

DARDENNE



PRAIRIE

**CITY OF DARDENNE PRAIRIE
2032 HANLEY ROAD
DARDENNE PRAIRIE, MO 63368**

**BOARD OF ALDERMEN
WORK SESSION AGENDA
AUGUST 6, 2025
6:00 p.m.**

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE

ITEMS FOR DISCUSSION AND CONSIDERATION

1. Presentation of the Financial Statements for the year ended December 31, 2024
2. RBA – Recognition of Richard Sheets (Wilson & Johnson)
3. RBA – Office & Board Room Furniture (Mayor Widaman)
4. RBA – Snow & Ice Removal Services (Davidson)
5. Report – Economic Viability of Community Recreation Centers (Pratt)
6. Review of 08-06-25 Board of Aldermen agenda

STAFF COMMUNICATIONS

1. City Attorney
2. City Engineer
3. City Administrator
4. Aldermen
5. Mayor

CLOSED SESSION

Roll call vote to hold closed session pursuant to RSMo 610.021 section _____
Litigation and Privileged Communications (1)
Real Estate (2)
Personnel (3)
Bid Specs (11)
Audit (17)

RETURN TO REGULAR MEETING AGENDA

ADJOURNMENT

EXHIBIT B

Request for Board Action

By: Alderman Ryan Wilson and Alderman Mark Johnson

RBA FORM (OFFICE USE)

MEETING DATE: August 6, 2025

Regular () Work Session (X)

ATTACHMENT: YES () NO ()

Contract () Ordinance () Other (X)

- **Description:** To give a token of appreciation from the city of Dardenne Prairie to Richard Sheets for his retirement from the Missouri Municipal League. Mr. Sheets has served with the Missouri Municipal League for 40 years. Since 2004, he has worked as deputy director, and since 2009, as the director of the League's legislative and advocacy efforts. Mr. Sheets has been instrumental in sharing municipal challenges with Missouri legislators and working collaboratively with both lawmakers and stakeholders to craft solutions to help Missouri communities thrive.

-
- **Recommendation:** Staff – Approve () Disapprove ()
-

- **Summary/Explanation:**

I would like to give a gift card or item that would show appreciation from City of Dardenne Prairie.

- **Budget Impact:** \$100
-

RBA requested by: Wilson & Johnson

Date: 07/30/2025



EXHIBIT C

RBA FORM (OFFICE USE ONLY)

MEETING DATE: August 6, 2025

Regular () Work Session (X)

ATTACHMENT: YES () NO (X)

Contract () Ordinance () Other (X)

Request for Board Action
By: Mayor

• **Description:**

Purchase new office furniture for the Mayor, City Administrator, City Clerk, and City Engineer and new chairs for the Board of Alderman Board Room as Phase 1 of a long-term plan to update and modernize office furniture across City Hall.

• **Recommendation:** Staff – Approve (X) Disapprove ()

• **Summary/Explanation:**

The existing office furniture in these areas is outdated, not configured to support modern technology, and lacks ergonomic features. The proposed upgrades will include adjustable stand-up desks and new layouts designed to promote workplace wellness, increase productivity, and accommodate the growing technology needs of each position. Includes replacement of desks, chairs, and storage components in four key offices, inclusion of height-adjustable desks for ergonomic benefit, reconfiguration to support dual monitors, dock stations, and future technology needs

This Phase 1 investment focuses on high-impact roles that have frequent public engagement and collaboration across departments.

In addition to the office furniture upgrades, this request includes the purchase of ten (10) new high-top ergonomic workstation stools for the Board Room. These stools will replace the existing chairs used by the Mayor, Aldermen, and City staff during public meetings. The current chairs are worn, some are broken, and they do not provide adequate ergonomic support for the duration of evening meetings.

• **Budget Impact:** (revenue generated, estimated cost, CIP item, etc.)

- Estimated total cost for office furniture: \$40,000-\$45,000
- Estimated Cost for 10 High-Top Ergonomic Stools: \$4,000-\$5,000

This is currently unbudgeted in the FY2025 General Fund, but funds are available within the General Fund balance to support this one-time investment.

RBA requested by: *Cathy Pratt* Date: 7/30/25

EXHIBIT A

RBA FORM (OFFICE USE ONLY)

MEETING DATE: 8/6/2025

Regular () Work Session (X)

ATTACHMENT: YES (X) NO ()

Contract () Ordinance (X) Other ()

Request for Board Action
By: Staff

• **Description:**

Proposal Award/Agreement for RFP 25-002, Snow and Ice Removal Services for the Winter Season of 2025-2026.

• **Recommendation:** Staff – Approve (X) Disapprove ()

• **Summary/Explanation:**

The City issued a Request for Proposals (RFP) for snow plowing and ice removal services for the winter season of 2025-2026. The scope of work includes plowing and salting designated city-maintained streets during winter weather events.

The City received one (1) bid in response to the RFP. The proposal submitted by Scharf Construction was reviewed and determined to meet all qualifications and requirements outlined in the RFP.

Staff recommend awarding the snow plowing and ice removal services contract to Scharf Construction, utilizing the unit rates included in their proposal and excluding the flat seasonal rate option.

• **Budget Impact:** (revenue generated, estimated cost, CIP item, etc.)

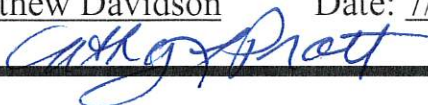
Identified in the FY2025 Budget under Street Maintenance for \$130,000.00

2025 Budget Available: \$130,000.00

2025 Budget Requested: \$130,000.00

Estimated cost per winter event (based on submitted unit rates): ≈ \$15,000. Actual expenditures will vary based on event frequency and severity. The flat seasonal rate option will not be utilized.

RBA requested by: Matthew Davidson Date: 7/30/2025



DARDENNE



PRAIRIE

City of Dardenne Prairie

**Evaluation of Economic Viability of a
Community Recreation Center**

July 22, 2025

Executive Summary

This report was created using AI Research. The research focused on evaluating the economic viability of a community recreation center without a pool on a 10-acre site. It examined whether such centers are typically self-sustaining or require subsidies, with attention to national and Missouri-specific trends. The research included benchmarking capital and operating costs against similarly sized cities (8,000–15,000 population), analyzing cost recovery models, and exploring short- and long-term sustainability. It also reviewed best practices in facility planning and use of land, guided by NRPA standards and regional case studies.

The purpose of the report is to provide data for the Board of Alderman to explore the financial and operational feasibility of constructing and operating a community recreation center on a 10-acre site in the City of Dardenne Prairie, Missouri. The proposed facility would not include a pool or ice rink, focusing instead on gymnasiums, multi-use spaces, and community amenities.

Key findings include:

- Community recreation centers are typically not self-sustaining; they operate with an average national subsidy of 65–75%.
- Missouri cities mirror national trends, with nearly all public recreation centers requiring substantial taxpayer support.
- Capital costs for a non-aquatic facility could range from \$8 to \$15 million, depending on size and design.
- Operating costs are expected to fall between \$500,000 and \$1.5 million annually, with cost recovery typically between 30% and 50%.
- Short-term operations (first 3–5 years) will require higher subsidies due to ramp-up and initial staffing costs.
- Long-term sustainability depends on dedicated funding sources, capital maintenance planning, and adaptive programming.

Based on national and regional benchmarks, the report concludes that while a recreation center is a valuable community asset, it will require an ongoing financial commitment. The City must identify a reliable funding strategy to support both capital and operating needs for long-term success.

Economic Viability of Community Recreation Centers

Overview

The City of Dardenne Prairie is evaluating the construction of a community recreation center on a 10-acre site (not including an aquatics facility). A key question is whether such centers can be economically self-sustaining or if they typically require ongoing subsidy. This report reviews the financial performance of municipal recreation centers, including national and Missouri-specific data on cost recovery (the portion of operating costs covered by user fees) versus subsidy. It also provides benchmarks from similar-sized communities, outlines capital and operating cost expectations, and discusses short-term viability and long-term sustainability considerations.

Financial Self-Sufficiency vs. Subsidy

Community recreation centers are rarely fully self-sustaining from user fees alone. In practice, most are subsidized by public funds to some extent. Nationwide data show that only a fraction of operating costs are recovered through revenues like memberships and program fees:

- **Cost Recovery Rates:** A leading parks finance expert, Dr. John Crompton, noted the national average cost recovery for public parks and recreation services is around 34%. In other words, roughly two-thirds of operating costs are covered by tax subsidies on average. Recent National Recreation and Park Association (NRPA) surveys find a typical agency recovers only 24–25% of its operating expenditures from non-tax revenues – meaning about 75% is subsidized by general fund or other sources. Clearly, most municipal recreation facilities are not profit centers and depend on public funding for the majority of expenses.
- **Self-Sustaining Exceptions:** Very few municipal centers break even or turn a profit. Achieving 100% cost recovery would require a commercial-style model (high membership fees, cost-cutting, and revenue-driven programming), which is often at odds with the public service mission and affordable pricing goals of city facilities. Even in well-off communities, centers typically fall short of full cost recovery. For example, a feasibility study in Wentzville, MO projected that a new recreation center would at best recover 88% of its operating costs (with certain shared efficiencies) and around 76% in a standard scenario, confirming that some subsidy would still be needed. Similarly, an analysis of a city recreation center in Texas showed it consistently only earned around 46–54% of its direct operating costs from revenue in normal years, with the rest covered by the city.
- **Conclusion: Recreation centers are not typically self-sustaining through fees.** They are generally designed as community amenities rather than profit-generating enterprises. Municipalities should expect to budget an annual subsidy (often significant) to support operations, in exchange for the facility's social and health benefits to the community.

National Average Subsidies for Municipal Recreation Centers

At the national level, data indicates that municipal recreation departments rely heavily on subsidies:

- **National Averages:** As noted, the median cost recovery across park and recreation agencies is only about 25% .² This implies a 75% subsidy rate on operating costs on average. Dr. Crompton's research puts the average cost recovery a bit higher (~34%), but still in the one-third range. In either case, the "national average subsidy" is on the order of two-thirds of operating costs. For every \$1.00 spent to run facilities and programs, roughly \$0.66–\$0.75 comes from tax-based support or other non-earned revenues.
- **Range and Context:** These are medians/averages; actual cost recovery varies by community size and facility offerings. Agencies in denser or wealthier areas sometimes generate more revenue (e.g. agencies serving 50,000–100,000 residents had a median ~28.5% cost recovery in one survey) ⁵ .⁶ Conversely, smaller/rural agencies may recover slightly less (~22% in some cases) ⁶ . No category of agencies comes close to 100% self-funding on average. Even the top quartile performers recover ~45% or a bit more, which still means over half of costs are subsidized.
- **Interpretation of "Subsidy":** The term *subsidy* in this context usually means support from general tax funds, dedicated levies, or other public funding that covers the gap between what user fees bring in and the actual costs to operate the center. Nationally, the primary funding source for parks and rec operations is local taxes (often making up 60%+ of funding)⁸ ⁹ . Earned revenues (fees, memberships) might cover ~20–30% on average ¹⁰ ¹¹ . The rest often comes from special taxes, grants, or sponsorships that are essentially forms of subsidy² ¹³ .

In summary, the national norm is for municipal recreation centers to be subsidized, not self-supporting. The average subsidy is substantial – roughly 65–75% of costs, or put another way, for each dollar of cost, only \$0.25–\$0.35 is covered by user revenues on average ² .

Missouri Trends and Examples

Missouri's municipal recreation centers follow the same general pattern of requiring subsidies. Many local officials acknowledge that these centers are community services that need tax support:

- According to the mayor of Rolla, MO (which operates "The Centre" recreation complex), virtually "every one of the community centers that we've come across in the state of Missouri and beyond is taxpayer supported". He noted this is often "a lot of money, to the point of a million dollars a year" in subsidies for some facilities. This underscores the fact that in Missouri it is expected that a city will subsidize its rec center's operating costs; a break-even scenario would be an outlier.
- **Rolla, MO (pop. ~20,000):** Rolla's Centre was originally intended to be self-sustaining, but it has never made enough money to pay for itself ¹⁶ ¹⁷ . The city did not implement an ongoing tax for operations when it built the facility, so the shortfall had to be covered by other means. In recent years, Rolla had to use federal relief funds to prop up the center's budget (e.g. \$850,000 of ARPA funds for 2020–2022 losses, and \$475,000 plus an additional \$165,000 for 2023 to cover the

Center's deficit)¹⁸. This level of subsidy (hundreds of thousands per year) illustrates the financial burden on a mid-sized city's budget. Rolla's experience also taught them that scaling back revenue-generating space (e.g. having a smaller fitness center to avoid competing with private gyms) made the facility even less able to cover costs¹⁹ ²⁰. Now, the city accepts that ongoing taxpayer support is required to keep it open.

- **Bellefontaine Neighbors, MO (pop. ~10,000):** This St. Louis County city operates a community center with an outdoor pool. Their strategic plan set a goal of reaching 50% cost recovery by 2023 – ²¹ meaning even in their *target* scenario, half of the operating cost would still be subsidized by the city. A 50% recovery goal is ambitious by public sector standards, yet it still acknowledges a 50% subsidy. Many Missouri cities use similar targets (e.g. aiming for 50% or 70% cost recovery for recreation facilities) as a way to balance public access with fiscal responsibility. Few if any aim for 100% because it's considered unrealistic without altering the mission or pricing structure significantly.

- **Wentzville, MO (pop. ~40,000):** Wentzville is larger than Dardenne Prairie but provides a regional example. In studying a new recreation center, Wentzville found it would not recover all its costs via revenue. The pro forma projected an annual operating deficit of around \$210k (with shared operations) or \$487k (stand-alone), equating to roughly 76%–88% cost recovery at best ²² ³. The remainder would need to come from city funds. Wentzville's relatively high-cost recovery projection (up to 88%) assumed robust membership and program income, yet still anticipated a subsidy for the balance.

- **Other Missouri communities:** Many smaller cities do not have standalone rec centers due to the cost. Some partner with YMCAs or rely on school facilities to meet recreation needs. For those that have built centers, subsidy levels vary but are consistently present. For example, Florissant, MO aimed for 50% recovery in its rec center operations plan. Maryland Heights, MO uses a portion of local gaming and hotel tax revenue to support its large community center (opened in 2017). Sedalia, MO is funding its new center partly through philanthropic donation and city funds, expecting to subsidize its operation as well. In short, Missouri's norm is aligned with the national norm: municipal recreation centers require city financial support to operate. The magnitude of subsidy can range from tens of thousands in a very small facility to upwards of seven figures annually in a large regional facility.

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Capital and Operating Cost Considerations

Building and operating a community recreation center involves substantial costs. Below is an overview of what Dardenne Prairie might expect in terms of capital (construction) costs and annual operating costs, with comparisons to similar projects:

- **Construction (Capital) Costs:** The cost to build a recreation center depends on size, amenities, and market construction conditions. For modern facilities, industry benchmarks put construction costs around \$300 per square foot (or more) for a full-featured community center ²³. Facilities without expensive components like pools or ice rinks tend to be on the lower end of the range. For example:

- *Maryland Heights, MO:* Built a new 93,000 sq. ft. community center in 2017 for about \$30 million²⁴, which is roughly \$323 per sq. ft. (this facility includes an indoor pool, gymnasiums, track, fitness center, etc.).
- *Sedalia, MO:* Opened the Heckart Community Center (2022) with an indoor aquatic complex, gym, track, and fitness areas (approx. 91–92k sq. ft.). Its construction cost was about \$250 per square foot,²⁵ reflecting value engineering and local cost factors. The City of Sedalia authorized financing up to \$29 million for this project²⁶.
- *Smaller Facility Estimates:* A smaller community center (say 30,000–50,000 sq. ft., appropriate for a 13k population without a pool) would cost proportionally less. At \$250–\$300 per sq. ft., a 40,000 sq. ft. building might range roughly \$10–\$12 million to construct. This could be lower or higher based on specific design choices (number of gyms, specialty spaces, finishes) and site development costs (parking, land preparation). It's important to budget also for furniture, fixtures, and equipment (FFE) and contingencies on top of base construction. Many cities use bonds or a special capital tax to fund construction, often subject to voter approval.
- **Annual Operating Costs:** Once open, the center will incur ongoing expenses for staffing, utilities, maintenance, insurance, programming, and more. These costs vary by facility size and offerings, but even a modest center entails a significant annual budget. For example:
 - *Aurora, MO:* A small planned rec center (single gym, fitness room, event space, no pool) was projected to have annual operating expenses around \$579,000 in its first year²⁷. This is with a lean program in a town of 7,500. As the facility's use grows, costs were expected to rise to ~\$703k by year 5. Aurora's plan even included setting aside some funds annually for capital maintenance/replacement²⁸, which is a prudent practice.
 - *Mid-Sized Centers:* A larger facility with more amenities (e.g. multiple gyms, indoor track, aquatics, etc.) will have higher costs. It's not uncommon to see operating budgets in the \$1–2 million per year range for full-service community centers in the 50k–100k sq. ft. size class. For instance, the Wentzville feasibility study estimated about \$1.74–\$2.02 million in annual operating expenditures for their proposed center²⁹³⁰ (which included a pool). Actual figures will depend on staffing levels (hours of operation, programming), utility costs (pools and large HVAC spaces drive this up), and upkeep.
 - *Key Cost Drivers:* **Personnel** is typically the largest operating expense (staff for front desk, lifeguards or gym supervisors, instructors, custodians, facility managers, etc.). **Utilities** (electricity, water, heating/cooling) are significant, especially for large buildings or aquatic centers. **Maintenance** of equipment and facilities is ongoing. Many centers also budget for marketing and program supplies. Without a pool, Dardenne Prairie's center will avoid the high staffing and heating costs of aquatics, which will help keep expenses lower than a facility with a pool. However, even a dry-floor facility will likely require several full-time staff and numerous part-time staff, plus utilities for what could be a 30k+ sq. ft. building – so annual costs in the many hundreds of thousands of dollars should be expected.
- **Revenue Potential:** On the income side, a community center generates revenue from memberships, daily admissions, program fees (for classes, leagues, camps), facility rentals (party rooms, gym rentals), and concessions/vending. The revenue is inherently limited by the population served and what they are willing to pay. Smaller communities will have a smaller user base. As a point of reference:

- Aurora's projections anticipated about \$358,000 in annual revenue in the first year of its small center ²⁷ (assuming memberships and rentals from both residents and some non-residents). That would cover roughly 60–65% of its \$579k expenses, leaving a ~\$220k deficit (which the city would subsidize).
- Wentzville's larger center was projected to bring in ~\$1.54 million in revenue at maturity ³, which, against ~\$2 million in costs, yields the 76% recovery mentioned earlier.
- In Wylie, TX (a city ~50k that opened a rec center in 2007), the rec center was bringing in around \$650k–\$870k revenue against \$1.3–\$1.8 million in expenses in the years before COVID, equating to roughly 50% cost recovery ³¹. This shows that even with tens of thousands of users and robust programming, a public rec center might only cover half its costs from fees. Low fees (to remain accessible) and offering some free/low-cost community services contribute to lower cost recovery.
- It's worth noting that membership penetration rates (what percentage of local residents become members) for city rec centers might range from 5% to 15% of the population, depending on competition and community interest. For example, Aurora expected about 6.9% of its population to buy memberships (approximately 490 individuals out of 7,000+) in the initial year, ³² plus additional non-member day users. A city the size of Dardenne Prairie might similarly capture only a few hundred member households. This limits revenue unless non-residents are actively attracted (which can increase usage but raises questions about prioritizing residents vs. others).

