable Name	Technical Training
Purpose	To provide training on the technical features of the Baseline Component System to appropriate personnel designated by CITY.
Content	Classroom setting consisting of lecture and hands-on practice training as described.
Responsibility	Milestone
Participants/Roles	CONTRACTOR Technical Consultant, CITY Technical Team
CITY Contributor	Attend Training.
Deliverable Format	Classroom training environment for 1 day designed for 1-3 attendees.

Deliverable Number	10.
Deliverable Name	Functional Training
Purpose	To provide functional training on the new features of the configured system.
Content	Classroom setting consisting of lecture and hands-on practice training as described
Responsibility	Milestone
Participants/Roles	CONTRACTOR Functional Consultant, CITY Core Team
CITY Contributor	Attend Training.
Deliverable Format	Classroom setting for 3 days consisting of lecture and hands-on practice training for up to 12 attendees.

3.7 FINAL CONFIGURATION

CONTRACTOR will update the final configuration settings in the City of Kansas City development system. These final changes may include true configuration settings or field changes on the different screens. CONTRACTOR does not anticipate reaching this phase of the project and having to configure new modules for CITY (for instance, if CITY decided not to offer payment arrangements during the initial configuration, we would not expect to have to configure payment arrangements during Final Configuration.)

The Configuration Workbook will be updated with the final updates. The final changes will be approved. If any other changes are requested by CITY that were not identified in the Configuration Workbook, then the change will be documented and estimated following the control procedures below (see Change Requests).

The Final configuration settings will be tested in the City of Kansas City development instance and then installed on CITY's test system. A final verification test will be performed to ensure the final configuration settings are operating correctly in CITY's development environment.

Deliverable Number	11.
Deliverable Name	Approved Configuration Document – Final Configuration
Purpose	Provide up to date configuration document to the CITY in the event of an agreed upon setting change (if there are any changes)
Content	Specific codes and setting to be used to set up the MCSSP software.
Responsibility	Milestone
Participants/Roles	CONTRACTOR Functional Consultants, CITY Functional Personnel, CITY Technical Personnel
CITY Contributon	Review & Approve. Resolve any issues or conflicting requirements.
Deliverable Format	MS Excel Document.

Deliverable Number	12.
Deliverable Name	Unit Test Results – Final Configuration
Purpose	Provide proof to CITY of the functioning system after final configuration changes. The scope of this test is only for the final configuration changes.
Content	Test Purpose, Test steps, and testing results
Responsibility	Milestone
Participants/Roles	Milestone
CITY Contributon	None
Deliverable Format	MS Word – Milestone Test Case Template

3.8 USER ACCEPTANCE TESTING

CONTRACTOR will provide functional and technical support for CITY's User Acceptance Testing. This support includes triaging issues found by CITY's testers, addressing any of those issues via Configuration, coding corrections, or potential training issues. CONTRACTOR will provide 1 full time resource for 2 weeks of support (however, the hours for this task may be split between a technical and functional resource).

Deliverable Number	13.
Deliverable Name	User Acceptance Testing Documentation
Purpose	Proof of completed test cases
Content	Test Steps, Testing Results, sign off.
Responsibility	CITY
Participants/Roles	CITY Functional/Business Resources, Milestone Functional Resource
CITY Contributon	Execute and document tests

Deliverable Number	13.
Deliverable Format	To be determined by CITY to notify CONTRACTOR that UAT is complete.

3.9 ADDITIONAL SUPPORT, PRODUCTION PREPARATION AND CUT-OVER

CONTRACTOR will provide additional support to CITY that may be used after User Acceptance Testing and during go-live. These support tasks include triage of issues reported by CITY, researching data or software issues, proposing solutions to correct issues in the system, answer questions regarding functionality of the system. This support period will be for 1 full time resource for 2 weeks past Go Live and then support will roll over into the Maintenance period.

Deliverable Number	14.
Deliverable Name	Additional Support
Purpose	To assist CITY in the execution of the migration Cut-over plan
Content	CONTRACTOR will provide functional and technical support to assist the CITY with its execution of the migration Cut-over plan. The Cut-over plan details the tasks required to begin using the solutions in a production environment, including the sequence of events, the development of the schedule, the roles and responsibilities, and the development of contingency plans.
Responsibility	Milestone
Participants/Roles	CONTRACTOR Functional Consultant, CONTRACTOR Technical Consultant, CITY
CITY Contributor	CITY will lead the cutover event.
Deliverable Format	Onsite and remote support

3.10 CUSTOMIZATIONS

Any Gaps regarding eligibility for certain programs or plans that were captured during the workshop phase are discussed with CITY. If CITY wishes to pursue the additional functionality, then this will proceed using the Change Request methodology detailed in Section 4 below.

3.11 DATA MIGRATION

CONTRACTOR is estimating that some basic user credential data will be migrated from CITY's existing web portal. CONTRACTOR is assuming that this consists of basic enrollment and log on information: User id, password, and some linkage of User ID to Customer Suite Account. This information will be loaded into the MCSSP enrollment database tables so that the customer may use their same user name and password to access the same accounts that they were able to access in the previous self service application. Additional Data Migration Requirements would be considered out of scope and will require a Change Request.

Deliverable Number	15.
Deliverable Name	User Credentials Migration

Deliverable Number	15.
Purpose	Milestone will migrate CITY's current user credentials to the Milestone Customer Self-Service Portal as previously estimated.
Content	Migrated source with user credentials
Responsibility	Milestone
Participants/Roles	Milestone Functional Consultants, Milestone Developer, CITY Functional Personnel, CITY Technical Personnel
CITY Contributor	Provide understanding and access to the user credentials on the database.
Deliverable Format	Migrated Credentials.

4. CHANGES TO STATEMENT OF WORK AND CONTRACT AMENDMENTS

Request for changes to this CONTRACT that will change the Work Effort must be reviewed and considered as a change, which will be managed as outlined in this section. The investigation and implementation of changes can result in modification to the estimated cost to the CITY or other conditions specified in this CONTRACT.

Any changes that affect the overall contract scope, contract timeline or deliverable dates, or additional cost will be handled via an amendment to the contract. These amendments must be approved by the CITY and CONTRACTOR prior the change being made. All changes to cost must have a Purchase Order issued as well. An amendment may occur at any time throughout the life of the project or during a renewal of the maintenance of the contract.

Minor adjustments to the project schedule and movement of day to day tasks are authorized through the change order process.

The Change Request procedure to be utilized is as follows:

(1) Change Requests may be initiated as a result of the Gap Document

(2) Any Change to the base application, timeline or cost will result in an amendment change control, as these enhancements have not been previously included in the scope of services by Milestone. CITY and CONTRACTOR must document the requested change via email for records purposes using the standard Change Control template.

(3) The change will be reviewed by CITY's team lead. If approved by the team lead, the Change Control will be sent to Milestone to determine the impact on the Estimate and Schedule.

(4) CONTRACTOR will supply CITY with an updated SOW to document the price change. CITY may approve or disapprove the updated SOW.

(5) If the changes are approved then a functional specification will be written to document how the change will work functionally.

(6) The functional specification will be reviewed and approved by CITY.

