



PO Box 128 • 125 S Second • Odessa, MO 64076
Phone: (816) 230-5577 • Fax: (816) 633-4985 • www.cityofodessamo.com

NOTICE OF OPEN MEETINGS

NOTICE is hereby given to all citizens and parties in interest that the Odessa Board of Aldermen will meet in Work Session on Monday, April 25, 2016, at 6:00 pm at Dyer Park Community Building, 601 West Main Street, Odessa, Missouri 64076.

CALL TO ORDER

Mayor Adam Couch

ROLL CALL

City Clerk Peggy Eoff

DISCUSSION

Sid Rustman
Employee Pay Scale

ADJOURN

Upcoming Schedule:

April 25, 2016 – Board of Aldermen Regular Session – 7:00 pm Community Building
May 9, 2016 – Board of Aldermen Regular Session – 7:00 pm Community Building
May 16, 2016 – Economic Development Council Regular Session – 6:15 pm Trails Regional Library
May 19, 2016 – Planning and Zoning Commission Regular Session – 7:00 pm Community Building
May 23, 2016 – Board of Aldermen Regular Session – 7:00 pm Community Building

ELECTED OFFICIALS

| | | | |
|--------|-------------------------|--|----------------|
| | Mayor Adam Couch | acouch@cityofodessamo.com | (816) 661-4837 |
| Ward 1 | Alderman John Carmody | jcarmody@cityofodessamo.com | (816) 263-0656 |
| Ward 1 | Alderman Steve Lockhart | slockhart@cityofodessamo.com | (816) 263-3939 |
| Ward 2 | Alderman Brian Henning | bhenning@cityofodessamo.com | (816) 651-1771 |
| Ward 2 | Alderman Steve Wright | swright@cityofodessamo.com | (816) 918-6634 |
| Ward 3 | Alderman Ray Harves | rharves@cityofodessamo.com | (816) 524-6311 |
| Ward 3 | Alderman Mike Stevens | mstevens@cityofodessamo.com | (816) 674-6222 |

Posted: April 22, 2016
Peggy Eoff, City Clerk

Copies of this agenda may be obtained by contacting:
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or at www.cityofodessamo.com



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NOTICE is hereby given to all citizens and parties in interest that the Odessa Board of Aldermen will meet in Regular Session on Monday, April 25, 2016, at 7:00 pm at Dyer Park Community Building, 601 West Main Street, Odessa, Missouri 64076.

CALL TO ORDER

Mayor Adam Couch

PLEDGE OF ALLEGIANCE

Chief Scott Newhouse

ROLL CALL

City Clerk Peggy Eoff

WELCOME TO VISITORS

Mayor Adam Couch

CONSENT AGENDA

Approval of Minutes BOA

- April 9, 2016 Work Session
- April 11, 2016 Regular Session
- April 13, 2016 Special Session

PUBLIC COMMENTS

MAYOR'S REPORT

Miscellaneous
National Day of Prayer Proclamation

ALDERMEN REPORTS

Miscellaneous

DEPARTMENT MANAGER'S/STAFF REPORTS

OLD BUSINESS

NEW BUSINESS

Presentation

By: Jim Shull, Cudney, Ecord, McEnroe

FY 2015 Audit Report

Appointment

Appoint member to Finance Committee

Appointment

Appoint members to Strategic Plan Review Committee

Motion to Approve

Approval of Bid for Interior Demolition of the Vacated Police/EMS building

Motion to Approve

Approval for State USA Bassin Association to hold membership tournament at the Odessa City Lake on May 28th and July 30th 2016

Motion to Approve

Approval of Liquor License for Odessa Food and Liquor Mart

Motion to Approve

Approval of Liquor License for Sunrise Market LLC

Resolution 2016-12

Resolution of the City of Odessa, Missouri, authorizing the Mayor to execute a Memorandum of Agreement with BHMG Engineers, Inc. for professional services for the Northwest Electric Tie Line Project

Resolution 2016-13

Resolution of the City of Odessa, Missouri, authorizing the Mayor to execute documents between the City and Ritchie Bros Auctioneers for sale of surplus equipment

Ordinance No. 2918
Bill No. 2016-05
1st and 2nd Reading

An Ordinance of the City of Odessa, Missouri, approving a request from the Odessa Church of Christ to Replat Lots 1, 2, 22, 23, and 24, Block 4, Original Town of Odessa

CITY ADMINISTRATOR'S REPORTS

ADJOURN

Upcoming Schedule:

April 25, 2016 – Board of Aldermen Regular Session – 7:00 pm Community Building
May 9, 2016 – Board of Aldermen Regular Session – 7:00 pm Community Building
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Posted: April 22, 2016
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**The Board of Aldermen Chambers
Odessa Community Building
601 W. Main Street
April 9, 2016
Work Session ~ Meeting Minutes**

1. **CALL TO ORDER** – Mayor Adam Couch called the work session to order at 10:00 a.m.

2. **ROLL CALL** – City Clerk Peggy Eoff called the roll.

| | | | |
|------------------------|---------|--------------------------|---------|
| Alderman John Carmody | Present | Alderman Steve Lockhart | Present |
| Alderman Mike Stevens | Present | Alderman Steve Wright | Present |
| Alderman Brian Henning | Present | Alderman Mark Bellington | Present |

Others in attendance: City Administrator Mickey Ary, Public Works Director Paul Conway, Finance Director Sid Rustman, Police Chief Scott Newhouse.

3. **WELCOME TO VISITORS** – There were no visitors.

4. **NEW BUSINESS** –

- Discussion – Mr. Ary welcomed everyone and explained the purpose of the meeting. He went over current projects, issues, strategic plans, and changes to the City. He talked about the assets of the city of Odessa. He wants to move the City forward.
- The Aldermen discussed the realities, resident concerns, and common threads in their wards
- Mr. Rustman went over current departmental financials, contract services, revenues, and the budget.
- Aldermen talked about the positives, negatives and future changes and challenges to their Wards. Aldermen filled out questioners that will be compiled into reports and presented back to them in the future.

5. **ADJOURN** – A motion to adjourn was made by Alderman Wright and seconded by Alderman Bellington. All voted in favor. Meeting adjourned at 1:43 p.m.

Adam R. Couch, Mayor

Peggy Eoff, City Clerk

**The Board of Aldermen Chambers
Odessa Community Building
601 W. Main Street Regular Meeting
April 11, 2016
Meeting Minutes**

CALL TO ORDER – Mayor Adam Couch called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE – Police Chief Scott Newhouse led the Pledge of Allegiance.

ROLL CALL – City Clerk Peggy Eoff called the roll.

| | | | |
|-------------------------|---------|--------------------------|---------|
| Alderman Steve Lockhart | Present | Alderman Steve Wright | Present |
| Alderman Brian Henning | Present | Alderman Mark Bellington | Present |
| Alderman John Carmody | Present | Alderman Mike Stevens | Present |

City Staff attending: City Administrator Mickey Ary, Paul Conway Public Works Director, Sid Rustman Finance Director, Park Director Lindsey Adams, Officer Billy Hotmer and Officer Willie Stratton - Odessa Police Department, Collector Jennifer LeBlanc, and Attorney Clay Barton.

Others present were: Cinda Dowell, Fire Chief Kevin Campbell, Planning & Zoning Commissioner Marty McDermed, Elaine Barber, Matt Griffith KMZU, Jeff & Rachel LeBlanc, Pat Harves, Ben Harves, Jeff Harves, Bruce Meinershagen, and Hannah Spaar - The Odessan.

WELCOME TO VISITORS – Mayor Couch welcomed visitors.

APPROVAL OF CONSENT AGENDA –

- Finance Committee Report
- Purchase Card Report
- Income Statement/Balance Sheet
- A/P Monthly Check Register
- Sales Tax Report – December & January
- Approval of Minutes BOA
 - March 28, 2016 Regular Session

Finance Committee recommended approval. On a motion by Alderman Stevens, seconded by Alderman Henning, the consent agenda was approved 6-0.

PUBLIC COMMENTS –

- Cinda Dowell (8580 Christy Road) ~ She encouraged the Aldermen to approve the grant for the walking trail.
- Mary Hough ~ She supports the walking trail.
- Officer William Stratton ~ He is the Secretary for Lodge 16 of the Fraternal Order of Police and represents the Odessa Police Department. They would like to

resolve the FOP contract as easily and peacefully as possible. Commented on the contract regarding the FOP.

- Officer Billy Hotmer ~ Thanked the City for the hard work and the improvements made by the Public Works Department out at the City Reservoir.
- Elaine Barber (421 S 1st St) ~ She stated it was great running for Ward 3 and she congratulated Mr. Ray Harves on his win.

MAYOR'S REPORTS/COMMENTS –

- Proclamation ~ Fair Housing Month ~ Mayor read the proclamation declaring April, 2016 as Fair Housing Month.
- Thanked Public Works and everyone else who helped clean up and make improvements to the City Reservoir.
- Congratulated the candidates who won their elections and also those who ran for their commitment to serve our community.
- Reported that the Ballot issue regarding out of state vehicle tax did not pass.
- Reported that the all of the NW Electric Tie easements have all been secured.

ALDERMEN REPORTS –

- Alderman Wright ~ He reported that he visited the reservoir and it looked great.
- Alderman Carmody ~ He thanked the Public Works Department for the repair work out at the reservoir.
- Alderman Lockhart ~ He drove out to the reservoir and hope that citizens will report any vandalism. He thanked Elaine Barber for running for Alderman. He thanked Mark Bellington for all his years of service on the Board.
- Alderman Henning ~ He thanked Mark Bellington for his work on Board.
- Alderman Bellington ~ He complimented the improvements at the reservoir. He expressed his appreciation to the residents of Ward 3 for their support. He thanked those whom he has worked with over the years.

DEPARTMENT MANAGER'S REPORT –

- EMS Monthly Report ~ Information Only
- Public Works Monthly Report ~ Information Only
- Code Compliance Monthly Report ~ Information Only
- Police Department Monthly Report ~Information Only

OLD BUSINESS – No Old Business

NEW BUSINESS –

- Ordinance 2915, Bill Number 2016-02 – An Ordinance of the City of Odessa Missouri Declaring the Results of the General Election Held in the City of Odessa, Missouri on the 5th Day of April, 2016 ~ A motion to approve the 1st reading of Bill Number 2016-02, Ordinance 2915 was made by Alderman Henning and seconded by Alderman Bellington.
- A motion to approve the 2nd reading of Bill Number 2016-02, Ordinance 2915 was made by Alderman Bellington and seconded by Alderman Henning. Voice vote was: Bellington yes, Henning yes, Lockhart yes, Wright yes, Carmody yes, and Stevens yes. Motion carries.

- Bill Number 2016-03, Ordinance 2916 – An Ordinance of the City of Odessa, Missouri, to Determine the Results of the Election of the Motor Vehicle Sales Tax Question, on the 5th Day of April, 2016 ~ ~ A motion to approve the 1st reading of Bill Number 2016-03, Ordinance 2916 was made by Alderman Wright and seconded by Alderman Stevens.
- A motion to approve the 2nd reading of Bill Number 2016-03, Ordinance 2916 was made by Alderman Stevens and seconded by Alderman Wright. Voice vote was: Bellington yes, Wright yes, Lockhart yes, Henning yes, Carmody yes, and Stevens yes. Motion carries.

ADJOURN SINE DIE –

- Oaths of Office performed by the City Clerk, Peggy Eoff:
Collector ~ Jennifer LeBlanc
Alderman Ward 1 ~ Steve Lockhart
Alderman Ward 2 ~ Steve Wright
Alderman Ward 3 ~ Ray Harves
Mayor ~ Adam R. Couch

RECONVENE –

- A motion to reconvene was made by Alderman Henning and seconded by Alderman Stevens. All voted in favor.

NEW BUSINESS

- Presentation of Service Awards - Mark Bellington ~ Mayor Couch presented a Service Award to Mark Bellington and thanked him for his many years of public service to Odessa.
- Motion to Elect Mayor Pro-Tem ~ Alderman Lockhart made a motion to nominate Alderman Steve Wight for Mayor Pro-Tem. Motion was seconded by Alderman Carmody. Vote was 5 in favor of and Alderman Wright abstained. Motion carried.
- Motion – Requesting Re-Plat of Lots 1, 2, 22, 23, & 24, Block 4, Original Town. Planning & Zoning Chairman Marty McDermed explained the re-plat request. The P & Z is recommending approval. A motion to approve the re-plat of Lots 1, 2, 22, 23, & 24, Block 4, Original Town was made by Alderman Wright and seconded by Alderman Carmody. This will need to be brought back as an ordinance. All voted in favor. Motion carries 6-0.
- Resolution 2016-10 – A Resolution of the City of Odessa, Missouri, Authorizing the Mayor to Execute the Contract for Johnson Drive Project No. 0315026.01 with KAT Excavation, Inc. – A motion to approve Resolution 2016-10, was made by Alderman Henning and seconded by Alderman Wright. Motion carries, 6-0.
- Resolution 2016-11 – A Resolution of the City of Odessa, Missouri, for Project Resolution for the Recreational Trails Application ~ A motion to approve Resolution 2016-11 was made by Alderman Wright and seconded by Alderman Harves. Motion carries 6-0.

- Bill Number 2016-04, Ordinance 2917 – An Ordinance of the City of Odessa, Missouri, Establishing Regulations for Signage in the City of Odessa, Missouri (1st reading) – A motion to approve the 1st reading of Bill Number 2016-04, Ordinance Number 2917 was made by Alderman Wright and seconded by Alderman Carmody. McDermed stated this ordinance has also been reviewed by the EDC and the Chamber of Commerce. Motion fails. Alderman Wright and Carmody voted in favor of. Aldermen Lockhart, Henning and Stevens voted against. Alderman Harves abstained.
- Presentation – TEN: The Enthusiast Network/Roadkill Discussion ~ The Mayor explained this is for a drag race and this proposal has been withdrawn.

12. CITY ADMINISTRATOR'S REPORT -

- Johnson Drive Project: Met with utility providers on April 1st. The pre-construction meeting will be on Tuesday the 12th. Wednesday the 13, we will have a meeting with Johnson Drive residents.
- Pre-construction meeting for the Concordia Bank was held on April 1st. Construction has begun.
- Reported on the work at the reservoir. He will meet with the Conservation Department on Tuesday to view progress.
- Attended the Vietnam Veterans Celebration on March 29th at the Trails Regional Library.
- Reminded members about the closed session meeting on Monday the 18, at the Library.
- Tuesday, April 19th is the EDC meeting with Chamber and Downtown Group.
- Saturday, April 30th is the NWTP Open House from 10:00 a.m. to noon.

13. ADJOURN TO CLOSED SESSION - In compliance with RSMO 610.021

(2)Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration;

A motion to adjourn into closed session was made by Alderman Henning and seconded by Alderman Harves. Voice vote was:

| | | | |
|------------|-----|---------|-----|
| Henning | Yes | Stevens | Yes |
| Lockhart | Yes | Carmody | Yes |
| Bellington | Yes | Wright | Yes |

Closed session began at 7:56 p.m.

No votes were taken during closed session.

A motion to return to open session was made by Alderman Stevens and seconded by Alderman Henning. All voted in favor. Open session resumed at 8:33 p.m.

ADJOURN – A motion to adjourn was made by Alderman Henning and seconded by Alderman Stevens. All voted in favor. Meeting adjourned at 8:33 p.m.

Adam R. Couch, Mayor

Peggy Eoff, City Clerk

DRAFT

**The Board of Aldermen Chambers
Trails Regional Library Conference Room
601 W. Main Street
April 13, 2016
Special Session ~ Meeting Minutes**

1. **CALL TO ORDER** – Mayor Adam Couch called the work session to order at 6:00 p.m.

2. **ROLL CALL** – City Clerk Peggy Eoff called the roll.

| | | | |
|------------------------|---------|-------------------------|---------|
| Alderman John Carmody | Present | Alderman Steve Lockhart | Present |
| Alderman Mike Stevens | Present | Alderman Steve Wright | Present |
| Alderman Brian Henning | Present | Alderman Ray Harves | Present |

City Staff in attendance: City Administrator Mickey Ary, Darrell Adams, Kenny Jones and Dan Miller from Larkin Lamp Ryneerson, and Grant Writer Freddie Wells.

Residents in attendance were:

Bob & Wanda Kindle
Brenda Morris
Frank & Julie Jenkins
Troy Ailor
James Watkins
Paul & Kathy Conway
Darrell Adams
Linda Mallott
Bart Fisher Kat~ Construction
Betty Spaar

3. **WELCOME TO VISITORS**

4. **NEW BUSINESS** –

- Discussion – Johnson Drive Project meeting with Residents

Dan Miller went over the project and gave residents some basic information. He stated the project has been awarded and a notice to proceed will be issued on Monday. Electric utility poles have already been relocated. Other utilities should be done around the middle of May. MGE will be running a new gas line down the west side of the property line and new curb. Roads will not be closed to local residents, but will be closed to through traffic. Residents can get contact card information tonight to call with concerns. Actual construction should begin in a few weeks, and project should be finished around the end of November.

Bart Fisher went over the construction sequence.

Freddie Wells asked if door hangers would be sent out before construction begins.

Residents were concerned about getting out of and into their driveways. Dan stated every effort would be made to accommodate them, although when they pour the curb and drive approach, residents will have to park on the street until the concrete cures. He stated the water lines and sewer line will be replaced also.

5. ADJOURN – A motion to adjourn was made by Alderman Stevens and seconded by Alderman Henning. All voted in favor. Meeting adjourned at 6:29 p.m.

Adam R. Couch, Mayor

Peggy Eoff, City Clerk

CITY OF ODESSA, MISSOURI

PROCLAMATION

WHEREAS, the National Day of Prayer has been a part of our country's heritage since it was declared by the First Continental Congress in 1775; and

WHEREAS, the 65th annual observance of the National Day of Prayer will be held May 5, 2016, as mandated by both houses of Congress and by our President; and

WHEREAS, leaders of our nation have relied upon the power of prayer throughout American history; and

WHEREAS, we as a nation and a state give thanks for the freedoms we enjoy and pray that the City of Odessa and its people will continue to be blessed and protected from those who threaten democracy; and

WHEREAS, Isaiah 58:1 says "Shout it aloud, do not hold back. Raise your voice like a trumpet"; and

WHEREAS, this year's National Day of Prayer theme is "Wake Up America"; and

WHEREAS, it is appropriate that we acknowledge God is sovereign and call upon Him in prayer.

NOW, THEREFORE, I, Adam Couch, by virtue of the authority vested in me as Mayor of the City of Odessa, Missouri, do hereby proclaim May 5th 2016, as the

Odessa National Day of Prayer

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Odessa, Missouri, to be affixed this 5th day of May of the year of our Lord two thousand and sixteen.

Signed _____
Mayor Adam R. Couch

ATTEST:

Peggy Eoff, City Clerk

CITY OF ODESSA, MISSOURI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

CITY OF ODESSA, MISSOURI

YEAR ENDED SEPTEMBER 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Board of Aldermen
City of Odessa, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Odessa, Missouri (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Odessa, Missouri as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 10 to the financial statements, in 2015 the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, budgetary comparison information and the LAGERS schedules of changes in net pension liability (asset) and related ratios and contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Odessa, Missouri's basic financial statements. The budgetary comparison schedules, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



March 28, 2016

City of Odessa, Missouri
Management's Discussion and Analysis
Year Ended September 30, 2015
(Unaudited)

The City of Odessa, Missouri offers readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. The City of Odessa, Missouri reports the annual financial statements in accordance with the guidelines prescribed in Government Accounting Standards Board's (GASB) Statement No. 34. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the September 30, 2015 fiscal year by \$22,881,258 (net position). Of this amount, \$7,473,799 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total debt increased \$7,141,157 during the current fiscal year due to borrowings on loans for waste water projects and debt service payments consisting of N.I.D. bonds, capital lease payments, and revenue bonds for the water and waste water systems.
- The City's total net position increased \$525,673 before restatement due to implementing GASB 68, *Accounting and Financial Reporting for Pensions*. Of this amount the City's governmental activities increased \$408 and the City's "business-type activities" increased \$525,265.
- As noted above, GASB 68 was implemented in 2015. The effect of implementing this statement was to increase net position by \$840,568 for governmental activities and \$391,399 for "business-type activities", or \$1,231,967 in total.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net position* presents all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The

increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

The government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) separate from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities for the City included general government, public works and streets, solid waste, public safety, planning and development, and parks and recreation. The business-type activities for the City include the electric, waterworks, and sewerage systems.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds: The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements.

The City maintains three enterprise funds. The proprietary fund financial statements provide separate information for the Electric Fund, Water Fund, and Waste Water Fund.

CITY OF ODESSA, MISSOURI

Management Discussion and Analysis (*Continued*)

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary and pension information.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the City's financial position. As of September 30, 2015, assets and deferred outflows of resources exceed liabilities by \$22,881,258. The largest portion of the City's net position, \$13,940,623, reflects its net investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position as of September 30, 2015 and 2014:

| | City of Odessa's Net Position | | | | | |
|----------------------------------|-------------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Current and other assets | \$ 1,727,618 | \$ 1,190,197 | \$ 9,518,168 | \$ 9,104,482 | \$ 11,245,786 | \$ 10,294,679 |
| Capital assets | 7,469,183 | 7,572,657 | 25,243,244 | 17,478,381 | 32,712,427 | 25,051,038 |
| Total assets | <u>9,196,801</u> | <u>8,762,854</u> | <u>34,761,412</u> | <u>26,582,863</u> | <u>43,958,213</u> | <u>35,345,717</u> |
| Deferred outflows of resources | 244,521 | - | 167,864 | 79,344 | 412,385 | 79,344 |
| Long-term liabilities | 2,611,490 | 2,878,892 | 15,970,437 | 8,601,974 | 18,581,927 | 11,480,866 |
| Other liabilities | 205,565 | 259,641 | 2,499,036 | 2,560,936 | 2,704,601 | 2,820,577 |
| Total liabilities | <u>2,817,055</u> | <u>3,138,533</u> | <u>18,469,473</u> | <u>11,162,910</u> | <u>21,286,528</u> | <u>14,301,443</u> |
| Deferred inflows of resources | 158,970 | - | 43,842 | - | 202,812 | - |
| <u>Net position</u> | | | | | | |
| Net investment in capital assets | 4,929,184 | 4,795,909 | 9,011,439 | 8,551,136 | 13,940,623 | 13,347,045 |
| Restricted | 305,341 | 367,485 | 1,161,495 | 1,124,879 | 1,466,836 | 1,492,364 |
| Unrestricted | 1,230,772 | 460,927 | 6,243,027 | 5,823,282 | 7,473,799 | 6,284,209 |
| Total net position | <u>\$ 6,465,297</u> | <u>\$ 5,624,321</u> | <u>\$ 16,415,961</u> | <u>\$ 15,499,297</u> | <u>\$ 22,881,258</u> | <u>\$ 21,123,618</u> |

Note: 2014 was not restated for the impact of implementation of GASB 68 for Pension Accounting.