In summary, **capital costs for a new center will be a multi-million dollar investment**, and **operating it will cost on the order of several hundred thousand annually**. Against those operating costs, the city can expect to recoup perhaps 30–50% (or up to ~70% in a very successful scenario) from users, with the remainder needing subsidy. Knowing these magnitudes helps in planning financing (bonds, loans for capital; budget allocations or dedicated taxes for operations).

Subsidy Models and Funding Sources

Since subsidies are the norm, it is important to consider how the city will fund the center's shortfall and capital needs. Various models and strategies are used nationwide and in Missouri:

- **General Fund Subsidy:** The most straightforward approach is to allocate money from the city's general revenues each year to cover the recreation center's deficit. This could come from sources like sales tax, property tax, or other general income. Many cities simply treat the rec center like other public services (parks, police, etc.) that are funded by general taxes. The drawback is that in lean budget years, the center might be seen as competing with essential services for funds, so secure funding is key.
- **Dedicated Tax or Park/Recreation Levy:** A common strategy is establishing a dedicated funding source. For example, some Missouri cities have a parks sales tax or a small addition to property tax that is earmarked for parks and recreation operations. Dardenne Prairie has a voter-approved ½ cent sales taxes for parks and stormwater. This dedicated tax generates about \$750K per year in revenue. Of this, \$635K is used for operating expenses and debt service. Leaving only a little over a \$100K annually for stormwater projects and a community center. The City of O'Fallon, for instance, uses a dedicated park sales tax which helps fund its Renaud Spirit Center operations. Similarly, **Maryland Heights financed half of its \$30M community center with debt and half with reserves largely made possible by gaming tax revenues** – effectively tapping a dedicated revenue source (casino taxes) for the project.

- **Grants and One-Time Funds:** For capital costs, cities often seek grants (state or federal) or donations. In the St. Louis region, the Municipal Park Grant Commission has provided matching grants for recreation projects (though typically these cover only a fraction of a multi-million dollar facility). Federal programs or state funds occasionally help (e.g., trail grants, energy efficiency grants that could offset some construction features). Dardenne Prairie might explore county or state-level recreation grants but should not count on grants for ongoing operations – they are usually one-time infusions. Rolla's use of federal ARPA funds to cover The Centre's operating losses was a special case during the pandemic ¹⁸ , and that money will eventually run out, forcing a return to local funding.
- **Public-Private Partnerships:** In some cases, cities partner with non-profits or private entities. A notable model is partnering with the YMCA – for example, a city builds the facility and a YMCA branch operates it (memberships might be YMCA memberships, and the Y handles day-to-day management). The city might subsidize some of the costs or cover the building debt, while the YMCA covers operating shortfalls through its broader funding. This model can reduce the city's direct involvement in operations and potentially leverage the YMCA's membership base. However, the city may have less direct control over programming, and residents would need to join the Y. Another partnership model is with hospitals or health systems (some community centers integrate health/wellness clinics or therapy pools, funded by the health partner). **Dardenne Prairie could consider if any partnerships (with nearby municipalities, non-profits, or even the private sector) are viable to share the financial load.**
- **User Fee Strategies:** While raising user fees alone won't make a center profitable, setting a thoughtful fee structure is part of the funding mix. The city can choose to maximize revenue by charging higher membership and program fees, but this can conflict with the goal of broad community access. For instance, Rolla's mayor noted they deliberately did not price The Centre like a high-end gym (memberships were about \$30/month) because they didn't want to compete with low-cost private gyms or exclude residents ¹⁹. This choice increased the need for subsidy. Some cities implement residency-based pricing (non-residents pay more) to ensure local taxpayers aren't overly subsidizing outside users. Others offer tiered memberships or additional fees for premium features (e.g., an extra charge for fitness classes or child care services) to boost cost recovery. **Ultimately, user fees typically cover only a portion of costs, and there is a practical ceiling to what can be charged in a municipal setting.** Thus, fees are one tool to manage the subsidy level but cannot eliminate the subsidy.
- **Cost Control and Programming Balance:** On the cost side, cities can adopt an efficient staffing model (e.g., using more part-time staff, sharing staff between facilities or departments) and limit operating hours to reduce expenses. They can also program the facility extensively to generate revenue (renting it out during off-peak times, hosting events, etc.). However, more programs also mean more staff time and wear-and-tear, so it's a balance. Some centers generate extra revenue through ancillary means like sponsorships (naming rights for rooms, sponsored scoreboard, etc.) or advertising, but these are usually modest contributions relative to the budget. **The "subsidy model" often comes down to a city's philosophy:** some will subsidize heavily to keep programs nearly free for residents; others will push for higher cost recovery by charging more or cutting costs, accepting a somewhat lesser subsidy. Each city must decide what subsidy level is acceptable in light of the community benefits.

In summary, **Dardenne Prairie would need to plan for a subsidy and identify how it will be funded.** Options include using general fund revenues (which may grow as the city grows), using a portion of the dedicated parks/ recreation tax, partnering with outside organizations, and managing fees/costs to hit a target cost recovery percentage. Clarity on this upfront will ensure the center's financial requirements are understood and sustainable.

Benchmarks from Similar-Sized Communities

To gauge what might be realistic for Dardenne Prairie, it's useful to look at communities of comparable size or scope, both regionally in Missouri and nationally, that have considered or built recreation centers. Below are a few benchmarks:

- **Smithville, MO** – *Population ~10,000.* Smithville (north of Kansas City) has deliberated a community center for years. Planners there have noted a general rule of thumb that a city needs ~20,000 population to support a recreation center's cost . At 10k population (and even projected ~15k by 2030), Smithville officials have been cautious, exploring alternatives like sharing school facilities. This suggests that **cities under 15–20k will likely face an uphill battle in making a rec center viable without regional draw or high subsidies**, because the user base is small relative to fixed operating costs.
- **Aurora, MO** – *Population ~7,500.* Aurora is a small city currently planning a modest Recreation and Event Center (no pool). The feasibility study for Aurora projected first-year operating expenses of ~\$579k vs. ~\$359k revenues, equating to roughly 60–62% cost recovery and 38–40% subsidy needed ²⁷ . By year 5, with growth in participation, revenues might climb to ~\$424k against ~\$703k costs ²⁷ , still about 60% cost recovery. This scale of subsidy (~\$220k–\$280k/year) was deemed necessary for a 7,500-person community's facility. Aurora's center is smaller than what Dardenne Prairie might consider, but it provides a data point: even a very scaled-down facility in a small town isn't self-supporting and needs significant tax help. The plan also assumed about 6-7% of residents would become members initially ³² , which might be analogous to what Dardenne Prairie could expect in terms of community uptake.
- **Bellefontaine Neighbors, MO** – *Population ~10,800.* This city has an older community center (with gym, weight room, indoor courts, and an outdoor pool). It is unable to cover half of its costs via revenue; the city's goal of 50% cost recovery was aspirational²¹. In practice, the center likely operates below that target and requires the city's general fund to cover the balance. One effect of the small population is a limited membership pool – the center must draw from neighboring areas or accept a small membership. Bellefontaine Neighbors' situation underscores that even with an established facility, a city of ~10k will subsidize a large share of its operations.
- **Rolla, MO** – *Population ~20,500.* Rolla's Centre is a larger facility than what Dardenne Prairie might build (it has a full aquatics area, gyms, tracks, etc.). Still, as noted earlier, Rolla's center has needed annual subsidies often in the \$500k+ range in recent years . Even with a population around 20k plus some users from the surrounding county, Rolla has struggled with cost recovery. This benchmark suggests that if Dardenne Prairie (pop ~13k) were to build a smaller but still significant center, it should not assume that being slightly smaller will eliminate the subsidy – Rolla's higher population didn't free it from needing tax support. The difference is Rolla's initial financing didn't account for operations, whereas Dardenne Prairie can plan more holistically.

- **Regional/Private Alternatives:** Some similarly sized or slightly larger communities partner with nearby facilities. For instance, Washington, MO (pop ~14k) does not have a city-run rec center but is served by a YMCA (which functions as a community recreation facility for residents, supported in part by membership fees and YMCA fundraising). Branson, MO (pop ~12k) has a rec plex (with outdoor pool) that is subsidized by tourism tax revenue. Jackson, MO (pop ~15k) built a modest community center (mainly meeting rooms and a gym) with less focus on fitness, thereby keeping operating costs lower but also offering fewer revenue opportunities. These examples show that every community tailors its approach, but none truly escape the subsidy requirement - they either accept it or limit the facility's scope.
- **National Examples:** Across the country, towns in the 10k-20k population range often only pursue a recreation/community center if they have external support or a strong tax base. Some strategies seen nationally include combining a community center with other civic functions (library, senior center, city hall) to share overhead or building in partnership with a county or school district. If built, small-town centers typically rely on attracting some non-resident users (from unincorporated areas or smaller neighbors) to boost revenue, effectively becoming a regional facility. This can work if the location and offerings are unique, but it also might require reciprocal agreements or higher non-resident fees. A clear message from many case studies is that smaller cities should scale expectations to what they can subsidize long-term. The "build it and they will come" approach can lead to financial strain if the anticipated users (especially paying non-residents) don't materialize.

Overall, benchmarking suggests that **for a city the size of Dardenne Prairie, a recreation center will almost certainly require subsidy and careful planning.** If the city proceeds, it would join peers who justify the expense as a quality-of-life investment, while managing the subsidy through one of the models described above. It would be wise to learn from examples like those above to right-size the facility and anticipate financial commitment.

Short-Term Viability vs. Long-Term Sustainability

Finally, it's important to distinguish short-term vs. long-term financial considerations for the proposed rec center:

- **Short-Term Viability (First 1-5 Years):** In the initial years of operation, a new recreation center often operates at its lowest cost recovery and highest subsidy (relative to a stable state). This is because:
 - (a) Membership and program participation typically start lower and ramp up as awareness grows and offerings are refined. The feasibility projections usually assume it takes 2-3 years to reach a steady enrollment of members.
 - (b) There are start-up costs that can spike early-year expenses - staff hiring/training before opening, grand opening promotions, initial equipment purchases, etc., which may not all recur in later years.
 - (c) Debt service (if the center is financed by bonds) will kick in, adding to early financial pressure, unless structured with interest-only or escalating payments. For example, if Dardenne Prairie issues bonds for construction, the annual debt payment (capital cost) is a new budget item from day one. Many centers operate at a deficit in year 1 and hope to improve over time; Aurora's pro forma, for instance, shows a loss in each of the first five years despite revenue growth²⁷ with no expectation of breaking even. The city must be prepared to subsidize the facility right away and possibly at a higher rate initially. It's prudent to have an operating

reserve or contingency for the rec center to cover any shortfalls above what was budgeted, especially in the early phase.

- **Long-Term Sustainability (10+ Years Out):** Over the long run, sustaining a recreation center involves additional challenges beyond simply balancing the operating budget each year:
- **Capital Maintenance & Renewal:** Recreation centers have many components that wear out or require periodic replacement – fitness equipment (typically replaced every 5-10 years), HVAC systems (15-20 years), roofing (20 years), flooring (e.g. gym floors refinished regularly, replaced ~15-20 years), pool systems if any (~15-20 years for pumps/filters, etc.), as well as general wear-and-tear renovations. Long-term viability means planning for these capital costs. Best practice is to annually set aside a portion of funds (a depreciation fund or capital reserve) so that when a major repair is needed, the money is available. Some cities fail to do this and face a crisis later where a hefty new capital investment is required to keep the facility usable. Since Dardenne Prairie's center would not have a pool, the highest-cost maintenance items (like re-plastering a pool or replacing aquatics dehumidification units) won't be an issue, but it should still plan for lifecycle costs of the building and equipment.
- **Stable Funding Source:** Long-term sustainability is greatly enhanced if the center's subsidy comes from a stable, dedicated source. If the subsidy each year is subject to the general budget process, the center may struggle during economic downturns or competing budget priorities. If a portion of the city's dedicated ½-cent sales tax for parks and stormwater that generates ~\$750k/year was allocated to the rec center, that dedicated flow can contribute to the subsidy and guarantee a portion of the subsidy needed.
- **Adapting to Community Needs:** Over a longer horizon, a recreation center must evolve with the community. Demographics might shift (for instance, an aging population might desire more senior programming and less competitive sports, or vice versa if more young families move in). Keeping the facility's offerings aligned with what residents want is key to maintaining usage. If a center becomes underutilized, it can fall into a "death spiral" of declining revenue and public support even as costs continue. Therefore, the programming mix, schedules, and even facility spaces may need adjustments over time. Successful long-term centers regularly update equipment, refresh interiors, and possibly repurpose underused spaces (for example, converting a racquetball court to a functional fitness area if racquetball declines in popularity).
- **Competitive Landscape:** While a public rec center doesn't operate for profit, it still exists in a local fitness/recreation market. New private gyms, sports complexes, or even other municipal facilities nearby can impact usage. For instance, if a large private fitness center opens offering \$10/month memberships, the city's membership sales might suffer unless it offers something distinct (like gyms, courts, family programs that private clubs don't have). Long-term viability requires monitoring competition and perhaps partnering rather than directly competing. Some centers focus on what private gyms won't do – e.g. affordable youth programs, senior wellness, adaptive sports, etc., to maintain relevance and justify the subsidy.
- **Economic and Policy Changes:** Over decades, there could be economic downturns, changes in minimum wage laws (affecting staffing costs), or shifts in health trends that influence participation. The COVID-19 pandemic was a stark example: many recreation centers saw huge revenue losses when they had to close or limit capacity, yet fixed costs continued. Rolla's heavy use of ARPA funds to cover The Centre's losses in 2020-2022 highlights how a crisis can temporarily worsen the subsidy

requirement ¹⁸. A resilient operation will have contingency plans (like emergency funds or the ability to scale down operations) for such scenarios.

In essence, **short-term viability is about managing the ramp-up period and initial finances, while long-term sustainability is about funding, maintenance, and keeping the center valuable to the public over time.**

Conclusion

Community recreation centers typically require ongoing financial support and are not profit-making ventures. The evidence from national data and case studies is clear: most centers only recover a portion of their operating costs from fees, and the rest is subsidized. The national average subsidy for municipal recreation services is on the order of 65–75% of costs (only ~25–35% cost recovery) ^{1 2}. In Missouri, experiences mirror this reality – essentially all municipal rec centers depend on taxpayer subsidy, often covering 50% or more of their expenses with public funds ¹⁴. Dardenne Prairie should plan for a similar scenario.

For a new center on 10 acres without a pool, benchmarks suggest: significant capital investment (potentially \$8–15+ million) and an operating deficit that could easily be in the mid-six-figures annually (depending on scale of the facility and programming). Comparable cities have managed these costs through dedicated taxes, general fund allocations, and creative partnerships. The short-term outlook will likely include operating losses as the facility establishes itself, while the long-term outlook will require steady funding and maintenance planning to sustain the center's value to the community.

Ultimately, the decision rests on whether the community and its leaders are willing to bear these costs in exchange for the social, health, and economic benefits a recreation center can provide. Such benefits – improved quality of life, a draw for families, opportunities for fitness and events, and potentially increased property values and attractiveness of the city – are harder to quantify, but they are the reasons cities invest in these centers despite the subsidy required. The key is to enter into this project with open eyes about the economics: plan for the typical cost recovery (perhaps on the order of 30–50% from users) and thus a subsidy of 50–70%, identify how that subsidy will be provided, and benchmark against peer facilities to ensure the center is designed for both short-term viability and long-term sustainability.