(7) Once the Change Order is approved, CONTRACTOR and CITY will determine if a contract amendment is required. If so, CITY will submit information to Procurement for processing. Once any required documentation (approved change order and contract amendment) is executed, CONTRACTOR may proceed with coding the changes in the software and testing by a CONTRACTOR functional analyst. The testing results and test scripts will be documented and these results will be provided to CITY.

5. SCHEDULE OF WORK

For the purpose of this CONTRACT, electronic media will be MS Word or Adobe (pdf) for text and MS Project for Project Plans. The deliverables are discussed in detail in the tables within each task.

The schedule of work will be agreed by both parties upon acceptance of any work incorporated under this implementation SOW. CONTRACTOR will provide resources to perform work within a mutually agreed upon start date. Estimated Start Date is 2 weeks following contract execution.

The project plan shown below is a living document and may change as the project proceeds. Minor changes to the project plan require a Change Order; major changes to the project plan require a contract amendment.

6. VERIFICATION CRITERIA

CONTRACTOR will perform Factory Qualification Test (FQT) testing on the development environment to confirm compatibility and completeness with regard to the migrated in scope Customizations and interfaces and ensure the migrated Customizations are ready for Site Integration and Testing. CONTRACTOR personnel will create contrived test data, test each Customization alone and in concert with associated functionality and Customizations, and correct issues that preclude releasing the Customization(s) and software modifications for CITY-instance installation and testing.

6.1 VERIFICATION

The verification criteria set forth in this section will apply and govern with respect to each Deliverable identified in Section 4 above in which verification thereof is required by its terms. CONTRACTOR will notify the CITY when each Deliverable has been completed. The CITY will inform CONTRACTOR in writing within ten (10) business days following CONTRACTOR's notification to CITY; if the CITY believes CONTRACTOR has not satisfied the Completion Criteria set forth in Section 3 above with respect to such item. To the extent that the CITY rejects a Deliverable, it must specify the reasons for such assertion, providing there is a sufficient level of detail. Such reasons must be based specifically on CONTRACTOR's failure to satisfy the requirements set forth in this CONTRACT and, particularly, the descriptions set forth in Section 3 above.

All obligations of CONTRACTOR as outlined in Section 3, "Deliverables" regarding the Deliverable in question (except ongoing warranty obligations) will be deemed satisfied and the Deliverable will be deemed accepted upon written notification from CITY. Should an extension to the ten (10)

business days referenced above be required due to the nature of the Deliverable, such extension will be determined mutually by the CONTRACTOR and CITY Project Managers.

7. REMEDY

Following a notice to CONTRACTOR during the 10-day period described above that a Deliverable fails to meet the governing verification criteria, then, CONTRACTOR will be obligated to remedy the identified deficiency and provide a Deliverable which meets its governing verification criteria described in Sections 3. Following the re-delivery by CONTRACTOR of the remedied Deliverable, then the CITY will again be provided the 10-day period to verify the originally documented deficiencies, as applicable and the provisions of Section 6 above will control the verification thereof.

**ATTACHMENT B
COST BREAKDOWN**

1. SOFTWARE LICENSE AND IMPLEMENTATION SERVICES

Proposed	Cost
Milestone's Customer Self-Service Portal License	\$149,500
Firm and Fixed Price Professional Services Implementation	\$ 90,500
Total	\$240,000

2. PAYMENT TERMS & SCHEDULE

The fee(s) for the implementation will be performed on a Firm and Fixed Price basis. CITY is tax exempt.

The table below describes the deliverables and the payment schedule.

Invoice	Item	Project Milestone	Amount
1	License - Installment 1	License Contract Signed	\$ 99,500
2	Year 1 Maintenance	Acceptance of Software	\$ 10,000
3	Implementation Installment 1	Software Installation	\$ 20,000
4	Implementation Installment 2	Completion of Configuration	\$ 20,000
5	Implementation Installment 3	Completion of Client testing and Go Live Prep	\$ 25,000
6	License - Installment 2	Completion of Client testing and Go Live Prep	\$ 50,000
7	Implementation Installment 4	Acceptance of Software	\$ 25,500
		Total:	\$250,000

Year two and three of the ongoing portal and maintenance fee will be invoiced and paid in full upon the renewal date of the contract. There will be no increase in the fee for the first two renewal years. Subsequent renewal years will be held to a maximum renewal increase of CPI, if accepted by CITY and adequate justification is provided by CONTRACTOR for increase.

3. MILESTONE CUSTOMER SELF-SERVICE PORTAL SUPPORT AND MAINTENANCE COSTS

CONTRACTOR will provide CITY with Maintenance and Support on the MCSSP product. This maintenance will provide CITY with defect corrections to WATER's installed version of the software. Additionally, CITY will get software upgrades or enhancements to the base software added by CONTRACTOR. The annual maintenance fee will be \$10,000.

Annual Support and Maintenance:	Cost
Year 1	\$10,000
Year 2	\$10,000
Year 3	\$10,000

4. TRAVEL EXPENSES

All above pricing is inclusive of all travel and living expenses. No additional fees will be accepted for payment.

For the Customer Self-Service Portal Milestone includes onsite consulting with CITY for the following tasks:

- Configuration Workshop
- Software Installation
- Training
- UAT Support
- Go-live

**ATTACHMENT C
SOFTWARE MAINTENANCE AND
LICENSE TERMS AND CONDITIONS**

1. Definitions. The terms defined in this section 2 and any other capitalized terms defined in other sections of this License Agreement have the meanings stated.
 - 1.1. "Milestone" means Milestone Utility Services, Inc., a Florida corporation.
 - 1.2. "Milestone Proprietary Information" means all proprietary information, know-how, trade secrets and Confidential Information developed or held by Milestone or obtained by Milestone from third parties other than Licensee relating to Milestone's business. Milestone Proprietary Information includes, without limitation, all versions of MCSSP.
 - 1.3. "MCSSP" means the object code of MCSSP version licensed hereunder, specifically the products listed in Appendix A, MCSSP includes all revisions and new versions of MCSSP received by Licensee, if applicable.
 - 1.4. "Licensee Computers" means the stand alone or shared file server computers owned by, and under the exclusive control of, Licensee.
 - 1.5. "License Term" means the term of the license as set forth in Appendix A.
 - 1.6. "Documentation" means information in any format, including documents, manuals and computer-readable files, delivered by Milestone to Licensee regarding the installation, use, troubleshooting and other technical information relating to MCSSP.
2. License Grants.
 - 2.1 Software License Grant. Milestone hereby grants Licensee a perpetual, personal, non-transferable, non-exclusive license, without right of sublicense, to install MCSSP and any other Milestone Proprietary Information provided by Milestone to Licensee onto the hard disks of Licensee Computers for use solely by Licensee's employees, [OPTIONAL] contractors, and authorized third parties], each of which has entered into a written agreement with Licensee that obligates them to protect the proprietary rights of Milestone and its Licensors and to comply substantially with the nondisclosure provisions of this Agreement, as authorized herein, and to reproduce the Documentation for use only as required for the authorized use of MCSSP. Licensee agrees to maintain the computers and media on which MCSSP is copied in a secure place.
 - 2.2 No Third-Party Access to MCSSP. Licensee may not allow contractors or any other third parties to access or copy MCSSP files or install MCSSP on any computer other than a Licensee Computer.
 - 2.3 Modifications of MCSSP. Licensee shall not reverse engineer, decompile or otherwise prepare any derivative works of MCSSP. Licensee acknowledges that MCSSP is proprietary and contains confidential and valuable trade secrets of Milestone, which Licensee agrees to safeguard as provided for under section 8, Confidential Information, below.