CITY OF ODESSA, MISSOURI

Management Discussion and Analysis (*Continued*)

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position for the government as a whole.

The City's combined net position during the year increased \$525,673 to \$22,881,258. Overall "governmental activities" expenses increased by \$258,514 compared to 2014 driven primarily by increased costs for Public Safety related to the impact of GASB 68 (\$146k) and in the Highways and Streets department reflecting the City's share of costs for the 2nd Street Project. Offsetting this was an increase in the City's Sales and Franchise tax revenue of \$139,845 including approximately \$90 thousand of Protested Franchise Tax settlements.

The City's "business-type activities" expenses increased \$101,417. Charges for waste water services revenue increased compared to 2014 due to increased rates. In addition, the City received grant income, classified as revenue, of \$673,783 during 2015, an increase \$141,469 from 2014.

The prior table reflects the City's unrestricted net position for governmental activities as \$1,230,772. That table also reflects total unrestricted net position for business-type activities as \$6,243,027.

Total net position of \$22,881,258 is comprised of \$13,940,623 invested in capital assets, net of related debt; \$1,056,705 is restricted for debt service; \$319,795 is restricted for renewal and replacement; \$87,335 for park; \$3,001 for capital improvement; \$1,230,772 is unrestricted for general governmental purposes and \$6,243,027 is unrestricted and available for the City's business-type activities.

The increases in long-term liabilities and capital assets for business-type activities reflect the draws on loans to finance waste water projects.

Changes in Net Position

The table on the following page reflects the revenue and expenses from the City's activities for the years ended September 30, 2015 and 2014.

CITY OF ODESSA, MISSOURI
Management Discussion and Analysis (Continued)

| | Changes in Net Position | | | | | |
|--------------------------------------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,117,489 | \$ 1,132,143 | \$ 7,586,216 | \$ 7,348,713 | \$ 8,703,705 | \$ 8,480,856 |
| Operating grants and contributions | 355,720 | 356,764 | 48,500 | - | 404,220 | 356,764 |
| Capital grants and contributions | 204,638 | 59,140 | 625,283 | 532,314 | 829,921 | 591,454 |
| General revenues: | | | | | | |
| Property taxes | 395,258 | 391,796 | - | - | 395,258 | 391,796 |
| Sales taxes | 1,237,525 | 1,183,655 | - | - | 1,237,525 | 1,183,655 |
| Franchise taxes | 309,155 | 223,180 | - | - | 309,155 | 223,180 |
| Other general revenues | 25,425 | 18,134 | 150,224 | 165,132 | 175,649 | 183,266 |
| Total revenues | 3,645,210 | 3,364,812 | 8,410,223 | 8,046,159 | 12,055,433 | 11,410,971 |
| Program expenses | | | | | | |
| General government | 610,569 | 672,945 | - | - | 610,569 | 672,945 |
| Public safety | 1,830,602 | 1,707,543 | - | - | 1,830,602 | 1,707,543 |
| Highways and streets | 1,013,330 | 701,750 | - | - | 1,013,330 | 701,750 |
| Sanitation | 260,209 | 261,601 | - | - | 260,209 | 261,601 |
| Community planning and development | 141,723 | 238,364 | - | - | 141,723 | 238,364 |
| Parks and recreation | 429,932 | 438,538 | - | - | 429,932 | 438,538 |
| Interest on long-term debt | 105,668 | 112,778 | - | - | 105,668 | 112,778 |
| Electric | - | - | 4,533,115 | 4,578,157 | 4,533,115 | 4,578,157 |
| Water | - | - | 1,266,795 | 1,158,839 | 1,266,795 | 1,158,839 |
| Waste water | - | - | 1,337,817 | 1,299,314 | 1,337,817 | 1,299,314 |
| Total expenses | 4,392,033 | 4,133,519 | 7,137,727 | 7,036,310 | 11,529,760 | 11,169,829 |
| Excess (deficiency) before transfers | (746,823) | (768,707) | 1,272,496 | 1,009,849 | 525,673 | 241,142 |
| Transfers | 747,231 | 812,322 | (747,231) | (812,322) | - | - |
| Change in net position | 408 | 43,615 | 525,265 | 197,527 | 525,673 | 241,142 |
| Net position-beginning as restated | 6,464,889 | 5,580,706 | 15,890,696 | 15,301,770 | 22,355,585 | 20,882,476 |
| Net position-ending | \$ 6,465,297 | \$ 5,624,321 | \$ 16,415,961 | \$ 15,499,297 | \$ 22,881,258 | \$ 21,123,618 |

Governmental Activities

Governmental activities decreased the City's net position by \$746,823 before transfers in.

Increases in Sales and Franchise Taxes and Capital Grants were effectively offset by increased costs for Public Safety due to GASB 68 and Highways and Streets with the additional costs related to the 2nd Street Project.

The following table shows expenses and program revenue of the governmental activities for the years ended September 30, 2015 and 2014:

| | Net Cost of Government Activities | | | |
|----------------------------|-----------------------------------|---------------------|-----------------------|-----------------------|
| | Total Cost of Services | | Net Cost of Services | |
| | 2015 | 2014 | 2015 | 2014 |
| General government | \$ 610,569 | \$ 672,945 | \$ (391,341) | \$ (453,481) |
| Public safety | 1,830,602 | 1,707,543 | (1,214,017) | (1,076,002) |
| Highways and streets | 1,013,330 | 701,750 | (601,005) | (450,335) |
| Sanitation | 260,209 | 261,601 | 7,984 | 8,318 |
| Community planning & dev. | 141,723 | 238,364 | (128,704) | (218,076) |
| Parks and recreation | 429,932 | 438,538 | (281,435) | (283,118) |
| Interest on long-term debt | 105,668 | 112,778 | (105,668) | (112,778) |
| Total | \$ 4,392,033 | \$ 4,133,519 | \$ (2,714,186) | \$ (2,585,472) |

CITY OF ODESSA, MISSOURI

Management Discussion and Analysis (*Continued*)

As noted, expenses from governmental activities totaled \$4,392,033. However, net costs of these services were \$2,714,186. The difference represents direct revenue received from charges for services of \$1,117,489, operating grants and contributions of \$355,720 and capital grants and contributions of \$204,638. Taxes and other revenue of \$2,714,594 were collected to cover these net costs.

Business-Type Activities

Business-type activities net position increased by \$1,272,496 before transfers out in the current year. This is an increase of \$262,647 compared to the change in net position for Fiscal Year 2014.

Overall revenue increased \$364,064 compared to Fiscal Year 2014. This was primarily due to increases in waste water rates and capital grants received. Total expenses for the enterprise funds increased \$101,417 compared to Fiscal Year 2014.

Financial Analysis of the City's Funds

The General Fund is the chief operating fund of the City. The fund balance of the General Fund at September 30, 2015 was \$713,627. This represents an increase of \$213,460. Fiscal year 2015 revenue increased \$52,138, mainly from protested franchise tax settlements, while expenditures decreased \$162,459.

The Park Fund is the operating fund used to provide culture and recreation activities of the City. The fund balance of the Park Fund at September 30, 2015 was \$34,646. This represents an increase of \$7,807. Revenues decreased \$5,359 while expenditures decreased \$21,088 with lower interest costs associated with the aquatic center debt.

The Enterprise Funds consisting of Electric, Water and Waste Water recorded an increase in net assets of \$525,265. Revenue increased primarily in waste water services while expenditures were relatively flat compared to fiscal year 2014.

The following table reflects the revenues and expenses for the City's activities for the years ended September 30, 2015 and 2014:

City of Odessa's Statement of Revenues and Expenditures/Operating Expenses

| | Revenues | | Expenditures/Operating Expenses | |
|--------------------------|----------------------|----------------------|---------------------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Governmental activities | \$ 3,627,658 | \$ 3,428,965 | \$ 4,388,445 | \$ 4,880,520 |
| Business-type activities | 7,586,216 | 7,348,713 | 6,616,146 | 6,608,961 |
| Total | <u>\$ 11,213,874</u> | <u>\$ 10,777,678</u> | <u>\$ 11,004,591</u> | <u>\$ 11,489,481</u> |

CITY OF ODESSA, MISSOURI

Management Discussion and Analysis (*Continued*)

In the Governmental funds, the expenditures exceed revenues by \$1,451,555 for 2014 and expenditures exceed revenues by \$760,787 for 2015. This leaves an unassigned Fund balance for Governmental funds of \$452,519 for 2014 and \$666,614 for 2015.

The Business-type Activities revenues exceed expenses by \$739,752 for 2014 and \$970,070 for 2015. This leaves an unrestricted net position balance for the Business-type Activities of \$5,823,282 for 2014 and \$6,243,027 for 2015.

Budgetary Highlights

The Board of Alderman adopted the Fiscal Year 2015 budget in September 2014. There were no budget amendments during the year. Other changes in General Fund appropriations included those for the Police, Ambulance and Street departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2015 and 2014 fiscal years, the City had \$32,712,427 and \$25,051,038 invested, respectively, in a broad range of capital assets, including police and ambulance equipment, buildings, park facilities, streets, and electric, water and sewer lines. The change in capital assets is a result of additions and improvements to the utility systems and construction in progress along with depreciation expense and disposals. See Note 5 to the financial statements and the table below for more detailed information on the City's capital assets.

| | Capital Assets at Year-End (Net of Depreciation) | | | | | |
|----------------------------|---|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 2,037,847 | \$ 2,037,847 | \$ 196,758 | \$ 196,758 | \$ 2,234,605 | \$ 2,234,605 |
| Construction in progress | 172,744 | 26,426 | 11,385,202 | 3,764,801 | 11,557,946 | 3,791,227 |
| Utility systems | - | - | 7,798,371 | 7,110,463 | 7,798,371 | 7,110,463 |
| Buildings and improvements | 2,485,610 | 2,565,782 | 5,118,732 | 5,539,223 | 7,604,342 | 8,105,005 |
| Equipment | 146,061 | 187,871 | 744,181 | 867,136 | 890,242 | 1,055,007 |
| Infrastructure | 2,362,951 | 2,466,533 | - | - | 2,362,951 | 2,466,533 |
| Furniture & Fixtures | 25,196 | 30,075 | - | - | 25,196 | 30,075 |
| Vehicles | 238,774 | 258,123 | - | - | 238,774 | 258,123 |
| Total | \$ 7,469,183 | \$ 7,572,657 | \$ 25,243,244 | \$ 17,478,381 | \$ 32,712,427 | \$ 25,051,038 |

Debt Administration

The City, at the end of Fiscal Year 2015, had a total of \$18,339,521 of outstanding obligations. This was an increase of \$7,141,157 from the previous year. Balances at September 30, 2015 are shown in the table below. See Note 6 for additional information on the City's long-term debt.

| | Outstanding Debt at Year-end | | | | | |
|-------------------------------|-------------------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| General obligation bonds | \$ 795,000 | \$ 915,000 | \$ - | \$ - | \$ 795,000 | \$ 915,000 |
| Capital lease obligations | 1,744,999 | 1,861,748 | - | - | 1,744,999 | 1,861,748 |
| Revenue bonds and loan | - | - | 13,449,522 | 5,991,616 | 13,449,522 | 5,991,616 |
| Certificates of participation | - | - | 2,350,000 | 2,430,000 | 2,350,000 | 2,430,000 |
| Total | \$ 2,539,999 | \$ 2,776,748 | \$ 15,799,522 | \$ 8,421,616 | \$ 18,339,521 | \$ 11,198,364 |

The City continues to maintain the debt issued and received a \$3,000,000 Missouri Department of Natural Resources Direct Loan in 2015 for waste water improvements. Water bonds were refinanced in 2011 with principal payments remaining the same and without an increase in term. Certificates of Participation were issued in 2011 to expedite needed repairs to the water and waste water systems. The increase in Business-Type Bonds and Loans reflects the \$8.34M of borrowings to finance continued construction of the Northeast Waste Water Treatment Plant.

General Obligation Bonds were issued to fund the Ritchie Bros. Development Neighborhood Improvement District in 2010. These bonds are paid through the special assessment and development agreement with Ritchie Bros. The Aquatic Center was financed through a 20 year lease-purchase program with Missouri Association of Municipal Utilities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenue for Fiscal Year 2016 is projected to total \$3,077,090. This projected increase from the 2015 budget is primarily due to variations in miscellaneous tax revenue that appear to be a result of the overall economy.

The City continues to plan for major street and public works improvement projects that have been identified and prioritized.

The City of Odessa began a Neighborhood Improvement District Project in Fiscal Year 2007 for a new business. Sales tax revenues are expected to pay the debt associated to the development and to provide the Park Fund assistance with the operation and lease payments.

The Fiscal Year 2016 budget has projected new projects including improvement to Johnson Drive in association with the Missouri Department of Economic Development. The primary goal is to complete much needed infrastructure repair and improvements to allow for further expansion once demand requires it. The new Waste Water Treatment Plant in the Northwest Area is currently under construction and is scheduled to begin operations in April 2016. This project is funded through the City issuance of State Direct Loan Program Bonds. The City continues to apply for grants to assist in funding in order to continue improvements to infrastructure. The Board is taking cautious measures to ensure there is sufficient revenue to sustain operations without service level reductions.

FINANCIAL CONTACT

The City's financial statements are designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to the City Administrator, City Clerk or Finance Director, 125 S. 2nd Street, Odessa, MO 64076.

CITY OF ODESSA, MISSOURI

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

| | Governmental Activities | Business-type Activities | Total |
|---------------------------------------|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 786,230 | \$ 4,168,985 | \$ 4,955,215 |
| Investments | - | 1,373,600 | 1,373,600 |
| Receivables (net): | | | |
| Taxes | 245,850 | - | 245,850 |
| Accounts | 129,836 | 693,320 | 823,156 |
| Due from other governments | 35,596 | 263,147 | 298,743 |
| Interest and other | 5,244 | 32,401 | 37,645 |
| Internal balances | (138,270) | 138,270 | - |
| Inventories | - | 338,367 | 338,367 |
| Prepays | 65,778 | 33,019 | 98,797 |
| Restricted assets: | | | |
| Cash and investments | 9,254 | 2,166,528 | 2,175,782 |
| Net pension asset | 588,100 | 310,531 | 898,631 |
| Capital assets: | | | |
| Nondepreciable | 2,210,591 | 11,581,960 | 13,792,551 |
| Depreciable, net | 5,258,592 | 13,661,284 | 18,919,876 |
| | <u>9,196,801</u> | <u>34,761,412</u> | <u>43,958,213</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related amounts | 244,521 | 126,605 | 371,126 |
| Deferred amount on refunding | - | 41,259 | 41,259 |
| | <u>244,521</u> | <u>167,864</u> | <u>412,385</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts and retainage payable | 132,668 | 1,837,158 | 1,969,826 |
| Accrued liabilities | 59,923 | 22,556 | 82,479 |
| Accrued interest | 3,720 | - | 3,720 |
| Payable from restricted assets: | | | |
| Court bonds and deposits | 9,254 | - | 9,254 |
| Customer deposits | - | 503,527 | 503,527 |
| Accrued interest payable | - | 128,138 | 128,138 |
| Due other governments | - | 7,657 | 7,657 |
| Noncurrent liabilities: | | | |
| Due in one year | 315,748 | 1,093,517 | 1,409,265 |
| Due in more than one year | 2,295,742 | 14,876,920 | 17,172,662 |
| | <u>2,817,055</u> | <u>18,469,473</u> | <u>21,286,528</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related amounts | 158,970 | 43,842 | 202,812 |
| | <u>158,970</u> | <u>43,842</u> | <u>202,812</u> |
| NET POSITION | | | |
| Net investment in capital assets | 4,929,184 | 9,011,439 | 13,940,623 |
| Restricted for: | | | |
| Debt service | 215,005 | 841,700 | 1,056,705 |
| Renewal and replacement | - | 319,795 | 319,795 |
| Parks and recreation | 87,335 | - | 87,335 |
| Capital projects | 3,001 | - | 3,001 |
| Unrestricted | 1,230,772 | 6,243,027 | 7,473,799 |
| | <u>1,230,772</u> | <u>6,243,027</u> | <u>7,473,799</u> |
| | <u>\$ 6,465,297</u> | <u>\$ 16,415,961</u> | <u>\$ 22,881,258</u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue |
|--|----------------------|-------------------------|--|--|--------------------------|
| Governmental activities: | | | | | |
| General government | \$ 610,569 | \$ 73,818 | \$ 145,410 | \$ - | \$ (391,341) |
| Public safety | 1,830,602 | 613,962 | 2,623 | - | (1,214,017) |
| Highways and streets | 1,013,330 | - | 207,687 | 204,638 | (601,005) |
| Sanitation | 260,209 | 268,193 | - | - | 7,984 |
| Community planning and development | 141,723 | 13,019 | - | - | (128,704) |
| Parks and recreation | 429,932 | 148,497 | - | - | (281,435) |
| Interest on long-term debt | 105,668 | - | - | - | (105,668) |
| Total governmental activities | <u>4,392,033</u> | <u>1,117,489</u> | <u>355,720</u> | <u>204,638</u> | <u>(2,714,186)</u> |
| Business-type activities: | | | | | |
| Electric service | 4,533,115 | 4,547,673 | - | - | 14,558 |
| Water service | 1,266,795 | 1,251,856 | - | - | (14,939) |
| Waste water service | 1,337,817 | 1,786,687 | 48,500 | 625,283 | 1,122,653 |
| Total business-type activities | <u>7,137,727</u> | <u>7,586,216</u> | <u>48,500</u> | <u>625,283</u> | <u>1,122,272</u> |
| Total primary government | <u>\$ 11,529,760</u> | <u>\$ 8,703,705</u> | <u>\$ 404,220</u> | <u>\$ 829,921</u> | <u>\$ (1,591,914)</u> |
| | | | Governmental Activities | Business-type Activities | Total |
| Changes in net position: | | | | | |
| Net (expense) revenue | | | <u>\$ (2,714,186)</u> | <u>\$ 1,122,272</u> | <u>\$ (1,591,914)</u> |
| General revenues: | | | | | |
| Property taxes levied for general purposes | | | 318,971 | - | 318,971 |
| Property taxes levied for parks and recreation | | | 76,287 | - | 76,287 |
| Sales taxes | | | 1,237,525 | - | 1,237,525 |
| Franchise taxes | | | 309,155 | - | 309,155 |
| Intergovernmental not restricted to a specific program | | | 1,846 | - | 1,846 |
| Investment earnings | | | 1,851 | 138,321 | 140,172 |
| Other | | | 21,728 | 11,903 | 33,631 |
| Transfers | | | 747,231 | (747,231) | - |
| Total general revenues | | | <u>2,714,594</u> | <u>(597,007)</u> | <u>2,117,587</u> |
| Change in net position | | | 408 | 525,265 | 525,673 |
| Net position, beginning of year (as restated) | | | <u>6,464,889</u> | <u>15,890,696</u> | <u>22,355,585</u> |
| Net position, end of year | | | <u>\$ 6,465,297</u> | <u>\$ 16,415,961</u> | <u>\$ 22,881,258</u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

| | General Fund | Park Fund | Transportation Sales Tax Fund | Capital Improvement Fund | Debt Service Fund | Total Governmental Funds |
|---|-------------------|------------------|-------------------------------------|--------------------------------|----------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 584,736 | \$ 325 | \$ - | \$ - | \$ 201,169 | \$ 786,230 |
| Receivables (net): | | | | | | |
| Taxes | 125,051 | 44,667 | 38,066 | 38,066 | - | 245,850 |
| Accounts | 129,836 | - | - | - | - | 129,836 |
| Due from other governments | 35,596 | - | - | - | - | 35,596 |
| Interest and other | 5,174 | 70 | - | - | - | 5,244 |
| Due from other funds | 4,233 | - | - | - | - | 4,233 |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | 9,254 | - | - | - | - | 9,254 |
| Prepays | 44,012 | 5,912 | - | - | - | 49,924 |
| Total assets | <u>\$ 937,892</u> | <u>\$ 50,974</u> | <u>\$ 38,066</u> | <u>\$ 38,066</u> | <u>\$ 201,169</u> | <u>\$ 1,266,167</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 85,315 | \$ 4,034 | \$ - | \$ 43,319 | \$ - | \$ 132,668 |
| Accrued liabilities | 54,016 | 5,907 | - | - | - | 59,923 |
| Due to other funds | - | - | 119,415 | 23,088 | - | 142,503 |
| Payable from restricted assets: | | | | | | |
| Court bonds and deposits | 9,254 | - | - | - | - | 9,254 |
| Total liabilities | <u>148,585</u> | <u>9,941</u> | <u>119,415</u> | <u>66,407</u> | <u>-</u> | <u>344,348</u> |
| Deferred inflows of resources: | | | | | | |
| Unavailable revenue | 75,680 | 6,387 | - | - | - | 82,067 |
| Fund balances: | | | | | | |
| Nonspendable for prepaids | 44,012 | 5,912 | - | - | - | 49,924 |
| Restricted: | | | | | | |
| Parks | - | 28,734 | - | - | - | 28,734 |
| Debt service | - | - | - | - | 201,169 | 201,169 |
| 1912 Complex | 3,001 | - | - | - | - | 3,001 |
| Unassigned | 666,614 | - | (81,349) | (28,341) | - | 556,924 |
| Total fund balances | <u>713,627</u> | <u>34,646</u> | <u>(81,349)</u> | <u>(28,341)</u> | <u>201,169</u> | <u>839,752</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 937,892</u> | <u>\$ 50,974</u> | <u>\$ 38,066</u> | <u>\$ 38,066</u> | <u>\$ 201,169</u> | <u>\$ 1,266,167</u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

| | | | |
|--|--------------------|----|------------------|
| Fund balances - total governmental funds | | \$ | 839,752 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | | |
| Governmental capital assets | 10,794,475 | | |
| Less accumulated depreciation | <u>(3,325,292)</u> | | 7,469,183 |
| Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | | |
| Net pension asset | | | 588,100 |
| Long-term amounts are not financial resources and, therefore, are not reported in the funds: | | | |
| Prepaid lease interest | | | 15,854 |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due | | | (3,720) |
| Long-term liabilities, including bonds payable, accrued compensated absences and the net pension obligation are not due and payable in the current period and, therefore, are not reported in the funds, net of unamortized premiums and discounts | | | (2,611,490) |
| Adjustment of deferred inflows of resources for revenues not considered available in the fund statements | | | 82,067 |
| Pension related deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the funds: | | | |
| Deferred outflows of resources - pension related amounts | 244,521 | | |
| Deferred inflows of resources - pension related amounts | <u>(158,970)</u> | | 85,551 |
| Net position of governmental activities | | \$ | <u>6,465,297</u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2015

| | General Fund | Park Fund | Transportation Sales Tax Fund | Capital Improvement Fund | Debt Service Fund | Total Governmental Funds |
|--|------------------|----------------|-------------------------------------|--------------------------------|----------------------|--------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 1,123,280 | \$ 323,671 | \$ 247,517 | \$ 247,517 | \$ - | \$ 1,941,985 |
| Special assessments | - | - | - | - | 145,410 | 145,410 |
| Charges for services | 818,678 | 148,497 | - | - | - | 967,175 |
| Licenses, permits and fees | 79,010 | - | - | - | - | 79,010 |
| Fines and forfeitures | 54,236 | - | - | - | - | 54,236 |
| Intergovernmental revenues | 261,794 | - | 155,000 | - | - | 416,794 |
| Interest | 1,224 | - | 14 | 259 | 354 | 1,851 |
| Other | 19,136 | 2,061 | - | - | - | 21,197 |
| Total revenues | 2,357,358 | 474,229 | 402,531 | 247,776 | 145,764 | 3,627,658 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 413,740 | - | 1,042 | 3,632 | 148,020 | 566,434 |
| Public safety | 1,644,762 | - | - | - | - | 1,644,762 |
| Highways and streets | 355,929 | - | - | - | - | 355,929 |
| Sanitation | 260,209 | - | - | - | - | 260,209 |
| Community planning and development | 141,299 | - | - | - | - | 141,299 |
| Parks and recreation | 21,252 | 330,752 | - | - | - | 352,004 |
| Capital outlay | - | - | 528,551 | 197,439 | - | 725,990 |
| Debt Service: | | | | | | |
| Principal | - | 96,000 | - | 20,749 | 120,000 | 236,749 |
| Interest and fiscal costs | - | 78,190 | - | 1,469 | 25,410 | 105,069 |
| Total expenditures | 2,837,191 | 504,942 | 529,593 | 223,289 | 293,430 | 4,388,445 |
| Excess of revenues over (under) expenditures | (479,833) | (30,713) | (127,062) | 24,487 | (147,666) | (760,787) |