Sources:

- National Recreation and Park Association – *2023 Agency Performance Review* (cost recovery and funding statistics) ^{2 34}
- Crompton, John – *Analysis of Parks and Rec Cost Recovery* (national average findings) ¹

- City of Rolla, MO – *Phelps County Focus* news article on The Centre’s finances (Rolla Mayor’s quotes on subsidy) ^{14 18}
- City of Florissant, MO – Parks & Rec Department info (target cost recovery example) ²¹
- City of Smithville, MO – Comprehensive Plan discussion (population needed for rec center viability) ³³
- City of Aurora, MO – Recreation Center Operations Plan (5-year projections) ^{27 32}
- City of Wentzville, MO – Recreation Center Feasibility Study (cost recovery projections) ³
- City of Wylie, TX – Recreation Center Analysis (historical cost recovery rates) ³¹
- SFS Architecture – Sedalia Heckart Community Center case (construction cost per sq. ft.) ²⁵
- Missouri Gaming Commission Annual Report 2017 – Maryland Heights Community Center financing (capital cost example) ²⁴

1

https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_3585797/File/Government/County%20Departments/Public%20Works/Parks/Parks%20Advisory%20Committee/Parks%20-%20Funding%20Task%20Force/WPRD%20Cost_Recovery_Model.pdf

2 5 6 7 8 9 10 11 12 13 34 nrpa.org

<https://www.nrpa.org/contentassets/3ae6ba685dbf47a1b537af2f15c615d9/2023-agency-performance-review.pdf>

3 22 23 29 30 wentzvillemo.gov

<https://www.wentzvillemo.gov/wp-content/uploads/2024/06/Market-Assessment-Wentzville-Final.pdf>

4 31 Operating Assumptions

<https://mccmeetingspublic.blob.core.usgovcloudapi.net/wylietx-meet-31f1ab2a771a46eb94ae0adac9312936/ITEM-Attachment-004-ef62f0162c1a455ebd09a767429fcd68.pdf>

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https://www.phelpscountyfocus.com/news/article_70ce55e6-36bd-11ee-880d-dfc00ed5b43c.html

21 George Weis

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24 mgc.dps.mo.gov

https://www.mgc.dps.mo.gov/annual_reports/AR_2017.pdf

25 26 Heckart Community Center | SFS Architecture

<https://sfsarch.com/projects/heckart-community-center>

27 28 32 aurora-cityhall.org

<https://www.aurora-cityhall.org/AgendaCenter/ViewFile/Item/2796?fileID=4244>

33 Discussion - Community and Recreation Center - Future iQ Lab

<https://lab.future-iq.com/city-of-smithville-comprehensive-planning-process-2020/discussion-community-and-recreation-center/>

DARDENNE



PRAIRIE

CITY OF DARDENNE PRAIRIE
2032 HANLEY ROAD
DARDENNE PRAIRIE, MO 63368

BOARD OF ALDERMEN
MEETING AGENDA
AUGUST 6, 2025
7:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Mayor Widaman
Alderman Detweiler
Alderman Gittemeier
Alderman Johnson
Alderman Nay
Alderman Waters
Alderman Wilson

CONSENT AGENDA

1. Expenditures for Approval – 08-06-25
2. Treasurer's Report as of June 30, 2025
3. Financial Statements for the year ended December 31, 2024
4. Appointment to Planning & Zoning Commission – Mike Moehlenkamp

ITEMS REMOVED FROM CONSENT AGENDA

PUBLIC COMMENT

NEW BUSINESS

1. **Bill #25-35**

AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI
ESTABLISHING A PROCEDURE TO DISCLOSE POTENTIAL CONFLICTS OF
INTEREST FOR CERTAIN MUNICIPAL OFFICIALS

2. **Bill #25-36**

AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI,
AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT THE PROPOSAL
FROM SCHARF CONSTRUCTION CO., LLC FOR SNOW AND ICE REMOVAL
SERVICES FOR THE WINTER SEASON OF 2025-2026.

3. **Bill #25-37**

AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A SURFACE TRANSPORTATION BLOCK GRANT (STBG) PROGRAM AGREEMENT WITH THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FOR THE WELDON SPRING ROAD PROJECT STBG-5407(623).

OFFICER & STAFF COMMUNICATIONS

1. City Attorney
2. City Engineer
3. City Administrator
4. Aldermen
5. Mayor

ADJOURNMENT

**EXPENDITURES FOR APPROVAL
8/6/2025**

1 Americom Imaging Systems, Inc.	Server to October, 2025	859.79
2 Americom Technology Solutions	IT - July	2,288.72
3 First Bank	Credit Card Charges	1,254.53
4 Hansen's Tree Service	Storm Damage Tree Removal at BaratHaven Park	650.00
5 Martin Trophy	Baseball Trophies	868.00
6 Oates Associates, Inc.	Stoneybrook Culvert	11,875.00
7 O'Fallon Sewer Service	Portable Toilets at Cricket Field to 8/25/25	230.00
8 Payroll	7-18-25 Payroll	35,801.36
9 Proactive Print Services	Large Format Zoning Maps	84.00
10 UMB Bank, NA	July, 2025 TDD Sales Tax Payment	36,403.46
11 US Bank	Annual Administrative Fee COP 2020	600.00
12 Weis Design Group	Engineering: June, 2025	14,482.72
13 WM Financial Strategies	Annual Disclosures Filing	600.00
		105,997.58

Approved by Board of Aldermen 8/6/25

Mayor Keith Widaman

TREASURER'S REPORT

As of June 30, 2025

General Fund	3,144,095.60
General Fund (Invested)	1,335,536.14
Special Revenue Fund	2,172,036.03
Special Revenue Fund (Invested)	322,844.52
Parks & Storm Water Fund	595,984.90
Parks & Storm Water Fund (Invested)	1,128,483.88
Parks & Storm Water Umpire Fund	6,981.21
Capital Improvement Sales Tax Fund	1,299,132.13
Capital Improvement Sales Tax Fund (Invested)	485,738.71
Transportation Fund	776,234.19
Transportation Fund (Invested)	0.00
Escrow/Bond Account	119,380.50
Petty Cash	100.00
Cash Drawer	200.00
TOTAL	11,386,747.81

Municipal Court 29,088.79

Respectfully submitted,



Kim Clark
City Clerk/Treasurer

CITY OF DARDENNE PRAIRIE, MISSOURI

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024***

CITY OF DARDENNE PRAIRIE, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the Board of Aldermen
CITY OF DARDENE PRAIRIE, MISSOURI

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, and each major fund of the City of Dardenne Prairie, Missouri, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, and each major fund of the City of Dardenne Prairie, Missouri, as of December 31, 2024, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Dardenne Prairie, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America. Our opinions are not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Dardenne Prairie, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Dardenne Prairie, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Dardenne Prairie, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability (asset) and related ratios, and schedule of employer contributions but does not include the basic financial statements and the auditor's report thereon, our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

UHY LLP

St. Charles, Missouri
July 11, 2025

CITY OF DARDENNE PRAIRIE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

As management of the City of Dardenne Prairie, Missouri, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here along with the City's financial statements, including the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$29,237,904. The City has unrestricted net position of 73,031.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$10,232,325.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,566,842.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Note the government-wide financial statements exclude fiduciary fund activities. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and general revenues, from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The City does not have any business-type activities.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, and liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year.

The City has elected to utilize a modified cash basis of accounting as explained in Note 1 of the notes to the financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds with major individual governmental funds reported as separate columns in the fund financial statements.

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, the governmental fund financial statements do not report long-term assets or liabilities. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, Parks and Storm Water Control Fund, Capital Improvement Fund, and Transportation Fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate legal compliance with the respective adopted budget.

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.

Supplementary Information

In addition to the financial statements and accompanying notes, certain required supplementary information has been provided.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

A condensed version of the statement of net position follows:

	2024	2023	Increase (Decrease)
Current and other assets	\$ 10,385,530	\$ 12,350,598	\$ (1,965,068)
Net pension asset	69,537	56,832	12,705
Capital assets	27,219,732	26,602,431	617,301
Total assets	<u>37,674,799</u>	<u>39,009,861</u>	<u>(1,335,062)</u>
Total deferred outflows of resources	150,048	198,029	(47,981)
Current and other liabilities	153,205	235,478	(82,273)
Long-term liabilities	8,380,565	9,150,819	(770,254)
Total liabilities	<u>8,533,770</u>	<u>9,386,297</u>	<u>(852,527)</u>
Total deferred inflows of resources	53,173	65,162	(11,989)
Net position:			
Net investment in capital assets	23,867,219	22,703,148	1,164,071
Restricted	5,297,654	6,886,186	(1,588,532)
Unrestricted	73,031	167,097	(94,066)
Total net position	<u>\$ 29,237,904</u>	<u>\$ 29,756,431</u>	<u>\$ (518,527)</u>

As noted earlier, net position may serve over time as a useful indicator of a city's financial position. As illustrated above, assets and deferred outflows exceeded liabilities and deferred inflows by \$29,237,904 at December 31, 2024.

By far the largest portion of the City's net position (82%) reflects its investment in capital assets (e.g., land, building, and infrastructure) less any related debt used to acquire those assets still outstanding. The City of Dardenne Prairie uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is 73,031.

Governmental Activities

As illustrated below, governmental activities decreased the City's net position by \$518,527.

	2024	2023	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 844,370	\$ 687,030	\$ 157,340
Operating grants and contributions	757,512	691,963	65,549
Capital grants and contributions	494,720	561,292	(66,572)
General revenues:			
Taxes	4,378,737	4,373,414	5,323
Franchise fees	74,808	116,381	(41,573)
Lease revenue	48,197	55,214	(7,017)
Interest income	511,091	446,041	65,050
Miscellaneous	156,845	47,154	109,691
Total revenues	<u>7,266,280</u>	<u>6,978,489</u>	<u>287,791</u>
Expenses:			
General government	1,749,066	1,614,769	134,297
Road	4,415,551	2,779,429	1,636,122
Park and Storm water control activities	586,385	516,057	70,328
Community development	439,260	455,355	(16,095)
Public safety	348,830	390,204	(41,374)
Interest and fiscal charges	245,715	267,329	(21,614)
Total expenses	<u>7,784,807</u>	<u>6,023,143</u>	<u>1,761,664</u>
Increase (decrease) in net position	(518,527)	955,346	(1,473,873)
Net position, beginning of year	29,756,431	28,801,085	955,346
Net position, end of year	<u>\$ 29,237,904</u>	<u>\$ 29,756,431</u>	<u>\$ (518,527)</u>

Total revenue increased \$287,791 from last fiscal year. This is mainly due to increases in court fines combined with income from new developments within the City.

Total expenses increased \$1,761,664 from last fiscal year. This is mainly due to the increase in slab replacements and road projects throughout the City.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The following table presents the amount of governmental funds revenue from various sources on the modified accrual basis of accounting.

	2024	2023	Increase (Decrease)
Taxes	\$ 5,136,249	\$ 5,065,377	\$ 70,872
Intergovernmental	494,720	561,292	(66,572)
Licenses and fees	513,655	490,937	22,718
Court fines	210,423	109,257	101,166
Charges for service	120,292	86,836	33,456
Franchise fees	74,808	116,381	(41,573)
Lease revenue	48,197	55,214	(7,017)
Investment income	511,091	446,041	65,050
Other income	150,597	50,517	100,080
Total Governmental Revenues	<u>\$ 7,260,032</u>	<u>\$ 6,981,852</u>	<u>278,180</u>

The increase in total revenues of \$278,180 represents an overall increase in revenue of 4%. This is mainly due to increases in court fines combined with income from new developments within the City.

At the close of the City's fiscal year on December 31, 2024, the governmental funds of the City reported a combined fund balance of \$10,232,325. This is a decrease in fund balance of \$1,882,795. The primary reason for the decrease was an increase in capital outlays in 2024 as a result of spending down ARPA funds.

CAPITAL ASSETS

At December 31, 2024, the City has invested in a broad range of capital assets, including land, building, improvements, equipment, and infrastructure. This amount includes a net decrease for the current fiscal year (including additions and deductions) of \$617,301. The City's capital assets, net of accumulated depreciation, consisted of:

	2024	2023
Land	\$ 4,372,320	\$ 4,372,320
Land improvements	3,132,769	3,132,769
Building and improvements	3,691,120	3,691,120
Vehicles and Equipment	742,863	784,555
Infrastructure	26,741,085	26,741,085
Construction in progress	2,035,249	336,053
Total	40,715,406	39,057,902
Less: Accumulated depreciation	(13,495,674)	(12,455,471)
Total Capital Assets	<u>\$ 27,219,732</u>	<u>\$ 26,602,431</u>

Refer to Note 4 of the financial statements for more detailed information on the City's capital assets.

LONG-TERM DEBT

Certificate of Participation, Series 2022 (COPS 2022)

On March 24, 2022, the City issued \$5,440,000 of Certificates of Participation, Series 2022. The proceeds were used for the purpose of providing funds (1) to construct, extend, reconstruct, and resurface various streets and roadways in the City and (2) to pay the costs of executing and delivering the Series 2022 Certificates. Payment of the principal is for varying amounts due each year on March 1st through 2037. Interest is due semi-annually with an interest rate of 3.0%. The outstanding balance on the certificates was \$4,850,000 at December 31, 2024.

Certificate of Participation, Series 2020 (COPS 2020)

On May 28, 2020, the City issued \$3,000,000 of Certificates of Participation, Series 2020. The proceeds were used to (1) to pay a portion of the costs to acquire, construct, renovate, install, improve, and equip certain park and recreational facility improvements within the City and (2) to pay the costs of executing and delivering the Series 2020 Certificates. Interest is due semi-annually with an interest rate ranging from 2.0% to 4.0%. The outstanding balance on the certificates was \$2,365,000 at December 31, 2024.

Certificate of Participation, Series 2016 (COPS 2016)

On May 17, 2016, the City issued \$3,070,000 of Certificates of Participation, Series 2016. The proceeds were used to refund \$3,050,000 of outstanding Series 2008 and Series 2009 Certificates of Participation. Payment of the principal is for varying amounts due each year on August 1st through August 2028. Interest is due semi-annually with an interest rate ranging from 2.0% to 3.0%. The outstanding balance on the certificate was \$875,000 at December 31, 2024.

Refer to Note 5 of the financial statements for more detailed information on the City's long term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the year ending December 31, 2025, the City projects revenue of \$2,982,634 and expenditures of \$2,704,558 in the General Fund. As a result, the City estimates an ending fund balance of \$4,824,807 in the General Fund at December 31, 2025. The City anticipates an ending fund balance of \$1,273,432 in the Parks and Storm Water Control Fund, \$1,210,574 in the Road Fund, \$1,007,113 in the Transportation Fund and \$2,096,269 in the Capital Improvement Fund. The City is planning to invest approximately \$2,723,290 in capital improvement projects.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with and interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Kimberlie Clark, City Clerk/Treasurer
City of Dardenne Prairie
2032 Hanley Road
Dardenne Prairie, MO 63368

CITY OF DARDENNE PRAIRIE, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 6,574,960
Cash restricted - performance deposits	130,455
Cash restricted - court	35,170
Cash held by St. Charles County	437,366
Investments	3,207,579
Net pension asset	69,537
Capital assets - net:	
Nondepreciable	6,407,569
Depreciable	20,812,163
TOTAL ASSETS	<u><u>37,674,799</u></u>
DEFERRED OUTFLOWS	
Pension related deferred outflows	68,820
Deferred charges on refunding	81,228
TOTAL DEFERRED OUTFLOWS	<u><u>150,048</u></u>
LIABILITIES	
Lease security deposits	4,075
Performance deposits	113,960
Court liability	35,170
Noncurrent liabilities:	
Due in one year	760,000
Due in more than one year	7,620,565
TOTAL LIABILITIES	<u><u>8,533,770</u></u>
DEFERRED INFLOWS	
Pension related deferred inflows	<u>53,173</u>
NET POSITION	
Net investment in capital assets	23,867,219
Restricted for:	
Pension	69,537
Road and bridge projects	2,887,943
Park and storm water control improvements	1,434,461
Capital improvements	905,713
Unrestricted	73,031
TOTAL NET POSITION	<u><u>\$ 29,237,904</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF DARDENNE PRAIRIE, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
Governmental Activities		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
General government and court	\$ 1,749,066	\$ 513,655	\$ -	\$ (1,235,411)
Road	4,415,551	-	684,975	(3,235,856)
Park and stormwater control activities	586,385	120,292	72,537	(393,556)
Community development	439,260	-	-	(439,260)
Public safety	348,830	210,423	-	(138,407)
Interest on long-term debt	245,715	-	-	(245,715)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 7,784,807	\$ 844,370	\$ 757,512	\$ (5,688,205)
General revenues:				
Taxes:				
Sales				3,967,482
Property				411,255
Franchise fees				74,808
Investment income				511,091
Lease revenue				48,197
Miscellaneous				156,845
TOTAL GENERAL REVENUES				5,169,578
CHANGE IN NET POSITION				(518,527)
NET POSITION - BEGINNING OF YEAR				29,756,431
NET POSITION - END OF YEAR				\$ 29,237,904

The accompanying notes are an integral part of these financial statements.