- 2.1. Usage Audit. The parties agree that Milestone may conduct an audit of Licensee's usage of MCSSP no more frequently than once per calendar year. Such audit shall be conducted so as to minimize interference with Licensee's use of the product and its normal business operations.
- 2.2. Backup Copies of MCSSP. Licensee may make a reasonably necessary number of copies of MCSSP on magnetic or optical media for backup and disaster recovery purposes.
3. Intellectual Property Ownership Rights. All rights not expressly granted in this License Agreement are reserved by Milestone. Milestone retains sole and exclusive ownership of the Software, the Documentation, and all other associated intellectual property including, but not limited to the technology, inventions, know-how, show-how, designs, formulae, processes, techniques, trade secrets, ideas, artwork, software, works of authorship, and any suggestions, ideas, enhancement requests, feedback, recommendations or other similar information provided by Licensee or any other party relating to MCSSP and any document or other materials embodying any of the foregoing, whether or not any of the same are patentable or copyrightable, and related documentation (collectively, the "Intellectual Property"). Milestone retains all intellectual property rights in, to and/or embodied in or associated with the Intellectual Property provided by Milestone hereunder, and all copies and derivative works thereof, including, but not limited to patent rights (including patent applications and invention disclosures), copyrights, rights in database, moral rights, trademarks, service marks, trade secrets, know-how and any other intellectual property rights recognized in any country or jurisdiction in the world, now or hereafter existing, and whether or not perfected, filed or recorded. The use by Licensee of such MCSSP is authorized only for the purposes herein set forth. Such authorization will cease except as otherwise explicitly provided herein, upon termination of the license.
4. Limited Warranty/Disclaimer.
 - 4.1. MCSSP Warranty. Milestone warrants to Licensee that it has title and/or the authority to grant licenses of MCSSP. Milestone further warrants to Licensee only, and not to Licensee's customers, that MCSSP will perform in substantial accordance with the Documentation for a period of one year as offered in the Maintenance Agreement from the date that MCSSP is installed on Licensee's computer and available for commercial operations ("Warranty Period"). When the Warranty Period expires, Licensee may choose to purchase Maintenance and Support with Milestone (Appendix B). In the event that Licensee elects not to pay for support, Milestone will provide support on a time and materials basis.
 - 4.2. Repair or Refund. If during the Warranty Period MCSSP does not perform as warranted in Section 6.1 above, Milestone shall undertake to correct MCSSP, or if correction of MCSSP is not reasonably possible, Milestone may terminate this License Agreement and refund to Licensee the fees paid hereunder. The foregoing are Licensee's sole and exclusive remedies for breach of warranty. The warranties set forth above are made to and for the benefit of Licensee only and not any third party. The foregoing warranties will apply only if (a) MCSSP has been properly installed and used at all times and in accordance with the instructions for use, and (b) no modification, alteration or addition has been made to MCSSP by persons other than Milestone or Milestone's authorized representative.

- 4.3. Limited Warranty. OTHER THAN THE WARRANTIES EXPRESSLY STATED ABOVE, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES RELATING TO MCSSP, THE DOCUMENTATION OR THE SUPPORT SERVICES COVERED BY THIS LICENSE AGREEMENT, AND MILESTONE EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. MILESTONE DOES NOT WARRANT AND HEREBY DISCLAIMS ANY IMPLIED WARRANTY THAT THE OPERATION OF MCSSP WILL BE ERROR FREE OR UNINTERRUPTED.
- 4.4. Allocation of Risk; No Expansion of Warranty. The provisions of this Section 6 allocate risks under this License Agreement between Licensee and Milestone. The license fees paid for MCSSP reflects this allocation of risks and limitation of liability.

5. Limitation Of Liability And Damages.

- 5.1. Limitation of Liability. OTHER THAN EXPRESSLY STATED HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, LOSS OF USE, INTERRUPTION OF BUSINESS, LOST PROFITS OR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR INDIRECT DAMAGES OF ANY KIND UNDER ANY CAUSE OR ACTION (INCLUDING NEGLIGENCE), WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.
- 5.2. Limitation of Damages. EXCEPT FOR MILESTONE'S OBLIGATIONS UNDER SECTION 9 ("INDEMNIFICATION") BELOW, MILESTONE'S TOTAL LIABILITY FOR DAMAGES IN CONNECTION WITH THIS LICENSE AGREEMENT, WHETHER IN AN ACTION IN CONTRACT OR TORT OR ANY OTHER FORM OF ACTION, WILL IN NO EVENT EXCEED THE ENTIRE AMOUNT OF THIS CONTRACT ~~OF THE LICENSE FEES PAID BY LICENSEE.~~
- 5.3. Damages as set forth in this Section 7 are the sole and exclusive remedy where no other remedy is expressly provided and are the sole and exclusive alternative remedy in the event another remedy is provided in this License Agreement and such other remedy is deemed to fail of its essential purpose.

6. Confidential Information And Publicity.

- 6.1. Confidential Information. As used in this License Agreement, the term "Confidential Information" means any information, technical data or know-how, including, but not limited to, that which relates to business plans, financial projections, agreements with third parties, patents, patent applications, trade secrets, research, product plans, products, services, suppliers, customers, prices and costs, markets, software, developments, inventions, processes, technology, designs, drawings, engineering, hardware configuration, marketing, licenses, budgets or finances that Milestone or any director, officer, partner, employee, agent or other representative, including advisor, attorney, accountant, financial advisor and

potential financing source (all together, "Representatives") thereof or affiliates provide or have provided to the Licensee by any means (including, but not limited to, orally or in writing or gathered by inspection), together with any and all notes, memoranda, analyses, compilations, studies or other documents (whether in hard copy or electronic media) prepared by or for the Licensee or its Representatives which contain or otherwise reflect Confidential Information, together with any and all copies, extracts or other reproductions of any of the same. The term "Confidential Information" does not include information that: (i) is or becomes generally known to the public through no wrongful act of Milestone or its Representatives; or (ii) is obtained by the Licensee through no wrongful act of Milestone or its Representatives from a source other than Milestone or its Representative provided that such source is not subject to any confidentiality, fiduciary or other obligation to the Milestone or otherwise; or (iv) is independently developed by the Licensee without reference to or reliance upon the Confidential Information. CONTRACTOR agrees that if a request is received for information, that CITY must disclose pursuant to the Missouri Sunshine Law. CONTRACTOR understands that CITY must comply with the Missouri Sunshine Law.

- 6.2. Copies; Reproduction. Licensee may make one (1) archival copy of the Confidential Information provided that the Licensee affixes to such copy all copyright and confidentiality notices (as applicable) that appear on the original. Said archival copy of the Confidential Information must be maintained in a safe and protected environment protected against damage, theft, unauthorized reproduction or use. Further, Licensee shall not analyze, reverse engineer, reconstruct, disassemble, decompile, adapt or otherwise attempt to ascertain the nature of the Confidential Information.