CITY OF ODESSA, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2015

| | <u>General Fund</u> | <u>Park Fund</u> | <u>Transportation Sales Tax Fund</u> | <u>Capital Improvement Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---------------------------------------|--------------------------|-------------------------|--|---|------------------------------|---|
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 755,867 | 38,520 | 48,510 | - | 73,308 | 916,205 |
| Transfers out | <u>(62,574)</u> | <u>-</u> | <u>(26,963)</u> | <u>(79,437)</u> | <u>-</u> | <u>(168,974)</u> |
| Total other financing sources (uses) | <u>693,293</u> | <u>38,520</u> | <u>21,547</u> | <u>(79,437)</u> | <u>73,308</u> | <u>747,231</u> |
| Change in fund balances | 213,460 | 7,807 | (105,515) | (54,950) | (74,358) | (13,556) |
| FUND BALANCES | | | | | | |
| Beginning of year | <u>500,167</u> | <u>26,839</u> | <u>24,166</u> | <u>26,609</u> | <u>275,527</u> | <u>853,308</u> |
| End of year | <u><u>\$ 713,627</u></u> | <u><u>\$ 34,646</u></u> | <u><u>\$ (81,349)</u></u> | <u><u>\$ (28,341)</u></u> | <u><u>\$ 201,169</u></u> | <u><u>\$ 839,752</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2015

| | | |
|--|--------------|-------------------|
| Net change in fund balances - total governmental funds | \$ | (13,556) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital asset additions (\$189,352) and depreciation (\$292,826) in the current period | | |
| | | (103,474) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds | | 17,552 |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: | | |
| Principal payments | 236,749 | |
| Prepaid interest amortization | <u>(895)</u> | 235,854 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: | | |
| Compensated absences | 7,285 | |
| Pension expense | (143,549) | |
| Accrued interest | <u>296</u> | <u>(135,968)</u> |
| Change in net position of governmental activities | \$ | <u><u>408</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

PROPRIETARY FUNDS - STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

| | Enterprise Funds | | | Total |
|--|---------------------|---------------------|---------------------|----------------------|
| | Electric | Water | Waste Water | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 2,677,214 | \$ 361,784 | \$ 1,129,987 | \$ 4,168,985 |
| Investments | 794,100 | 579,500 | - | 1,373,600 |
| Receivables (net): | | | | |
| Accounts | 430,464 | 105,041 | 157,815 | 693,320 |
| Interest | 1,418 | 2,818 | 28,165 | 32,401 |
| Grants, other | 70,386 | - | 192,761 | 263,147 |
| Due from other funds | 93,559 | 310,000 | - | 403,559 |
| Inventories | 292,351 | 46,016 | - | 338,367 |
| Prepaid expenses | 16,667 | 9,412 | 6,940 | 33,019 |
| Total current assets | <u>4,376,159</u> | <u>1,414,571</u> | <u>1,515,668</u> | <u>7,306,398</u> |
| Noncurrent assets: | | | | |
| Restricted assets: | | | | |
| Restricted cash and investments | 503,527 | 549,844 | 1,113,157 | 2,166,528 |
| Advance to other funds | 44,711 | - | - | 44,711 |
| Net pension asset | 116,138 | 110,076 | 84,317 | 310,531 |
| Capital assets: | | | | |
| Nondepreciable | 169,403 | 503,065 | 10,909,492 | 11,581,960 |
| Depreciable, net | <u>1,979,446</u> | <u>4,267,271</u> | <u>7,414,567</u> | <u>13,661,284</u> |
| Total noncurrent assets | <u>2,813,225</u> | <u>5,430,256</u> | <u>19,521,533</u> | <u>27,765,014</u> |
| Total assets | <u>7,189,384</u> | <u>6,844,827</u> | <u>21,037,201</u> | <u>35,071,412</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related amounts | 47,363 | 44,822 | 34,420 | 126,605 |
| Deferred amount on refunding | - | 41,259 | - | 41,259 |
| Total deferred outflows of resources | <u>47,363</u> | <u>86,081</u> | <u>34,420</u> | <u>167,864</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts and retainage payable | 375,054 | 146,178 | 1,315,926 | 1,837,158 |
| Accrued liabilities | 8,082 | 7,285 | 7,189 | 22,556 |
| Due to other funds | - | - | 310,000 | 310,000 |
| Compensated absences | 26,811 | 13,798 | 7,908 | 48,517 |
| Current portion of bonds and COP payable | - | 560,614 | 484,386 | 1,045,000 |
| Payable from restricted assets: | | | | |
| Customer deposits | 503,527 | - | - | 503,527 |
| Accrued interest | - | 15,882 | 112,256 | 128,138 |
| Due to other governments | - | - | 7,657 | 7,657 |
| Total current liabilities | <u>913,474</u> | <u>743,757</u> | <u>2,245,322</u> | <u>3,902,553</u> |
| Noncurrent liabilities: | | | | |
| Bonds and COP payable | - | 751,948 | 14,124,972 | 14,876,920 |
| Total liabilities | <u>913,474</u> | <u>1,495,705</u> | <u>16,370,294</u> | <u>18,779,473</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related amounts | <u>16,397</u> | <u>15,541</u> | <u>11,904</u> | <u>43,842</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 2,148,849 | 3,691,739 | 3,170,851 | 9,011,439 |
| Restricted for debt service | - | 504,169 | 337,531 | 841,700 |
| Restricted for renewal and replacement | - | - | 319,795 | 319,795 |
| Unrestricted | <u>4,158,027</u> | <u>1,223,754</u> | <u>861,246</u> | <u>6,243,027</u> |
| Total net position | <u>\$ 6,306,876</u> | <u>\$ 5,419,662</u> | <u>\$ 4,689,423</u> | <u>\$ 16,415,961</u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -

PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2015

| | Enterprise Funds | | | Total |
|---|------------------|--------------|----------------|---------------|
| | Electric | Water | Waste Water | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 4,547,673 | \$ 1,251,856 | \$ 1,786,687 | \$ 7,586,216 |
| OPERATING EXPENSES | | | | |
| Personnel | 310,324 | 282,371 | 239,669 | 832,364 |
| Operation and maintenance | 272,453 | 585,367 | 288,568 | 1,146,388 |
| Power purchases | 3,602,543 | - | - | 3,602,543 |
| Depreciation and amortization | 186,032 | 319,384 | 529,435 | 1,034,851 |
| Total operating expenses | 4,371,352 | 1,187,122 | 1,057,672 | 6,616,146 |
| Operating income | 176,321 | 64,734 | 729,015 | 970,070 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 7,845 | 14,760 | 115,716 | 138,321 |
| Interest expense | - | (75,943) | (232,961) | (308,904) |
| Bond issuance costs | - | - | (47,184) | (47,184) |
| Grant | - | - | 48,500 | 48,500 |
| Rental income | - | 11,903 | - | 11,903 |
| Loss on disposal of capital assets | (161,763) | (3,730) | - | (165,493) |
| Total nonoperating revenues (expenses) | (153,918) | (53,010) | (115,929) | (322,857) |
| Income before grants and transfers | 22,403 | 11,724 | 613,086 | 647,213 |
| Capital grants | - | - | 625,283 | 625,283 |
| Transfers in | 8,636 | - | - | 8,636 |
| Transfers out | (352,075) | (189,486) | (214,306) | (755,867) |
| Change in net position | (321,036) | (177,762) | 1,024,063 | 525,265 |
| Net position, beginning of year (as restated) | 6,627,912 | 5,597,424 | 3,665,360 | 15,890,696 |
| Net position, end of year | \$ 6,306,876 | \$ 5,419,662 | \$ 4,689,423 | \$ 16,415,961 |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2015

| | Enterprise Funds | | | |
|---|---------------------|--------------------|---------------------|---------------------|
| | Electric | Water | Waste Water | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash received from customers and others | \$ 4,590,370 | \$ 1,262,629 | \$ 1,759,217 | \$ 7,612,216 |
| Cash payments to suppliers for goods and services | (4,200,007) | (441,053) | (265,760) | (4,906,820) |
| Cash payments for employee services and benefits | (310,654) | (281,853) | (236,721) | (829,228) |
| Net cash provided by operating activities | <u>79,709</u> | <u>539,723</u> | <u>1,256,736</u> | <u>1,876,168</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Interfund collections | 8,636 | - | - | 8,636 |
| Interfund loans | (93,559) | - | - | (93,559) |
| Governmental grants, other | (70,386) | - | 37,500 | (32,886) |
| Transfers in | 8,636 | - | - | 8,636 |
| Transfers out | (352,075) | (189,486) | (214,306) | (755,867) |
| Net cash used in noncapital financing activities. | <u>(498,748)</u> | <u>(189,486)</u> | <u>(176,806)</u> | <u>(865,040)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and construction of capital assets | (133,868) | (425,186) | (8,272,213) | (8,831,267) |
| Capital grants | - | - | 543,522 | 543,522 |
| Proceeds from loans | - | - | 8,293,722 | 8,293,722 |
| Principal paid on capital debt | - | (548,938) | (414,062) | (963,000) |
| Interest paid on capital debt | - | (37,714) | (284,434) | (322,148) |
| Net cash used in capital and related financing activities | <u>(133,868)</u> | <u>(1,011,838)</u> | <u>(133,465)</u> | <u>(1,279,171)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest received | 7,869 | 14,823 | 118,272 | 140,964 |
| Net change in cash and cash equivalents | (545,038) | (646,778) | 1,064,737 | (127,079) |
| Cash and cash equivalents - beginning of year | 3,725,779 | 1,558,406 | 1,178,407 | 6,462,592 |
| Cash and cash equivalents - end of year | <u>\$ 3,180,741</u> | <u>\$ 911,628</u> | <u>\$ 2,243,144</u> | <u>\$ 6,335,513</u> |
| RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Operating income | \$ 176,321 | \$ 64,734 | \$ 729,015 | \$ 970,070 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 186,032 | 319,384 | 529,435 | 1,034,851 |
| Nonoperating revenues | - | 11,903 | - | 11,903 |
| Changes in assets and liabilities: | | | | |
| Receivables, net | 22,902 | (1,130) | (27,470) | (5,698) |
| Inventories and prepaids | 16,204 | 4,303 | 384 | 20,891 |
| Pension related assets, outflows and inflows | (750) | (458) | (687) | (1,895) |
| Accounts payable | (321,420) | 140,011 | 22,424 | (158,985) |
| Accrued liabilities | 420 | 976 | 3,635 | 5,031 |
| Net cash provided by operating activities | <u>\$ 79,709</u> | <u>\$ 539,723</u> | <u>\$ 1,256,736</u> | <u>\$ 1,876,168</u> |
| Noncash capital and related financing activity: | | | | |
| Bond issuance costs withheld from proceeds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 47,184</u> | <u>\$ 47,184</u> |

The accompanying notes are an integral part of this statement.

CITY OF ODESSA, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Odessa, Missouri (the City), was incorporated in 1880 and covers an area of approximately four square miles in Lafayette County, Missouri. The City is a fourth class city and operates under the aldermen-administrator form of government. The city administrator is the chief administrative officer of the City. The City provides services to its 5,300 residents in many areas, including law enforcement, electric, water and sewer services, public works, and parks and recreation services.

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

Reporting Entity

Generally accepted accounting principles require that the financial statements present the City (the primary government) and its component units. Component units are required to be included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Based on the evaluation criteria set forth by GAAP, there are no component units related to the City that should be included in the financial statements.

Basis of Presentation

Government-wide Statements – The statement of net position and the statement of activities display information about the City. These statements include the financial activities of the overall government, except for any fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties. The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses. Program revenues include (a) fees, fines, and charges paid by the recipients of goods, services or privileges offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – Separate fund financial statements are presented to provide information about each fund category of the City – governmental and proprietary. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from providing the services associated with the principal activity of the fund. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Park Fund – This special revenue fund accounts for taxes collected and expended for operations and improvements to the City’s parks.

Transportation Sales Tax Fund – This special revenue fund accounts for sales taxes to be used to finance street improvements.

Capital Improvement Fund – This special revenue fund is used to account for sales taxes and other resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds.

Debt Service Fund – This fund accounts for resources accumulated for the servicing of general long-term debt not being financed by proprietary funds.

The City reports the following major proprietary funds:

Electric Fund – This fund accounts for the acquisition, operation, and maintenance of the City's electric generation and distribution system.

Water Fund – This fund accounts for the acquisition, operation, and maintenance of the City’s water treatment and distribution system.

Waste Water Fund – This fund accounts for the acquisition, operation, and maintenance of the City’s sanitary sewer treatment and distribution system.

Basis of Accounting

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This presentation incorporates both long-term assets and liabilities. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis is on near-term inflows and outflows of resources and does not present the long-term impact of transactions. Under this method, revenues are recognized when susceptible to accrual, that is when they are both measurable and available. The City considers all revenues, including property taxes, reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Revenues associated with the current fiscal period from property taxes, sales taxes, franchise taxes, charges for services, intergovernmental, and interest are considered to be susceptible to accrual under this definition. Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for

principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and the unrestricted resources as they are needed.

Cash and Investments

The City maintains cash and investment pools which are available for use by most funds. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents and investments. Investments made in accordance with bond ordinances are reflected as restricted cash and investments. Funds with overdrawn balances are not charged interest.

As provided for by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reflects money market investments with a maturity of one year or less at the time of purchase at amortized cost, which approximates fair value. All other investments are required to be reported at fair value based on quoted market prices.

Accounts Receivable

Governmental activities accounts receivable consists of ambulance and sanitation charges and other miscellaneous services provided to citizens, net of an allowance for uncollectible accounts of \$634,440. Business-type activities represent billed electric, water, and waste water charges, net of an allowance for uncollectible accounts of \$170,402.

Inventory

Inventory of the enterprise funds consists of electric and water utility materials and is valued at cost.

Prepaid Items

Certain payments to vendors reflecting costs applicable to future accounting periods have been recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Unspent proceeds and resources set aside for the repayment of revenue bonds and certificates of participation are classified as restricted assets on the applicable statements of net position because they are maintained in separate bank or trust accounts and their use is limited by applicable bond covenants. Restricted assets also include amounts held for court bonds and deposits in the General Fund and customer deposits in the Electric Fund.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In accordance with the provisions of GASB Statement No. 34, the City has elected to report governmental infrastructure assets on a prospective basis only. Therefore, only infrastructure additions from October 1, 2003 to the present are recognized.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. \$101,195 of interest was capitalized in the Waste Water Fund during the year. All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated lives:

| | <u>Years</u> |
|-------------------------------------|--------------|
| Governmental activities: | |
| Buildings | 25 to 50 |
| Improvements other than buildings | 10 to 20 |
| Equipment and vehicles | 5 to 10 |
| Infrastructure | 30 |
| Business activities: | |
| Buildings | 25 to 50 |
| Equipment and vehicles | 5 to 10 |
| Generation and distribution systems | 30 to 50 |

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position now reports a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently reports the deferred amount on refunding and pension related amounts in this category. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet now report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenue and pension related amounts are reported in this category. The governmental funds report unavailable revenues from two sources, property taxes and ambulance charges. These amounts are deferred and will be recognized as revenue in the period they become available.

Compensated Absences

Under terms of the City's personnel policy, employees are granted paid time off (PTO) leave in amounts ranging from 20 to 240 hours, based upon length of service. Up to 320 hours of PTO earned can be carried over each year, and accumulated PTO is payable on separation of service.

Vested or accumulated PTO is accrued when earned in the government-wide and proprietary financial statements. A liability is reported in the governmental funds only if it has matured as a result of employee resignations or retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the Statements of Net Position as liabilities in the applicable governmental and business-type categories. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed when incurred.

Bonds payable are reported net of the applicable bond premium or discount. Refunding costs are deferred and amortized on a straight-line basis over the life of the new debt, or the remaining life of the old debt, whichever is shorter.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings, that are attributable to the acquisition, construction, or improvement of those assets. Debt amounts exclude unspent proceeds of \$2,650 in the Water Fund and \$148,223 in the Waste Water Fund.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of a net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Fund Balances

GASB Statement No. 54 established the following governmental fund type definitions, based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

Nonspendable – Nonspendable consists of amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or is imposed by law through constitutional provisions or enabling legislation.

Committed – This classification consists of amounts that can be used only for the specific purposes imposed by a formal action of the Board of Aldermen. Committed amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action that previously committed those amounts.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts can only be established by the Board of Aldermen.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Unassigned Fund Balance – It is the policy of the City to achieve and maintain an unassigned fund balance in the General Fund equal to 50% of current year operating expenditures. Should the unassigned balance fall below the goal, the City is to develop a plan to restore and maintain the minimum fund balance target amount.

Statement of Cash Flows

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

Use of Estimates

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

2. CASH AND INVESTMENTS

The disclosures that follow have been prepared in accordance with the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement establishes disclosure requirements for investment and deposit risks related to credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk.

A summary of the carrying values of deposits, investments and petty cash at September 30, 2015 is as follows:

| | |
|-------------------------|--------------------|
| Total deposits | \$6,302,057 |
| Certificates of deposit | 1,373,600 |
| Investments | 827,915 |
| Petty cash | 1,025 |
| Total | <u>\$8,504,597</u> |

These carrying values are reflected on the statement of net position as follows:

| | |
|---------------------------------|--------------------|
| Cash and equivalents | \$4,955,215 |
| Investments | 1,373,600 |
| Restricted cash and investments | <u>2,175,782</u> |
| Total | <u>\$8,504,597</u> |

Investment Policies

The City follows state statutes which allow the City to deposit in open accounts and certificates of deposit, and to invest in direct obligations of the U.S. Government, U.S. Government agency obligations and repurchase agreements. Restricted assets are invested in accordance with bond ordinances by the trustee in money market mutual funds.

The carrying amount and maturity segment for the City’s investments at September 30, 2015 are as follows:

| Investment | Investment Maturity <u>Under</u> <u>one year</u> |
|--|---|
| <u>Restricted investments</u> | |
| Water Fund: | |
| Federated Government Money Market Fund | \$ 34,552 |
| Waste Water Fund: | |
| Fidelity Treasury Fund | 29,322 |
| Federated Treasury Money Market Fund | 114,703 |
| Federated Prime Money Market Fund | 247,407 |
| Federated Government Money Market Fund | 401,931 |
| | <u>\$ 827,915</u> |

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization. The money market mutual funds are rated AAAM by Standard & Poor's.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no formal investment policy to limit the holdings of any one counterparty.

At September 30, 2015, the City’s investments consist of money market mutual funds held in accordance with the related debt ordinances. At September 30, 2015, the City’s deposits, including the certificates of deposit, were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held by the financial institution’s agent in the City’s name.

Interest Rate Risk

The City has no formal interest rate risk policy to limit the maturities of its investments as a means of managing its exposure to fair value losses arising from increasing interest rates. The City matches investments to anticipate cash flows and can diversify the investment types to the extent allowed by statute. The City elected to use the segmented time distribution method of disclosure for its interest rate risk.

Concentration of Credit Risk

The City places no limit on the amount that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of the money market mutual funds shown above.

3. TAX REVENUE

Tax revenues, including interest and penalties, by fund type for fiscal year 2015 were as follows:

| | <u>General</u> | <u>Parks</u> | <u>Transportation Sales Tax</u> | <u>Capital Improvement</u> |
|---------------|---------------------|-------------------|-------------------------------------|--------------------------------|
| Property tax | \$ 319,089 | \$ 76,216 | \$ - | \$ - |
| Sales tax | 495,036 | 247,455 | 247,517 | 247,517 |
| Franchise tax | 309,155 | - | - | - |
| | <u>\$ 1,123,280</u> | <u>\$ 323,671</u> | <u>\$ 247,517</u> | <u>\$ 247,517</u> |

The City's property tax is levied each November 1 on the assessed value as of the prior January 1 for all real property and personal located in the City. Property taxes are considered delinquent after December 31 following the levy date and become a lien on January 1. The City does not file liens, as this is performed by Lafayette County.

Assessed values are established by the Lafayette County Assessor subject to review by the County's Board of Equalization and State Tax Commission. The assessed value for property located in the City as of January 1, 2014, on which the fiscal 2015 levy was based, was \$49,494,776.

For the budget year ended September 30, 2015, the City was permitted to and levied taxes of \$.585 per \$100 of assessed valuation for general governmental services and \$.1545 for parks and recreation.

General sales tax revenues result from a 1% levy on all receipts from the retail sale of tangible personal property or taxable services within the City subject to taxation by the State of Missouri. Transportation Sales Tax Fund and Capital Improvement Fund sales tax revenues result from a ½ of 1% levy for the purpose of street maintenance and a ½ of 1% levy for capital improvements. The Park sales tax revenues result from a ½ of 1% levy to be used to construct and operate city recreational facilities. Taxes receivable consist of property, sales and franchise taxes, reduced by an appropriate allowance for uncollectible taxes.

4. INTERGOVERNMENTAL REVENUE

Due from other governments at September 30, 2015 consists of state motor vehicle taxes and fees and Waste Water Fund grants.