CITY OF DARDENNE PRAIRIE, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Road Fund	Parks and Storm Water Control Fund	Capital Improvement Fund	Transportation Fund	Total
ASSETS						
Cash and cash equivalents	\$ 3,245,706	\$ 1,749,091	\$ 328,670	\$ 429,282	\$ 822,211	\$ 6,574,960
Cash restricted - performance deposits	130,455	-	-	-	-	130,455
Cash restricted - court	35,170	-	-	-	-	35,170
Cash held by St. Charles County	-	437,366	-	-	-	437,366
Investments	1,308,716	316,641	1,105,791	476,431	-	3,207,579
TOTAL ASSETS	\$ 4,720,047	\$ 2,503,098	\$ 1,434,461	\$ 905,713	\$ 822,211	\$ 10,385,530
LIABILITIES						
Lease security deposits	\$ 4,075	\$ -	\$ -	\$ -	\$ -	\$ 4,075
Performance deposits	113,960	-	-	-	-	113,960
Court liability	35,170	-	-	-	-	35,170
TOTAL LIABILITIES	153,205	-	-	-	-	153,205
FUND BALANCES						
Restricted for:						
Road and bridge improvements	-	2,065,732	-	-	822,211	2,887,943
Parks and storm water control	-	-	1,434,461	-	-	1,434,461
Capital improvements	-	-	-	905,713	-	905,713
Committed:						
Road and bridge improvements	-	437,366	-	-	-	437,366
Unassigned	4,566,842	-	-	-	-	4,566,842
TOTAL FUND BALANCES	4,566,842	2,503,098	1,434,461	905,713	822,211	10,232,325
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,720,047	\$ 2,503,098	\$ 1,434,461	\$ 905,713	\$ 822,211	\$ 10,385,530

Amounts reported for governmental activities in the statement of net position are different because:
Capital assets of \$40,715,406 net of accumulated depreciation of \$13,495,674 are not financial resources and therefore are not reported in the funds.
Certificates of participation payable and unamortized premium are not reported in the funds.
Net pension assets are not a current financial resource and therefore not reported in the funds.
Deferred outflows of resources related to charges on refundings of debt are not available to pay current expenditures and therefore are not reported in the funds.
Deferred outflows of resources related to the pension are not available to pay current expenditures and therefore are not reported in the funds.
Deferred inflows of resources related to the pension are not a current financial resource and therefore are not reported in the funds.
Net position of governmental activities

	27,219,732
	(8,380,565)
	69,537
	81,228
	68,820
	(53,173)
	<u>\$ 29,237,904</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DARDENNE PRAIRIE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Road Fund	Parks and Storm Water Control Fund	Capital Improvement Fund	Transportation Fund	Total
REVENUES						
Taxes	\$ 1,831,604	\$ 1,101,748	\$ 782,732	\$ 710,175	\$ 709,990	\$ 5,136,249
Intergovernmental	144,480	-	-	350,240	-	494,720
Licenses and permits	513,655	-	-	-	-	513,655
Court fines	210,423	-	-	-	-	210,423
Charges for services	120,292	-	-	-	-	120,292
Franchise fees	74,808	-	-	-	-	74,808
Investment income	292,046	55,973	79,897	61,131	22,044	511,091
Lease revenue	48,197	-	-	-	-	48,197
Other revenue	148,787	1,810	-	-	-	150,597
TOTAL REVENUES	3,384,292	1,159,531	862,629	1,121,546	732,034	7,260,032
EXPENDITURES						
Current:						
General government	1,584,991	680	-	-	-	1,585,671
Public safety	348,830	-	-	-	-	348,830
Community development	439,260	-	-	-	-	439,260
Public works	-	436,646	-	-	52,000	488,646
Park	-	-	456,633	-	-	456,633
Capital outlays	3,605,098	55,409	-	1,177,119	-	4,837,626
Debt service:						
Principal, interest, and fiscal charges	-	-	253,700	290,983	450,978	995,661
TOTAL EXPENDITURES	5,978,179	492,735	710,333	1,468,102	502,978	9,152,327
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,593,887)	666,796	152,296	(346,556)	229,056	(1,892,295)
OTHER FINANCING SOURCES (USES)						
Sales of capital assets	9,500	-	-	-	-	9,500
CHANGE IN FUND BALANCE	(2,584,387)	666,796	152,296	(346,556)	229,056	(1,882,795)
FUND BALANCES - BEGINNING OF YEAR	7,151,229	1,836,302	1,282,165	1,252,269	593,155	12,115,120
FUND BALANCES - END OF YEAR	\$ 4,566,842	\$ 2,503,098	\$ 1,434,461	\$ 905,713	\$ 822,211	\$ 10,232,325

The accompanying notes are an integral part of these financial statements.

CITY OF DARDEENNE PRAIRIE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS - MODIFIED CASH BASIS - TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Change in fund balance	\$ (1,882,795)
The acquisition of capital assets requires the use of current financial resources but has no affect on net position.	1,707,830
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities.	(1,087,277)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds financial resources received are reflected as revenue. As a result, the change in net position differs from the change in fund balance by the net book value of the disposed or transferred capital assets.	(3,252)
Expenses related to providing pension benefits are reported using a different measurement focus in the statement of activities compared to the governmental fund statements. Expenses in the statement of activities exceed the expenditures reported in the General Fund.	(2,979)
The amortization of deferred refunding charges on bonds payable does not affect current financial resources to governmental funds but is amortized over the life of the debt in the statement of activities.	(20,308)
The bond premium is reported on the fund financial statements when debt is issued but amortized in the statement of activities.	30,254
Repayment of long-term debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.	<u>740,000</u>
Change in net position	<u>\$ (518,527)</u>

The accompanying notes are integral part of these financial statements.

CITY OF DARDENNE PRAIRIE, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dardenne Prairie, Missouri, (the City) was incorporated as a fourth-class city on June 21, 2001 and established a Mayor/Board of Aldermen form of government. The City's major operations include general administrative services, road development and maintenance and park development and management.

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the component unit will provide a financial benefit or impose a financial burden on the City. Based on the criteria identified in GASB 61 there are no significant component units required to be included as part of the reporting entity.

A. GOVERNMENT-WIDE AND FINANCIAL STATEMENTS

Government-wide Financial Statements - the government-wide financial statements include the statement of net position - modified cash basis and the statement of activities - modified cash basis. These statements report information on all of the nonfiduciary activities of the primary government. The material effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and City general revenues, from business-type activities, which rely a significant extent on fees and charges to external customers for support. The City has no business-type activities.

The government-wide and fund financial statements are presented on the modified-cash basis of accounting which reports revenue when received and expenditures when paid.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements - Separate financials statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has no fiduciary funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

The City reports the following major governmental funds:

General Fund - is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Road Fund - is used to account for certain tax and intergovernmental revenues legally restricted to expenditures for road improvements.

Park and Recreation and Storm Water Control Fund - is used to account for certain taxes restricted for parks and recreation and storm water control expenditures.

Capital Improvement Fund - is used to account for certain taxes restricted for funding of capital improvements.

Transportation Fund - is used to account for certain taxes restricted for funding of transportation projects.

B. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

In the government-wide statement of net position - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, the governmental funds utilize a "current financial resources" measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheet - modified cash basis. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balances are used as measures of available spendable financial resources at the end of the period in each fund.

The modified cash basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision of depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. As a result of the use of this modified cash basis of accounting, certain revenues (such as accounts receivable, lease receivables and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received by not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **DEPOSITS AND INVESTMENTS**

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States Treasury, United States Government Agencies, and Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper. Investments are carried at cost or fair value.

D. **CAPITAL ASSET, DEPRECIATION AND AMORTIZATION**

Capital assets, which include property plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The City elected not to report general infrastructure assets retroactively. Therefore, no general infrastructure assets purchased or constructed prior to January 1, 2004 are included in the statement of net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Individual slab replacements are not considered to extend useful life and therefore are not capitalized.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Major Group</u>	<u>Life</u>
Land improvements	15 - 40 Years
Buildings and building improvements	10 - 40 Years
Infrastructure	30 - 40 Years
Vehicles and Equipment	3 - 20 Years

E. **ACCUMULATED LEAVE**

GASB Statement No. 101, *Compensated Absences*, was effective during the year ended December 31, 2024. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment.

City employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment, retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the City's modified cash basis of accounting.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

F. **LONG-TERM LIABILITIES**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position - modified cash basis. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Debt issuance costs are expensed in the period the debt is issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond 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.

G. **PROPERTY TAXES**

Property tax revenues are recorded when received. The City's property taxes are levied each September based on the assessed valuation of property located in the City as of the previous January 1. The City's property tax rate for 2024 was \$.0848 per \$100 of assessed valuation, of \$479,336,533 all of which was allocated to the General Fund. Taxes are due and payable on November 1 and delinquent after December 31. All property tax assessment, billing, and collection functions are handled by the St. Charles County Collector.

H. **FUND BALANCE**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The five classifications of fund balance are as follows:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Aldermen, the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Aldermen removes the commitment by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

Assigned - This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City's Board of Aldermen has the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City would typically use externally restricted resources first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

I. **USE OF ESTMATES**

The preparation of financial statements in conformity with modified cash basis of accounting requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

J. **PENSIONS**

For purposes of measuring the net pension liability (assets), 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.

K. **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports Deferred Outflows/Inflows of Resources as follows:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Pension - Deferred outflows and inflows of resources related to pensions represents the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the difference between expected and actual plan experience.

Gain/Loss on Refunding - Deferred outflows of resources related to refunding represents the difference between the reacquisition price of a refunded bond and its net carrying amount, which is amortized and recognized as a component of interest expense over the remaining life of the old refunded bonds or the new refunding bonds, whichever is shorter.

L. **LEASES – LESSOR**

The City leases approximately 5,000 square feet of space on the second floor of the City Hall building. As a result of the using of the modified cash basis of accounting, lease revenue is recognized when the cash transaction occurs.

2. **BUDGET POLICY AND PRACTICE**

The Board of Aldermen adopts an annual budget for all funds in accordance with the modified cash basis of accounting. All budget appropriations lapse at year-end.

3. **CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit for certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. At December 31, 2024, all deposits were fully insured or collateralized.

Investments

State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury, U.S. agencies and various state and local governments, FDIC repurchase agreements and certificates of deposit, banker's acceptances, and commercial paper.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy states that they minimize credit risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

3. **CASH, CASH EQUIVALENTS AND INVESTMENTS** - continued

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's policy states that they minimize concentration of credit risk by diversifying the investment portfolio. At a minimum, diversification standards by security type and issues shall be:

U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S. government	100%
Collateralized time and demand deposits	100
U.S. Government agencies and sponsored enterprises	60
Collateralized repurchase agreements	50
U.S. Government agency callable securities	30

As of December 31, 2024, 100% of the City's investments are held in U.S. Treasury bills.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy states that they minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

As of December 31, 2024, the City had the following cash and investments

	<u>Maturities</u> Less than one year	<u>S & P</u> Short-term Rating
Primary Government Investments Measured at Fair Value:		
Government securities:		
U.S. Treasury Bills	3,207,579	A-1+
Total investments	<u>\$ 3,207,579</u>	

4. CAPITAL ASSETS

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,372,320	\$ -	\$ -	\$ 4,372,320
Construction in progress	336,053	1,702,448	(3,252)	2,035,249
Total capital assets, not depreciated	<u>4,708,373</u>	<u>1,702,448</u>	<u>(3,252)</u>	<u>6,407,569</u>
Capital assets, being depreciated				
Land improvements	3,132,769	-	-	3,132,769
Building and improvements	3,691,120	-	-	3,691,120
Vehicles and equipment	784,555	5,382	(47,074)	742,863
Infrastructure	26,741,085	-	-	26,741,085
Total capital assets, being depreciated	<u>34,349,529</u>	<u>5,382</u>	<u>(47,074)</u>	<u>34,307,837</u>
Less accumulated depreciation:				
Land improvements	(749,725)	(84,595)	-	(834,320)
Building and improvements	(1,231,383)	(98,320)	-	(1,329,703)
Vehicles and equipment	(542,815)	(29,880)	47,074	(525,621)
Infrastructure	(9,931,548)	(874,482)	-	(10,806,030)
Total accumulated depreciation	<u>(12,455,471)</u>	<u>(1,087,277)</u>	<u>47,074</u>	<u>(13,495,674)</u>
Net capital assets being depreciated	<u>21,894,058</u>	<u>(1,081,895)</u>	<u>-</u>	<u>20,812,163</u>
Total governmental activities	<u>\$ 26,602,431</u>	<u>\$ 620,553</u>	<u>\$ (3,252)</u>	<u>\$ 27,219,732</u>

Depreciation expense was charged to functions/programs of the City as follows:

Government activities:	
General government	\$ 160,416
Park	129,752
Road	<u>797,109</u>
Total depreciation expense governmental activities	<u>\$ 1,087,277</u>

5. **LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ending December 31, 2024.

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Amounts Due in One Year
Governmental activities:					
Certificates of Participation	\$ 8,830,000	\$ -	\$ 740,000	\$ 8,090,000	\$ 760,000
Issuance premium	320,819	-	30,254	290,565	-
	<u>\$ 9,150,819</u>	<u>\$ -</u>	<u>\$ 770,254</u>	<u>\$ 8,380,565</u>	<u>\$ 760,000</u>

Certificate of Participation, (COP 2022) Series 2022

On March 24, 2022, the City issued \$5,440,000 of Certificates of Participation, Series 2022. The proceeds were used for the purpose of providing funds (1) to construct, extend, reconstruct, and resurface various streets and roadways in the City and (2) to pay the costs of executing and delivering the Series 2022 Certificates. Payment of the principal is for varying amounts due each year on March 1st through 2037. Interest is due semi-annually with an interest rate of 3.0%.

Certificate of Participation, (COP 2020) Series 2020

On May 28, 2020, the City issued \$3,000,000 of Certificates of Participation, Series 2020. The proceeds were used for the purpose of providing funds (1) to pay a portion of the costs to acquire, construct, renovate, install, improve, and equip certain park and recreational facility improvements within the City and (2) to pay the costs of executing and delivering the Series 2020 Certificates. Payment of the principal is for varying amounts due each year on August 1st through 2037. Interest is due semi-annually with an interest rate ranging from 2.0% to 4.0%.

Certificate of Participation, (COP 2016) Series 2016

On May 17, 2016, the City issued \$3,070,000 of Certificates of Participation, Series 2016. The proceeds were used to refund \$3,050,000 of outstanding Series 2008 and Series 2009 Certificates of Participation. Payment of the principal is for varying amounts due each year on August 1st through 2028. Interest is due semi-annually with an interest rate ranging from 2.0% to 3.0%.

6. **LONG-TERM DEBT** - continued

The annual principal and interest requirements to maturity of long-term debt as of December 31, 2024 are as follows:

Year	COP 2016		COP 2020		COP 2022		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 270,000	\$ 20,750	\$ 180,000	\$ 71,100	\$ 310,000	\$ 140,850	\$ 760,000	\$ 232,700
2026	275,000	15,350	185,000	63,900	320,000	131,400	780,000	210,650
2027	285,000	8,475	195,000	56,500	330,000	121,650	810,000	186,625
2028	45,000	1,350	200,000	48,700	340,000	111,600	585,000	161,650
2029	-	-	210,000	40,700	350,000	101,250	560,000	141,950
2030-2034	-	-	1,150,000	98,900	1,910,000	340,200	3,060,000	439,100
2035-2037	-	-	245,000	4,900	1,290,000	58,950	1,535,000	63,850
	<u>\$ 875,000</u>	<u>\$ 45,925</u>	<u>\$ 2,365,000</u>	<u>\$ 384,700</u>	<u>\$ 4,850,000</u>	<u>\$ 1,005,900</u>	<u>\$ 8,090,000</u>	<u>\$ 1,436,525</u>

The park sales tax deposited into the Parks and Storm Water Control Fund is used to pay the Certificates of Participation, Series 2020 obligations.

The capital improvement sales tax deposited in the Capital Improvement Fund is used to pay the Certificates of Participation, Series 2016 obligations.

The transportation sales tax deposited into the Transportation Fund is used to pay the Certificates of Participation, Series 2022 obligations.

6. **PENSION PLAN**

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.

7. **PENSION PLAN - continued**

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, 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 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 and receive a reduced allowance.

Benefit Program	1.50% for life
Final Average Salary	3 years
Member Contribution Rate	0%
Rule of 80 adopted	Yes

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, 2024, the following employees were covered by the benefit terms:

Active employees	8
Inactive employees entitled to but not yet receiving benefits	7
Inactive employees or beneficiaries currently receiving benefits	<u>6</u>
TOTAL	<u><u>21</u></u>

Contributions - The employer 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. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.6% of annual covered payroll for the year ended December 31, 2024.

Net Pension Liability (Asset) - The employer's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2024.

Actuarial assumptions - The total pension liability in the February 29, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage; 2.25% price
Salary Increase	2.75% to 6.75% including inflation
Investment rate of return	7.00%

7. **PENSION PLAN** - continued

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of PubS-2010 Employee Mortality Table for males and females of Police, Fire, and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.

The actuarial assumptions used in the February 29, 2024 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 25, 2020.

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>
Alpha	5%	2.37%
Equity	39	5.37
Fixed Income	23	1.47
Real Assets	33	3.45
Strategic Asset	7	3.46
Cash/Leverage	-7	(0.26)

Discount rate - The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. 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.

7. **PENSION PLAN** - continued

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of December 31, 2023	\$ 1,180,066	\$ 1,236,898	\$ (56,832)
Changes for the year:			
Service costs	48,856	-	48,856
Interest	83,566	-	83,566
Difference between expected and actual experience	(23,062)	-	(23,062)
Change in assumptions	-	-	-
Contributions - employer	-	57,770	(57,770)
Contributions - employee	-	-	-
Net investment income	-	65,175	(65,175)
Benefit payments	(20,915)	(20,915)	-
Administrative expense	-	(2,408)	2,408
Other (net transfers)	-	1,528	(1,528)
Net changes	88,445	101,150	(12,705)
Balance as of December 31, 2024	\$ 1,268,511	\$ 1,338,048	\$ (69,537)

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability (asset)	\$ 110,318	\$ (69,537)	\$ (217,652)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024 the employer recognized a pension expense of \$61,210. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

7. **PENSION PLAN** - continued

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 594	\$ (50,284)
Changes in assumptions		(2,889)
Net difference between projected and actual earnings on pension plan investments	40,049	-
Employer contributions subsequent to the measurement date	28,177	-
Total	<u>\$ 68,820</u>	<u>\$ (53,173)</u>

The amount reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date of \$28,177 will be recognized as a reduction in the net pension liability (asset) in the year ending December 31, 2025.