7. Indemnification.

- 7.1. Milestone Options. Milestone hereby indemnifies Licensee, including attorneys' fees and costs at trial or on any appeal, against any claim that MCSSP used within the scope of this License Agreement infringes any United States copyright, patent, or trademark rights of any third party. In the event that (a) MCSSP is held by a court of appropriate jurisdiction to infringe the United States intellectual property rights of a third party and the use of MCSSP is enjoined, (b) Milestone concludes that MCSSP infringes the rights of a third party, or (c) in the case of settlement, Milestone will, if possible on commercially reasonable terms, at its own expense and option: (i) procure for Licensee the right to continue to use MCSSP, (ii) replace the infringing components of MCSSP with other components with the same or similar functionality that are reasonably acceptable to Licensee, or (iii) suitably modify MCSSP so that it is non-infringing and reasonably acceptable to Licensee. If, at Milestone's sole discretion, none of the foregoing options are available on commercially reasonable terms, (A) Milestone may terminate the license rights granted by this License Agreement, and (B) in such case for a perpetual license, refund the license fee reduced by twenty-five percent (25%) for each year Licensee has had use of MCSSP. Licensee will cooperate with Milestone in the return of MCSSP.
- 7.2. Limitation. Notwithstanding the provisions of Section 9.1 above, Milestone assumes no liability for (a) infringements arising from combinations of MCSSP with non-MCSSP or hardware products, including any of Licensee's products, (b) modifications to MCSSP made by any party other than Milestone or Milestone's authorized representative or made under Milestone's direction, (c) use of a prior version of MCSSP to the extent such infringement

would have been avoided by the use of the current version of MCSSP, provided that Milestone has offered or provided such current version to Licensee at no additional cost, or (d) trademark infringements involving any marking or branding not applied by Milestone or involving any marking or branding applied at the request of Licensee.

7.3. Entire Liability. THE FOREGOING PROVISIONS OF THIS SECTION 9 STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF MILESTONE AND THE EXCLUSIVE REMEDY OF LICENSEE WITH RESPECT TO ANY ALLEGED INFRINGEMENT OF PATENTS, COPYRIGHTS, TRADEMARKS OR OTHER INTELLECTUAL PROPERTY RIGHTS BY MCSSP OR ANY PART THEREOF.

8. Return Of MCSSP.

8.1. Termination for Cause. Either party may terminate this License Agreement at any time upon written notice to the other party if (a) the other party materially breaches any provision hereof and fails to cure such breach within thirty (30) days after receiving written notice of such breach, (b) the other party becomes insolvent, (c) the other party makes an assignment for the benefit of creditors, or (d) if there are instituted by or against the other party proceedings in bankruptcy, reorganization, receivership or dissolution and such proceeding is not stayed or dismissed within sixty (60) days. Licensee's failure to pay any amount that is due to Milestone hereunder within thirty (30) days after Milestone gives Licensee written notice of such non-payment shall be a material breach of the Contract.

8.2. Return of MCSSP. Upon termination of this License Agreement, Licensee will make no further use of MCSSP or the Documentation. Within five (5) business days after such termination, Licensee will either destroy or return to Milestone the originals and all copies of MCSSP and the Documentation in the possession or under the control of Licensee. Licensee will certify to Milestone that it has complied with the foregoing requirements. In addition, Licensee shall immediately cease to use all trademarks and, at Milestone's election, destroy or deliver to Milestone all materials provided to Licensee, or in its control or possession which bear such trademarks. The foregoing obligations apply to copies of MCSSP and Documentation in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or combined with other materials.

8.3. Surviving Provisions of Agreement. The provisions of section 5 ("Intellectual Property Ownership Rights"), section 6 ("Limited Warranty"), section 9 ("Indemnification"), section 7 ("Limitation of Liability and Damages"), section 8 ("Confidential Information"), section 10 ("Return of MCSSP"), Section 11 ("Additional Provisions") and Section 12 ("Third Party Licensor Components") shall survive the termination of this License Agreement for any reason. All other rights and obligations of the parties shall cease upon termination of this License Agreement.

MAINTENANCE TERMS AND CONDITIONS

1. Maintenance and Support. During any period for which Licensee has paid the required annual support payment, Milestone shall provide Licensee with support services as further described in this Appendix and including:
 - 1.1. All upgrades, patches and service packs for MCSSP which are generally made available to other MCSSP Licensees entitled to software support from Milestone.
 - 1.2. Correction of Defects in MCSSP as described herein;
 - 1.3. Updated Documentation for any upgrades, modifications, improvements, enhancements, extensions, and other changes to MCSSP provided to Licensee under support.
2. Defect Correction.
 - 2.1. When Licensee reports a suspected Defect in MCSSP to Milestone, Milestone shall attempt, based upon information provided by Licensee, to recreate the suspected Defect. If the Defect is confirmed, Milestone shall use commercially reasonable efforts to provide Licensee a Correction. For the purpose herein, a "Defect" is a material failure of MCSSP to operate substantially in accordance with the applicable Documentation, and a "Correction" includes, without limitation, workarounds, support releases, update disks, correction disks, component replacements, patches and/or Documentation changes, as Milestone deems appropriate.
 - 2.2. Milestone shall not be responsible for correcting Defects in any version of MCSSP other than the most recent release of MCSSP, provided that Milestone shall continue to support prior releases superseded by recent releases for a minimum of eighteen (18) months.
 - 2.3. Licensee agrees to implement within a reasonable time all Corrections provided by Milestone hereunder.
 - 2.4. If, after Milestone notifies Licensee that a problem, error or malfunction, for which Licensee has requested telephone or other support, is not covered by support, Licensee requests Milestone to provide telephone assistance or consulting services to correct the problem, error or malfunction, time relating to such assistance and services, and any other consulting services that Licensee may request, will be charged to Licensee at Milestone's standard hourly rates.

**ATTACHMENT D
CONTRACTOR SUPPORT PRIORITY, RESPONSE
AND RESOLUTION GUIDELINES**

LEVEL OF SUPPORT FOR MILESTONE CUSTOMER SELF SERVICE PORTAL

Milestone Utility Services Maintenance and Support is based on the general requirements and specifications of Production Support.

GENERAL ASSUMPTIONS

1. KCMO will provide a development environment with data recently cloned from Production. MUSI will develop corrections and enhancements in this development environment, and therefore will need complete access to apply forms, processes and database objects.
2. KCMO will provide MUSI with remote access to MCSSP environment to be supported by MUSI. This includes the front end application, as well as the servers and database. MUSI will be able to access and utilize other applications such as document repositories, defect tracking, log/lis file viewers, etc.

Level of Support

Milestone provides operational support to manage and support daily operations which include triage of issues, and defect process management.

Priority Support

Milestone provides the response times indicated in the table below. Priority indicates the level of criticality of the error/defect. In providing the Services, Milestone shall prioritize and complete the Services, for each component Service requested, by the Time for First Correction and, if needed, the Time for Final Correction, as denoted below.