Intergovernmental revenue during fiscal year 2015 consisted of the following:

| | <u>General</u> | <u>Transportation</u> |
|---|-------------------|-----------------------|
| State: | | |
| Motor vehicle fuel tax | \$ 141,481 | \$ - |
| Motor vehicle sales tax and registration fees | 66,206 | - |
| Financial institution tax | 1,846 | - |
| Transportation grant | - | 155,000 |
| Police grant | 2,623 | - |
| County: | | |
| Use tax | 19,710 | - |
| Road and bridge tax | 29,928 | - |
| | <u>\$ 261,794</u> | <u>\$ 155,000</u> |

5. CAPITAL ASSETS

Changes in capital asset activity for the 2015 fiscal year are as follows:

| <u>Governmental activities</u> | Balance September 30, 2014 | Additions | Deductions | Balance September 30, 2015 |
|---|----------------------------------|---------------------|-------------|----------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,037,847 | \$ - | \$ - | \$ 2,037,847 |
| Construction in progress | 26,426 | 146,318 | - | 172,744 |
| Total | <u>2,064,273</u> | <u>146,318</u> | <u>-</u> | <u>2,210,591</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 2,992,395 | 9,962 | - | 3,002,357 |
| Land improvements | 306,926 | - | - | 306,926 |
| Machinery and equipment | 1,281,218 | - | - | 1,281,218 |
| Infrastructure | 3,107,449 | - | - | 3,107,449 |
| Furniture and fixtures | 65,163 | - | - | 65,163 |
| Vehicles | 787,699 | 33,072 | - | 820,771 |
| Total capital assets, being depreciated | <u>8,540,850</u> | <u>43,034</u> | <u>-</u> | <u>8,583,884</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 630,973 | 82,999 | - | 713,972 |
| Land improvements | 102,566 | 7,135 | - | 109,701 |
| Machinery and equipment | 1,093,347 | 41,810 | - | 1,135,157 |
| Infrastructure | 640,916 | 103,582 | - | 744,498 |
| Furniture and fixtures | 35,088 | 4,879 | - | 39,967 |
| Vehicles | 529,576 | 52,421 | - | 581,997 |
| Total accumulated depreciation | <u>3,032,466</u> | <u>292,826</u> | <u>-</u> | <u>3,325,292</u> |
| Total capital assets, being depreciated, net | <u>5,508,384</u> | <u>(249,792)</u> | <u>-</u> | <u>5,258,592</u> |
| Total governmental activities capital assets, net | <u>\$ 7,572,657</u> | <u>\$ (103,474)</u> | <u>\$ -</u> | <u>\$ 7,469,183</u> |

Depreciation expense was charged to functions as follows:

| | |
|--|-------------------|
| General government | \$ 46,456 |
| Public safety | 48,923 |
| Highways and streets | 121,398 |
| Parks and recreation | 76,049 |
| Total depreciation expense – governmental activities | <u>\$ 292,826</u> |

| | Balance September 30, 2014 | Additions | Deductions | Balance September 30, 2015 |
|---------------------------------------|----------------------------------|---------------------|-----------------------|----------------------------------|
| Business-type activities: | | | | |
| <u>Electric</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ 35,535 | \$ 133,868 | \$ - | \$ 169,403 |
| Capital assets being depreciated: | | | | |
| Generation and distribution system | 7,019,547 | - | (445,555) | 6,573,992 |
| Buildings and improvements | 848,604 | - | - | 848,604 |
| Machinery, equipment and vehicles | 1,153,124 | - | (35,192) | 1,117,932 |
| Total | <u>9,021,275</u> | <u>-</u> | <u>(480,747)</u> | <u>8,540,528</u> |
| Less accumulated depreciation: | | | | |
| Generation and distribution system | 5,575,605 | 103,653 | (303,316) | 5,375,942 |
| Buildings and improvements | 293,023 | 30,686 | - | 323,709 |
| Machinery, equipment and vehicles | 825,406 | 51,693 | (15,668) | 861,431 |
| Total accumulated depreciation | <u>6,694,034</u> | <u>186,032</u> | <u>(318,984)</u> | <u>6,561,082</u> |
| Total electric capital assets, net | <u>\$ 2,362,776</u> | <u>\$ (52,164)</u> | <u>\$ (161,763)</u> | <u>\$ 2,148,849</u> |
| <u>Water</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 144,010 | \$ - | \$ - | \$ 144,010 |
| Construction in progress | 3,730 | 359,055 | (3,730) | 359,055 |
| Total | <u>147,740</u> | <u>359,055</u> | <u>(3,730)</u> | <u>503,065</u> |
| Capital assets being depreciated: | | | | |
| Treatment and distribution system | 9,965,164 | - | - | 9,965,164 |
| Buildings and improvements | 61,251 | - | - | 61,251 |
| Machinery, equipment and vehicles | 296,487 | - | - | 296,487 |
| Total | <u>10,322,902</u> | <u>-</u> | <u>-</u> | <u>10,322,902</u> |
| Less accumulated depreciation: | | | | |
| Treatment and distribution system | 5,541,834 | 298,540 | - | 5,840,374 |
| Buildings and improvements | 41,631 | 2,973 | - | 44,604 |
| Machinery, equipment and vehicles | 152,782 | 17,871 | - | 170,653 |
| Total accumulated depreciation | <u>5,736,247</u> | <u>319,384</u> | <u>-</u> | <u>6,055,631</u> |
| Total water capital assets, net | <u>\$ 4,734,395</u> | <u>\$ 39,671</u> | <u>\$ (3,730)</u> | <u>\$ 4,770,336</u> |
| <u>Waste Water</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 52,748 | \$ - | \$ - | \$ 52,748 |
| Construction in progress | 3,725,536 | 8,457,386 | (1,326,178) | 10,856,744 |
| Total | <u>3,778,284</u> | <u>8,457,386</u> | <u>(1,326,178)</u> | <u>10,909,492</u> |
| Capital assets being depreciated: | | | | |
| Collection and treatment system | 3,133,488 | 1,341,076 | - | 4,474,564 |
| Buildings and improvements | 7,733,583 | - | - | 7,733,583 |
| Machinery, equipment and vehicles | 741,664 | - | - | 741,664 |
| Total | <u>11,608,735</u> | <u>1,341,076</u> | <u>-</u> | <u>12,949,811</u> |
| Less accumulated depreciation: | | | | |
| Collection and treatment system | 1,890,297 | 108,736 | - | 1,999,033 |
| Buildings and improvements | 2,769,561 | 386,832 | - | 3,156,393 |
| Machinery, equipment and vehicles | 345,951 | 33,867 | - | 379,818 |
| Total accumulated depreciation | <u>5,005,809</u> | <u>529,435</u> | <u>-</u> | <u>5,535,244</u> |
| Total waste water capital assets, net | <u>\$ 10,381,210</u> | <u>\$ 9,269,027</u> | <u>\$ (1,326,178)</u> | <u>\$ 18,324,059</u> |

6. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2015:

| | Balance September 30, 2014 | Increases | Decreases | Balance September 30, 2015 | Amounts Due within One Year |
|---------------------------------|----------------------------------|--------------------|-----------------------|----------------------------------|-----------------------------------|
| <u>Governmental activities</u> | | | | | |
| General obligation bonds | \$ 915,000 | \$ - | \$ (120,000) | \$ 795,000 | \$ 125,000 |
| Capital leases payable | 1,861,748 | - | (116,749) | 1,744,999 | 119,257 |
| Compensated absences* | 78,776 | 71,491 | (78,776) | 71,491 | 71,491 |
| Total governmental activities | <u>\$ 2,855,524</u> | <u>\$ 71,491</u> | <u>\$ (315,525)</u> | <u>\$ 2,611,490</u> | <u>\$ 315,748</u> |
| <u>Business-type activities</u> | | | | | |
| Electric Fund: | | | | | |
| Compensated absences | \$ 26,602 | \$ 26,811 | \$ (26,602) | \$ 26,811 | \$ 26,811 |
| Water Fund: | | | | | |
| Revenue bonds | 1,590,000 | - | (540,000) | 1,050,000 | 550,000 |
| Certificates of participation | 271,500 | - | (8,938) | 262,562 | 10,614 |
| Compensated absences | 12,854 | 13,798 | (12,854) | 13,798 | 13,798 |
| Total Water Fund | <u>1,874,354</u> | <u>13,798</u> | <u>(561,792)</u> | <u>1,326,360</u> | <u>574,412</u> |
| Waste Water Fund: | | | | | |
| Revenue bonds | 3,665,000 | - | (295,000) | 3,370,000 | 300,000 |
| Loans payable | 736,616 | 8,340,906 | (48,000) | 9,029,522 | 100,000 |
| Certificates of participation | 2,158,500 | - | (71,062) | 2,087,438 | 84,386 |
| Unamortized premium | 135,631 | - | (13,233) | 122,398 | - |
| Compensated absences | 5,271 | 7,908 | (5,271) | 7,908 | 7,908 |
| Total Waste Water Fund | <u>6,701,018</u> | <u>8,348,814</u> | <u>(432,566)</u> | <u>14,617,266</u> | <u>492,294</u> |
| Total business-type activities | <u>\$ 8,601,974</u> | <u>\$8,389,423</u> | <u>\$ (1,020,960)</u> | <u>\$ 15,970,437</u> | <u>\$ 1,093,517</u> |

* Compensated absences typically have been liquidated in the General and Park Funds.

Governmental Activities

General Obligation Bonds

General Obligation Bonds outstanding at September 30, 2015 consist of Neighborhood Improvement Limited General Obligation Bonds Series 2010C issued in December 2010 in the aggregate principal amount of \$1,265,000, for the purpose of providing funds to pay a portion of the costs of the Richie Bros. Development Neighborhood Improvement District Project A. The bonds bear interest rates of 1.0% to 3.65% and mature through March 1, 2021. The full faith and credit of the City are irrevocably pledged for the payment of the bonds; however, the City is not obligated nor authorized to levy taxes for the purpose of paying the debt service on the bonds and the taxing power of the City has not been pledged.

The annual debt service requirements to amortize the NID general obligation bonds outstanding as of September 30, 2015 are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------|------------------|-------------------|
| 2016 | \$ 125,000 | \$ 22,741 | \$ 147,741 |
| 2017 | 125,000 | 19,616 | 144,616 |
| 2018 | 130,000 | 16,075 | 146,075 |
| 2019 | 135,000 | 12,030 | 147,030 |
| 2020 | 140,000 | 7,490 | 147,490 |
| 2021 | 140,000 | 2,555 | 142,555 |
| Total | <u>\$ 795,000</u> | <u>\$ 80,507</u> | <u>\$ 875,507</u> |

The bonds are to be repaid with special assessments levied on real property located in the District. If the special assessments would not be sufficient to make the debt payments in any particular year, the City would be obligated to fund any deficiency from its General Fund or other legally available revenues. Total principal and interest remaining on the bonds is \$875,507 payable through March, 2021. For 2015, principal and interest paid and revenues were \$145,410.

Capital Leases

In August 2008, the City entered into a lease agreement to finance the construction of an aquatic center in the amount of \$2,300,000, at an interest rate of 3.65%. Lease payments, including certain fees, are due in monthly installments through August 2028. The cumulative amount of assets acquired under the lease at September 30, 2015 is \$2,071,814.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest and Fees</u> | <u>Total</u> |
|-------------|---------------------|--------------------------|---------------------|
| 2016 | \$ 98,000 | \$ 74,041 | \$ 172,041 |
| 2017 | 108,000 | 69,473 | 177,473 |
| 2018 | 108,000 | 64,828 | 172,828 |
| 2019 | 115,000 | 60,034 | 175,034 |
| 2020 | 120,000 | 54,878 | 174,878 |
| 2021-2025 | 680,000 | 190,286 | 870,286 |
| 2026-2028 | 473,000 | 37,003 | 510,003 |
| | <u>\$ 1,702,000</u> | <u>\$ 550,543</u> | <u>\$ 2,252,543</u> |

In August 2013, the City entered into a second lease agreement to finance the acquisition of a new ambulance chassis in the amount of \$84,005, at an interest rate of 2.5%. Lease payments are due in semi-annual installments through August 2017. The cumulative amount of assets acquired under this lease at September 30, 2015 is \$84,005.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|------------------|
| 2016 | \$ 21,257 | \$ 961 | \$ 22,218 |
| 2017 | 21,742 | 476 | 22,218 |
| | <u>\$ 42,999</u> | <u>\$ 1,437</u> | <u>\$ 44,436</u> |

Business-type Activities

Revenue bonds, loans and certificates of participation outstanding at September 30, 2015 are as follows:

| | |
|---|----------------------|
| 2004B Sewerage System Revenue Bonds dated May 28, 2004, due in annual installments through January 1, 2025, with interest rates of 2% to 5.25%. | \$ 3,370,000 |
| Series 2005 Waste Water Fund 1.5% loan from the Missouri Department of Natural Resources, dated June 1, 2005, due in semi-annual installments through July 1, 2026. | 586,000 |
| Series 2011 Waterworks System Refunding Revenue Bonds dated April 11, 2011, due in annual installments through November 1, 2016, with interest rates of 1.0% to 2.7%. | 1,050,000 |
| Series 2011 Water Works and Sewerage System Project Certificates of Participation dated May 31, 2011, due in annual installments through April 1, 2020, with interest rates of 2.4% to 4.0%. | 2,350,000 |
| Series 2014 Combined Water Works and Sewerage System 1.46% loan from the Missouri Department of Natural Resources, dated August 26, 2014, due in semi-annual installments through July 1, 2035. | 8,000,000 |
| Series 2015 Combined Water Works and Sewerage System 1.46% loan from the Missouri Department of Natural Resources, dated July 29, 2015, due in semi-annual installments through January 1, 2036, with interest rate of 1.25%. | <u>443,522</u> |
| | <u>\$ 15,799,522</u> |

The revenue bonds and the Series 2005 and 2014 loans are collateralized by a pledge of the net revenues to the extent necessary to meet the debt service requirements. The bond indentures contain limitations and restrictions on annual debt service requirements, and minimum amounts to be maintained in various debt service and revenue accounts, including a renewal and replacement account in the Waste Water Fund, as well as minimum revenue bond coverages. The City is in compliance with all such financial limitations and restrictions.

On August 26, 2014, the City authorized the issuance of Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2014 in an amount not to exceed \$8,000,000, as a result of its participation in the State of Missouri Direct Loan Program. Under the Direct Loan program, DNR acts as the purchaser of the bond and loans the City amounts equal to eligible costs related to the construction of a new waste water treatment facility. Interest is due semiannually, based on the outstanding loan balance. Principal is due semiannually in various installments from July 1, 2016 through July 1, 2035.

On July 29, 2015, the City authorized the issuance of Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2015 in an amount not to exceed \$3,000,000, as a result of its participation in the State of Missouri Direct Loan Program. Under the Direct Loan program, DNR acts as the purchaser of the bond and loans the City amounts equal to eligible costs related to the construction of waste water system improvements. Interest is due

semiannually, based on the outstanding loan balance. Principal is due semiannually in various installments from January 1, 2017 through January 1, 2036.

The annual debt service requirements to amortize the revenue bonds and Series 2005 and 2014 loans outstanding as of September 30, 2015, are as follows:

| <u>Series 2004 Sewerage System Bonds</u> | | | |
|--|---------------------|-------------------|---------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 300,000 | \$ 163,750 | \$ 463,750 |
| 2017 | 310,000 | 147,738 | 457,738 |
| 2018 | 315,000 | 131,331 | 446,331 |
| 2019 | 325,000 | 114,531 | 439,531 |
| 2020 | 335,000 | 97,625 | 432,625 |
| 2021-2025 | 1,785,000 | 227,375 | 2,012,375 |
| | <u>\$ 3,370,000</u> | <u>\$ 882,350</u> | <u>\$ 4,252,350</u> |

| <u>Series 2005 Loan</u> | | | |
|-------------------------|-------------------|------------------|-------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 50,000 | \$ 8,603 | \$ 58,603 |
| 2017 | 50,000 | 7,852 | 57,852 |
| 2018 | 51,000 | 7,103 | 58,103 |
| 2019 | 52,000 | 6,330 | 58,330 |
| 2020 | 52,000 | 5,550 | 57,550 |
| 2021-2025 | 275,000 | 15,637 | 290,637 |
| 2026 | 56,000 | 630 | 56,630 |
| | <u>\$ 586,000</u> | <u>\$ 51,705</u> | <u>\$ 637,705</u> |

| <u>Series 2014 Loan</u> | | | |
|-------------------------|---------------------|---------------------|---------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 50,000 | \$ 116,389 | \$ 166,389 |
| 2017 | 100,000 | 115,705 | 215,705 |
| 2018 | 100,000 | 114,245 | 214,245 |
| 2019 | 150,000 | 112,603 | 262,603 |
| 2020 | 150,000 | 110,413 | 260,413 |
| 2021-2025 | 2,077,000 | 481,705 | 2,558,705 |
| 2026-2030 | 2,512,000 | 311,666 | 2,823,666 |
| 2031-2035 | 2,861,000 | 117,194 | 2,978,194 |
| | <u>\$ 8,000,000</u> | <u>\$ 1,479,920</u> | <u>\$ 9,479,920</u> |

As of September 30, 2015, the scheduled annual requirements to retire the maximum 2015 Direct Loan principal are as follows:

| <u>Year</u> | <u>Principal</u> |
|-------------|---------------------|
| 2017 | \$ 38,000 |
| 2018 | 38,000 |
| 2019 | 47,000 |
| 2020 | 56,000 |
| 2021-2025 | 724,000 |
| 2026-2030 | 932,000 |
| 2031-2035 | 1,053,000 |
| 2036 | 112,000 |
| | <u>\$ 3,000,000</u> |

The annual debt service requirements to amortize the 2011 refunding revenue bonds outstanding as of September 30, 2015, are as follows:

| <u>Series 2011 Waterworks System Refunding Bonds</u> | | | |
|--|---------------------|------------------|---------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 550,000 | \$ 20,100 | \$ 570,100 |
| 2017 | 500,000 | 6,750 | 506,750 |
| | <u>\$ 1,050,000</u> | <u>\$ 26,850</u> | <u>\$ 1,076,850</u> |

The net revenues of the Water and Waste Water Funds are pledged over the terms of the revenue bonds and loan in amounts equal to the total principal and interest payments above. For 2015, the principal and interest paid was \$1,135,924 and the net revenues were \$1,781,217.

Series 2011 Certificates of Participation

The certificates were issued for the purpose of acquiring a disinfection system and financing various improvements to the City's water and waste water systems.

The annual debt service requirements have been allocated between the Water Fund and the Waste Water Fund based upon their use of the proceeds and are as follows:

| <u>Water Fund</u> | | | |
|-------------------|-------------------|------------------|-------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 10,614 | \$ 9,516 | \$ 20,130 |
| 2017 | 18,435 | 9,230 | 27,665 |
| 2018 | 77,093 | 8,677 | 85,770 |
| 2019 | 80,445 | 6,056 | 86,501 |
| 2020 | 75,975 | 3,039 | 79,014 |
| | <u>\$ 262,562</u> | <u>\$ 36,518</u> | <u>\$ 299,080</u> |

| <u>Waste Water Fund</u> | | | |
|-------------------------|---------------------|-------------------|---------------------|
| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 84,386 | \$ 75,659 | \$ 160,045 |
| 2017 | 146,565 | 73,380 | 219,945 |
| 2018 | 612,907 | 68,983 | 681,890 |
| 2019 | 639,555 | 48,144 | 687,699 |
| 2020 | 604,025 | 24,161 | 628,186 |
| | <u>\$ 2,087,438</u> | <u>\$ 290,327</u> | <u>\$ 2,377,765</u> |

The Missouri State Constitution permits a city, by vote of either two-thirds or four-sevenths of the voting electorate, depending upon the date of the election, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric or other light plants, provided the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property. At September 30, 2015, the City's general obligation debt limit was \$9,867,521 and the debt margin was \$9,072,521.

7. INTERFUND TRANSFERS AND BALANCES

Transfers are used to move revenues from the fund that a statute or the budget requires to collect them to the fund that a statute or the budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to report payments in lieu of taxes and indirect cost allocations from the enterprise funds to the General Fund. For 2015, these amounts were \$381,257 and \$374,610, respectively. The interfund balance in the Transportation Sales Tax Fund includes the \$44,711 balance due on a loan from the Electric Fund used to purchase equipment. This loan is being repaid over ten years with interest at 1.16%. The interfund balances between the General Fund and Capital Improvement Fund of \$4,233, the \$310,000 balance between the Water and Waste Water Funds, the \$93,559 due the Electric Fund, consisting of \$74,704 due from the Transportation Fund and \$18,855 due from the Capital Improvement Fund, represent short-term advances.

Interfund transfers for the year ended September 30, 2015 consisted of the following:

| Transfers from | Transfers to: | | | | | |
|--------------------------|------------------|-----------------|--------------------------|------------------|-----------------|-------------------|
| | General | Park | Transportation Sales Tax | Debt Service | Electric | Total |
| General | \$ - | \$25,920 | \$ - | \$ 36,654 | \$ - | \$ 62,574 |
| Transportation Sales Tax | - | - | - | 18,327 | 8,636 | 26,963 |
| Capital Improvement | - | 12,600 | 48,510 | 18,327 | - | 79,437 |
| Electric | 352,075 | - | - | - | - | 352,075 |
| Water | 189,486 | - | - | - | - | 189,486 |
| Waste Water | 214,306 | - | - | - | - | 214,306 |
| Total | <u>\$755,867</u> | <u>\$38,520</u> | <u>\$ 48,510</u> | <u>\$ 73,308</u> | <u>\$ 8,636</u> | <u>\$ 924,841</u> |

8. CELLULAR PROVIDER LEASES

The City has a lease agreement with a wireless telecommunications provider for antenna space on City owned property. Rental revenue for 2015 was \$11,903 in the Water Fund.

9. COMMITMENTS AND CONTINGENCIES

Employee's Retirement System

Plan Description – The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided – LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a

minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

| | |
|-----------------------|-----------------------|
| | <u>2015 Valuation</u> |
| Benefit Multiplier: | 1.5% |
| Final Average Salary: | 5 Years |

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms – At June 30, 2015, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 35 |
| Inactive employees entitled to but not yet receiving benefits | 23 |
| Active employees | <u>37</u> |
| | <u>95</u> |

Contributions – The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. The City contribution rates were 9.2% General and 8.7% Police of annual covered payroll.