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

<u>Year ended December 31</u>	
2025	\$ (38,479)
2026	8,766
2027	12,653
2028	4,530

8. **OPERATING LEASES AS LESSOR**

Approximately 5,000 square feet of space on the second floor of the City Hall building is available for lease. This includes approximately 3,000 square feet of actual office space and approximately 2,000 square feet of shared common area. The following is a schedule of future minimum lease payments pursuant to executed leases in place for the years ending December 31:

2025	\$ 28,033
2026	14,883

9. **EXPENDITURES IN EXCESS OF APPROPRIATIONS**

During the year ended December 31, 2024, expenditures of \$5,978,179 in the General Fund exceeded appropriations of \$5,750,512. In addition, expenditures of \$710,333 in the Parks and Storm Water Fund exceeded appropriations of \$521,900.

10. 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 purchases commercial insurance for all risks of loss.

There were no significant reductions in insurance coverage during 2024 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

11. COMMITMENTS AND CONTINGENCIES

Deposits Held by St. Charles County

At December 31, 2024, deposits were held by St. Charles County totaling \$437,366. The City has committed this amount to the County to fund planned road improvements to be completed by St. Charles County on behalf of the City.

Capital Improvements

At December 31, 2024, the City had commitments totaling \$1,304,537 remaining under certain road repairs and improvements construction contracts.

Contingencies

From time to time, the City is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the City.

12. JOINT VENTURE

Pursuant to a March 1, 2005 Transportation Development Agreement between the City and OPUS Northwest LLC (developer), a commercial real estate development known as Dardenne Town Square, significant State of Missouri roadway and infrastructure improvements and significant City roadway improvements were constructed. A transportation development district (TDD) was created to provide funding for the roadway and infrastructure improvements.

The City agreed to contribute 50% of the city sales tax received from business and other activities on the property within the TDD. This amount equaled ½ of 1% of all retail sales within the TDD through May 31, 2008.

During 2008, the City received \$3,000,000 from the State of Missouri as additional funding for the TDD City roadway improvements. As a result, effective April 1, 2008, in lieu of remitting the \$3,000,000 to the TDD, the City elected to increase its monthly contribution to the TDD to 59.5% of the city sales tax generated within the TDD. Amounts remitted to the TDD during 2024 totaled \$439,260.

13. TAX ABATEMENTS

As of December 31, 2024, the City provides tax abatements through the following programs:

Chapter 353 Tax Abatement Program, under Missouri Revised Statutes

Chapter 353 tax abatement is an incentive to encourage the redevelopment of blighted areas by providing real property tax abatement. These abatements are under the authority of Chapter 353 of the Revised Statutes of Missouri (the “Urban Redevelopment Corporation Law”). To be eligible for tax abatement, either the City or a private entity must form an Urban Redevelopment Corporation organized for the purpose of clearance, re-planning, reconstruction, or rehabilitation of blighted areas. Tax abatement is only extended to real property that has been found to be a “blighted area” by the City. Under Chapter 353, the City may grant tax abatements up to 100% of annual property taxes for the first 10 years for the increased assessed value over the base land value and up to 50% of annual property taxes on the newly assessed value for the next 15 years for a maximum 25-year abatement. The length of time abatements are permitted and the amount of abatement allowed is outlined within the guidelines developed for each area or project designated.

For the year ended December 31, 2024, the City abated property taxes of the Dardenne Prairie Redevelopment Project of 100% totaling \$2,183 under this program.

Chapter 100 Industrial Development Financing under Missouri Revised Statutes

Industrial Development Financing under Chapter 100 of the Revised Statutes of Missouri authorize municipalities to issue revenue bonds to finance industrial development projects. Under this type of financing, the company passes title in the real or personal property involved to the City pursuant to a lease-purchase agreement. Because title to the property is held in the name of the City during the lease term, the property acquired with the bond proceeds is tax exempt, which effectively results in tax abatement for the company. It provides 100% property tax abatement but the payment of PILOTS and other performance measures (such as maintaining certain employment levels) may be required by agreement between the company receiving the benefit and the City. The City currently has the following Chapter 100 agreements in effect:

For the year ended December 31, 2024, the City abated property taxes of the Dardenne Prairie Redevelopment Project of 100% totaling \$3,772 under this program.

13. TAX ABATEMENTS - continued

- During 2021, as part of the issuance of \$31,000,000 City of Dardenne Prairie, Missouri Taxable Industrial Revenue Bond Series 1B, the City agreed to lease certain land to Dardenne Luxury Apartments on the Prairie, LLC (Company). The Company simultaneously purchased the bonds. The bonds were issued for the purpose of acquiring, constructing, and equipping a certain Company project within the City of Dardenne Prairie, Missouri. The Company unconditionally and absolutely is obligated to perform all its obligations under the lease which provides funding for the debt service on the outstanding bonds which totaled \$92,811 at December 31, 2024.

The City has no financial obligation beyond the resources provided by the related lease.

- During 2022, as part of the issuance of \$15,000,000 and \$2,500,000 City of Dardenne Prairie, Missouri Taxable Industrial Revenue Bond Series 1C and 1A, respectively, the City agreed to lease certain land to Bryan 364 Junction LLC Project (Company). The Company simultaneously purchased the bonds. The bonds were issued for the purpose of acquiring, constructing, and equipping a certain Company project within the City of Dardenne Prairie, Missouri. The Company unconditionally and absolutely is obligated to perform all its obligations under the lease which provides funding for the debt service on the outstanding bonds which totaled \$34,040 at December 31, 2024.

The Company remitted \$50,000 in 2024 to the City pursuant to certain agreements to provide resources for community benefit.

- During 2023, as part of the issuance of \$11,500,000 City of Dardenne Prairie, Missouri, Taxable Industrial Revenue Bond Series 2A/2B, the City agreed to lease certain land to Bryan Junction LLC Project (Company). The Company simultaneously purchased the bonds. The bonds were issued for the purpose of acquiring, constructing, and equipping a certain Company project within the City of Dardenne Prairie, Missouri. The Company unconditionally and absolutely is obligated to perform all its obligations under the lease which provides funding for the debt service on the outstanding bonds which totaled \$17,020 at December 31, 2024.

The City has no financial obligation beyond the resources provided by the related lease.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

In March 2025, the City accepted the dedication of streets in the Arden Pointe subdivision in the amount of \$568,000.

SUPPLEMENTARY INFORMATION

CITY OF DARDENNE PRAIRIE, MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,843,163	\$ 1,843,163	\$1,831,604	\$ (11,559)
Licenses and permits	364,020	364,020	513,655	149,635
Court fines	110,000	110,000	210,423	100,423
Charges for services	110,500	110,500	120,292	9,792
Franchise fees	122,000	122,000	74,808	(47,192)
Intergovernmental	-	-	144,480	144,480
Investment income	50,000	50,000	292,046	242,046
Lease revenue	54,500	54,500	48,197	(6,303)
Other revenue	61,230	61,230	148,787	87,557
TOTAL REVENUE	<u>2,715,413</u>	<u>2,715,413</u>	<u>3,384,292</u>	<u>668,879</u>
EXPENDITURES				
Current:				
General government	2,172,194	2,172,194	1,584,991	587,203
Community development	415,000	415,000	439,260	(24,260)
Public safety	348,330	348,330	348,830	(500)
Capital outlays	2,814,988	2,814,988	3,605,098	(790,110)
TOTAL EXPENDITURES	<u>5,750,512</u>	<u>5,750,512</u>	<u>5,978,179</u>	<u>(227,667)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,035,099)	(3,035,099)	(2,593,887)	441,212
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	-	-	9,500	9,500
CHANGE IN FUND BALANCE	(3,035,099)	(3,035,099)	(2,584,387)	<u>\$ 450,712</u>
FUND BALANCE - BEGINNING OF YEAR	<u>7,151,229</u>	<u>7,151,229</u>	<u>7,151,229</u>	
FUND BALANCE - END OF YEAR	<u>\$ 4,116,130</u>	<u>\$ 4,116,130</u>	<u>\$4,566,842</u>	

CITY OF DARDENNE PRAIRIE, MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 994,000	\$ 994,000	\$1,101,748	\$ 107,748
Intergovernmental	81,420	81,420	-	(81,420)
Investment income	10,000	10,000	55,973	45,973
Other	-	-	1,810	1,810
TOTAL REVENUES	<u>1,085,420</u>	<u>1,085,420</u>	<u>1,159,531</u>	<u>74,111</u>
EXPENDITURES				
Current expenditures:				
General government	-	-	680	(680)
Street maintenance	544,000	544,000	436,646	107,354
Capital outlay	-	-	55,409	(55,409)
TOTAL EXPENDITURES	<u>544,000</u>	<u>544,000</u>	<u>492,735</u>	<u>51,265</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	541,420	541,420	666,796	<u>\$ 125,376</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,836,302</u>	<u>1,836,302</u>	<u>1,836,302</u>	
FUND BALANCE - END OF YEAR	<u>\$ 2,377,722</u>	<u>\$ 2,377,722</u>	<u>\$2,503,098</u>	

CITY OF DARDENNE MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PARKS AND STORM WATER CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 780,000	\$ 780,000	\$ 782,732	\$ 2,732
Investment income	600	600	79,897	79,297
TOTAL REVENUES	<u>780,600</u>	<u>780,600</u>	<u>862,629</u>	<u>82,029</u>
EXPENDITURES				
Current expenditures:				
Park	172,200	172,200	456,633	(284,433)
Captial outlay	100,000	100,000	-	100,000
Debt service	249,700	249,700	253,700	(4,000)
TOTAL EXPENDITURES	<u>521,900</u>	<u>521,900</u>	<u>710,333</u>	<u>(188,433)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	258,700	258,700	152,296	<u>\$ (106,404)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,282,165</u>	<u>1,282,165</u>	<u>1,282,165</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,540,865</u>	<u>\$ 1,540,865</u>	<u>\$ 1,434,461</u>	

CITY OF DARDENNE MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 763,600	\$ 763,600	\$ 710,175	\$ (53,425)
Intergovernmental	1,847,532	1,847,532	350,240	(1,497,292)
Investment income	7,500	7,500	61,131	53,631
TOTAL REVENUES	<u>2,618,632</u>	<u>2,618,632</u>	<u>1,121,546</u>	<u>(1,497,086)</u>
EXPENDITURES				
Current expenditures:				
Capital outlays	2,682,665	2,682,665	1,177,119	1,505,546
Debt service	296,350	296,350	290,983	5,367
TOTAL EXPENDITURES	<u>2,979,015</u>	<u>2,979,015</u>	<u>1,468,102</u>	<u>1,510,913</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(360,383)	(360,383)	(346,556)	<u>\$ 13,621</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,252,269</u>	<u>1,252,269</u>	<u>1,252,269</u>	
FUND BALANCE - END OF YEAR	<u>\$ 891,886</u>	<u>\$ 891,886</u>	<u>\$ 905,713</u>	

CITY OF DARDENNE MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 730,000	\$ 730,000	\$ 709,990	\$ (20,010)
Investment income	5,000	5,000	22,044	17,044
TOTAL REVENUES	<u>735,000</u>	<u>735,000</u>	<u>732,034</u>	<u>(2,966)</u>
EXPENDITURES				
Current expenditures:				
Street maintenance	181,700	181,700	52,000	129,700
Capital outlay	50,000	50,000	-	50,000
Debt service	448,850	448,850	450,978	(2,128)
TOTAL EXPENDITURES	<u>498,850</u>	<u>498,850</u>	<u>502,978</u>	<u>177,572</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	236,150	236,150	229,056	<u>\$ (7,094)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>593,155</u>	<u>593,155</u>	<u>593,155</u>	
FUND BALANCE - END OF YEAR	<u>\$ 829,305</u>	<u>\$ 829,305</u>	<u>\$ 822,211</u>	

CITY OF DARDENNE PRARIE, MISSOURI
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
YEARS ENDING DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 48,856	\$ 37,062	\$ 46,780	\$ 48,938	\$ 39,303	\$ 39,179	\$ 38,819	\$ 32,818	\$ 30,543	\$ 37,268
Interest on the total pension liability	83,566	70,226	70,870	65,592	56,531	50,623	42,875	36,277	29,631	27,494
Change of benefit terms	(23,062)	97,803	(103,788)	4,094	34,881	(1,416)	31,763	27,971	19,474	(30,739)
Difference between expected and actual experience				(19,929)					18,765	
Changes of assumptions	(20,915)	(19,736)	(16,874)	(16,536)	(4,604)	(9,231)	(4,394)	(13,453)	(2,460)	(75)
Benefit payments, including refunds	88,445	185,355	(3,012)	108,920	126,111	79,155	109,063	83,613	95,953	33,948
Net change in total pension liability	1,180,066	994,711	997,723	888,803	762,692	683,537	574,474	490,861	394,908	360,960
Total pension liability - beginning	\$ 1,288,511	\$ 1,180,066	\$ 994,711	\$ 997,723	\$ 888,803	\$ 762,692	\$ 683,537	\$ 574,474	\$ 490,861	\$ 394,908
Total pension liability - ending										
Plan Fiduciary Net Position										
Contributions-employer	57,770	60,412	49,044	67,655	54,582	43,601	43,331	37,887	33,255	34,665
Contributions-employee	-	-	-	-	-	-	-	-	-	-
Net investment income	65,175	41,964	781	230,791	10,141	45,749	72,546	59,323	(1,444)	8,339
Benefit payments, including refunds	(20,915)	(19,736)	(16,874)	(16,536)	(4,604)	(9,231)	(4,394)	(13,453)	(2,460)	(75)
Pension plan administrative expense	(2,408)	(2,436)	(1,879)	(1,336)	(1,614)	(1,450)	(1,025)	(1,012)	(926)	(932)
Other (net transfer)	1,528	(8,642)	31,651	(3,549)	(495)	(183)	(658)	(6,678)	(396)	21,964
Net change in plan fiduciary net position	101,150	71,562	62,723	277,005	58,010	78,486	109,800	76,067	28,029	63,961
Plan fiduciary net position - beginning	1,236,898	1,165,336	1,102,613	825,608	767,598	689,112	579,312	503,245	475,216	411,255
Plan fiduciary net position - ending	\$ 1,338,048	\$ 1,236,898	\$ 1,165,336	\$ 1,102,613	\$ 825,608	\$ 767,598	\$ 689,112	\$ 579,312	\$ 503,245	\$ 475,216
Employer net pension liability (asset)	\$ (69,537)	\$ (56,832)	\$ (170,625)	\$ (104,890)	\$ 63,195	\$ (4,906)	\$ (5,575)	\$ (4,838)	\$ (12,384)	\$ (80,308)
Plan fiduciary net position as a percentage of the total pension liability	105.48 %	104.82 %	117.15 %	110.51 %	92.89 %	100.64 %	100.82 %	100.84 %	102.52 %	120.34 %
Covered employee payroll	\$ 537,364	\$ 526,898	\$ 344,590	\$ 573,366	\$ 502,701	\$ 390,544	\$ 422,077	\$ 389,497	\$ 304,762	\$ 300,631
Employer's net pension asset as a percentage of covered employee payroll	(12.94) %	(10.79) %	(49.52) %	(18.29) %	12.57 %	(1.26) %	(1.32) %	(1.24) %	(4.06) %	(26.71) %

CITY OF DARDENNE PRARIE, MISSOURI
SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

<u>Year ended December 31,</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 35,964	\$ 35,964	\$ -	\$ 336,116	10.7 %
2016	31,571	31,571	-	343,166	9.2
2017	41,489	41,489	-	419,077	9.9
2018	42,695	42,695	-	410,529	10.4
2019	47,794	47,794	-	446,672	10.7
2020	62,020	62,020	-	558,739	11.1
2021	62,471	62,471	-	514,252	12.1
2022	52,941	52,941	-	456,388	11.6
2023	57,501	57,501	-	542,468	10.6
2024	58,231	58,231	-	549,353	10.6

Notes to Schedule of Contributions

Valuation date: 02/29/24

Notes: The roll-forward of total pension liability from February 29, 2024 to June 30, 2024 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 15 to 16 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 disabled mortality table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 employees mortality table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of the Police, Fire and Public Safety groups. Mortality rates for a particular calendar years are determined by applying the MP-2020 mortality improvement scale to the above described tables.
Other information:	None

Boards and Commissions Application for Appointment

DARDENNE



- Board of Adjustment
- Planning & Zoning
- Other _____

Please use Dardenne Prairie Volunteer Corp Application for general volunteer service

Please print or type

Name Mike MOENLEKAMP Title: Mr. Ms. Mrs.

Home Address 11 Longview Estates Dr Dardenne Prairie, mo 63368

Length of time at this residence: 1 1/2 yrs Ward: 2

Home Phone 314 520 4296 Cell Phone 314 520 4296 E-Mail moenlekampmike@gmail.com

Education and General Qualifications

Occupation and Place of Employment:

owner GARY'S Auto Service

Educational Background:

Some College

Licenses held (If Applicable):

Special Skills and Qualifications:

DECISION MAKING SKILLS, VOLUNTEER EXPERIENCE, BOARD WORK

Community Activities/Organizational Affiliations (Current):

Are you registered to vote in the City of Dardenne Prairie? Yes No

Are you willing to attend meetings on a regular basis? Yes No

Are you a citizen of the United States? Yes No

Have you ever been convicted of, or pleaded guilty to a crime? Yes No

(If yes, provide written details)

Are you a Permanent Resident of the United States? Yes No

Have you ever had a professional/occupational license revoked or suspended, as a result of disciplinary action? Yes No

Is there anything in your background that might become an embarrassment to you if it were to become public? Yes No

Are you a current employee of the City of Dardenne Prairie? Yes No

Are you a current employee of the U.S. Government? Yes No

Are you or a family member currently serving on a board? Yes No
If yes, please list the board(s) or commission(s) _____

Have you ever served on a city, county or state board or commission? Yes No
If yes, please list the board(s) or commission(s) _____

Reasons you feel you are qualified to serve on the above Board/Commission/Committee (related background, interests, special skills or education, etc.): _____

AS A RESIDENT OF DARDENNE PRAIRIE I HAVE A VASTED
INTEREST IN ENSURING OUR CITY GROWS IN A SUSTAINABLE,
COMMUNITY-FOCUSED WAY
I AM PASSIONATE ABOUT MAINTAINING THE CHARACTER
OF OUR NEIGHBORHOODS WHILE ACCOMMODATING THRUSTFUL
STRATEGIC GROWTH.