Priority/Severity	Time for First Correction	Time for Final Correction
Priority 1-Severity 1	Eight (8) business hours	Ten (10) days
Priority 1-Severity 2	Eight (8) business hours	Thirty (30) days
Priority 1-Severity 3	Twenty-four (24) business hours	Three (3) months
Priority 2	Thirty (30) days	120 days; if error time critical, Priority 1-appropriate severity level applies
Priority 3	No deadline/correction as possible	No deadline/correction as possible

“Time for First Correction” is the total time between notice of an error/defect and the introduction of at least a temporary fix for the error/defect, if not the permanent fix.

"Time for Final Correction" is the total time between notice of an error/defect and the completion of a permanent fix for the error/defect.

"Priority 1-Severity 1" means an error such that the Software is not functioning; and Customer is unable to bill its customers.

"Priority 1-Severity 2" means an error in a time sensitive or mission critical function, e.g. payment application not operable, inability to perform budget billing, or an error precluding operation of the charge calculation process, or an error in the batch process function, e.g. inability to run the nightly batch window.

"Priority 1-Severity 3" means an error rendering mission critical applications partially inoperable, e.g. some accounts not completing billing, or inability to complete budget billing for some accounts.

"Priority 2" means an error that is not time critical, e.g. bad debt function not working, monthly GL feed not working.

"Priority 3" means an error that is cosmetic and not related to an important function, e.g. error in documentation, error in on-line help function.

**ATTACHMENT E
CITY SUPPORT ESCALATION CONTACTS**

The CONTRACTOR's day to day point of contact for operational related issues is:

Milestone Utility Services
Sales Executive
Linda Lukas
(803) 960-1487
llukas@musiusa.com

Frank Anderson
Chief Business Development Officer
843-323-5589
fanderson@milestonessi.com

The CONTRACTOR's day to day point of contact for service/technical related issues is:

Ram Kasarla
Chief Executive Officer
954-478-9447
rkasarla@milestonessi.com

Brian Menard
Project Manager
803-445-6549
bmenard@milestonessi.com

The City's day to day point of contact for operational/service and technical related issues is:

Joel Medoza
joel.mendoza@kcmo.org

Miguel Echeverria
816-513-0852
miguel.echeverria@kcmo.org

The City's day to day point of contact for contract related issues is:

Keely Golden, CPPB
Senior Buyer, Procurement Services Division
816-513-0812
keely.golden@kcmo.org

Inter-Departmental Communication

Date: September 14, 2021

To: Mayor Quinton Lucas; Chair: Transportation, Infrastructure & Operations Committee

From: Andrea Dorch; Director; Civil Rights & Equal Opportunity Department

Subject: Docket Memo for Amendment #:210726

CONTRACTOR:	Milestone Utility Services, Inc.
Address:	11830 NW 4 th St. Plantation, FL 33325
Contract #	EV2087 – Milestone Customer Service Portal
Contract Amount:	\$2,751,435.39
MBE Goal:	0%
WBE Goal:	0%
MBE Achieved:	0%
WBE Achieved:	0%

MBE SUBCONTRACTORS:

None

WBE SUBCONTRACTORS:

None

Comments:

This contract started in 2015. A solicitation waiver was approved by the City Manager and the contract was awarded to Milestone Utility Services. The Civil Rights & Equal Opportunity Dept. (then Human Relations Dept.) approved a waiver of MBE/WBE goals on the project due to the proprietary nature of the software provided and maintained by the prime contractor. The original contract was for \$1,150,000 and covered the original contract and five (5) renewals. The contract is now being extended for up to two (2) three-year terms to for the maintenance of the Customer Service Portal and to add additional services to the contract (Amazon Web Services). The Director of Civil Rights & Economic Opportunity Dept. has approved a waiver of MBE/WBE goals on the contract amendment.

Page 2: EV2087 – Milestone Customer Service Portal Amendment

Contract Extension Year 1:	\$ 425,365.00
Contract Extension Year 2:	\$ 438,125.95
Contract Extension Year 3:	\$ 451,269.95
Contract Extension Year 4:	\$ 464,807.82
Contract Extension Year 5:	\$ 478,752.05
Contract Extension Year 6:	<u>\$ 493,114.62</u>
Total Contract Amount:	\$2,751,435.39



Legislation Text

File #: 210538, Version: 1

ORDINANCE NO. 210538

Authorizing condemnation and taking of private property interests for public use for the construction, location and maintenance of the Stark Avenue Road Improvements - N.E. 112th Street to N.E. 114th Terrace, Project No. 89008700, in Kansas City, Clay County, Missouri; providing for the payment of just compensation therefore; authorizing continued negotiations and purchase by the Director of the Department of Public Works; authorizing the filing of the petition for condemnation by the City Attorney on behalf of the City; and directing the City Clerk to record this ordinance in the office of the Recorder of Deeds for Clay County, Missouri.

WHEREAS, the Council finds that the property interests herein described must be condemned for public use for the Stark Avenue Road Improvements - N.E. 112th Street to N.E. 114th Terrace Project in Kansas City, Clay County, Missouri; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY, MISSOURI:

Section 1. That the property interests herein described are hereby authorized condemned and taken for public use in and upon the land hereinafter described for Project No. 89008700, Stark Avenue Road Improvements - N.E. 112th Street to N.E. 114th Terrace”, including any necessary structures or appurtenances, all in Kansas City, Clay County, Missouri.

Section 2. Said improvements shall be of the nature described and specified in, and shall be done in accordance with, the plans and specifications certified under the supervision of the Director of the Department of Public Works, the same being on file in the Office of the Director of the Department of Public Works, and being incorporated herein by reference.

Section 3. That the properties obtained by condemnation shall be used by the City of Kansas City, Missouri as street right of way and easements for the location of improvements and utilities to be constructed therein including any necessary appurtenances to it; and Kansas City or its authorized agents, employees or independent contractors, and with Kansas City, Missouri’s permission, utility companies franchised to operate in Kansas City, Missouri and their authorized agents, employees or independent contractors, shall have the right to enter in or authorize the entry in and upon said properties for the purpose of constructing, reconstructing, maintaining, operating and repairing the following said improvements and utilities:

Street Right of Way

The Street Right of Way shall be taken and used by Kansas City, Missouri for the location, construction and maintenance of Stark Avenue and associated improved intersections, drive approaches, and other infrastructure to be constructed therein, including any necessary appurtenances thereto; and Kansas City, Missouri shall have the right to enter in or authorize the entry in and upon said right of way for the purpose of locating, constructing, reconstructing, maintaining, operating and repairing said improvements or making connections thereto.

Retaining Wall and Grading Easement

The Retaining Wall and Grading Easement shall be used by the City of Kansas City, Missouri, its successors and assigns, for the purposes of locating, constructing, inspecting, repairing, maintaining, reconstructing, and making improvements to retaining wall and slope stability structures and all appurtenances incidental thereto, with the right to change the grade of the land and to establish slopes and cutbacks adjacent to the road right-of-way and to keep, maintain, repair, reconstruct, and make improvements to the slope and cutbacks in connection with associated with the retaining wall and established slopes.