Net Pension Liability – The City’s net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

Actuarial Assumptions – The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.5% wage inflation; 3% price inflation |
| Salary increase | 3.5% to 6.8%, including wage inflation |
| Investment rate of return | 7.25% |

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period of March 1, 2005 through February 28, 2010.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Equity | 48.50% | 5.10% |
| Fixed Income | 25.00% | 2.10% |
| Real Assets | 20.00% | 3.95% |
| Strategic Assets | 6.50% | 5.00% |

Discount Rate – The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that City contributions will be made at the actuarially determined rates for the City. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

| | <u>Increase (Decrease)</u> | | |
|---|--------------------------------|------------------------------------|--------------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability (Asset)</u> |
| | <u>(a)</u> | <u>(b)</u> | <u>(a) - (b)</u> |
| Balances at 6/30/2014 | <u>\$ 6,894,671</u> | <u>\$ 8,062,191</u> | <u>\$ (1,167,520)</u> |
| Changes for the year: | | | |
| Service Cost | 151,144 | - | 151,144 |
| Interest | 494,881 | - | 494,881 |
| Difference between expected and actual experience | (252,484) | - | (252,484) |
| Contributions - employer | - | 151,769 | (151,769) |
| Net investment income | - | 150,132 | (150,132) |
| Benefit payments, including refunds | (291,029) | (291,029) | - |
| Administrative expense | - | (7,829) | 7,829 |
| Other changes | - | (169,420) | 169,420 |
| Net changes | <u>102,512</u> | <u>(166,377)</u> | <u>268,889</u> |
| Balances at 6/30/2015 | <u><u>\$ 6,997,183</u></u> | <u><u>\$ 7,895,814</u></u> | <u><u>\$ (898,631)</u></u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City’s net pension liability (asset) would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

| | <u>1% Decrease</u> | <u>Rate Assumption</u> | <u>1% Increase</u> |
|-------------------------------|--------------------|------------------------|--------------------|
| Net Pension Liability (Asset) | \$ 43,581 | \$ (898,631) | \$ (1,681,346) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended September 30, 2015 the City recognized pension expense of \$284,986. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences in experience | \$ - | \$ (202,812) |
| Excess (deficit) investment returns | 338,484 | - |
| Contributions subsequent to the measurement date | 32,642 | - |
| Total | <u>\$ 371,126</u> | <u>\$ (202,812)</u> |

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability (asset) for the year ending September 30, 2016.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| | Year Ended: |
|------|-------------------|
| 2016 | \$ 34,948 |
| 2017 | 34,948 |
| 2018 | 34,948 |
| 2019 | 35,381 |
| 2020 | (4,553) |
| | <u>\$ 135,672</u> |

Payable to the Pension Plan – The City reported a payable of \$11,085 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2015.

Legal Matters

The City is, or may be, a party in various litigation and claims as a result of law enforcement activities, zoning decisions, injuries and various other matters arising in the ordinary course of its activities. The City's management and legal counsel anticipate the potential claims against the City, if any, which are not covered by insurance, resulting from such matters would not materially affect the financial position of the City.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains property and liability coverage through Missouri Public Entity Risk Management Fund (MOPERM). Workers' compensation insurance is provided by Missouri Rural Services Workers' Compensation Insurance Trust (the Trust). No significant reductions in insurance coverage occurred during the year and settlements have not exceeded insurance coverage during any of the past three years.

Both MOPERM and the Trust have the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet its obligations. The City does not anticipate any additional assessments in excess of premiums paid to MOPERM or the Trust.

Energy Purchase Agreement

The City is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). MJMEUC manages a power pool known as Missouri Public Energy Pool #1 (MOPEP). The City is also a member of MOPEP. The MOPEP members have an agreement with MJMEUC for the purchase of electric capacity and energy. The agreement requires MJMEUC to supply the full energy requirements of the City and includes a procedure for the City to dedicate its capacity to MOPEP.

MOPEP operations are governed by a Pool Committee consisting of one representative from each MOPEP member and is currently comprised of 60 members. The Pool Committee is charged with setting rates for all services provided by MJMEUC to MOPEP members. The rates include recovery of all of MJMEUC's costs incurred in connection with acquiring, providing, arranging or financing the provision of full requirements service to MOPEP members. Such rates are based upon an annual budget and include, but are not limited to, all payments MJMEUC is required to make for reserves for coverage MJMEUC is required to maintain pursuant to any bond indenture, financing lease or loan agreement or other financial contract in order to procure, deliver, or finance resources intended to provide full requirement service, without regard to whether any particular resource is available to or used by any particular MOPEP member. Costs also include amounts required to fund MOPEP capital and/or operating reserves as may be established from time to time by the Pool Committee.

The rates are established so as to charge each MOPEP member its proportionate share of all costs associated with MJMEUC's performance under the MOPEP agreement. Charges based on such rates are assessed and billed monthly. Rates are required to be established at least annually and are adjusted to recognize variances between budgeted and actual costs at least every six months.

To meet the power and energy requirements of the City and the other MOPEP members, MJMEUC presently obtains power and energy from the following resources: (i) power purchased under long-term firm energy contracts, unit contingent energy contracts and interruptible contracts; (ii) MJMEUC owned generation; (iii) member capacity; and (iv) spot market purchases. The City purchases its full energy requirements from MJMEUC pursuant to the MOPEP agreement, but does not have any ownership interest in MJMEUC's resources.

In the event a member would cancel their MOPEP agreement, the member would remain responsible for its allocated share of MJMEUC's costs associated with all resource obligations entered into by MJMEUC for MOPEP prior to the notice of cancellation. MJMEUC would utilize or sell the member's allocated share of output in exchange for providing the member a credit or offset equal to the fair market value of the output up to the amount of the member's obligation. As a result, a member would have a financial obligation after cancellation in the event that the fair market value of the output is less than the member's allocated share of MJMEUC's costs. Currently the City has no plans or intentions to begin cancellation proceedings.

The City incurred costs of \$3,602,543 from MJMEUC during the fiscal year and owed MJMEUC \$308,050 as of September 30, 2015.

Construction Commitments

Capital projects often extend over several years. The City has made normal commitments for future expenditures related to capital projects programs, including \$9.5 million for a new waste water treatment plant and \$2.1 million for waste water system improvements.

Court Fines and Costs

Missouri statutes require that fines and costs from traffic violations in excess of 30% of annual general operating revenue be sent to the State Department of Revenue. For the fiscal year ended September 30, 2015, the City's revenues from these sources did not exceed 30% of general operating revenue.

Development Agreement

In December 2012, the City entered into an agreement to provide assistance to an entity in order for it to acquire real estate and operate a new business in the City. This agreement provides for a maximum reimbursement of \$150,000, payable from 50% of the real estate and sales taxes, other than sales taxes for parks and transportation purposes, generated by the business. As of September 30, 2015, \$17,609 has been paid and \$7,255 is due under this agreement.

10. CHANGE IN ACCOUNTING PRINCIPLE

In 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement revises and establishes new financial reporting requirements for most governments that provide their employees a defined benefit pension plan. The Statement requires most governments to recognize a net pension liability measured as of a date no earlier than the end of its prior fiscal year and recognize its contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's fiscal year as deferred outflows of resources. Further, the Statement requires recognition of deferred outflows and inflows of resources for changes in the net pension liability that arise from other types of events.

As a result of the adoption of GASB No. 68, net position as of October 1, 2014 was restated as follows:

| | Governmental Activities | Electric Fund | Water Fund | Waste Water Fund |
|---|----------------------------|---------------------|---------------------|---------------------|
| Net position, as previously reported | \$ 5,624,321 | \$ 6,481,558 | \$ 5,458,525 | \$ 3,559,214 |
| Net pension asset | 789,657 | 141,320 | 133,944 | 102,599 |
| Reversal of prior net pension obligation | 23,368 | - | - | - |
| Contributions after the measurement date | 27,543 | 5,034 | 4,955 | 3,547 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net position, as restated | <u>\$ 6,464,889</u> | <u>\$ 6,627,912</u> | <u>\$ 5,597,424</u> | <u>\$ 3,665,360</u> |

11. DEFICITS

The accumulated deficits of \$81,349 in the Transportation Sales Tax Fund and \$28,341 in the Capital Improvement Fund will be eliminated by future revenues or transfers.

12. SUBSEQUENT EVENTS

The City has evaluated subsequent events to March 28, 2016, the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF ODESSA, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 1,027,130 | \$ 1,027,130 | \$ 1,123,280 | \$ 96,150 |
| Charges for services | 873,650 | 873,650 | 818,678 | (54,972) |
| Licenses, permits and fees | 70,800 | 70,800 | 79,010 | 8,210 |
| Fines and forfeitures | 49,250 | 49,250 | 54,236 | 4,986 |
| Intergovernmental revenues | 229,000 | 229,000 | 261,794 | 32,794 |
| Interest | 750 | 750 | 1,224 | 474 |
| Other | 6,000 | 6,000 | 19,136 | 13,136 |
| Total revenues | 2,256,580 | 2,256,580 | 2,357,358 | 100,778 |
| EXPENDITURES | | | | |
| General government | 455,220 | 455,220 | 413,740 | 41,480 |
| Public safety | 1,612,260 | 1,612,260 | 1,644,762 | (32,502) |
| Highways and streets | 376,330 | 376,330 | 355,929 | 20,401 |
| Sanitation | 257,300 | 257,300 | 260,209 | (2,909) |
| Community planning and development | 216,960 | 216,960 | 141,299 | 75,661 |
| Parks and recreation | 19,000 | 19,000 | 21,252 | (2,252) |
| Total expenditures | 2,937,070 | 2,937,070 | 2,837,191 | 99,879 |
| Excess of revenues over (under) expenditures | (680,490) | (680,490) | (479,833) | 200,657 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 761,590 | 761,590 | 755,867 | (5,723) |
| Transfers out | (81,100) | (81,100) | (62,574) | 18,526 |
| Total other financing sources (uses) | 680,490 | 680,490 | 693,293 | 12,803 |
| Change in fund balance | \$ - | \$ - | 213,460 | \$ 213,460 |
| FUND BALANCE, beginning of year | | | 500,167 | |
| FUND BALANCE, end of year | | | \$ 713,627 | |

CITY OF ODESSA, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - PARK FUND

For the Year Ended September 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|----------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 313,560 | \$ 313,560 | \$ 323,671 | \$ 10,111 |
| Charges for services | 159,300 | 159,300 | 148,497 | (10,803) |
| Other | 2,000 | 2,000 | 2,061 | 61 |
| | <u>474,860</u> | <u>474,860</u> | <u>474,229</u> | <u>(631)</u> |
| EXPENDITURES | | | | |
| Parks and recreation | 319,270 | 319,270 | 330,752 | (11,482) |
| Debt service: | | | | |
| Principal | 96,000 | 96,000 | 96,000 | - |
| Interest and fiscal costs | 78,190 | 78,190 | 78,190 | - |
| | <u>493,460</u> | <u>493,460</u> | <u>504,942</u> | <u>(11,482)</u> |
| Excess of revenues over (under) expenditures | (18,600) | (18,600) | (30,713) | (12,113) |
| TRANSFERS IN | <u>18,600</u> | <u>18,600</u> | <u>38,520</u> | <u>19,920</u> |
| Change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 7,807 | <u>\$ 7,807</u> |
| FUND BALANCE, beginning of year | | | <u>26,839</u> | |
| FUND BALANCE, end of year | | | <u>\$ 34,646</u> | |

CITY OF ODESSA, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION SALES TAX FUND

For the Year Ended September 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|-----------------|--------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 237,500 | \$ 237,500 | \$ 247,517 | \$ 10,017 |
| Intergovernmental | 155,000 | 155,000 | 155,000 | - |
| Interest | - | - | 14 | 14 |
| | <u>392,500</u> | <u>392,500</u> | <u>402,531</u> | <u>10,031</u> |
| EXPENDITURES | | | | |
| General government | 1,090 | 1,090 | 1,042 | 48 |
| Capital outlay | 393,730 | 393,730 | 528,551 | (134,821) |
| | <u>394,820</u> | <u>394,820</u> | <u>529,593</u> | <u>(134,773)</u> |
| Excess of revenues over (under) expenditures | (2,320) | (2,320) | (127,062) | (124,742) |
| TRANSFERS IN | 48,510 | 48,510 | 48,510 | - |
| TRANSFERS OUT | <u>(46,190)</u> | <u>(46,190)</u> | <u>(26,963)</u> | <u>19,227</u> |
| Change in fund balance | <u>\$ -</u> | <u>\$ -</u> | (105,515) | <u>\$ (105,515)</u> |
| FUND BALANCE, beginning of year | | | <u>24,166</u> | |
| FUND BALANCE, end of year | | | <u>\$ (81,349)</u> | |

CITY OF ODESSA, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT FUND

For the Year Ended September 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|--------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 237,500 | \$ 237,500 | \$ 247,517 | \$ 10,017 |
| Interest | 250 | 250 | 259 | 9 |
| Total revenues | <u>237,750</u> | <u>237,750</u> | <u>247,776</u> | <u>10,026</u> |
| EXPENDITURES | | | | |
| General government | 600 | 600 | 3,632 | (3,032) |
| Capital outlay | 53,000 | 53,000 | 197,439 | (144,439) |
| Debt service: | | | | |
| Principal | 21,000 | 21,000 | 20,749 | 251 |
| Interest | <u>1,500</u> | <u>1,500</u> | <u>1,469</u> | <u>31</u> |
| Total expenditures | <u>76,100</u> | <u>76,100</u> | <u>223,289</u> | <u>(147,189)</u> |
| Excess of revenues over (under) expenditures | <u>161,650</u> | <u>161,650</u> | <u>24,487</u> | <u>(137,163)</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(161,650)</u> | <u>(161,650)</u> | <u>(79,437)</u> | <u>82,213</u> |
| Change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(54,950)</u> | <u>\$ (54,950)</u> |
| FUND BALANCE, beginning of year | | | <u>26,609</u> | |
| FUND BALANCE, end of year | | | <u>\$ (28,341)</u> | |

CITY OF ODESSA, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULES

YEAR ENDED SEPTEMBER 30, 2015

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets, as required by state statutes, are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds.

The Board of Aldermen follows these procedures in establishing the budgetary data reflected in the financial statements:

- City department directors submit requests for appropriations to the City Administrator who compiles the requests and submits a comprehensive budget request document to the entire governing board.
- The budget for all funds is legally enacted through passage of an ordinance.
- The appropriated budget is prepared by fund, function and department. City management is authorized to make transfers of appropriations within and among departments. Revisions to the total expenditures/expenses of a fund must be approved by the Board of Aldermen. The legal level of budgetary control is at the fund level. All annual appropriations lapse at the end of the fiscal year.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2015, expenditures exceeded appropriations in the Park Fund by \$11,482, the Transportation Sales Tax Fund by \$115,546, and the Capital Improvement Fund by \$64,976. These overexpenditures were funded through the use of additional revenues, transfers, available fund balance and interfund advances.

CITY OF ODESSA, MISSOURI

LAGERS SCHEDULE OF CHANGES
IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

| | 2015 |
|---|--------------------------------|
| TOTAL PENSION LIABILITY | |
| Service cost | \$ 151,144 |
| Interest on the total pension liability | 494,881 |
| Benefit changes | - |
| Difference between expected and actual experience | (252,484) |
| Assumption changes | - |
| Benefit payments, including refunds | <u>(291,029)</u> |
| Net change in total pension liability | 102,512 |
| Total pension liability - beginning | <u>6,894,671</u> |
| Total pension liability - ending | <u><u>\$ 6,997,183</u></u> |
| PLAN FIDUCIARY NET POSITION | |
| Contributions - employer | \$ 151,769 |
| Pension plan net investment income | 150,132 |
| Benefit payments, including refunds | (291,029) |
| Pension plan administrative expense | (7,829) |
| Other | <u>(169,420)</u> |
| Net change in plan fiduciary net position | (166,377) |
| Plan fiduciary net position - beginning | <u>8,062,191</u> |
| Plan fiduciary net position - ending | <u><u>\$ 7,895,814</u></u> |
| Net pension liability (asset) | <u><u>\$ (898,631)</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 112.84% |
| Covered employee payroll | \$ 1,601,574 |
| Net pension liability (asset) as a percentage of covered employee payroll | -56.11% |

Notes to schedule:

The schedule is required by GASB Statement No. 68, which was implemented in 2015, and will become a ten year presentation when the information for the years after 2015 become available.

CITY OF ODESSA, MISSOURI
LAGERS SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|--------------|--------------|--------------|------------------|------------------|--------------|--------------|-----------------|-----------------|------------------|
| Actuarially determined contribution | \$ 143,154 | \$ 178,186 | \$ 170,790 | \$ 165,844 | \$ 157,641 | \$ 112,784 | \$ 107,012 | \$ 107,259 | \$ 105,769 | \$ 99,917 |
| Contributions in relation to the actuarially determined contribution | 143,154 | 178,186 | 170,790 | 155,716 | 136,748 | 112,784 | 107,012 | 105,282 | 101,852 | 84,123 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,128</u> | <u>\$ 20,893</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,977</u> | <u>\$ 3,917</u> | <u>\$ 15,794</u> |
| Covered-employee payroll | \$ 1,573,526 | \$ 1,816,040 | \$ 1,674,310 | \$ 1,678,989 | \$ 1,655,348 | \$ 1,550,323 | \$ 1,698,156 | \$ 1,693,615 | \$ 1,593,402 | \$ 1,448,801 |
| Contributions as a percentage of covered-employee payroll | 9.10% | 9.81% | 10.20% | 9.27% | 8.26% | 7.27% | 6.30% | 6.22% | 6.39% | 5.81% |

Notes to schedule

| | |
|---|--|
| Valuation date | Actuarially determined contribution rates were calculated as of February 28, 2015 prior to the end of the fiscal year in which contributions are reported. |
| Methods and assumptions used to determine contribution rates: | |
| Actuarial cost method | Entry age normal. |
| Amortization method | Level percent of payroll, closed. |
| Remaining amortization period | Multiple bases from 14 to 15 years. |
| Asset valuation method | 5 year smoothed market; 20% corridor. |
| Inflation | 3.50% wage inflation and 3.00% price inflation. |
| Salary increases | 3.50% to 8.60%, including wage inflation. |
| Investment rate of return | 7.25%, net of investment and administrative expenses. |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | 105% of the 1994 Group Annuity Mortality Table set back 0 years for both males and females. |
| Other information | There were no benefit changes during the year. |

SUPPLEMENTARY INFORMATION

CITY OF ODESSA, MISSOURI

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

For the Year Ended September 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|----------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Special assessments | \$ 145,410 | \$ 145,410 | \$ 145,410 | \$ - |
| Interest | 200 | 200 | 354 | 154 |
| Total revenues | <u>145,610</u> | <u>145,610</u> | <u>145,764</u> | <u>154</u> |
| EXPENDITURES | | | | |
| General government | 148,280 | 148,280 | 148,020 | 260 |
| Debt service: | | | | |
| Principal | 120,000 | 120,000 | 120,000 | - |
| Interest and fiscal costs | 25,410 | 25,410 | 25,410 | - |
| Total expenditures | <u>293,690</u> | <u>293,690</u> | <u>293,430</u> | <u>260</u> |
| Excess of revenues over (under) expenditures | (148,080) | (148,080) | (147,666) | 414 |
| TRANSFERS IN | <u>148,080</u> | <u>148,080</u> | <u>73,308</u> | <u>(74,772)</u> |
| Change in fund balance | <u>\$ -</u> | <u>\$ -</u> | (74,358) | <u>\$ (74,358)</u> |
| FUND BALANCE, beginning of year | | | <u>275,527</u> | |
| FUND BALANCE, end of year | | | <u>\$ 201,169</u> | |



*P.O. Box 128 • 125 S. Second • Odessa, MO 64076
Phone: (816) 230-5577 • Fax: (816) 633-4985 • cityofodessamo.com*

BOARD OF ALDERMEN ACTION REPORT

ISSUE: Demolition of interior walls of the former Police/EMS station located at 101 N. Second Street.

ACTION: Board of Aldermen approval of bid for demolition of the former Police/EMS to include the interior walls of the structure.

BACKGROUND:

The PD/EMS Task Group assigned to deliver options to the Board of Aldermen were tasked with soliciting of bids for the interior demolition of the former PD/EMS building. The Task Group has received the following bids;

- | | |
|-----------------------------|-------------------------------|
| • Cherokee Construction LLC | \$4800.00 |
| • Joe Wimberly | \$1000.00 (cost of dumpsters) |
| • Horizon Construction | \$2835.00 |
-

FINANCIAL CONSIDERATIONS: TBD through bid selection

ATTACHMENTS: Bid sheets

Prepared by: Mickey Ary – City Administrator

April 25th, 2016



Cherokee Construction LLC

Paul Scott | 942 W Dryden MO 64076 | (816)739-8026 | pda0614@gmail.com

April 7, 2016

| | |
|--|--|
| Bid for: City of Odessa Attention : Mickey Ary | Job address: Old Police Station Odessa MO 64076 |
|--|--|

| Scope of Proposed Work Demolition of Old Police Station | |
|--|-----------------------------|
| <ul style="list-style-type: none">• Disconnect all utilities• Demolition of all interior walls• Remove molded insulation• Bleach building• Run a mold fogger | Total \$4,800.00 |

*Thanks for the opportunity,
Paul Scott*



Horizon Contracting LLC
221 S. 2nd St
Odessa, MO 64076
Phone: (816) 565-2173

Sales Rep: Adam Bradley

Phone: (816) 721-2135

Estimate / Invoice

| Customer | |
|----------|----------------------------|
| Name | City of Odessa |
| Address | Police/EMS Building 2nd St |
| City | Odessa |
| State | MO |
| Zip | 64076 |
| Phone | |

| | |
|------|---------|
| Date | 4/20/16 |
| | |
| | |

| Qty | Act. | Unit | Description | Unit Price | Total |
|-----|------|------|--|------------|------------|
| | | | Provide Dumpsters, haul off, & labor to demo the entire inside of building. City will provide necessary electrical work. | | |
| | | | | Total | \$2,835.00 |



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Joe Wimberly has offered labor to demo the walls at no cost. He has requested that the City of Odessa pay for the dumpsters needed to complete the work.

Cost of Dumpsters

Heartland Waste

Roll off & pick up – 30 yards @ \$325.00 up to five tons; if over then \$40.00 per ton.

Estimated Cost

\$1,000.00



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BOARD OF ALDERMEN ACTION REPORT

ISSUE: USA Bassin Fishing Tournament at Odessa City Lake (Reservoir)

ACTION: Board of Aldermen approval for state USA Bassin Association to hold membership tournament at Odessa City Lake on May 28th and July 30th, 2016.

BACKGROUND:

City Hall was contacted by USA Bassin Association member (Earl Jallansrud) requesting two tournaments be allowed at the Odessa City Lake (Reservoir) for the membership of the association. Last year the tournament was held at another lake near Odessa with six (6) boats consisting of two (2) man teams. The dates/times would be;

- Saturday May 28th – 7:00am – 3:00pm
- Saturday July 30th – 6:00am – 2:00pm

All participants would be required to purchase City fishing and boat permits.

FINANCIAL CONSIDERATIONS: N/A

ATTACHMENTS:

Prepared by: Mickey Ary – City Administrator

April 25th, 2016

More Ways to Win!!!



Ranger will fund a Ranger Cup program for The Ranger Aluminum Cup, The Lucas Oil Tournament of Champions and The Ranger Comanche Classic events. If the winner is Ranger compliant and meets all guidelines, they would be eligible for a \$1,000 cash prize. If the winner is not Ranger Cup compliant, then the highest finishing Ranger Cup compliant angler would qualify for a \$500 cash prize.



If the winner of a 2015 Regional Event, all The Lucas Oil Open Tournaments, The Ranger Aluminum Cup, The Lucas Oil Tournament of Champions, The Ranger Comanche Classic, the Nightfishion Classic or hits the Uncle Sam Bass Lottery, fishing from a boat equipped with a mounted Garmin marine electronics, Garmin will award that winner the Garmin Grand Giveaway of \$1,000.

Nightfishion® Win a Free Entry into the Nightfishion Classic!!