I certify that the facts and declarations contained in this application are true and correct to the best of my knowledge. I further authorize the investigation of all statements contained herein. I understand any personal references provided may be contacted to obtain any and all pertinent information. I hereby authorize the Missouri State Highway Patrol to conduct a criminal record check which will be released to the Mayor and Board of Aldermen to evaluate my application if deemed necessary. I understand that providing false responses may be cause to remove me from service on a board or commission, if appointed.

Signature Mike Macklin Date 7 12 125

Please return this completed application to:

City Clerk Kim Clark
2032 Hanley Road
Dardenne Prairie, MO 63368

e-mail: cityclerk@dardenneprairie.org

fax 636-625-0077

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI
ESTABLISHING A PROCEDURE TO DISCLOSE POTENTIAL
CONFLICTS OF INTEREST FOR CERTAIN MUNICIPAL OFFICIALS**

WHEREAS, the Missouri General Assembly adopted an ethics/personal financial disclosure law affecting municipalities with an annual operating budget in excess of \$1 million; and

WHEREAS, an amendment to this State law allowed municipal officials to adopt their own personal financial disclosure requirements by ordinance; and

WHEREAS, pursuant to Revised Missouri Statutes Section 105.485.4, political subdivisions must biennially adopt the ordinance establishing their personal financial disclosure requirements.

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

SECTION 1. Each elected official, the chief administrative officer, and the chief purchasing officer shall disclose the following information by May 1 of each year if any such transactions were engaged in during the previous calendar year:

- A. For such person, and all persons within the first degree of consanguinity or affinity of such person, the date and identities of the parties to each transaction with a total value in excess of five hundred dollars (\$500), if any, that such person had with the City of Dardenne Prairie, other than compensation received as an employee or payment of any tax, fee or penalty due to the City of Dardenne Prairie, and other than transfers for no consideration to the City of Dardenne Prairie.
- B. The date and identities of the parties to each transaction known with a total value in excess of five hundred dollars (\$500), if any, that any business entity in which such person had a substantial interest, and with the City of Dardenne Prairie, other than payment of any tax, fee reimbursement for expenditures made on behalf of the City of Dardenne Prairie or penalty due to the City of Dardenne Prairie or transactions involving payment for providing utility service to the City of Dardenne Prairie, and other transfers for no consideration to the City of Dardenne Prairie.
- C. The chief administrative officer and the chief purchasing officer also shall disclose by May 1 of each year for the previous calendar year the following information:

- (1) The name and address of each of the employers of such person from whom income of one thousand dollars (\$1,000) or more was received during the year covered by the statement;
- (2) The name and address of each sole proprietorship that they owned; the name, address and the general nature of the business conducted of each general partnership and joint venture in which he was a partner or participant; the name and address of each partner or co-participant for each partnership, joint venture or trust unless such names and addresses are filed by the partnership, joint venture or trust with the secretary of state; the name, address and general nature of the business conducted of any closely held corporation, general or limited partnership, or trust in which the person owned or has a beneficial interest in ten percent (10%) or more of any class of the outstanding stock or partnership units both general and limited in the aggregate, or corpus or income interest of a trust; and the name of any publicly traded corporation or partnership that is listed on a regulated stock exchange or automated quotation system in which the person owned two percent (2%) or more of any class of outstanding stock, partnership units or other equity interests;
- (3) The name and address of each corporation for which such person served in the capacity of a director, officer or receiver.

D. Filing of Statements. The statements, in substantially the format on file with the City Clerk, shall be filed with the City Clerk and the Missouri Ethics Commission in compliance with Sections 105.483 to 105.496, RSMo., as amended. The financial interest statements shall be filed at the following times, but no person is required to file more than one financial interest statement in any calendar year:

- (1) Each person appointed to office shall file the statement within thirty (30) days of such appointment or employment;
- (2) Every other person required to file a financial interest statement shall file the statement annually not later than May 1 and the statement shall cover the calendar year ending the immediately preceding December 31; provided that any member of the Board of Aldermen shall supplement the financial interest statement to report additional interests acquired after December 31 of the covered year until the date of filing of the financial interest statement.
- (3) Each candidate for elective office who is required to file a personal financial disclosure statement shall file a financial interest statement no later than fourteen days after the close of filing at which the candidate seeks nomination or election, and the statement shall be for the twelve months prior to the closing date, except that in the event an individual does not

become a candidate until after the date of certification for candidates, the statement shall be filed within fourteen days of the individual becoming a candidate. The City Clerk shall provide to the candidate at the time of filing for election written notice of the candidate's obligation to file a financial statement, and the candidate shall sign a statement acknowledging receipt of such notice.

E. Penalties.

- (1) Any person required to file a financial interest statement pursuant to this Ordinance who fails to file such statement by the times required shall, if such person receives any compensation or other remuneration from public funds for the person's services, not be paid such compensation or receive such remuneration until the person has filed a statement as required by this Ordinance. Any person required to file a statement who fails to file such statement by the time required and continues to fail to file the required statement for thirty or more days after receiving notice from the Missouri Ethics Commission shall be subject to suspension from office in the manner otherwise provided by law or the constitution. The attorney general or circuit attorney, at the request of the Missouri Ethics Commission, may take appropriate legal action to enforce the provisions of this Ordinance.
- (2) If a candidate for office does not file a statement by the close of business on the twenty-first day after the last day for filing for election for which the person is a candidate, the Missouri Ethics Commission shall notify the official who accepted such candidate's declaration of candidacy that the candidate is disqualified. Such election official shall remove the candidate's name from the ballot.
- (3) Failure of any elected official or judge to file a financial interest statement thirty days after notice from the appropriate filing officer shall be grounds for removal from office as may be otherwise provided by law or the constitution.

SECTION 2. The City Clerk is hereby directed to send a certified copy of this ordinance to the Missouri Ethics Commission.

SECTION 3. Effective Date: This ordinance shall take effect and be in force from and after its passage by the Board of Aldermen and its approval by the Mayor of the City of Dardenne Prairie, Missouri.

SECTION 4. Severability Clause: If any term, condition, or provision of this Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective and each and every remaining provision hereof shall be valid and shall be enforced to the fullest extent permitted by law, it being the intent of the Board

of Aldermen that it would have enacted this Ordinance without the invalid or unenforceable provisions. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding.

SECTION 5. Savings: Nothing contained herein shall in any manner be deemed or construed to alter, modify, supersede, supplant or otherwise nullify any other Ordinance of the City or the requirements thereof whether or not relating to or in any manner connected with the subject matter hereof, unless expressly set forth herein.

Read the first (1st) time this _____ day of _____, 2025.

As Presiding Officer and as Mayor

Attest:

City Clerk

Read the second (2nd) time and passed this _____ day of _____, 2025.

As Presiding Officer and as Mayor

Attest:

City Clerk

Approved this _____ day of _____, 2025.

Mayor

Attest:

City Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT THE PROPOSAL FROM SCHARF CONSTRUCTION CO., LLC FOR SNOW AND ICE REMOVAL SERVICES FOR THE WINTER SEASON OF 2025-2026.

WHEREAS, the City of Dardenne Prairie solicited proposals for snow plowing and ice removal services for the 2025–2026 winter season; and

WHEREAS, St. Charles County previously provided snow and ice removal services to the City on an as-needed basis, but due to reduced capacity the County is no longer able to provide those services, requiring the City to secure a dedicated contractor for the 2025–2026 winter season; and

WHEREAS, the City solicited proposals for snow and ice removal services from twenty-six companies and received one proposal from Scharf Construction in response to the RFP; and

WHEREAS, although only one proposal was received, the proposal submitted by Scharf Construction is responsive, the unit pricing is consistent with and competitive to rates paid by other local municipalities for similar services, and Scharf Construction has demonstrated the capacity and ability to perform the required services; and

WHEREAS, the Board of Aldermen finds and determines that it is in the best interest of the City to accept the proposal from Scharf Construction;

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

SECTION 1. That the form, terms, and provisions of the Proposal attached hereto, marked as Exhibit A, and incorporated by reference herein, submitted by Scharf Construction Co., LLC be and they hereby are approved and the City Administrator is hereby authorized, empowered and directed to further accept, negotiate, execute, acknowledge, deliver and administer on behalf of the City an agreement consistent with the proposal attached hereto.

SECTION 2. That the City Administrator be and is hereby authorized to make expenditures for the services and related equipment and materials listed on Exhibit A, a copy of which is attached hereto and incorporated by reference herein, in the amounts provided on Exhibit A.

SECTION 3. Effective Date: This Ordinance shall be in full force and take effect from and after its final passage and approval.

SECTION 4. Savings Clause: Nothing contained herein shall in any manner be deemed or construed to alter, modify, supersede, supplant or otherwise nullify any other Ordinance of the City or the requirements thereof whether or not relating to or in any manner connected with the subject matter hereof, unless expressly set forth herein.

SECTION 5. Severability Clause: If any term, condition, or provision of this Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective and each and every remaining provision hereof shall be valid and shall be enforced to the fullest extent permitted by law, it being the intent of the Board of Aldermen that it would have enacted this Ordinance without the invalid or unenforceable provisions. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding.

Read two times, passed, and approved this _____ day of _____, 2025.

Mayor

Attest:

City Clerk

Approved this _____ day of _____, 2025.

Mayor

Attest:

City Clerk

EXHIBIT A

Appendix A: Proposal Form



The following pricing table must be completed in full. All pricing must include operator, equipment, fuel, insurance, and overhead. Rates should be based on typical snow event conditions unless otherwise noted. Additional charges outside of these rates will not be accepted unless pre-approved in writing by the City.

The flat seasonal Rate includes all snows up to 8" Total

Service Description	Unit	Quantity Available	Rate (\$)	Notes
2 1/2-ton dump truck with salt spreader	Per hour			Includes operator, fuel, maintenance
2-ton dump truck with salt spreader	Per hour	2	\$210 ⁰⁰	Includes operator, fuel, maintenance
1-ton dump truck with salt spreader	Per hour	1	\$170 ⁰⁰	Includes operator, fuel, maintenance
2 1/2-ton dump truck with plow	Per hour			Includes operator, fuel, maintenance
2-ton dump truck with plow	Per hour	2	\$210 ⁰⁰	Includes operator, fuel, maintenance
1-ton dump truck with plow	Per hour	1	\$170 ⁰⁰	Includes operator, fuel, maintenance
Loader (for cul-de-sacs or snow stacking)	Per hour	2	\$230 ⁰⁰	Includes operator, fuel, maintenance
Sidewalk or trail clearing	Per hour			Optional service
Application of salt (Contractor-supplied)	Per ton		\$550 ⁰⁰	Include cost of material and application
Pre-treatment (brine or liquid calcium)	Per gallon		\$25 ⁰⁰	Specify material used
Snow removal & hauling off-site	Per cubic yard		\$140 ⁰⁰	Include trucking, loading, disposal
Emergency call-out (outside normal hours)	Per hour		\$500 ⁰⁰	After-hours response (<2 hr notice)
Flat seasonal rate (optional bid)	Per season	N/A	\$250,000 ⁰⁰	Covers all events under 12 inches
Other equipment (specify)	Per hour			Contractor must describe equipment
Other equipment (specify)	Per hour			Contractor must describe equipment
Other equipment (specify)	Per hour			Contractor must describe equipment
Additional service rate (by request)	Per hour/event			For special projects or unforeseen needs

Signature: _____

Rick Schward
RICK SCHWARD

Date: _____

7-10-25

RICK @ SCHWARDSTL.COM

314-280-4400

Appendix B: Contract Agreement

The following provisions apply to the execution of snow and ice removal services for the City of Dardenne Prairie:

1. Communication Requirements: Contractor must comply with all communication provisions outlined in Section 4 of this RFP. This includes designating a 24/7 supervisor, providing real-time updates during snow events, and submitting post-event documentation as detailed in Appendix D. The contractor shall also ensure:

- A supervisor is available 24/7 during snow events with authority to make operational decisions.
- The City receives updates at least every 2 hours during active events, including completed/pending routes, equipment status, material usage, and any issues encountered.
- Post-event documentation is submitted within 24 hours of storm completion as outlined in Appendix D.
- Pre-event coordination is conducted via email, phone, or a digital dashboard as requested by the City.

Failure to adhere to these requirements may result in payment deductions, reassignment of service areas, or other contract penalties as determined by the City.

2. All-Inclusive Pricing: Contractor agrees that all hourly and per-unit rates submitted in the Proposal Form are fully inclusive of all labor, equipment, fuel, insurance, maintenance, and overhead. No additional charges will be permitted unless expressly authorized in writing by the City in advance of the service being performed.

3. Scope of Charges: Contractor understands that the City will not be responsible for any service or rate not expressly outlined and approved in the final executed contract.

4. Flat Seasonal Option: If a flat seasonal rate is submitted and accepted, it shall include all services required under normal winter weather conditions, regardless of the number of events, up to an annual snowfall limit as mutually agreed upon in the contract.

5. Emergency Response Rate: Emergency or after-hours work must be billed at the emergency rate submitted in the proposal and must be documented in the post-event report.

6. Pre-Approval Requirement: Any service that may fall outside the standard categories in Appendix A must be approved by the City in writing prior to commencement to be eligible for compensation.

Agreement Terms

This agreement is entered into by and between the City of Dardenne Prairie, Missouri (hereinafter referred to as the "City") and the selected contractor (hereinafter referred to as the "Contractor"). The Contractor

agrees to furnish all labor, equipment, materials, and supervision necessary for the completion of snow and ice removal services as outlined in the RFP and attached Appendices, including:

- Appendix A (Proposal Form)
- Appendix C (Pre-Season Coordination Checklist)
- Appendix D (Post-Event Service Report)
- Appendix E (Snow Removal and De-Icing Specifications)
- Appendix F (Lane Mile Inventory)
- Appendix G (Snow Route Maps)

Term and Termination: This agreement shall commence upon execution and remain in effect for a period of one (1) winter season. Either party may terminate the agreement for any reason by providing sixty (60) days' written notice to the other. The City reserves the right to renew the contract annually for up to four (4) additional winter seasons, not to exceed a total term of five (5) years. This agreement may be terminated earlier by the City for convenience or cause with written notice. The City may terminate this agreement for cause, including repeated performance failures, breach of communication requirements, or violation of specifications. In the event of termination, the City may contract with another vendor and recover any additional costs from the original Contractor. The City reserves the right to renew the contract for subsequent seasons by mutual agreement.

Scope of Work: The Contractor shall perform all services as described in the Request for Proposals and attached Appendices.

Compensation: Payment shall be based on the rates submitted in the approved Proposal Form (Appendix A). No additional charges shall be incurred without written approval by the City.

Invoicing and Payment: Invoices shall be submitted monthly with itemized service logs and post-event reports. Payment shall be made within 30 days of approval by the City.

Independent Contractor: The Contractor shall act as an independent contractor and not as an employee of the City.

Indemnification: The Contractor shall defend, indemnify and hold harmless, the City, its elected officials, officers and employees, and their heirs, personal representatives, successors and assigns from and against any and all claims, suits, actions, losses, damages, liabilities or other expenses (including, but not limited to, reasonable attorneys' fees and court costs) which any of them may incur or sustain as a result of the acts or omissions of the Consultant, or which the City may incur or sustain as a result of performing its obligations under this Agreement, including any out-of-pocket expenses not covered by any policy of insurance maintained by the City. The provisions of this Section shall survive the termination of this Agreement.

Insurance: Contractor must maintain insurance as specified in Section 6 of the RFP and provide current certificates throughout the term of the contract. Updated certificates must be submitted annually and upon renewal or any material change in coverage. The Contractor shall notify the City in writing of any lapse, cancellation, or significant change in insurance coverage within 10 calendar days.

Compliance with Laws: The Contractor shall comply with all applicable federal, state, and local laws and regulations.

E-Verify Requirement: The Contractor affirms that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services and will participate in the E-Verify federal work authorization program as defined in RSMo § 285.530. The Contractor shall provide documentation affirming its enrollment and participation in E-Verify prior to contract execution and upon any renewal.

Dispute Resolution: The parties agree to attempt in good faith to resolve any dispute arising from this agreement through informal negotiation before initiating legal proceedings. Any disputes under this contract that cannot be resolved informally shall be resolved under Missouri law in the courts of St. Charles County, Missouri.

Force Majeure: Neither party shall be held liable for failure to perform due to circumstances beyond their control, including but not limited to acts of God, natural disasters, pandemics, war, civil unrest, labor disputes, or governmental restrictions.

Non-Assignment: This agreement may not be assigned or transferred, in whole or in part, by the Contractor without the prior written consent of the City.

Late Start and Incomplete Service Penalty: Failure to begin operations within the required mobilization window or to complete assigned routes in a timely and satisfactory manner may result in a deduction of 5% per day from the affected portion of the invoice.

Performance Penalties and Liquidated Damages

- If the City determines the Contractor has failed to maintain minimum staffing, equipment availability, or communication as outlined in this RFP, the City may assess liquidated damages of \$100 per day.
- If the City is required to assume snow operations or contract with a third party due to Contractor failure, the Contractor shall pay liquidated damages of \$500 per day until the City regains full operational coverage.
- These penalties are in addition to any direct costs incurred by the City as a result of Contractor nonperformance.