The City of Kansas City, Missouri, its successors and assigns, shall have the right at all times to go upon the lands herein described to construct, maintain repair, reconstruct, and make improvements to the said slopes and cutbacks, retaining wall, and slope stability structures and all appurtenances incidental thereto, as may be necessary,

By the condemning of private property for this easement, it shall not be construed so as to grant any right to the City which shall in any way interfere with the safe and unrestricted use by property owner(s) of the land adjacent to said easement, the property owner(s) shall not use nor attempt to use said property in such manner as would interfere with the proper, safe and continuous maintenance and use of said easement and specifically shall not build thereon or there over any structure which may interfere with the maintenance and use of said Retaining Wall and Grading Easement by the City of Kansas City, Missouri, its successors and assigns.

Storm Drainage Easement

The Storm Drainage Easement shall be used by the City of Kansas City, Missouri, its successors and assigns, for the purposes of locating, constructing, operating, inspecting, repairing, maintaining, reconstructing, and making improvements to storm drainage facilities and structures and all appurtenances incidental thereto.

The City of Kansas City, Missouri, its successors and assigns, shall have the right at all times to go upon the lands herein described to construct, maintain and repair the said storm drainage facilities and structures, as may be necessary, and while nothing in this deed shall be construed so as to grant any right to the City which shall in any way interfere with the safe and unrestricted use by property owner(s) of the land adjacent to said easement the property owner(s) shall not use nor attempt to use said property in such a manner as would interfere with the proper, safe and continuous maintenance and use of said easement and specifically shall not build thereon or there over any structure which may interfere with the free flow of water over, through and across the easement and that portion of the storm drainage system there in.

Temporary Construction Easement

The Temporary Construction Easements shall be used by the City of Kansas City, Missouri or its authorized agents, servants, employees, or independent contractors, during the construction of said project, for grading and sloping, removal of trees and shrubbery, removal and replacement of fencing, sidewalks and driveways, utility construction work, the storage of materials, the operation of equipment, and the movement of a working force.

The City of Kansas City, Missouri shall cause the surface of lands lying within said Temporary Construction Easements to be restored to substantially the same physical condition that existed at the time the City or its agents entered upon it.

Section 4. That said property interests are hereby authorized condemned and taken for public use and are described as follows:

Tract No. 13

Right of Way No. 1:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Commencing at the Southwest corner of the Southwest Quarter of said Section 23; thence South 89 degrees 17 minutes 47 seconds East, along the south line of said Southwest Quarter, 29.70 feet; thence North 00 degrees 42 minutes 13 seconds East, 30.00 feet to the intersection of the north Right of Way line of N.E. 112th street with the east Right of Way line of N. Stark Avenue as they are both now established, said point being the Point of Beginning; thence in a northerly direction, along the east Right of Way line of said N. Stark Avenue (25 feet from the centerline thereof), along a curve to the right with an initial tangent bearing of North 02 degrees 29 minutes 38 seconds East and a radius of 1425.00 feet through a central angle of 01 degrees 46 minutes 39 seconds, an arc distance of 44.21 feet; thence South 36 degrees 15 minutes 31 seconds East, 55.26 feet to the north Right of Way line of said N.E. 112th Street; thence North 89 degrees 17 minutes 47 seconds West, along said north Right of Way line, 30 feet north of and parallel with the south line of said Southwest Quarter, 35.29 feet to the Point of Beginning, containing 784 square feet, more or less.

Right of Way - 02:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Beginning at the Southwest corner of Tract A, Hunter's Glen First Plat, a subdivision in Kansas City, Clay County, Missouri; thence South 15 Degrees 30 Minutes 33 Seconds East, 41.68 feet to the east Right of Way line of N. Stark Avenue as now established; thence in a northerly direction, along the east Right of Way line of said N. Stark Avenue (25 feet from the centerline thereof), along a curve to the right with an initial tangent bearing of North 26 degrees 44 minutes 02 seconds West and a radius of 275.00 feet through a central angle of 09 degrees 03 Minutes 25 seconds, an arc distance of 43.47 feet to

the westerly prolongation of the south line of said Tract A; thence South 89 degrees 30 minutes 06 seconds East, along the westerly prolongation of said south line, 5.27 feet to the Point of Beginning, containing 130 square feet, more or less.

Right of Way - 03:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Commencing at the Southwest Corner of the Southwest Quarter of said Section 23; thence South 89 Degrees 17 Minutes 47 Seconds East, along the south line of said Southwest Quarter, 29.70 feet; thence North 00 degrees 42 minutes 13 seconds East, 30.00 feet to the intersection of the north Right of Way line of N.E. 112th Street with the east Right of Way line of N. Stark Avenue as they are both now established; thence in a northerly direction, along the east Right of Way line of said N. Stark Avenue (25 feet from the centerline thereof), along a curve to the right with an initial tangent bearing of North 02 degrees 29 minutes 38 seconds East and a radius of 1425.00 feet through a central angle of 01 degrees 46 minutes 39 seconds, an arc distance of 44.21 feet to the Point of Beginning; thence continuing along the east Right of Way line of said N. Stark Avenue the following courses and distances: in a northerly direction, continuing along said curve to the right, having a radius of 1425.00 feet through a central angle of 11 degrees 13 minutes 14 seconds, an arc distance of 279.07 feet to a point of tangent; thence North 15 degrees 29 minutes 31 seconds East, 404.37 feet to a point of curve; thence in a northerly direction along a curve to the left, having a radius of 500.00 feet through a central angle of 47 degrees 04 minutes 26 seconds, an arc distance of 410.80 feet to a point of tangent; thence North 31 degrees 34 minutes 55 seconds West, 121.97 feet to a point of curve; thence in a northerly direction along a curve to the right, having a radius of 275.00 feet through a central angle of 004 degrees 50 minutes 53 seconds, an arc distance of 23.27 feet; thence North 15 degrees 30 minutes 33 seconds West, leaving the east Right of Way line of said N. Stark Avenue, 41.68 feet to the southwest corner of Tract A, Hunter's Glen First Plat, a subdivision in said City, County and State; thence South 89 degrees 30 minutes 06 seconds East, along the south line of said tract a, 5.20 feet; thence South 15 degrees 30 minutes 33 seconds East, 39.75 feet to a point 5.00 feet easterly of, as measured perpendicular to the east Right of Way line of said N. Stark Avenue; thence along a line parallel with and 5.00 feet easterly of, as measured perpendicular to said easterly Right of Way line the following courses and distances: in a southeasterly direction along a curve to the left with an initial tangent bearing of South 26 degrees 50 minutes 16 seconds East and a radius of 270.00 feet through a central angle of 04 degrees 44 minutes 39 seconds, an arc distance of 22.36 feet to a point of tangent; thence South 31 degrees 34 minutes 55 seconds East, 121.97 feet to a point of curve; thence in a southerly direction along a curve to the right, having a radius of 505.00 feet through a central angle of 47 degrees 04 minutes 26 seconds, an arc distance of 414.91 feet to a point of tangent; thence South 15 degrees 29 minutes 31 seconds West, 404.37 feet to a point of curve; thence in a southerly direction along a curve to the left, having a radius of 1420.00 feet through a central angle of 11 degrees 08 minutes 46 seconds, an arc distance of 276.25 feet; thence South 36 degrees 15 minutes 31 seconds East, leaving the said parallel line, 57.18 feet to the north Right of Way line of said N.E. 112th Street; thence North 89 degrees 17 minutes 47 seconds West, along said north Right of Way line, 30 feet north of and parallel with the south line of the Southwest Quarter of said Section 23, 6.26 feet thence North 36 degrees 15 minutes 31 seconds West, 55.26 feet to the Point of Beginning, containing 6,683 square feet, more or less.