Here's How: If the winner of any 2015 Regional Event, all The Lucas Oil Open Tournaments, The Ranger Aluminum Cup, The Lucas Oil Tournament of Champions or The Ranger Comanche Classic wins the tournament fishing from a boat equipped with a Nightfishion System, Nightfishion will award the winning team a free entry into the Nightfishion Classic.



Renegade Bonus Program will award a \$3,000 bonus to the winning team of all Championship week events, and selected Divisional and Regional events during the 2016 season. To be eligible for this program, the team must have purchased a "New Boat & Motor" at retail price, from Renegade Marine with a 225hp or larger motor based on bonus rules. Renegade Bonus Program will award a \$1,500 bonus to the winning team of all Championship Week Events and selected Divisional and Regional events. To be eligible for this program, the team must have purchased a "New Boat & Motor" at retail price, from Renegade Marine with a 60hp thru 200hp motor based on bonus rules. Learn more at www.renegademarine.net.

Uncle Sam Bass Challenge



Try matching the weight of Uncle Sam Bass during the 2016 tournament season.

- Held during all Championship Week Tournaments, all Regional Events, all Lucas Oil Tournaments and the Big Bass Bonanza.
- All monies made from product sales on the website and from entries into the tournaments will fund the Uncle Sam Bass Lottery.
- Garmin Grand!! \$1,000 bonus if winning team has a Garmin fishfinder mounted to their boat.

Go to the U.S.A. BASSIN website to see the current value and complete rules of the Uncle Sam Bass Lottery!!



All USA BASSIN tournaments will be eligible for Denali's contingency program. Any qualified winner will win up to \$250 Denali retail rod credit redeemable for Denali rods at any participating dealer or at www.denalirods.com. Certificate amount is determined by total number of boats fishing respective tournament. Payout is \$5 per boat with a maximum of \$250 (minimum 10 boat field).



Win a Free Entry!!!

Finish in 1st or 2nd out of the money in any USA BASSIN tournament and Solar Bat Enterprises, Inc. will pay 100% of the next tournament entry fee if both fishermen qualify for the contingency or 50% if only one fisherman on the team qualifies. To qualify for this program the Solar Bat sunglasses must have been purchased from the USA BASSIN website during the 2016 season.



USA BASSIN PARTNERS



Jeta Marine

Hydro Force

Garmin

Renegade Marine

Rejuvenade

Zeko Shoes

All Pro Rods

DOM3DNUMBER

Evolution Lures

Denali Rods

Attack Pack Lures

Solar Bat

Awards Center

Prowler Lures

Uncle Josh

Gator Grip

Comfort Inn

Ken-Bar Lodge

Hoo-Rag

Pro Tournament Scales



www.usabassin.com



U.S.A. BASSIN

Team Tournament Trail

MO-06 Edwin A. Pape Lake Division

\$2,000 Guaranteed First Place Prize at the Missouri Regional

All teams that finish the season with 250 points or more Qualify to fish a Regional of their Choice!!



Sponsored By



Mail Entry Form and Make Checks Payable to:

Marie Brown * 14311 North Outer Road * Mayview, MO 64071 * 417-247-6140
ekallansrud@gmail.com

Edwin A. Pape Lake Divisional Schedule

| Date | Location | Ramp | Time | Check if entering |
|------------|------------------|-----------|-------------------|-------------------|
| 04/30/2016 | Edwin A. Pape | Main Ramp | 7:00 am - 3:00 pm | _____ |
| 05/28/2016 | Odessa City Lake | Main Ramp | 7:00 am - 3:00 pm | _____ |
| 06/25/2016 | Edwin A. Pape | Main Ramp | 6:00 am - 2:00 pm | _____ |
| 07/30/2016 | Odessa City Lake | Main Ramp | 6:00 am - 2:00 pm | _____ |
| 08/27/2016 | Edwin A. Pape | Main Ramp | 7:00 am - 3:00 pm | _____ |

Membership Fee: \$30.00 Per Person. * Entry Fee: \$60.00 Per Boat (Includes Big Bass Pot)

The Ranger Aluminum Cup, the Lucas Oil Tournament of Champions & the Ranger Comanche Classic Tournaments held on Kentucky Lake, KY

Visit the USA BASSIN web site to find out how you can qualify for one of these Classics: www.usabassin.com

To view more USA BASSIN Tournament Divisions in your area go to www.usabassin.com

U.S.A. BASSIN Membership Form (\$30.00 Per Person)

Partner 1: _____
Address: _____
City: _____
State: _____ Zip: _____ Phone: _____
E-mail: _____

Partner 2: _____
Address: _____
City: _____
State: _____ Zip: _____ Phone: _____
E-mail: _____

Please select one of the following:

Co-Ed Team _____ Next Generation Team _____ Standard Team _____

Youth DOB _____ Team ID _____
Motor/Size _____ Boat/Year/Length _____

Liability Release: In signing this agreement, I signify that I have read and understand all rules and I hereby release U.S.A. BASSIN Tournament Fishing Circuit, its officers, sponsors, agents, and employees, from any and all damages, claims, demands, cost, or expenses relating to injury of any persons or damage to any property which I may cause by reason of participating in or in connection with any U.S.A. BASSIN Tournament Fishing event.
Covenant Not To Sue and Waiver of Subrogation: I further agree that I will never sue U.S.A. BASSIN Tournament Fishing Circuit for damages on account of any injury damage that I suffer or cause whether known now or which may develop in the future in connection with this or any other U.S.A. BASSIN Tournament Fishing event. I expressly agree to indemnify and hold U.S.A. BASSIN Tournament Fishing Circuit harmless from any liability whatsoever, including court cost and attorney's fees arising with respect to such action. I understand that in waiving my rights to sue U.S.A. BASSIN Circuit, I am waiving the right to recovery from U.S.A. BASSIN Tournament Fishing Circuit of my insurance carrier for any claims they may pay on my behalf. I further understand that by signing this agreement, I waive any rights my heirs or relatives have or may have to sue U.S.A. BASSIN Tournament Fishing Circuit for liability. **Verification of liability insurance:** I further state that I am a current member of U.S.A. BASSIN Tournament Fishing Circuit and that I maintain liability insurance on the boat I will use in any U.S.A. BASSIN Tournament Fishing event. **Construction:** If this agreement and the release, covenant, and waivers contained herein are found by any court to be overly broad in any manner, I ask the court to interpret it as broadly as possible. **Reading and Understanding:** I signify by my signature that I have read and understand the above agreement and all USA BASSIN Rules.

Signature: _____

Signature: _____

U.S.A. BASSIN RULES

1. Membership:
Membership into USA BASSIN is \$30.00 per person. All members under the age of 19 before August 31, 2017 shall be considered a "Youth" and receive a free membership. A USA BASSIN membership gives you the right to fish any USA BASSIN Tournament anywhere in the country. Tournaments are open to all boat makes, models and motor sizes. Anglers fishing the Elite Series of B.A.S.S. or the FLW Tour Events as a Boater, during the 2016 season, are not eligible to participate in any 2017 USA BASSIN Tournaments. Co-anglers of the FLW Tour Events are eligible to participate in USA BASSIN Tournament Trails. The Tournament Director and other tournament officials are permitted to fish all U.S.A. BASSIN events. 2017 season run from Sept. 1 2016-Aug. 31, 2017.

2. Tournament Entry Fees:
Entry fee for a 5-Tournament Divisions is \$50.00 or 75.00 per boat per tournament, with an optional \$10.00 Big Bass Pot. Entry fee into a 10-Tournament Divisions is \$25.00 per boat per tournament, with an optional \$5.00 Big Bass Pot. The tournament director may adjust entry fee on tournament locations that require a lake usage fee.

3. Scoring:
5-Tournament Divisions= 100 point scoring system: Sample Scoring 1st place team -100 point; 2nd place—99 points 3rd Place -98 points and so on. All teams that didn't weigh in a fish receive 50 participation points. 10-Tournament Divisions= 50 points scoring system: All Teams not weighing in a fish receive 25 participation points. Divisional Champions will be determined by the team that has the highest final total points in said division. If a Team splits up, all points will remain with Partner #1. Teams acquire points by fishing any USA BASSIN tournament. The points your team receives from each tournament will be automatically added to the standings of the division you fished and to "National Points Standings" located on the home page of the USA BASSIN Web Site.

4. USA BASSIN Teams:
Teams may consist of one person or a maximum of two persons. All teams that finish the season with 250 points or more in the National Point Standings shall be eligible to fish a U.S.A. BASSIN Regional Tournament of their choice and may fish in more than one Regional Tournament. If you are fishing more than one division and qualified for a USA BASSIN Regional Tournament using two different partners, you may choose which partner you wish to take to the Regional Tournament. The other partner may fish a U.S.A. BASSIN Regional Tournament solo or you may fish in another Regional using that partner.

5. The Next Generation Teams:
Next Generation Teams may consist of either an adult and a youth or two youths (one of the youth's must be at least 16 years of age or older). All Next Generation teams that finish the season with 150 points or more in the National Point Standings shall be eligible to fish in The Next Generation Classic event. Teams that finish the Season with 250 points or more shall be eligible to fish both the Next Generation Classic and the Regional event of their choice.

6. The Co-Ed Teams:
Teams consisting of a male/female participant will be a Co-Ed Team All Co-Ed teams that finish the season with 150 points or more in the National Point Standings shall be eligible to fish in The Co-Ed Classic event. Teams that finish the Season with 250 points or more shall be eligible to fish both the Co-Ed Classic and a Regional event of their choice.

7. Substitutes:
A USA BASSIN member or a family member may serve as a substitute in a divisional tournament at any time and all points will be retained by partner #1. A family member is classified as Grandparents, Parent, Spouse, Sibling, Child, Grandchild, Uncles, Cousins or in-laws of the same. A family member may serve as a substitute only two times during a division's season without paying a membership. A participant may fish any division solo or declare a partner prior to the start of the third Tournament within a Division.
Next Generation Divisional Subs!! An adult may not fish alone in a Next Generation Division. You can substitute only with a youth when fishing a Next Generation Division. Normal substitute rules apply when not fish in a Next Generation Division.

The Co-Ed Divisional Subs: Co-Ed Teams may only substitute with the same sex as the member that is absent when fishing a Co-Ed Division. Normal substitute rules apply when not fish in a Co-Ed Division.
Regional or Classic Tournament Subs: You can only fish a Regional or the Classic tournament with your declared partner. If your declared partner cannot fish a Regional event or a Classic event with you may still fish it solo. You cannot fish solo in the Next Generation Classic or the Co-Ed Classic Tournaments.

8. The Lucas Oil Tournament of Champions:
The Lucas Oil Tournament of Champions will be held on Kentucky Lake during the USA BASSIN Classic Week. The Lucas Oil Tournament of Champions is valued at \$15,000 with First Place being a guaranteed \$10,000 in Cash. The top 10 teams in this event will receive a cash paycheck. There is six ways to qualify for this event.
1. Be the Divisional Champion of any USA BASSIN Division.
2. Be the highest finishing team from your state, based on total points in the National Points Standings.
3. Catch the Biggest Bass in your state.
4. Set a 2017 season record in the National Points Standings. (Highest Season Weight, Highest Winning Weight or the Lowest Winning Weight) (Not Divisional Standings)
5. Finish the season with 1000 points or more.
6. Finish in the top 3 at a Regional event.
7. Finish in the top 10% (Based on USA BASSIN Teams Only) at a Lucas Oil Open Event and acquire 250 or more points during the 2017 season

The Lucas Oil Tournament of Champions is a "FREE" tournament!!!
This is our way of saying thank you for fishing our tournaments and using Lucas Oil.

9. Ties:
Ties for USA BASSIN TEAM TRAIL Divisional Champions will be broken by the team that has the heaviest total weight for the season. Ties for USA BASSIN TEAM TRAIL Regional & National Champions, Regional & National Points Champions and all place finishes will be broken by Big Bass.

10. Short Fish Penalties:
All fish brought to weigh-in must be of legal size determined by state law for that body of water fished. Short fish will be culled from your sack and your largest fish will also be culled from the remaining fish. A courtesy measuring board will be available to be used teams.

11. No Live Bait:
Only artificial lures can be used in U.S.A. BASSIN tournaments. The use of pork trailers is permitted.

12. Trolling:
Trolling with the use of a combustible engine as a method of fishing is prohibited. A team found to be doing this would be disqualified for that tournament and put on probation for the remaining season tournaments

13. Boat and Motor:
Boats must have all required Coast Guard safety equipment and must have a motor within rating limits.

14. Limits:
This is a 5-fish limit (per team or when fishing alone) at each tournament. Exceptions: State laws prevail when fishing on any body of water (size and limits). Anyone bringing in more than a 5-fish will have their sack culled to the 5-fish limit starting with their big fish first. All culling must be done on the water - Not on the bank.

15. Dead Fish Penalty:
For each dead fish a 1/4 pound penalty will be deducted from your total weight. A dead fish will not be weighed-in as big fish. Tournament director will make final decision if fish is dead or not. Fish that appears altered or mangled shall be the tournament director's decision to weigh or not to weigh the fish.

16. Late to weigh-in:
There will be a deduction of 1 lb. per minute of your total weight for every minute late to weigh-in. After 15 minutes past weigh-in teams are disqualified. (Rule may be different at some divisions. Please contact your director to verify)

17. Registration:
There will be registration at the tournament site starting an hour and a half or more before the start of the tournament. All teams are required to be at the ramp 30 minutes prior to the start of the tournament. Registration will close 30 minutes before the start of the tournament. Paying entries fees after the tournament registration time will be accepted only at the tournament Director's discretion. Tournament Directors will only accept cash at registration (NO Checks Please). All teams may pre-register by mail for a tournament. If pre-registering, entry forms must be post marked 10 days before the tournament you desire to fish. Entry fee may be refunded or rolled over to the next tournament, if the director is contacted before the start of the tournament. Failure to contact tournament director for a refund or roll over will result in a forfeit of entry fee and contestants will receive only half of the show up points. Send all entries to the tournament Director of the tournament you desire to fish. There will not be a late registration fee for registering at the ramp. Tournament take off positions will be determined by when the tournament director receives your entry or by draw at registration (please contact the director for take-off procedures). There will be a pre-tournament meeting 30-minutes prior DURING the 30 minutes before the start of each tournament. Divisions (due to state law) that have a limited number of participants will take entries on a first come first serve basis.

18. Weigh-in procedures:
All contestants will be instructed at the pre-tournament meeting on weigh-in procedures. Each team must present his or her own catch to the weigh-in official. No other person shall then handle the fish except a weigh-in official. No person other than weigh-in officials may touch the scales; weigh-in basket or any part of the weigh-in equipment.

19. Live well inspection:
Boats must have a live well, either built into the boat or portable. Live wells must have some type of pump or circulator to keep fish alive. Prior to boat launch Divisional Tournament Director will check all live wells.

20. Life Preserver:
During all U.S.A. BASSIN Tournaments, contestants not wearing their life jackets zipped and secured when the combustion engine is running and in gear will have that day's weight disqualified from the tournament.

21. Sportsmanship:
All contestants are expected to demonstrate the highest standards of sportsmanship, courtesy and conservation. The following shall be cause for immediate disqualification with no appeal available. 1.) Drunkenness. 2.) Use of illegal substances. 3.) Physical or verbal abuse of USA BASSIN personnel or other contestants. 4.) Possession of alcohol or illegal substances in the boat or on your person during hours of the tournament, including weigh-in.

22. Off-Limits:
The tournament director will announce the off-limits areas at each pre-tournament meeting. Any team fishing in the off-limits areas will be disqualified from the tournament. Teams may not fish closer than 50 yards to another competitor who is anchored with the trolling motor up unless given permission. If permission is given to one, then all may fish same water. Having a non-contestant sit on a hole for you shall be cause for disqualification. All U.S.A. BASSIN Divisional, Regional & Classic Tournament locations will NOT be closed to pre-fishing.

23. Leaving Your Boat:
Competitors shall remain with the partners in the boat at all times during the tournament. Except in the event of sickness or brief excursions for "nature calling", a severe storm or other such hazards. If for any reason a team decides to leave the tournament waters early, competitors must try to contact the director, prior to leaving the tournament. If you have boat trouble, one member must remain with the disabled boat. The other team member may board another competitor's boat with that day's catch and bring fish to weigh-in. Please contact the tournament director prior to doing so.

24. Cheating:
Anyone caught cheating in any tournament event will be immediately barred from fishing in any U.S.A. BASSIN event. We reserve the right to have a random truth verification test performed at any time. You may not use a cell phone to gain an advantage over the rest of the competitors. All protest must be submitted in writing to the Classic director before the close of weigh-in. Verbal protest will not be accepted.

25. Insurance:
All members will carry liability insurance on any boat they might use during any of U.S.A. BASSIN Tournaments. Failure to do so or reporting of false information will result in disqualification.

26. Refusal of Membership:
We reserve the right to refuse membership or entry into any of U.S.A. BASSIN Tournament Trail Events.

All rules and regulations of U.S.A. BASSIN Tournaments are subject to review by U.S.A. BASSIN Officials

All Tournament information is subject to change:

Please check the USA BASSIN web site before fishing any Divisional Tournament

Mail Membership form to Tournament Director

Contact USA BASSIN at info@usabassin.com for details on becoming a director!!

Memorandum



To: Honorable Mayor Adam Couch
Alderman Steve Lockhart
Alderman John Carmody
Alderman Steve Wright
Alderman Brian Henning
Alderman Ray Harves
Alderman Michael Stevens
Mickey Ary, City Administrator
Peggy Eoff, City Clerk

From: Scott Newhouse, Chief of Police

A handwritten signature in black ink, appearing to read "Scott Newhouse", with the date "4/18/16" written below it.

Date: April 18, 2016

Subject: Odessa Food and Liquor Mart: License Balbir Kaur Dhillion

I have conducted an investigation of the attached **Application for a City Retail Liquor License** as required by Chapter 2 of the Code of Ordinance.

In accordance with our Alcoholic Beverage Control Ordinance, my investigation disclosed:

- 1) The applicant is **Odessa Food and Liquor Mart, 104 N. 2nd Street Odessa, Missouri 64076**
- 2) The applicant is for a General Merchandise Store to include Sunday Sales for the business to be located at **104 N. 2nd Street**
- 3) The Applicant manager Officer is a legal **voter of Bourbon County, Kansas**
- 4) The Applicant Managing Officer is a taxpaying citizen of **Bourbon County, Kansas**
- 5) The Applicant Managing Officer has not been charged with indicated for, or convicted of a violation of any Federal law, State law, or City ordinance relating to or concerning firearms, gambling immorality, fighting, narcotics, or peace disturbance.
- 6) The Applicant Corporation, **Odessa Food and Liquor Mart**, is considered in good standing and based on sworn documents have never been refused or denied a liquor license in the past.



Memorandum

- 7) The Applicant Corporation has not been convicted of any law relating to the sale or manufacturing of intoxicating liquor, malt liquor or non-intoxicating beer.
- 8) The current location of the business is greater than 100 feet from a school, church or building regularly used as a place of worship.
- 9) Effective January 1, 2009, Missouri State Law requires all applicants for a Business License where goods are sold at retail must provide either a statement from the Missouri Department of Revenue stating no tax is due or a Missouri State Retail Sales Tax Number. This Number has been provided by the applicant. (attached)
- 10) This will be a new application, but will remain at **104 N. 2nd Street**

Based upon the information contained in the Application, I hereby forward the application for consideration by the by the Board of Aldermen of the City of Odessa and herby recommend that it be approved.

Respectfully submitted,
Scott Newhouse
Chief of Police



CITY OF ODESSA, MISSOURI LIQUOR LICENSE APPLICATION



P.O. Box 128 - 125 South Second Street
Odessa, Missouri 64076
e-mail address: CityHall@cityofodessamo.com
Phone: (816) 230-5577 FAX: (816) 633-4985

GENERAL INFORMATION

- (1) Merchant's Licenses shall run for a period of twelve months, and commence on the first day of July in each year. A Missouri Retail Sales License is required to obtain a Merchant's License.
- (2) All Merchant's Licenses are subject to Licensee's compliance with all Zoning requirements.
- (3) A Separate Liquor License is required in addition to the regular Merchant's License.
- (4) The attached City of Odessa Liquor License Application must be submitted and approved by the Board of Aldermen prior to operation of the business.
- (5) Applicant personal Information MUST be completed for each of the following: Owner, Co-Owner, Partner or LLC Member, Managing Officer, Corporation Member, and Resident Local Manager.
- (6) Applicants MUST have ALL City and County Personal and Real Estate Taxes paid prior to approval. Proof must be provided with the Liquor License Application.
- (7) Applicants MUST be Registered Voters prior to approval. Proof must be provided with the Liquor License Application.
- (8) Each Applicant SHALL submit to being fingerprinted and the fingerprints forwarded to the State and Federal criminal records identification divisions. The procedure to get fingerprints can be found at the Missouri Automated Criminal History Site (MACHS) Fingerprint Portal at www.machs.mo.gov. When prompted the City's unique 4 digit registration number is 5405. The Applicant shall pay all associated fees.
- (9) Upon completion of the Liquor License Application, the Application will be forwarded to the Chief of Police who shall conduct an immediate investigation of the statements contained in the Application and file a written report of the findings of such investigation with the Board of Aldermen.
- (10) Upon approval by the Board of Aldermen, a Conditional Approval Letter will be provided by the City Clerk pending additional application and approval by the State of Missouri.
- (11) Assistance in obtaining the State of Missouri Liquor License can be obtained from: Special Agent Joe Hodgins, Missouri Division of Liquor Control, 615 East 13th Street, Room 506, Kansas City, MO 64106 at (816) 889-2574.
- (12) Once approved by the State of Missouri, you may then obtain, upon payment of the appropriate license fees, your City of Odessa Liquor License.
- (13) Once approved by the State of Missouri, you also must obtain a Lafayette County Liquor License from the Lafayette County Clerk's Office at the Courthouse, 1001 Main Street, Lexington MO 64067 at (660) 259-4315.
- (14) All three Liquor Licenses MUST be obtained prior to business operation and SHALL be kept conspicuously posted on the premises.