Equal Opportunity and Workplace Conduct

The Contractor shall provide a drug-free workplace and shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, age, sex, disability, or marital

ANNUAL WORKER ELIGIBILITY VERIFICATION AFFIDAVIT
(for joint ventures, a separate affidavit is required for each business entity)

STATE OF Missouri)
) ss
COUNTY OF St Charles)

On the 29th day of July, 2025 before me appeared Richard B. Schaufel
Affiant name

personally known to me or proved to me on the basis of satisfactory evidence to be a person whose name is subscribed to this affidavit, who being by me duly sworn, stated as follows:

• I, the Affiant, am of sound mind, capable of making this affidavit, and personally certify the facts herein stated, as required by Section 285.530, RSMo, to enter into any contract agreement with the state to perform any job, task, employment, labor, personal services, or any other activity for which compensation is provided, expected, or due, including but not limited to all activities conducted by business entities.

• I, the Affiant, am the Owner of Scheuf Construction Co, LLC and I am duly authorized, directed, and/or empowered to act officially and properly on behalf of this business entity.

• I, the Affiant, hereby affirm and warrant that the aforementioned business entity is enrolled in a federal work authorization program operated by the United States Department of Homeland Security, and the aforementioned business entity shall participate in said program to verify the employment eligibility of newly hired employees working in connection with any services contracted by the Missouri Highways and Transportation Commission (MHTC). I have attached documentation to this affidavit to evidence enrollment/participation by the aforementioned business entity in a federal work authorization program, as required by Section 285.530, RSMo.

• I, the Affiant, also hereby affirm and warrant that the aforementioned business entity does not and shall not knowingly employ, in connection with any services contracted by MHTC, any alien who does not have the legal right or authorization under federal law to work in the United States, as defined in 8 U.S.C. § 1324a(h)(3).

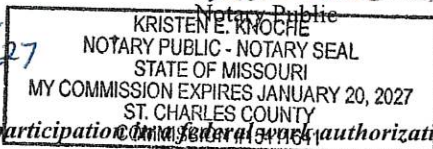
• I, the Affiant, am aware and recognize that, unless certain contract and affidavit conditions are satisfied pursuant to Section 285.530, RSMo, the aforementioned business entity may be held liable under Sections 285.525 through 285.550, RSMo, for subcontractors that knowingly employ or continue to employ any unauthorized alien to work within the state of Missouri.

• I, the Affiant, acknowledge that I am signing this affidavit as a free act and deed of the aforementioned business entity and not under duress.

[Signature]
Affiant Signature

Subscribed and sworn to before me in St Charles, MO the day and year first above-written.
city (or county) state

My commission expires: 1/20/27
[Signature]
Notary Public



[documentation of enrollment/participation in federal work authorization program attached]

**AFFIDAVIT OF PARTICIPATION IN
FEDERAL WORK AUTHORIZATION PROGRAM**

Comes now Richard B. Schauf Owner first being duly sworn, on my
(Name) (office held)
oath, affirm Schauf Construction Co., LLC is enrolled and will continue to participate in a
(company name)
Federal work authorization program in respect to employees that will work in connection with the
contracted services related to the services being provided to the City of Dardenne Prairie for the
duration of the contract, if awarded, in accordance with Section 285.530.2, Revised Statutes of
Missouri. I also affirm that Schauf Construction Co., LLC does not and will not knowingly
(company name)
employ a person who is an unauthorized alien in connection with the contracted services for the
duration of the contract, if awarded.

Attached to this affidavit is documentation of Schauf Construction Co., LLC's
(company name)
participation in a federal work authorization program.

(ATTACH DOCUMENTATION SHOWING THAT COMPANY PARTICIPATES IN FEDERAL
WORK AUTHORIZATION PROGRAM)

*In Affirmation thereof, the facts stated above are true and correct (The undersigned understands
that false statements made in this filing are subject to the penalties provided under Section
575.040, RSMo).*

[Signature]
Signature (person with authority)

Richard B. Schauf, Jr.
Printed Name

Owner
Title

7/29/2025
Date

State of Missouri)
) ss.)
County of St. Charles)

Subscribed and sworn to before me this 29th day of July, 2025

Kristen E. Knoch
My commission expires:



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A SURFACE TRANSPORTATION BLOCK GRANT (STBG) PROGRAM AGREEMENT WITH THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION FOR THE WELDON SPRING ROAD PROJECT STBG-5407(623).

WHEREAS, Sections 70.220 and 70.230, RSMo., as amended, authorize municipalities and political subdivisions to contract and cooperate with a duly authorized agency of this state for the planning, development, or construction of any public improvement; and

WHEREAS, the Board of Aldermen of the City of Dardenne Prairie, Missouri (the "City"), desires to construct certain improvements which involve roadway reconstruction, pedestrian improvements, stormwater improvements, and bicyclist improvements along Weldon Spring Road from Technology Drive to Henning Road using STBG funding (the "Project"); and

WHEREAS, the total cost of the Project is estimated to be \$2,614,252 (the "Project Cost"); and

WHEREAS, to obtain the federal funds for the Project through the Missouri Highways and Transportation Commission, the City is required to execute a Surface Transportation Block Grant (STBG) Program Agreement (the "Agreement") with the Missouri Highways and Transportation Commission; and

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

SECTION 1. That the form, terms, and provisions of the Agreement by and between the Missouri Highways and Transportation Commission and the City of Dardenne Prairie, Missouri, attached hereto, marked as **Exhibit A**, and incorporated by reference herein, be and they hereby are approved and the City Administrator is hereby authorized, empowered and directed to further negotiate, execute, acknowledge, deliver and administer on behalf of the City such Agreement in substantially the form attached hereto. The City Clerk is hereby authorized and directed to attest to the Agreement and other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of the Agreement and this Ordinance.

SECTION 2. That the City Administrator is hereby further authorized and directed, on behalf of and in the name of the City, to agree to do any and all other acts and things and to execute and deliver any and all other documents, instruments and certificates, all as may be necessary and appropriate to consummate the above mentioned Agreement, and to perform all of the terms, provisions and conditions of the Agreement. Any and all acts which the City

Administrator may do or perform in conformance with the powers conferred upon them by this Ordinance are hereby expressly authorized, approved, ratified and confirmed.

SECTION 3. Severability Clause: If any term, condition, or provision of this Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective and each and every remaining provision hereof shall be valid and shall be enforced to the fullest extent permitted by law, it being the intent of the Board of Aldermen that it would have enacted this Ordinance without the invalid or unenforceable provisions. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding.

SECTION 4. Effective Date: This Ordinance shall be in full force and take effect from and after its final passage and approval.

SECTION 5. Savings: Nothing contained herein shall in any manner be deemed or construed to alter, modify, supersede, supplant or otherwise nullify any other Ordinance of the City or the requirements thereof whether or not relating to or in any manner connected with the subject matter hereof, unless expressly set forth herein.

Read two times, passed, and approved this _____ day of _____, 2025.

Mayor

Attest:

City Clerk

Approved this _____ day of _____, 2025.

Mayor

Attest:

City Clerk

EXHIBIT A

CCO Form: FS11
Approved: 07/96 (KMH)
Revised: 06/25 (MWH)
Modified:

CFDA Number: CFDA #20.205
CFDA Title: Highway Planning and Construction
Award name/number: STBG-5407(623)
Award Year: 2026
Federal Agency: Federal Highway Administration, Department of Transportation

**MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
SURFACE TRANSPORTATION BLOCK GRANT (STBG) PROGRAM AGREEMENT**

THIS STBG AGREEMENT is entered into by the Missouri Highways and Transportation Commission (hereinafter, "Commission") and the City of Dardenne Prairie, St. Charles County, Missouri (hereinafter, "City").

WITNESSETH:

WHEREAS, the Infrastructure Investment and Jobs Act (IIJA) Title 23 United States Code (USC) §133, authorizes a STBG Program to fund transportation related projects; and

WHEREAS, the City desires to construct certain improvements, more specifically described below, using such STBG funding; and

WHEREAS, those improvements are to be designed and constructed in compliance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations in this Agreement, the parties agree as follows:

(1) PURPOSE: The purpose of this Agreement is to grant the use of STBG funds to the City. The improvement contemplated by this Agreement and designated as Project STBG-5407(623) involves:

Resurfacing, construct a Share Used Path and pedestrian lighting.

The City shall be responsible for all aspects of the construction of the improvement.

(2) LOCATION: The contemplated improvement designated as Project STBG-5407(623) by the Commission is within the city limits of Dardenne Prairie, Missouri. The general location of the improvement is shown on an attachment hereto marked "Exhibit A" and incorporated herein by reference. More specific descriptions are as follows:

Weldon Spring Road from Technology Drive to Henning Road.

(3) REASONABLE PROGRESS POLICY: The project as described in this agreement is subject to the reasonable progress policy set forth in the Local Public Agency (LPA) Manual and the final deadline specified in Exhibit B attached hereto and incorporated herein by reference. In the event, the LPA Manual and the final deadline within Exhibit B conflict, the final deadline within Exhibit B controls. If the project is within a Transportation Management Area that has a reasonable progress policy in place, the project is subject to that policy. If the project is withdrawn for not meeting reasonable progress, the City agrees to repay the Commission for any progress payments made to the City for the project and agrees that the Commission may deduct progress payments made to the City from future payments to the City.

(4) LIMITS OF SYSTEM: The limits of the surface transportation system for the City shall correspond to its geographical area as encompassed by the urban boundaries of the City as fixed cooperatively by the parties subject to approval by the Federal Highway Administration (FHWA).

(5) ROUTES TO BE INCLUDED: The City shall select the high traffic volume arterial and collector routes to be included in the surface transportation system, to be concurred with by the Commission, subject to approval by the FHWA. It is understood by the parties that surface transportation system projects will be limited to the said surface transportation system, but that streets and arterial routes may be added to the surface transportation system, including transfers from other federal aid systems.

(6) INVENTORY AND INSPECTION: The City shall:

(A) Furnish annually, upon request from the Commission or FHWA, information concerning conditions on streets included in the STBG system under local jurisdiction indicating miles of system by pavement width, surface type, number of lanes, and traffic volume category.

(B) Inspect and provide inventories of all bridges on that portion of the federal-aid highway systems under the jurisdiction of the City in accordance with the Federal Special Bridge Program, as set forth in 23 USC §144, and applicable amendments or regulations promulgated thereunder.

(7) CITY TO MAINTAIN: Upon completion of construction of this improvement, the City shall accept control and maintenance of the improved street and shall thereafter keep, control, and maintain the same as, and for all purposes, a part of the City street system at its own cost and expense and at no cost and expense whatsoever to the Commission. Any traffic signals installed on highways maintained by the Commission will be turned over to the Commission upon completion of the project for maintenance. All obligations of the Commission under this Agreement shall cease upon completion of the improvement.

(8) INDEMNIFICATION: To the extent allowed or imposed by law, the City shall defend, indemnify, and hold harmless the Commission, including its members and the Missouri Department of Transportation ("MoDOT" or "Department") employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the City's wrongful or negligent performance of its obligations under this Agreement.

(9) INSURANCE:

(A) The City is required or will require any contractor procured by the City to work under this Agreement:

1. To obtain a no cost permit from the Commission's district engineer prior to working on the Commission's right of way, which shall be signed by an authorized contractor representative (a permit from the Commission's district engineer will not be required for work outside of the Commission's right of way); and

2. To carry commercial general liability insurance and commercial automobile liability insurance from a company authorized to issue insurance in Missouri, and to name the Commission, and the MoDOT and its employees, as additional insureds in amounts sufficient to cover the sovereign immunity limits for Missouri public entities (\$600,000 per claimant and \$4,000,000 per occurrence) as calculated by the Missouri Department of Insurance, Financial Institutions and Professional Registration, and published annually in the Missouri Register pursuant to section 537.610 RSMo.

(B) In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either party's rights or defenses with regard to each party's applicable sovereign, governmental, or official immunities and protections as provided by federal and state constitution or law.

(10) CONSTRUCTION SPECIFICATIONS: Parties agree that all construction under the STBG for the City will be constructed in accordance with current MoDOT design criteria/specifications for urban construction unless separate standards for the surface transportation system have been established by the City and the Commission subject to the approval of the FHWA.

(11) FEDERAL-AID PROVISIONS: Because responsibility for the performance of all functions or work contemplated as part of this project is assumed by the City, and the City may elect to construct part of the improvement contemplated by this Agreement with its own forces, a copy of Section II and Section III, as contained in the United States Department of Transportation (USDOT) Form Federal Highway Administration (FHWA) 1273 "Required Contract Provisions, Federal-Aid Construction Contracts," is attached and made a part of this Agreement as Exhibit C. Wherever the term "the contractor" or words of similar import appear in these sections, the term "the City" is to be substituted.

The City agrees to abide by and carry out the condition and obligations of "the contractor" as stated in Section II, Equal Opportunity, and Section III, Nonsegregated Facilities, as set out in Form FHWA 1273.

(12) ACQUISITION OF RIGHT OF WAY: With respect to the acquisition of right of way necessary for the completion of the project, City shall acquire any additional necessary right of way required for the project and in doing so agrees that it will comply with all applicable federal laws, rules, and regulations, including 42 USC 4601-4655, the Uniform Relocation Assistance and Real Property Acquisition Act, as amended and any regulations promulgated in connection with the Act. However, upon written request by the City and the written acceptance by the Commission, the Commission shall acquire right of way for the City. Upon approval of all agreements, plans and specifications by the Commission and the FHWA, the commission will file copies of said plans in the office of the county clerk: and proceed to acquire by negotiation and purchase or by condemnation any necessary right of way required for the construction of the improvement contemplated herein. All right of way acquired by negotiation and purchase will be acquired in the name of City, and the City will pay to grantors thereof the agreed upon purchase prices. All right of way acquired through condemnation proceedings will be acquired in the name of the State of Missouri and subsequently released to the City. The City shall pay into court all awards and final judgments in favor of any such condemnees. The City shall also reimburse the Commission for any expense incurred by the Commission in acquiring said right of way, including but not limited to the costs of surveying, appraisal, negotiation, condemnation, and relocation assistance benefits. Unless otherwise agreed to in writing the Commission shall have the final decision regarding the settlement amount in condemnation.

(13) REIMBURSEMENT: The cost of the contemplated improvements will be borne by the United States Government and by the City as follows:

(A) Any federal funds for project activities shall only be available for reimbursement of eligible costs which have been incurred by City. Any costs incurred by City prior to authorization from FHWA and notification to proceed from the Commission are **not** reimbursable costs. All federally funded projects are required to have a project end date. Any costs incurred after the project end date are not eligible for reimbursement. The federal share for this project will be 80 percent not to exceed \$2,091,402.. The calculated federal share for seeking federal reimbursement of participating costs for the herein improvements will be determined by dividing the total federal funds applied to the project by the total participating costs. Any costs for the herein improvements which exceed any federal reimbursement or are not eligible for federal reimbursement shall be the sole responsibility of City. The Commission shall not be responsible for any costs associated with the herein improvement unless specifically identified in this Agreement or subsequent written amendments.

(B) The total reimbursement otherwise payable to the City under this Agreement is subject to reduction, offset, levy, judgment, collection or withholding, if there is a reduction in the available federal funding, or to satisfy other obligations of the City to

the Commission, the State of Missouri, the United States, or another entity acting pursuant to a lawful court order, which City obligations or liability are created by law, judicial action, or by pledge, contract or other enforceable instrument. Any costs incurred by the City prior to authorization from FHWA and notification to proceed from the Commission are not reimbursable costs.

(14) PERMITS: The City shall secure any necessary approvals or permits from the Federal Government and the State of Missouri as required to permit the construction and maintenance of the contemplated improvements.

(15) TRAFFIC CONTROL: The plans shall provide for handling traffic with signs, signal and marking in accordance with the Manual of Uniform Traffic Control Devices (MUTCD).

(16) WORK ON STATE RIGHT OF WAY: If any contemplated improvements for Project STBG-5407(623) will involve work on the state's right of way, the City will provide reproducible final plans to the Commission relating to such work.

(17) DISADVANTAGED BUSINESS ENTERPRISES (DBEs): At time of processing the required project agreements with the FHWA, the Commission will advise the City of any required goals for participation by DBEs to be included in the City's proposal for the work to be performed. The City shall submit for Commission approval a DBE goal or plan. The City shall comply with the plan or goal that is approved by the Commission and all requirements of Title 49 Code of Federal Regulations (CFR) Part 26, as amended.

(18) NOTICE TO BIDDERS: The City shall notify the prospective bidders that DBEs shall be afforded full and affirmative opportunity to submit bids in response to the invitation and will not be discriminated against on grounds of race, color, sex, or national origin in consideration for an award.

(19) PROGRESS PAYMENTS: The City may request progress payments be made for the herein improvements as work progresses but not more than once every two (2) weeks. Progress payments must be submitted monthly. All progress payment requests must be submitted for reimbursement within ninety (90) days of the project completion date for the final phase of work. The City shall repay any progress payments which involve ineligible costs.

(20) PROMPT PAYMENTS: Progress invoices submitted to MoDOT for reimbursement more than thirty (30) calendar days after the date of the vendor invoice shall also include documentation that the vendor was paid in full for the work identified in the progress invoice. Examples of proof of payment may include a letter or e-mail from the vendor, lien waiver or copies of cancelled checks. Reimbursement will not be made on these submittals until proof of payment is provided. Progress invoices submitted to MoDOT for reimbursement within thirty (30) calendar days of the date on the vendor invoice will be processed for reimbursement without proof of payment to the vendor. If the

City has not paid the vendor prior to receiving reimbursement, the City must pay the vendor within two (2) business days of receipt of funds from MoDOT.