Retaining Wall and Grading Easement:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Commencing at the Southwest Corner of the Southwest Quarter of said Section 23; thence South 89 degrees 17 minutes 47 seconds East, along the south line of said southwest quarter, 29.70 feet; thence North 00 degrees 42 minutes 13 seconds East, 30.00 feet to the intersection of the north Right of Way line of N.E. 112th Street with the east Right of Way line of North Stark Avenue as they are both now established; thence in a northerly direction, along the east Right of Way line of said North Stark Avenue (25 feet from the centerline thereof), along a curve to the right with an initial tangent bearing of North 02 Degrees 29 Minutes 38 seconds East and a radius of 1425.00 feet through a central angle of 02 degrees 43 minutes 03 seconds, an arc distance of 67.59 feet to the Point of Beginning; thence continuing along the east Right of Way line of said N. Stark Avenue the following courses and distances: in a northerly direction, continuing along said curve to the right, having a radius of 1425.00 feet through a central angle of 10 degrees 16 minutes 51 seconds, an arc distance of 255.69 feet to a point of tangent; thence North 15 degrees 29 minutes 31 seconds East, 404.37 feet to a point of curve; thence in a northerly direction along a curve to the left, having a radius of 500.00 feet through a central angle of 18 degrees 44 minutes 08 seconds, an arc distance of 163.50 feet; thence South 07 degrees 41 minutes 51 seconds East, leaving the east Right of Way line of said N. Stark Avenue, 116.31 feet; thence South 14 degrees 43 minutes 47 seconds West, 247.17 feet; thence South 00 degrees 09 minutes 18 seconds West, 130.86 feet; thence South 13 degrees 04 minutes 38 seconds West, 90.55 feet; thence South 24 degrees 13 minutes 01 seconds West, 251.47 feet to the Point of Beginning, containing 25,075 square feet, more or less.

Storm Drainage Easement:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Commencing at the Southwest Corner of the Southwest Quarter of said Section 23; thence South 89 degrees 17 minutes 47 seconds East, along the south line of said Southwest Quarter, 29.70 feet; thence North 00 degrees 42 minutes 13 seconds East, 30.00 feet to the intersection of the north Right of Way line of N.E. 112th Street with the east Right of Way line of N. Stark Avenue as they are both now established; thence South 89 degrees 17 minutes 47 seconds East, along the north Right of Way line of said N.E. 112th Street, 30 feet north of and parallel with the south line of said Southwest Quarter, 140.29 feet to the Point of Beginning; thence North 00 degrees 42 minutes 13 seconds East, 30.00 feet; thence South 89 degrees 17 minutes 47 seconds East, 80.00 feet; thence South 00 degrees 42 minutes 13 seconds West, 30.00 feet to the north Right of Way line of said N.E. 112th Street; thence North 89 degrees 17 minutes 47 seconds West, along said north Right of Way line, 30 feet north of and parallel with the south line of said Southwest Quarter, 80.00 feet to the Point of Beginning, containing 2,400 square feet, more or less.

Temporary Construction Easement (3 years duration) No. 1:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Commencing at the Southwest Corner of the Southwest Quarter of said Section 23; thence South 89 degrees 17 minutes 47 seconds East, along the south line of said Southwest Quarter, 29.70 feet; thence

North 00 degrees 42 minutes 13 seconds East, 30.00 feet to the intersection of the north Right of Way line of N.E. 112th Street with the east Right of Way line of N. Stark Avenue as they are both now established; thence in a northerly direction, along the east Right of Way line of said N. Stark Avenue (25 feet from the centerline thereof), along a curve to the right with an initial tangent bearing of North 02 degrees 29 minutes 38 seconds East and a radius of 1425.00 feet through a central angle of 01 degrees 46 minutes 39 seconds, an arc distance of 44.21 feet to the Point of Beginning; thence in a northerly direction, continuing along the east Right of Way line of said N. Stark Avenue, continuing along said curve to the right, having a radius of 1425.00 feet through a central angle of 00 degrees 56 minutes 24 seconds, an arc distance of 23.38 feet; thence North 24 degrees 13 minutes 01 seconds East, 68.36 feet; thence South 05 degrees 40 minutes 58 seconds West, 100.54 feet; thence South 89 degrees 17 minutes 47 seconds East, 118.03 feet; thence South 00 degrees 42 minutes 13 seconds West, 30.00 feet to the north Right of Way line of said N.E. 112th Street; thence North 89 degrees 17 minutes 47 seconds West, along said north Right of Way line, 30 feet north of and parallel with the south line of said Southwest Quarter, 105.00 feet to a point 35.29 feet east of the east Right of Way line of said N. Stark Avenue as measured along the north Right of Way line of said N.E. 112th Street; thence North 36 degrees 15 minutes 31 seconds West, 55.26 feet to the Point of Beginning, containing 4,896 square feet, more or less.

Temporary Construction Easement (3 years duration) No. 2:

All that part of the Southwest Quarter of Section 23, Township 52, Range 32, Kansas City, Clay County, Missouri, more particularly described as follows:

Beginning at the southwest corner of Tract A, Hunter's Glen First Plat, a subdivision in Kansas City, Clay County, Missouri; thence South 89 degrees 30 minutes 06 seconds East, along the south line of said Tract A, 52.64 feet; thence South 21 degrees 57 minutes 04 seconds East, 185.27 feet; thence South 10 degrees 10 minutes 00 seconds East, 137.82 feet to the east Right of Way line of N. Stark Avenue as now established; thence in a northerly direction, along the east Right of Way line of said N. Stark Avenue (25 feet from the centerline thereof), along a curve to the left with an initial tangent bearing of North 13 degrees 41 minutes 05 seconds West and a radius of 500.00 feet through a central angle of 17 degrees 53 minutes 50 seconds, an arc distance of 156.18 feet to a point of tangent; thence North 31 degrees 34 minutes 55 seconds West, continuing along the east Right of Way line of said N. Stark Avenue, 121.97 feet to a point of curve; thence in a northerly direction, continuing along said east Right of Way line, along a curve to the right having a radius of 275.00 feet through a central angle of 06 degrees 56 minutes 12 seconds, an arc distance of 33.29 feet; thence North 12 degrees 19 minutes 16 seconds West, 31.86 feet to the Point of Beginning, containing 9,649 square feet, more or less.

Section 5. That just compensation for the property interests taken shall be assessed and paid according to law; and the proceedings to determine compensation shall be prosecuted in one or more suits in the Circuit Court of Jackson County, Missouri, pursuant to the provisions of Chapter 523 of the Revised Statutes of Missouri, as supplemented or amended by Section 86.01 to 86.10 of the Rules of Civil Procedure. Payment of compensation shall be made by Kansas City from funds appropriated, or to be appropriated, for such purposes.