CITY OF ODESSA, MISSOURI LIQUOR LICENSE APPLICATION



P.O. Box 128 - 125 South Second Street
Odessa, Missouri 64076
e-mail address: CityHall@cityofodessamo.com
Phone: (816) 230-5577 FAX: (816) 633-4985

Date of Application: 2-23-16 Date Application Received: 2-23-16
 Trade Name of Establishment: Odessa Food & Liquor Mart
 Mailing Address: 104 N 2nd St, Odessa, MO-64076
 Applicant Name: Ralph Kaur Dhillon
(as it is to appear on License, if Corporation, name of Corporation and Managing Officer)

| ITEM | LICENSE DESCRIPTION |
|--|---|
| 1 <input type="checkbox"/> | CIGAR AND TOBACCO STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 2 <input type="checkbox"/> | CIGAR AND TOBACCO STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
| 3 <input type="checkbox"/> | CONFECTIONERY AND/OR DELICATESSEN (CONVENIENCE) STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 4 <input type="checkbox"/> | CONFECTIONERY AND/OR DELICATESSEN (CONVENIENCE) STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
| 5 <input type="checkbox"/> | DRUG STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 6 <input type="checkbox"/> | DRUG STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
| 7 <input type="checkbox"/> | GENERAL MERCHANDISE STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 8 <input type="checkbox"/> | GENERAL MERCHANDISE STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
| 9 <input type="checkbox"/> | GROCERY STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 10 <input checked="" type="checkbox"/> | GROCERY STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
| 11 <input type="checkbox"/> | RESTAURANT BAR (RESORT) Retail sales of intoxicating liquor and malt liquor (5% beer) to be consumed on the premises where sold |
| 12 <input type="checkbox"/> | RESTAURANT BAR (RESORT) - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) to be consumed on the premises where sold, includes Sunday Sales |
| 13 <input type="checkbox"/> | TAVERN Retail sales of malt liquor (5% beer) or light wines to be consumed on the premises where sold and for the sale of malt liquor in the original package not to be consumed or opened on the premises where sold |

LOCATION INFORMATION:

(1) Trade Name/Corporation/LLC Name of Premises for Which License is Sought:

AP DILLON LLC DBA ODESSA FOOD & LIQUOR MART

(2) EXACT Location of Premises: 104 N 2nd St
Odessa, MO - 64076

(3) Phone: _____ You Have a Current City Business License? Yes No

(4) What is the distance in feet, measured in a straight line, from the nearest point of the above described premises location to the nearest point of the premises of the nearest school, church, or other building regularly used as a place of religious worship? _____
More than 1000 feet

(5) Are the Premises Occupied in Whole or in Part as a Dwelling? Yes No

(6) Are the Premises Location within the Proper Odessa Zoning District? Yes No

(7) Are Entire Premises Arranged so All Parts Where Customers are Served Open to Public View? Yes No

(8) Are Premises Occupied and Operated Mainly as a Drug Store, Cigar and Tobacco Store, Grocery Store, General Store, Confectionery and/or Delicatessen Store? Yes No

(9) Have You a Stock of Merchandise Amounting to \$1,000.00 or More, Exclusive of Fixtures and Intoxicating Liquors? Yes No

(10) Give Dimensions of All Areas in Which Intoxicating Liquors will be Served or Dispensed: Yes (1600 sq ft)

(11) Seating Capacity of Above Defined Areas: -

(12) If Application is for Liquor by the Drink, Have You Furniture/Equipment Within Premises to be Licensed of a Value of \$5,000.00 or More? N/A Yes No

(13) If Application is for Sunday Sales, are State Qualifications Met? Yes No

(14) If the Application is for a Restaurant Bar (Resort), Have the Premises been Inspected and Accepted by the Lafayette County Health Department? N/A Yes No

Memorandum



To: Honorable Mayor Adam Couch
Alderman Steve Lockhart
Alderman John Carmody
Alderman Steve Wright
Alderman Brian Henning
Alderman Ray Harves
Alderman Michael Stevens
Mickey Ary, City Administrator
Peggy Eoff, City Clerk

From: Scott Newhouse, Chief of Police

Scott Newhouse
4-19-16

Date: April 19, 2016

Subject: Sunrise Market LLC

I have conducted an investigation of the attached **Application for a City Retail Liquor License** as required by Chapter 2 of the Code of Ordinance.

In accordance with our Alcoholic Beverage Control Ordinance, my investigation disclosed:

- 1) The applicant is **Sunrise Market LLC, 1212 W US 40 Highway Odessa, Missouri 64076**
- 2) The applicant is for a General Merchandise Store to include Sunday Sales for the business to be located at **1212 W. US 40 Highway**
- 3) The Applicant manager Officer is a legal **voter of Lafayette County, Missouri**
- 4) The Applicant Managing Officer is a taxpaying citizen of **Concordia, Lafayette County, Missouri**
- 5) The Applicant Managing Officer has not been charged with indicated for, or convicted of a violation of any Federal law, State law, or City ordinance relating to or concerning firearms, gambling immorality, fighting, narcotics, or peace disturbance.
- 6) The Applicant Corporation, **Sunrise Market LLC**, is considered in good standing and based on sworn documents have never been refused or denied a liquor license in the past.



Memorandum

- 7) The Applicant Corporation has not been convicted of any law relating to the sale or manufacturing of intoxicating liquor, malt liquor or non-intoxicating beer.
- 8) The current location of the business is greater than 100 feet from a school, church or building regularly used as a place of worship.
- 9) Effective January 1, 2009, Missouri State Law requires all applicants for a Business License where goods are sold at retail must provide either a statement from the Missouri Department of Revenue stating no tax is due or a Missouri State Retail Sales Tax Number. This Number has been provided by the applicant. (attached)
- 10) This will be a new application, but will remain at **1212 W. US 40 Highway**

Based upon the information contained in the Application, I hereby forward the application for consideration by the by the Board of Aldermen of the City of Odessa and herby recommend that it be approved.

Respectfully submitted,
Scott Newhouse
Chief of Police



CITY OF ODESSA, MISSOURI LIQUOR LICENSE APPLICATION



P.O. Box 128 - 125 South Second Street
Odessa, Missouri 64076
e-mail address: CityHall@cityofodessamo.com
Phone: (816) 230-5577 FAX: (816) 633-4985

GENERAL INFORMATION

- (1) Merchant's Licenses shall run for a period of twelve months, and commence on the first day of July in each year. A Missouri Retail Sales License is required to obtain a Merchant's License.
- (2) All Merchant's Licenses are subject to Licensee's compliance with all Zoning requirements.
- (3) A Separate Liquor License is required in addition to the regular Merchant's License.
- (4) The attached City of Odessa Liquor License Application must be submitted and approved by the Board of Aldermen prior to operation of the business.
- (5) Applicant personal Information MUST be completed for each of the following: Owner, Co-Owner, Partner or LLC Member, Managing Officer, Corporation Member, and Resident Local Manager.
- (6) Applicants MUST have ALL City and County Personal and Real Estate Taxes paid prior to approval. Proof must be provided with the Liquor License Application.
- (7) Applicants MUST be Registered Voters prior to approval. Proof must be provided with the Liquor License Application.
- (8) Each Applicant SHALL submit to being fingerprinted and the fingerprints forwarded to the State and Federal criminal records identification divisions. The procedure to get fingerprints can be found at the Missouri Automated Criminal History Site (MACHS) Fingerprint Portal at www.machs.mo.gov. When prompted the City's unique 4 digit registration number is 5405. The Applicant shall pay all associated fees.
- (9) Upon completion of the Liquor License Application, the Application will be forwarded to the Chief of Police who shall conduct an immediate investigation of the statements contained in the Application and file a written report of the findings of such investigation with the Board of Aldermen.
- (10) Upon approval by the Board of Aldermen, a Conditional Approval Letter will be provided by the City Clerk pending additional application and approval by the State of Missouri.
- (11) Assistance in obtaining the State of Missouri Liquor License can be obtained from: Special Agent Joe Hodgins, Missouri Division of Liquor Control, 615 East 13th Street, Room 506, Kansas City, MO 64106 at (816) 889-2574.
- (12) Once approved by the State of Missouri, you may then obtain, upon payment of the appropriate license fees, your City of Odessa Liquor License.
- (13) Once approved by the State of Missouri, you also must obtain a Lafayette County Liquor License from the Lafayette County Clerk's Office at the Courthouse, 1001 Main Street, Lexington MO 64067 at (660) 259-4315.
- (14) All three Liquor Licenses MUST be obtained prior to business operation and SHALL be kept conspicuously posted on the premises.

CITY OF ODESSA, MISSOURI LIQUOR LICENSE APPLICATION



P.O. Box 128 - 125 South Second Street
Odessa, Missouri 64076
e-mail address: CityHall@cityofodessamo.com
Phone: (816) 230-5577 FAX: (816) 633-4985

Date of Application: _____ Date Application Received: _____

Trade Name of Establishment: Sunrise Market LLC

Mailing Address: 1212 W US Hwy 40 Odessa MO 64076

Applicant Name: Sunrise Market
(as it is to appear on License, if Corporation, name of Corporation and Managing Officer)

| ITEM | LICENSE DESCRIPTION |
|--|---|
| 1 <input type="checkbox"/> | CIGAR AND TOBACCO STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 2 <input type="checkbox"/> | CIGAR AND TOBACCO STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
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| 5 <input type="checkbox"/> | DRUG STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
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| 7 <input type="checkbox"/> | GENERAL MERCHANDISE STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
| 8 <input type="checkbox"/> | GENERAL MERCHANDISE STORE - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold, includes Sunday Sales |
| 9 <input type="checkbox"/> | GROCERY STORE Retail sales of intoxicating liquor and malt liquor (5% beer) in the original package not to be consumed or opened on premises where sold |
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| 11 <input type="checkbox"/> | RESTAURANT BAR (RESORT) Retail sales of intoxicating liquor and malt liquor (5% beer) to be consumed on the premises where sold |
| 12 <input type="checkbox"/> | RESTAURANT BAR (RESORT) - INCLUDES SUNDAY SALES Retail sales of intoxicating liquor and malt liquor (5% beer) to be consumed on the premises where sold, includes Sunday Sales |
| 13 <input type="checkbox"/> | TAVERN Retail sales of malt liquor (5% beer) or light wines to be consumed on the premises where sold and for the sale of malt liquor in the original package not to be consumed or opened on the premises where sold |

LOCATION INFORMATION:

(1) Trade Name/Corporation/LLC Name of Premises for Which License is Sought:

Sunrise Market LLC

(2) EXACT Location of Premises: 1212 W. US Hwy 40 Odessa, MO
64076

(3) Phone #: ⁸¹⁶ 633 4700 Do You Have a Current City Business License? Yes No

(4) What is the distance in feet, measured in a straight line, from the nearest point of the above described premises location to the nearest point of the premises of the nearest school, church, or other building regularly used as a place of religious worship? 2,798 ft.

(5) Are the Premises Occupied in Whole or in Part as a Dwelling? Yes No

(6) Are the Premises Location within the Proper Odessa Zoning District? Yes No

(7) Are Entire Premises Arranged so All Parts Where Customers are Served Open to Public View? Yes No

(8) Are Premises Occupied and Operated Mainly as a Drug Store, Cigar and Tobacco Store, Grocery Store, General Store, Confectionery and/or Delicatessen Store? Yes No

(9) Have You a Stock of Merchandise Amounting to \$1,000.00 or More, Exclusive of Fixtures and Intoxicating Liquors? Yes No

(10) Give Dimensions of All Areas in Which Intoxicating Liquors will be Served or Dispensed: N/A

(11) Seating Capacity of Above Defined Areas: N/A

(12) If Application is for Liquor by the Drink, Have You Furniture/Equipment Within Premises to be Licensed of a Value of \$5,000.00 or More? N/A Yes No

(13) If Application is for Sunday Sales, are State Qualifications Met? Yes No

(14) If the Application is for a Restaurant Bar (Resort), Have the Premises been Inspected and Accepted by the Lafayette County Health Department? N/A Yes No

RESOLUTION 2016-12

RESOLUTION OF THE CITY OF ODESSA, MISSOURI,
AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT
WITH BHMG ENGINEERS, INC. FOR PROFESSIONAL SERVICES FOR THE
NORTHWEST ELECTRIC TIE LINE PROJECT

WHEREAS, the City desires to construct a tie line to connect two existing 12.47 kV circuits of its electric grid using underground construction in order to provide a better quality of service to its customers as well as facilitate future growth; and

WHEREAS, the City desires to utilize BHMG Engineering, Inc., in all phases of design, bidding, and construction management for the project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF ODESSA, MISSOURI, AS FOLLOWS:

Section 1. That the Board of Aldermen authorizes the Mayor to sign the Memorandum of Agreement with BHMG Engineers, Inc., for professional services to design, bid, and manage construction for the Northwest Electric Tie Line Project utilizing underground construction.

APPROVED AND PASSED by the Board of Aldermen of the City of Odessa, this 25th day of April 2016.

(Seal)

By: _____
Adam R. Couch, Mayor

ATTEST:

By: _____
Peggy Eoff, City Clerk

MEMORANDUM OF AGREEMENT

PROJECT DATA

Date June 15, 2015

Project Name City of Odessa, MO – NW Tie Line - Underground

Owner's Project Number _____

BHMG Project Number _____

Description of Service:

Professional services provided to design, bid and manage construction for the NW Tie line utilizing underground construction as further described in Exhibit A.

AGREEMENT DATA

Name Paul Conway, Public Works Director
City of Odessa

Address 125 S. Second Street
City Odessa, MO 64076

Phone 816-633-4662

Status: Estimate
 Quotation
 Revision to Original

Fee Basis: Cost Multiplier _____
 Lump Sum \$65,200
 Other _____

Dates: Start upon execution of agreement

Complete December 31, 2016

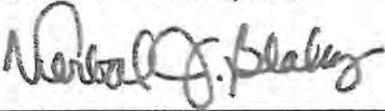
If the above status is indicated as an estimate, our fee will be based upon the time expended and unusual problems or difficulties may necessitate a higher fee. The terms and conditions under which we are providing these services shall apply. Such terms and conditions are set out on the reverse side of this page and incorporated herein by reference.

BILLING DATA

Monthly 30 days net
 Other (explain)

The above is intended as a summary of our agreement for the performance of the work described. Please examine it carefully and, if accurate, indicate your approval and acceptance in the space provided below.

BHMG ENGINEERS, INC.

By 
Verbal J. Blakey, Vice President

ACCEPTED

The undersigned hereby states that they represent the owner(s) of the above described project and that the terms and conditions stated above are understood by them and herewith agreed to and accepted. You are hereby authorized and directed to proceed with the work outlined above.

Date _____ Signature _____

(Print Name & Title)

Date _____ Attest _____

(Print Name & Title)

TERMS AND CONDITIONS
BHMG Engineers, Inc.

To assure an understanding of matters related to our mutual responsibilities, these terms and conditions for services are made a part of this agreement for our services:

AMENDMENTS

This agreement may be amended in writing providing both the Owner and Company agree to such modifications.

COMPENSATION FOR SERVICES

The basis for compensation will be as identified in the agreement.

When "Lump Sum" payment is utilized, it shall include all labor and expenses (for the scope of work as defined in the agreement) incurred by the Company and shall not exceed the fixed payment amount without prior authorization of the Owner.

When a "Payroll Costs" payment is utilized it shall be computed by a multiplier factor times payroll cost plus reimbursable expenses.

The "Payroll Costs" means the salaries and wages paid to all personnel engaged directly on the work plus the cost of customary and statutory benefits including social security contributions, unemployment, health, sick leave, vacation, workman's compensation, incentive and holiday pay applicable thereto.

"Reimbursable Expenses" means the actual expenses incurred directly or indirectly in connection with the work including but not limited to the following: Transportation and subsistence, toll telephone calls, telegrams, reproduction or printing, computer time and outside consultants.

The "Multiplier" is a factor for general direct overhead, indirect costs, profit and other costs. The Multiplier factor rate shall be identified in the agreement.

TIME OF PAYMENT

The Company may submit monthly statements for services and expenses based upon the proportion of the actual work completed at the time of billing. Unless provided for otherwise, payments for engineering services will be due and payable thirty (30) calendar days from the issuance of the Company's statement.

LATE PAYMENT

If the Owner fails to make any payment due the Company for services and expenses within the time period specified, a service charge of 1-1/2% per month will be added to the Owners account. This is an annual rate of 18%.

LIMITATION OF LIABILITY

The Owner agrees to limit the Company's liability to the Owner and to all construction contractors and subcontractors where applicable, on this work, for damages to them, due to the Company's negligent acts, errors or omissions, such that the total aggregate liability of the Company to all those named shall not exceed \$50,000 or the Company's total fee for services rendered on this work, whichever is greater.

TERMINATION

This agreement may be terminated by either party upon written notice. Any termination shall only be for good cause such as for legal, unavailability of adequate financing or major changes in the work. In the event of any termination the Company will be paid for all services and expenses rendered to the date of termination on a basis of payroll cost times a multiplier of 2.5 (if not previously provided for) plus reimbursable expenses.

REUSE OF DOCUMENTS

All documents including drawings and specifications furnished by Company pursuant to this Agreement are instruments of his services in respect of the work. They are not intended or represented to be suitable for reuse by Owner or others on extensions of this work, or on any other work. Any reuse without specific written verification or adaptation by Company will be at Owner's sole risk, and without liability of Company, and Owner shall indemnify and hold harmless Company from all claims, damages, losses and expenses including attorneys fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Company to further compensation at rates to be agreed upon by Owner and Company.

ESTIMATES OF COST

Since the Company has no control over the cost of labor, materials or equipment or over a Contractor(s) method of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost or Construction Costs that may be provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but Company cannot and does not guarantee that proposals, bids or the construction cost will not vary from opinions of probable cost prepared by him. If the Owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.

Exhibit A

This Exhibit is attached to and made part of the Memorandum of Agreement dated _____, 2015 between The City of Odessa (Odessa), Odessa, Missouri (Owner) and BHMGE Engineers, Inc. (Engineer or BHMGE) providing for professional services.

Description of the Project:

Odessa will be constructing a Tie Line to connect two (2) existing 12.47 kV circuits. This distribution line will be routed as indicated on BHMGE drawing no. 1477K001 E1 dated 11/20/12. All easements will be acquired by others. The distribution line will be designed and installed underground.

Scope of Professional Services:

Engineer will provide the following services for this Project:

- Design of underground distribution line.
 - Utilize routing defined in BHMGE drawing no. 1477K001 E1 dated 11/20/12.
 - Discuss design options with Odessa.
- Prepare technical specifications for construction.
 - Review bid from property owner for trenching and excavating.
 - Discuss with Odessa conduit installation and trenching coordination with multiple contractors.
 - Release underground installation technical documents and drawings for bidding.
 - Facilitate one (1) pre-bid meeting with potential bidders.
 - Attend the bid opening.
 - Evaluate bids and supply a letter of recommendation to Odessa.
 - Prepare contract document between Odessa and selected contractor.
- Project Management
 - Work with Odessa, vendors, and contractors to verify project deadlines are met.
 - Prepare and submit pay request to Odessa on a monthly basis.
 - Process any required change orders.
- Construction Observation
 - Facilitate one (1) pre-construction meeting with potential bidders.
 - Provide 15 site visits and periodic observation of construction activities.
 - Provide line staking assistance as needed.
 - Review contractors' work in accordance with specifications.
- Record Drawings
 - Provide record drawings based on field marked prints during construction.

Owner Participation:

The Owner is requested to assist the Engineer by placing at his/her disposal all available information pertinent to the existing distribution line and site / property information, including previous reports, designs, records, drawings, maps, and other data which may be useful to the Engineer in the course of the work.

The Owner is requested to designate a person or persons to act as the Owner's representative with respect to the work to be performed under this agreement; and such person or persons should have the authority to transmit instructions, receive information, interpret and define the Owner's policies and decisions pertinent to the work covered by this agreement.

Engineer's Compensation:

Compensation for the design, engineering, project management, and construction observation for the construction of approximately 0.67 miles of 12.47KV underground distribution line in accordance with the Memorandum of Agreement shall be a fixed fee of \$65,200.00, including engineering related out of pocket/actual expenses incurred at the BHMG offices or the project site. The Engineer shall submit monthly payment requests based on the design progress.

Additional Services of Engineer:

At the request of the Owner, the Engineer can provide additional services, either directly or through its affiliates, at regular hourly rates for such work plus out of pocket expenses. Such work may include items not otherwise provided for by this agreement. Easement acquisition is additional services within this contract.



*P.O. Box 128 • 125 S. Second • Odessa, MO 64076
Phone: (816) 230-5577 • Fax: (816) 633-4985 • cityofodessamo.com*

BOARD OF ALDERMEN ACTION REPORT

ISSUE: Using Ritchie Brothers Auction Services Selling of City of Odessa equipment previously approved by Board of Aldermen to be sold.

ACTION: Board of Aldermen approval for the Mayor to enter into contract agreement with Ritchie Brothers for July auction for selling of pre-approved equipment.

BACKGROUND: The following list of equipment was approved at the March 28th, 2016 Board of Aldermen Meeting to be sold. The list includes;

- 2000 FORD – E450 Ambulance (Med 3)
- 1979 FORD 555E – Backhoe w/ Loader
- 1986 710A Champion Road Grader
- 1996 Ford F350 1 Ton Dump Truck/snow plow/salt spreader (sell as package)

Ritchie Brothers has estimated the sales to range from \$15,000 - \$30,000+

FINANCIAL CONSIDERATIONS: Details are in Section 7 of the Contract Agreement which is a percentage commission based on the sale price of the lot. Based on estimates this would be \$1650 - \$3300 commission cost to the City of Odessa.

ATTACHMENTS: Resolution and Contract Agreement

Submitted by: Mickey Ary – City Administrator

April 25th, 2016

RESOLUTION 2016-13

**RESOLUTION OF THE CITY OF ODESSA, MISSOURI,
AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS
BETWEEN THE CITY AND RITCHIE BROS AUCTIONEERS FOR SALE OF
SURPLUS EQUIPMENT**

WHEREAS, the City of Odessa, Missouri, authorizes the sale of surplus equipment at a Regular Session held on March 28, 2016, and;

WHEREAS, the City wishes to contract with Ritchie Bros Auctioneers for the sale of four of the five pieces of equipment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF ODESSA, MISSOURI, AS FOLLOWS:

Section 1. That the Board of Aldermen authorizes the Mayor to sell the above described items at the Ritchie Bros Auction on July 13, 2016.

Champion 710A Motor Grader S/N 02260
2000 Ford E450 Ambulance S/N 1FDXE45FOYHA19483
Ford 555 Loader Backhoe S/N C591945
1996 Ford F350 Plow Truck S/N 1FDKF38G8TEB24997

Section 2. The Board of Aldermen authorizes the Mayor to execute the contract between the City and Ritchie Bros Auctioneers.

APPROVED AND PASSED by the Board of Aldermen of the City of Odessa, this 25th day of April 2016.