(21) OUTDOOR ADVERTISING: The City further agrees that the right of way provided for any STBG improvement will be held and maintained inviolate for public highway or street purposes, and will enact and enforce any ordinances or regulations necessary to prohibit the presence of billboards or other advertising signs or devices and the vending or sale of merchandise on such right of way, and will remove or cause to be removed from such right of way any sign, private installation of any nature, or any privately owned object or thing which may interfere with the free flow of traffic or impair the full use and safety of the highway or street.

(22) FINAL AUDIT: The Commission will perform a final audit of project costs. The United States Government shall reimburse the City, through the Commission, any monies due. The City shall refund any overpayments as determined by the final audit.

(23) AUDIT REQUIREMENTS: If the City expend(s) one million dollars (\$1,000,000) or more in a year in federal financial assistance it is required to have an independent annual audit conducted in accordance with 2 CFR Part 200. A copy of the audit report shall be submitted to MoDOT within the earlier of thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period. Subject to the requirements of 2 CFR Part 200, if the City expend(s) less than one million dollars (\$1,000,000) a year, the City may be exempt from auditing requirements for that year but records must be available for review or audit by applicable state and federal authorities.

(24) FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) OF 2006: The City shall comply with all reporting requirements of the FFATA of 2006, as amended. This Agreement is subject to the award terms within 2 CFR Part 170.

(25) VENUE: It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

(26) APPLICABLE LAWS AND REGULATIONS: This Agreement shall be construed according to the laws of the State of Missouri. Each party shall comply with all applicable federal, state, and local laws, regulations, and ordinances. Additionally, each party shall adhere to all accepted industry standards, processes, and procedures relevant to the performance of their obligations under this Agreement. A violation of this paragraph constitutes a material breach of the Agreement.

(27) AMENDMENTS: Any change in this Agreement, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representatives of the City and the Commission.

(28) COMMISSION REPRESENTATIVE: The Commission's St. Louis District Engineer is designated as the Commission's representative for the purpose of

administering the provisions of this Agreement. The Commission's representative may designate by written notice other persons having the authority to act on behalf of the Commission in furtherance of the performance of this Agreement.

(29) NOTICES: Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed given three (3) days after delivery by United States mail, regular mail postage prepaid, or upon receipt by personal or facsimile delivery, addressed as follows:

- (A) To the City:
2032 Hanley Road
Dardenne Prairie, MO 63368
- (B) To the Commission:
1590 Woodlake Drive
Chesterfield, MO 63017

or to such other place as the parties may designate in accordance with this Agreement. To be valid, facsimile delivery shall be followed by delivery of the original document, or a clear and legible copy thereof, within three (3) business days of the date of facsimile transmission of that document.

(30) NONDISCRIMINATION ASSURANCE: With regard to work under this Agreement, the City agrees as follows:

(A) Civil Rights Statutes: The City shall comply with all state and federal statutes relating to nondiscrimination, including but not limited to Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 USC §2000d and §2000e, et seq.), as well as any applicable titles of the "Americans with Disabilities Act" (42 USC §12101, et seq.). In addition, if the City is providing services or operating programs on behalf of the Department or the Commission, it shall comply with all applicable provisions of Title II of the "Americans with Disabilities Act".

(B) Administrative Rules: The City shall comply with the administrative rules of the USDOT relative to nondiscrimination in federally assisted programs of the USDOT (49 CFR Part 21) which are herein incorporated by reference and made part of this Agreement.

(C) Nondiscrimination: The City shall not discriminate on grounds of the race, color, religion, sex, disability, national origin, age, or ancestry of any individual in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The City shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices.

(D) Solicitations for Subcontracts, Including Procurements of Material and Equipment: These assurances concerning nondiscrimination also apply to

subcontractors and suppliers of the City. These apply to all solicitations either by competitive bidding or negotiation made by the City for work to be performed under a subcontract including procurement of materials or equipment. Each potential subcontractor or supplier shall be notified by the City of the requirements of this Agreement relative to nondiscrimination on grounds of the race, color, religion, sex, disability or national origin, age, or ancestry of any individual.

(E) Information and Reports: The City shall provide all information and reports required by this Agreement, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Commission or the USDOT to be necessary to ascertain compliance with other contracts, orders and instructions. Where any information required of the City is in the exclusive possession of another who fails or refuses to furnish this information, the City shall so certify to the Commission or the USDOT as appropriate and shall set forth what efforts it has made to obtain the information.

(F) Sanctions for Noncompliance: In the event the City fails to comply with the nondiscrimination provisions of this Agreement, the Commission shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including but not limited to:

1. Withholding of payments under this Agreement until the City complies; and/or
2. Cancellation, termination, or suspension of this Agreement, in whole or in part, or both.

(G) Incorporation of Provisions: The City shall include the provisions of paragraph (30) of this Agreement in every subcontract, including procurements of materials and leases of equipment, unless exempted by the statutes, executive order, administrative rules or instructions issued by the Commission or the USDOT. The City will take such action with respect to any subcontract or procurement as the Commission or the USDOT may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that in the event the City becomes involved or is threatened with litigation with a subcontractor or supplier as a result of such direction, the City may request the United States to enter into such litigation to protect the interests of the United States.

(31) ACCESS TO RECORDS: The City and its contractors must maintain all records relating to this Agreement, including but not limited to invoices, payrolls, etc. These records must be available at no charge to the FHWA and the Commission and/or their designees or representatives during the period of this Agreement and any extension, and for a period of three (3) years after the date on which the City receives reimbursement of their final invoice from the Commission.

(32) CONFLICT OF INTEREST: The City shall comply with conflict of interest

policies identified in 23 CFR 1.33. A conflict of interest occurs when an entity has a financial or personal interest in a federally funded project.

(33) MANDATORY DISCLOSURES: The City shall comply with 2 CFR 200.113 and disclose, in a timely manner, in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

(34) CANCELLATION: The Commission may cancel this Agreement at any time for a material breach of contractual obligations by providing the City with written notice of cancellation. Should the Commission exercise its right to cancel this Agreement for such reasons, cancellation will become effective upon the date specified in the notice of cancellation sent to the City.

(35) FHWA APPROVAL: This Agreement is made and entered into subject to the approval of the FHWA.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below.

Executed by the City this _____ (date).

Executed by the Commission this _____ (date).

MISSOURI HIGHWAYS AND
TRANSPORTATION COMMISSION

CITY OF DARDENNE PRAIRIE

By _____

Title _____

Title _____

ATTEST:

ATTEST:

Secretary to the Commission

By _____

Title _____

Approved as to Form:

Approved as to Form:

Commission Counsel

By _____

Title _____

Ordinance No: _____

Exhibit A - Location of Project

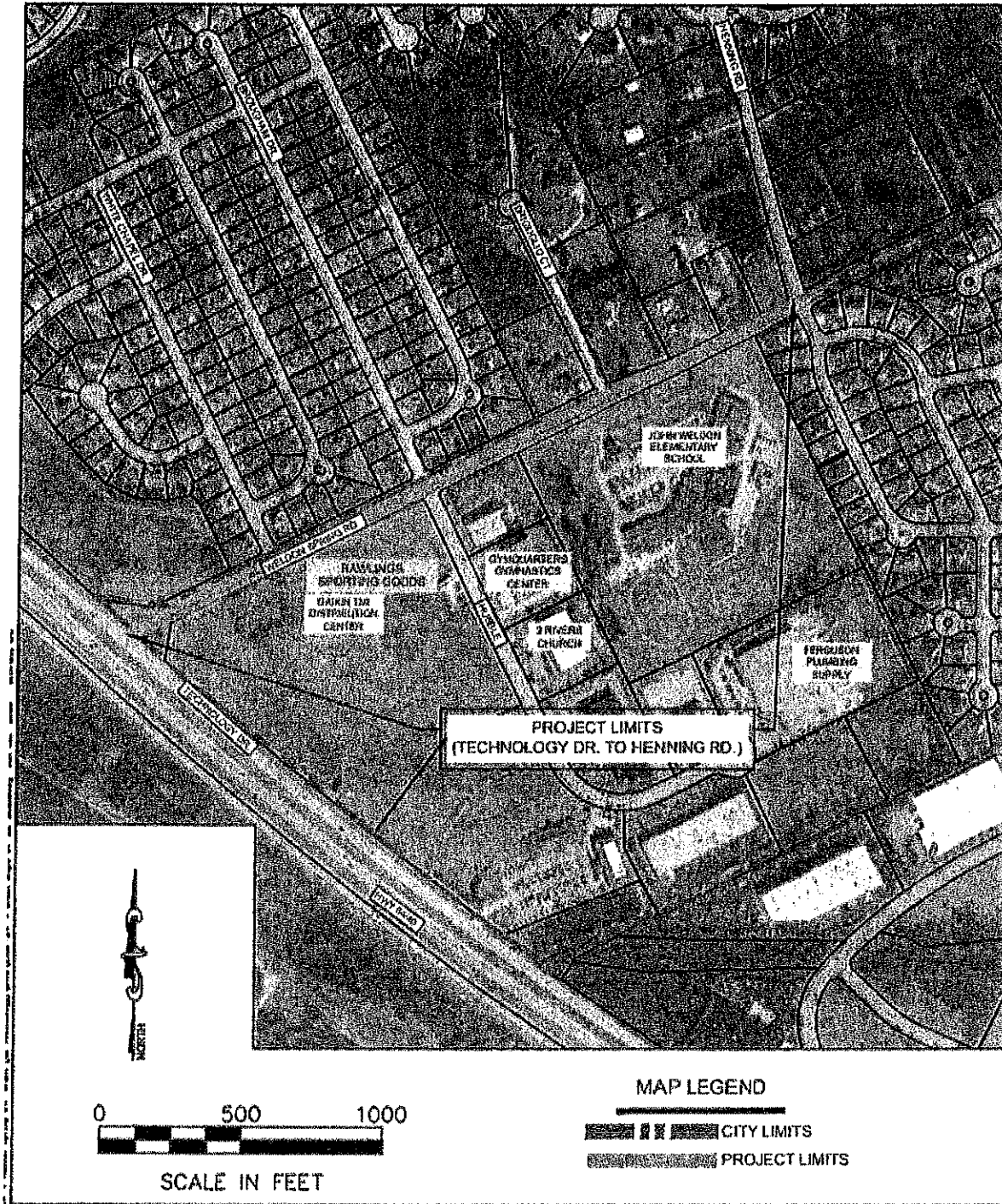


Exhibit B – Project Schedule

Project Description: STBG-5407(623) Weldon Spring Road

PROJECT DEVELOPMENT SCHEDULE			
<i>Note: many stages can occur concurrently.</i>			
Activity Description	Start Date (MM/YYYY)	Finish Date (MM/YYYY)	Time Frame (Months)
Receive award notification letter from EWG	10/2025	10/2025	1
Execute agreement (project sponsor and DOT)	11/2025	01/2026	3
Engineering services contract submitted and approved*	01/2026	03/2026	3
Environmental review process – NEPA classification and clearance	04/2026	03/2027	11
Public meeting/hearing	03/2027	03/2027	1
Develop and submit preliminary plans	04/2026	09/2026	6
Preliminary plans approved	10/2026	12/2026	3
Develop and submit right-of-way plans	01/2027	04/2027	4
Review and approval of right-of-way plans	05/2027	06/2027	2
Submit and receive approval for notice to proceed for right-of-way acquisition (A-Date)*	06/2027	09/2027	3
Right-of-way acquisition	09/2027	09/2028	12
Utility coordination	12/2026	09/2028	20
Develop and submit PS&E	10/2027	09/2028	11
District review and approval of PS&E*	10/2028	12/2028	3
Advertise for bids/bid letting/bid concurrence	01/2029	03/2029	3
Project implementation/construction	04/2029	12/2029	9
* Finish date must match fiscal year for each milestone shown in bold text.			

*Note: the dates established in the schedule above will be used in the applicable ESC between the sponsor agency and consultant firm.

**Schedule dates are approximate as the project schedule will be actively managed and issues mitigated through the project delivery process. The Award Date or Planning Study Date deliverable is not approximate and requires request to adjust.

**REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS**

- I. General
- II. Nondiscrimination
- III. Non-segregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
- XI. Certification Regarding Use of Contract Funds for Lobbying
- XII. Use of United States-Flag Vessels:

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR 633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work

performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION (23 CFR 230.107(a); 23 CFR Part 230, Subpart A, Appendix A; EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (see 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action

within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide

sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurances Required:

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanctions;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than \$10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractor's control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway

Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages (29 CFR 5.5)

a. *Wage rates and fringe benefits.* All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in paragraphs (d) and (e) of 29 CFR 5.5, the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.e. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in paragraph 4. of this section. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph 1.c. of this section) and the Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. *Frequently recurring classifications.* (1) In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to paragraph 1.c. of this section, provided that:

(i) The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;

(ii) The classification is used in the area by the construction industry; and

(iii) The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

(2) The Administrator will establish wage rates for such classifications in accordance with paragraph 1.c.(1)(iii) of this section. Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

c. *Conformance.* (1) The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is used in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

(3) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to DBAconformance@dol.gov. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to DBAconformance@dol.gov, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(5) The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division

under paragraphs 1.c.(3) and (4) of this section. The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraph 1.c.(3) or (4) of this section must be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

d. *Fringe benefits not expressed as an hourly rate.* Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

e. *Unfunded plans.* If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in § 5.28, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

f. *Interest.* In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

2. Withholding (29 CFR 5.5)

a. *Withholding requirements.* The contracting agency may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in this section for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in paragraph 3.d. of this section, the contracting agency may on its own initiative and after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

b. *Priority to withheld funds.* The Department has priority to funds withheld or to be withheld in accordance with paragraph

2.a. of this section or Section V, paragraph 3.a., or both, over claims to those funds by:

- (1) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- (2) A contracting agency for its procurement costs;
- (3) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- (4) A contractor's assignee(s);
- (5) A contractor's successor(s); or
- (6) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

3. Records and certified payrolls (29 CFR 5.5)

a. *Basic record requirements (1) Length of record retention.* All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

(2) *Information required.* Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

(3) *Additional records relating to fringe benefits.* Whenever the Secretary of Labor has found under paragraph 1.e. of this section that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

(4) *Additional records relating to apprenticeship.* Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

b. *Certified payroll requirements (1) Frequency and method of submission.* The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the contracting

agency. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system.

(2) *Information required.* The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under paragraph 3.a.(2) of this section, except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (e.g., the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf> or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the contracting agency.

(3) *Statement of Compliance.* Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

(i) That the certified payroll for the payroll period contains the information required to be provided under paragraph 3.b. of this section, the appropriate information and basic records are being maintained under paragraph 3.a. of this section, and such information and records are correct and complete;

(ii) That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

(4) *Use of Optional Form WH-347.* The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(3) of this section.

(5) *Signature.* The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

(6) *Falsification.* The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.

(7) *Length of certified payroll retention.* The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

c. *Contracts, subcontracts, and related documents.* The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

d. *Required disclosures and access (1) Required record disclosures and access to workers.* The contractor or subcontractor must make the records required under paragraphs 3.a. through 3.c. of this section, and any other documents that the contracting agency, the State DOT, the FHWA, or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by § 5.1, available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

(2) *Sanctions for non-compliance with records and worker access requirements.* If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to § 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

(3) *Required information disclosures.* Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address

of each covered worker, and must provide them upon request to the contracting agency, the State DOT, the FHWA, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

4. Apprentices and equal employment opportunity (29 CFR 5.5)

a. *Apprentices (1) Rate of pay.* Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) *Fringe benefits.* Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

(3) *Apprenticeship ratio.* The allowable ratio of apprentices to journeymen on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to paragraph 4.a.(4) of this section. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in paragraph 4.a.(1) of this section, must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(4) *Reciprocity of ratios and wage rates.* Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

b. *Equal employment opportunity.* The use of apprentices and journeymen under this part must be in conformity with

the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

c. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor must insert FHWA-1273 in any subcontracts, along with the applicable wage determination(s) and such other clauses or contract modifications as the contracting agency may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate. 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility. a. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or § 5.12(a).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or § 5.12(a).

c. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

11. Anti-retaliation. It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

a. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, this part, or 29 CFR part 1 or 3;

b. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, this part, or 29 CFR part 1 or 3;

c. Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, this part, or 29 CFR part 1 or 3; or

d. Informing any other person about their rights under the DBA, Related Acts, this part, or 29 CFR part 1 or 3.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchpersons and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1, of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or

mechanic, including watchpersons and guards, employed in violation of the clause set forth in paragraph 1. of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1. of this section.

* \$31 as of January 15, 2023 (See 88 FR 88 FR 2210) as may be adjusted annually by the Department of Labor, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990.

3. Withholding for unpaid wages and liquidated damages

a. *Withholding process.* The FHWA or the contracting agency may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in this section on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

b. *Priority to withheld funds.* The Department has priority to funds withheld or to be withheld in accordance with Section IV paragraph 2.a. or paragraph 3.a. of this section, or both, over claims to those funds by:

- (1) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- (2) A contracting agency for its procurement costs;
- (3) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- (4) A contractor's assignee(s);
- (5) A contractor's successor(s); or
- (6) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

4. **Subcontracts.** The contractor or subcontractor must insert in any subcontracts the clauses set forth in paragraphs 1. through 5. of this section and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1. through 5. In the

event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

5. **Anti-retaliation.** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

a. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in this part;

b. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or this part;

c. Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or this part; or

d. Informing any other person about their rights under CWHSSA or this part.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" in paragraph 1 of Section VI refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

- (1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
- (2) the prime contractor remains responsible for the quality of the work of the leased employees;

(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and

(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and

health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of \$150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.327.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671g) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.327.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

1. Instructions for Certification – First Tier Participants:

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov/>). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

3. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which

this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov>), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily

excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * * *

4. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

a. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(1) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(2) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(3) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

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XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or

cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

XII. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS (23 CFR 633, Subpart B, Appendix B)
This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.