Section 6. That pending the acquisition of said lands by condemnation, the Director of the Department of Public Works is hereby authorized to negotiate the purchase of said land and pay for them out of funds appropriated or to be appropriated as aforesaid, and if any tracts be so acquired by negotiation and purchase, the City Attorney is authorized to withdraw same from condemnation proceedings.

Section 7. That said tracts and interests be condemned and conveyed to Kansas City, Missouri.

Section 8. That upon the effective date of this ordinance, the City Clerk is hereby directed to cause this ordinance to be recorded in the office of the Recorder of Deeds for Clay County, Missouri.

Approved as to form and legality:

Matthew Cooper
Assistant City Attorney

GENERAL

Ordinance Fact Sheet

210538

Ordinance Number

Brief Title

Condemning private properties for the "Stark Avenue Road Improvements – NE 112th Street to NE 114th Terrace" project.

Approval Deadline

Reason

Condemning private properties for public use as part of the "Stark Avenue Road Improvements – NE 112th Street to NE 114th Terrace" project.

Details

Reason for Legislation

The Council finds that the fee interest in private properties must be condemned for public use as Street Right of Way and for Retaining Wall and Grading, Storm Drainage, and Temporary Construction Easements, for the construction, location and maintenance of the "Stark Avenue Road Improvements – NE 112th Street to NE 114th Terrace", Project No. 89008700, in Kansas City, Clay County, Missouri.

Discussion

Said improvements shall be of the nature described and specified in, and shall be done in accordance with, the plans and specifications certified under the supervision of the Director of the Department of Public Works, the same being on file in the Office of the Director of the Department of Public Works, and being incorporated herein by reference.

The properties being condemned will be used by the City of Kansas City, Missouri for Street Right of Way purposes and for Retaining Wall and Grading, Storm Drainage, and Temporary Construction Easements.

Just compensation for the property interests taken shall be assessed and paid according to law; and the proceedings to determine compensation shall be prosecuted in one or more suits in the Circuit Court of Clay County, Missouri, pursuant to the provisions of Chapter 523 of the Revised Statutes of Missouri, as supplemented or amended by Section 86.01 to 86.10 of the Rules of Civil Procedure. Payment of compensation shall be made by Kansas City from funds appropriated, or to be appropriated, for such purposes.

Pending the acquisition of said lands by condemnation, the Director of the Department of Public Works is hereby authorized to negotiate the purchase of said land and pay for them out of funds appropriated or to be appropriated as aforesaid, and if any tracts be so acquired by negotiation and purchase, the City Attorney is authorized to withdraw same from condemnation proceedings.

Positions/Recommendations

Sponsor	City Manager
Programs, Departments, or Groups Affected	Public Works
Applicants / Proponents	Applicant City Department Public Works Other
Opponents	Groups or Individuals Basis of opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

Discussion (continued)

Details

Policy/Program Impact

Policy or Program Change	<input type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	
Fund Source (s) and Appropriation Account Codes	

Applicable Dates:

Fact Sheet Prepared by:

Homer Janssens,
Right of Way Reviewer
Department of Public Works

Reviewed by:

Don Frank
Capital Projects Division
Department of Public Works

Reference Numbers



Legislation Text

File #: 210752, Version: 1

ORDINANCE NO. 210752

Estimating revenue in the amount of \$170,000.00 in the Capital Improvements Fund; appropriating that amount to the Bus Stop Improvements account; authorizing the Director of Public Works to execute a \$170,000.00 cooperative agreement with Kansas City Area Transportation Authority (“KCATA”) for the Bus Stop Improvement Project.

WHEREAS KCATA has agreed to contribute \$170,000.00 for the purpose of constructing ADA-compliant bus stops at approximately 17 locations in Kansas City, Missouri; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the revenue in the following account is hereby estimated in the following amount:

22-3090-895912-485110-89023020 \$170,000.00

Section 2. That the sum of \$170,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3090 to the following account:

22-3090-895912-B-89023020 Bus Stop Improvements \$170,000.00

Section 3. That the Director of Public Works is hereby designated as requisitioning authority for Account No. 22-3090-895912.

Section 4. That the Director of Public Works is hereby authorized to execute a \$170,000.00 cooperative agreement with KCATA for the Bus Stop Improvement Project. A copy of the cooperative agreement is on file in the Public Works Department.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Nelson V. Munoz

Assistant City Attorney

LEGISLATIVE FACT SHEET		Legislation Number:	
		Approval Deadline:	
LEGISLATION IN BRIEF:			
What is the reason for this legislation?	Fact Sheet Color Codes User Entered Field User Select From Menu For OMB Use		
	Sponsor(s) Programs, Departments, or Groups Affected Sub-Program in Budget (page #)		
Discussion (including relationship to other Council actions)	Applicants/ Proponents	City Department	Other
	Staff Recommendation		
Citywide Business Plan Goal	Board or Commission Recommendation		
Citywide Business Plan Objective	Future Impacts		
	Cost of Legislation current Fiscal Year		
	Costs in Future Fiscal Years?		
Citywide Business Plan Strategy	Annual Revenue Increase/Decrease		
	Applicable Dates:		
	Prepared by:		
	Date Prepared:		
	Reviewed by:		
	Date Reviewed		
	Reference Numbers		

LEGISLATIVE FISCAL NOTE	LEGISLATION NUMBER:	210752
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LEGISLATION IN BRIEF:

Estimating revenue in the amount of \$170,000.00 in the Capital Improvements Fund; appropriating that amount to the bus stop improvement project.

What is the purpose of this legislation? CAPITAL

For the purpose of funding for the construction of fixed capitalizable assets

Does this legislation spend money? YES Yes/No

See Sections 01, 02 and 03 for sources of funding

Does this legislation estimate new Revenues? YES Yes/No

See Section 02 for new revenue estimates

Does this Legislation Increase Appropriations? YES Yes/No

See Section 03 for increases in appropriations

Does this legislation expand the scope of city services, or expand the city's infrastructure? NO Yes/No

Maintenance of existing assets is included in the budget. For details see Section 00: " Notes" Below

Section 00: Notes:

Project is funded by KCATA

Five years of operational and maintenance costs should be included in Section 04 below.

FINANCIAL IMPACT OF LEGISLATION

Section 01: If applicable, where are funds appropriated in the current budget?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST
3090	895912	B	89023020	170,000.00	

Section 02: If applicable, where will new revenues be estimated?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST
3090	895912	485110	89023020		

Section 03: If applicable, where will appropriations be increased?

FUND	DEPTID	ACCOUNT	PROJECT	FY 21-22 BUD	FY 22-23 EST

NET IMPACT ON OPERATIONAL BUDGET

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RESERVE STATUS:

SECTION 04: FIVE-YEAR FISCAL IMPACT (Direct and indirect)

FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
3090	Capital Improvements	170,000						
TOTAL REV		170,000	-	-	-	-	-	-

FUND	FUND NAME	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	All Outyears
3090	Capital Improvements	170,000						
TOTAL EXP		170,000	-	-	-	-	-	-

NET Per-YEAR IMPACT - - - - - -

NET IMPACT (SIX YEARS) -

REVIEWED BY Charles Leap DATE 8/18/2021