(Seal)

By: _____
Adam R. Couch, Mayor

ATTEST:

By: _____
Peggy Eoff, City Clerk



Ritchie Bros. Auctioneers (America) Inc.
4000 Pine Lake Road, Lincoln, NE USA 68516

402.421.3631 / rbauction.com

CONTRACT TO AUCTION

THIS CONTRACT TO AUCTION IS DATED AS OF (dd/mm/yyyy)

- 1. The undersigned ("Owner") instructs Ritchie Bros. Auctioneers (America) Inc. ("Auctioneer") to sell, as its agent, the items set out in Section 6(h) below together with any additional items delivered to the site of the auction by Owner (the "Equipment") at an unreserved public auction to be held at Odessa, Missouri on or about 13/07/2016 (dd/mm/yyyy) or at such other place or date as Auctioneer may, at its sole discretion deem appropriate.
2. Owner, Guarantor and Auctioneer agree that the terms and conditions of this Contract to Auction shall be those set out hereafter and by executing this Contract, Owner and Guarantor extend to Auctioneer the representations and warranties herein.
3. Owner shall deliver the Equipment, at Owner's cost, to the auction site (1800 W Old 40 Hwy Odessa Missouri 64076) on or before 02/05/2016 (dd/mm/yyyy):
(a) in good operating condition, free of material defects except as disclosed to Auctioneer, with adequate fuel and batteries and starting at the key;
(b) free of hazardous materials other than normal operating fuels, oils, and lubricants;
(c) in a condition equivalent to or better than its condition when and if last viewed by Auctioneer's representative; and
(d) in compliance with all applicable environmental and/or safety rules and regulations.
4. Owner authorizes Auctioneer to supply such glass and parts and to carry out such welding, cleaning, sandblasting, painting and other refurbishing and incur expense for the moving, hauling and storage of the Equipment as Auctioneer at its sole discretion determines and all costs incurred plus a surcharge equal to 10% of such amount shall be at the expense of and paid by Owner, provided however, that the liability of Owner pursuant to this paragraph shall not exceed the sum USD0.00.
5. Owner authorizes Auctioneer to supply fuel, batteries and tire repair as Auctioneer determines necessary for the demonstration and sale of the Equipment and all costs incurred shall be at the expense of and paid by Owner.
6. Owner represents and warrants:
(a) the Equipment is, and on the date of the auction will be, owned by Owner free and clear of any and all registered and unregistered liens, security interests, tax or duty obligations or other encumbrances or contrary claims whatsoever, except as set out in Section 6(h) below;
(b) the Equipment is in good operating condition, free of material defects, except as disclosed to Auctioneer;
(c) Owner is solvent and has not made, nor is it aware of, any assignment, proposal or other proceeding for the benefit of its creditors;
(d) the description of the Equipment is accurately set forth in Section 6(h) below, and in the case of all motor vehicle Equipment, such Equipment has never been re-built, salvaged or glidered except as disclosed to Auctioneer;
(e) all odometer and hour meters on the Equipment reflect actual mileage or usage unless otherwise disclosed to Auctioneer in Section 6(h) below;
(f) the offering for sale, advertising or selling of the Equipment will not contravene or infringe upon any patent, copyright, trademark, agreement or similar right of any third party;
(g) Owner and its signatories are duly authorized to enter into this Contract; and
(h) complete and accurate description of the Equipment and any encumbrances and liens thereon or contrary interests therein are as follows:

Table with 4 columns: #, Item Description — Year, Manufacturer, Model, Serial Number, Description, Event, Comes with, Owner Equipment ID, Encumbrance Holder (if none, state 'nil'), Amount Owning on Encumbrance. Row 1: See Attached Schedule A

- 7. Owner agrees to pay Auctioneer an auction commission based on the gross sale price of the Equipment or any part thereof as follows:
(a) for any lot realizing more than USD 2,500.00, 11.00 %;
(b) for any lot realizing USD 2,500.00 or less but with a minimum USD 100.00 fee per lot, 25.00 %; and
(c) a USD 65.00 document administration fee for each item of Equipment requiring title or registration documents.

Owner Initials table with two empty columns for initials.

- 8. Owner authorizes Auctioneer to:
(a) carry out title searches in respect of the Equipment at the expense of Owner, but in no case shall Auctioneer have a duty to conduct, nor be responsible for the results of any such title search; and
(b) contact creditors to determine amounts claimed against the Equipment.
9. Auctioneer shall carry out the auction in accordance with its usual procedures, and in particular may group various parts of the Equipment into such lots as it sees fit.
10. Auctioneer is constituted as an agent only of Owner and not a principal in the sale of the Equipment.
11. Neither Owner, nor any person, or corporation affiliated with, acting as agent for, or for the benefit of Owner shall bid on the Equipment at the auction; in the event Owner is in violation of this provision, the Equipment shall be deemed not sold, the provisions of Section 18 shall apply and in addition to any other remedies hereunder Owner shall pay to Auctioneer as commission upon resale, an amount equal to twenty percent (20%) of the bid price.
12. Owner shall deliver to Auctioneer ten (10) days prior to the date of the auction: all documents evidencing Owner's title to the Equipment, all documents required to transfer title to the Equipment to any purchaser, properly endorsed and, where ownership of the Equipment or any part thereof is capable of, or required to be, registered, all properly endorsed documents necessary to permit purchaser to register ownership. Owner acknowledges that without such documents the sale price of the Equipment is expected to be less than that obtained if the documents were provided. Should Auctioneer be required to purchase titles on Owner's behalf, Auctioneer shall be entitled to interest on advanced amounts at a rate of US Bank prime plus 2%. Owner nominates and appoints Auctioneer its true and lawful Attorney to sign, execute and deliver on its behalf all documents required to transfer title and permit registration of ownership of the Equipment by purchaser thereof in the event that such documents have not been delivered as required.
13. The Equipment shall remain at the sole risk of Owner until the happening of the events hereinafter described. Owner shall:
(a) be responsible for any loss or damage to the Equipment, other than loss or damage resulting solely from the negligence of Auctioneer or its employees, until the earliest of (i) the removal of the Equipment from the auction site by the purchaser, or (ii) receipt by Owner of all proceeds from the sale of the Equipment; and
(b) insure the Equipment to its full insurable value against all perils so that in the event of damage to or destruction of the Equipment or any part thereof, all insurance proceeds shall be credited to the gross proceeds of the auction and payment made to Auctioneer forthwith for (i) commission, based on the fair market value as determined by Auctioneer of the damaged or destroyed Equipment immediately prior to such damage or destruction, (ii) repayment of all cash advances, if any, made by Auctioneer to or on behalf of Owner together with interest thereon, and (iii) reimbursement of all out-of-pocket costs for refurbishing or repairs done by Auctioneer prior to the

- damage or destruction.
14.
 - (a) Auctioneer may make payments on account of any registered or unregistered charges, liens, taxes or other interests claimed by any person or authority in respect of the Equipment, whether or not disclosed, in order to clear title to the Equipment, and
 - (b) Owner shall indemnify and save harmless Auctioneer and any purchasers of the Equipment against any and all loss, costs (including attorney's fees) or damages occasioned by such claims.
 15. Owner shall not withdraw the Equipment or any part thereof from the auction sale. If Owner is in breach of this provision, in addition to other damages which may be assessed, Owner shall pay to Auctioneer all amounts Auctioneer would otherwise be entitled to pursuant to Section 23 below, based upon the fair market value of the withdrawn Equipment (as determined by Auctioneer). If such breach occurs within 40 days of the auction it may damage Auctioneer's business reputation and customer relations and Auctioneer will not be made whole by monetary recompense. In such event Auctioneer may, at its sole option, apply for an order for specific performance and Owner waives all rights to object to such an application.
 16. Owner authorizes Auctioneer to operate the Equipment for purpose of demonstrating it at the auction.
 17. Owner shall defend, indemnify and save Auctioneer, its parents, subsidiaries and affiliates, and each of their officers, directors, shareholders, employees and agents, harmless against any and all claims, demands, suits, actions, causes of action, damages, costs or charges whatsoever arising from:
 - (a) any breach of the representations, warranties or covenants set out herein;
 - (b) hazardous materials associated with the Equipment or contamination resulting from any leakage, spills, or malfunction of the Equipment;
 - (c) deficiencies in the provision of documents required for the purpose of titling or registering any part of the Equipment by any purchaser thereof;
 - (d) any deficiency in compliance with EPA rules or regulations;
 - (e) any negligence, unlawful act, or willful misconduct of Owner in connection with this Contract; and
 - (f) any infringement of a patent, copyright, trademark, agreement or similar right of any third party caused by the offering for sale, advertising or sale of any part of the Equipment.
 18. Auctioneer may, if it deems necessary, re-auction any part of the Equipment not sold or not paid for at the auction and Owner hereby acknowledges that no monies shall be payable by Auctioneer in respect of any part of the Equipment until such part of the Equipment has been paid for in full by the purchaser thereof.
 19. The auction will be without reserve, the Equipment will be sold to the highest bidder and there will be no guarantee whatsoever by Auctioneer as to the gross proceeds to be realized from the sale of the Equipment.
 20. Owner will comply with all laws relating to the sale of the Equipment.
 21. Auctioneer shall have a lien and charge upon the Equipment and shall be entitled, in addition to all its rights under law, to seize and retain possession of the Equipment as security for, and/or sell the Equipment to recover, all sums owing to Auctioneer hereunder. Auctioneer shall have the right, at its sole option, to register such lien under any personal property security or other laws as may be in effect.
 22. Auctioneer may, at its sole discretion, in conjunction with the unreserved public auction, offer certain lots to registered bidders using its proprietary online bidding service, or through its silent "timed auction lot" system; however Auctioneer shall not be liable for any claims or costs arising from its decision to utilize such technologies or from its failure to do so.
 23. Owner irrevocably assigns to Auctioneer all amounts due pursuant to this Contract and Auctioneer shall apply all amounts collected from the sale of the Equipment as follows:
 - (a) as payment to, and reimbursement of, Auctioneer for those amounts allowed by this Contract;
 - (b) for payments to lien holders and others as allowed by Section 14 above;
 - (c) as payment to Auctioneer for outstanding amounts otherwise due and owing to Auctioneer, as a right of set-off, in connection with any purchases, deficiencies or services rendered by Auctioneer; and
 - (d) balance, if any, will be sent to Owner, on or before the **twenty-first (21st)** day following the auction.
 24. Auctioneer shall have the right, at its discretion, to:
 - (a) withdraw from this Contract and its obligations hereunder shall be unenforceable by Owner; or
 - (b) rescind the sale of the Equipment to a purchaser in whole or in part if there is insufficient equity in the Equipment to pay those amounts allowed by this Contract or Owner is in breach of any of its representations and warranties hereunder;

however, notwithstanding the foregoing, in the event the Equipment is sold, Owner shall pay to Auctioneer any deficiency arising in the event gross proceeds collected from the sale of the Equipment are insufficient to allow payment of those amounts.
 25. Should Auctioneer be required to participate in any action to either enforce the terms of this Contract or as a result of other activities of Owner, Auctioneer shall be entitled to recover all its costs including lawyer's fees.
 26. Owner authorizes Auctioneer to use Owner's name, trademark or logo in advertising the auction.
 27. Owner acknowledges that Auctioneer may charge purchasers an administrative fee based on the selling price of each lot.
 28. This Contract, which may be amended only in writing, constitutes the entire agreement and takes the place of prior contracts or understandings between the parties and inures to the benefit of and is binding upon their heirs, executors, administrators, successors and assigns.
 29. This Contract is subject to and governed by the laws of the State of Washington. Any disputes arising from or relating to this Contract shall be resolved in a court of competent jurisdiction in: (a) any jurisdiction in which either Owner or Guarantor has a place of business, assets, or agent for service of process; or (b) King County, Washington. The parties hereto irrevocably waive any right to object to the jurisdiction of such courts or to a trial by jury in any dispute arising from or relating to this Contract.
 30. Information provided in this Contract shall be retained by Auctioneer in accordance with its formal Privacy Statement, available at www.rbauction.com.
 31. This Contract may be executed by fax, PDF, or other electronic transmission and in counterpart, each of which when taken together shall be deemed to constitute an original and form part of the same document, and, upon acceptance by Auctioneer, be considered binding on both parties.
 32. Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Contract for failure or delay in fulfilling or performing any term of this Contract when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, including but not limited to fires, strikes, floods, adverse weather that has the potential to injure persons or damage property, acts of war, terrorism, riot, or public disorder, acts of God, lawful acts of public authorities or electronic failures and internet service provider disruptions.
 33. Where there is more than one Owner under this Contract, any and all liabilities, obligations, covenants and duties set out herein shall be joint and several in nature.
 34. Any legal notice given hereunder shall be delivered by prepaid registered mail to the parties hereto at the address set out herein.
 35. The parties shall execute such further documents and do any and all such further things as may be necessary to implement and carry out the intent of this Contract.
 36. In consideration of Auctioneer agreeing to enter into this Contract, the undersigned Guarantor guarantees and agrees with Auctioneer to duly pay any monies which may become due by Owner to Auctioneer, to be bound by and duly perform and observe, punctually, each and every provision of this Contract; provided, however, that the liability of Guarantor shall not be affected by any extension of time, indulgence or any act whatsoever of Auctioneer done either with or without notice to Guarantor.

| | | | | |
|---------------------------|-------------------------------|---------------------|---------------|--------------------------|
| Owner Name: | City of Odessa Missouri | | | |
| Owner Address: | Street: | 125 S 2nd St | City: | Odessa |
| | State/Province: | MO | Country: | United States of America |
| Authorized Person: | | | Title: | |
| Telephone: | 1 (816) 230-5577 | | Fax: | |
| E-mail: | mickey.ary@cityofodessamo.com | | | |
| Signature: | | Date Signed: | (dd/mm/yyyy) | |

| RITCHIE BROS. AUCTIONEERS (AMERICA) INC. | | | |
|---|---------------|---------------------|-------------------|
| Name: | Jordan Walton | Title: | Territory Manager |
| Signature: | | Date Signed: | (dd/mm/yyyy) |



Ritchie Bros. Auctioneers (America) Inc.
4000 Pine Lake Road, Lincoln, NE USA 68516

SCHEDULE A Part of a Contract to Auction

Owner's Name:

City of Odessa Missouri

| | |
|--------------------------------|------------------|
| Auction Site | Auction Location |
| Kansas City, MO - Jul 13, 2016 | Odessa, Missouri |

| # | Item Description | Encumbrance Holder (if none, state 'nil') | Amount Owning on Encumbrance |
|---|--|--|---------------------------------|
| 1 | Manufacturer: Champion Model: 710A Machine Type: Motor Grader S/N: 02260 Hrs/Mil: 5131 hrs | nil | |
| 2 | Year: 2000 Manufacturer: Ford Model: E450 Machine Type: Ambulance S/N: 1FDXE45F0YHA19483 Hrs/Mil: 167079 miles | nil | |
| 3 | Manufacturer: Ford Model: 555 Machine Type: Loader Backhoe S/N: C591945 | nil | |
| 4 | Year: 1996 Manufacturer: Ford Model: F350 Machine Type: Plow Truck S/N: 1FDKF38G8TEB24997 | | |

| | |
|----------------|--|
| Owner Initials | |
| | |

BILL NUMBER: 2016-05

ORDINANCE NUMBER: 2918

AN ORDINANCE OF THE CITY OF ODESSA, MISSOURI, APPROVING A REQUEST FROM THE ODESSA CHURCH OF CHRIST TO REPLAT LOTS 1, 2, 22, 23, AND 24, BLOCK 4 ORIGINAL TOWN OF ODESSA

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

Section 1. The Church of Christ Replat of Lots 1, 2, 22, 23, and 24, Block 4, Original Town of Odessa is hereby approved.

Section 2. This ordinance shall be in full force and effect from and after the date of its passage and approval and shall remain in effect until amended or repealed by the Board of Aldermen.

Read two times and passed by the Board of Aldermen of the City of Odessa, Missouri, this 25th of April 2016.

(SEAL)

Adam R. Couch, Mayor

ATTEST:

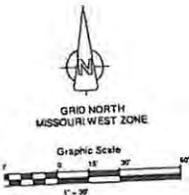
APPROVED:

Peggy Eoff, City Clerk

Adam R. Couch, Mayor

REPLAT OF LOTS 1, 2, 22, 23 AND 24, BLOCK 4, ORIGINAL TOWN OF ODESSA

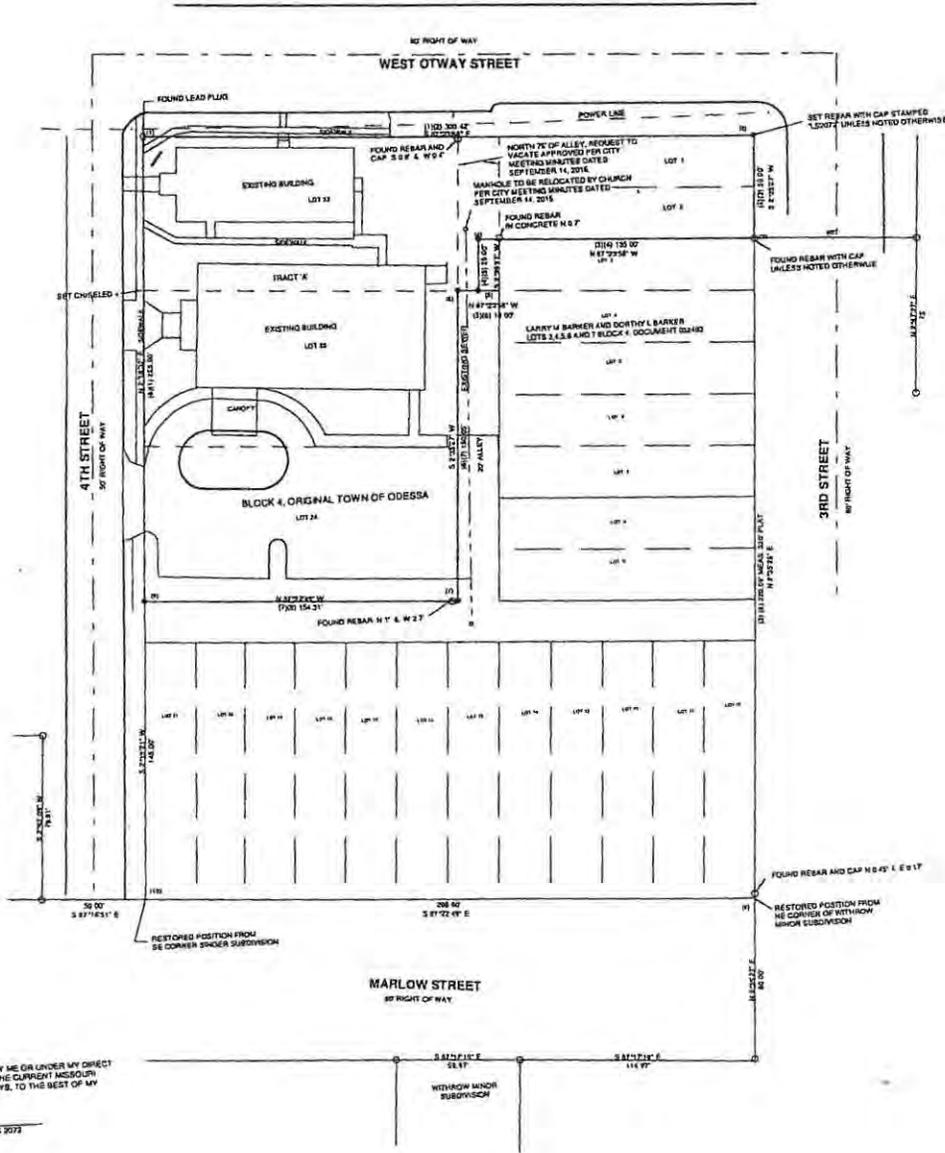
A SUBDIVISION IN THE CITY OF ODESSA, LAFAYETTE COUNTY, MISSOURI.
PART OF THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 49, RANGE 28 WEST



DATE: MARCH 3, 2016

PREPARED BY:
GMC SURVEYS
10307-A E. 86TH TERR.
RAYTOWN, MO 64133

PREPARED FOR:
ODESSA CHURCH OF CHRIST, INC.
210 N 4TH STREET
ODESSA, MO 64133



DESCRIPTION:
LOTS 1, 2, 22, 23 AND 24, BLOCK 4, IN THE ORIGINAL TOWN, NOW CITY OF ODESSA, MISSOURI,
AND ALSO
THE WEST HALF OF THE 20 FOOT ALLEY ADJOINING SAID LOT 22,
AND ALSO
THE EAST HALF OF SAID 20 FOOT ALLEY ADJOINING SAID LOTS 1 AND 2,
AS SAID LOTS AND ALLEY APPEAR UPON THE PLAT OF SAID TOWN OF ODESSA, IN PLAT
BOOK 3, AT PAGE 8 IN THE OFFICE OF THE RECORDER OF DEEDS FOR
LAFAYETTE COUNTY, MISSOURI.

DEDICATION:
THE UNDERSIGNED PROPRIETOR OF THE TRACT OF LAND HEREW DESCRIBED HAS CAUSED THE SAME TO BE
RELAYED BY THE MANNER SHOWN ON THE ACCOMPANYING PLAT. WHICH PLAT AND SUBDIVISION SHALL
HEREINFTER BE KNOWN AS REPLAT OF LOTS 1, 2, 22, 23 AND 24, BLOCK 4, ORIGINAL TOWN OF ODESSA, IN
TESTAMONY WHEREOF.

PRESIDENT OF THE ODESSA CHURCH OF CHRIST, INC.
HAS SIGNED THIS PLAT AS THEIR FREE ACT AND DEED THIS _____ DAY OF _____ 20__

NOTARY CERTIFICATION:
STATE OF MISSOURI
COUNTY OF LAFAYETTE

BE IT REMEMBERED THAT ON THIS _____ DAY OF _____ 20__ BEFORE ME, THE UNDERSIGNED, NOTARY PUBLIC IN AND FOR THE
COUNTY AND STATE AFORESAID, PERSONALLY APPEARED _____
TO ME PERSONALLY KNOWN, WHO BEING BY ME DULY SWORN DID SAY THAT HE IS THE
PRESIDENT OF THE ODESSA CHURCH OF CHRIST, INC. AND THAT SAID INSTRUMENT WAS SIGNED IN BEHALF OF SAID ODESSA CHURCH OF
CHRIST, INC. BY AUTHORITY OF ITS BOARD OF DIRECTORS, AND SAID _____ ACKNOWLEDGED SAID
INSTRUMENT TO BE THE FREE ACT AND DEED OF SAID CORPORATION.
IN WITNESS WHEREOF, I HAVE HEREBY SET MY HAND AND AFFIXED MY NOTARIAL SEAL AT MY OFFICE ON THE DATE HEREIN LAST ABOVE
WRITTEN.

BY ORDER OF THE PLANNING COMMISSION OF THE CITY OF ODESSA, MISSOURI THE FOREGOING REPLAT OF LOTS 1, 2, 22, 23 AND 24,
BLOCK 4, ORIGINAL TOWN OF ODESSA IS HEREBY APPROVED
THIS _____ DAY OF _____ 2016.

CHAIRMAN _____ SECRETARY _____
BY ORDER OF THE BOARD OF COMMISSIONERS OF THE CITY OF ODESSA, MISSOURI THE FOREGOING REPLAT OF LOTS 1, 2, 22, 23 AND 24,
BLOCK 4, ORIGINAL TOWN OF ODESSA IS HEREBY APPROVED
THIS _____ DAY OF _____ 2016.

MAYOR _____ CITY CLERK _____

THIS IS TO CERTIFY THAT THIS SURVEY WAS EXECUTED BY ME OR UNDER MY DIRECT
PERSONAL SUPERVISION, AND IS IN ACCORDANCE WITH THE CURRENT MISSOURI
MINIMUM STANDARDS FOR PROFESSIONAL BOUNDARY SURVEYS, TO THE BEST OF MY
PROFESSIONAL KNOWLEDGE AND BELIEF.

DATE: _____ KENNETH B. SHACKNELL LS 2017