

LSEDC Considerations from Bill Baird, Mayor

A week ago, we convened for a discussion with the LSEDC Board of Directors. Nine of the current 14 members attended our council meeting. Two of those members include City Manager Mark Dunning and me. The other seven members sat across from the council members in a peer-to-peer format and let us know of their renewed commitment as board members to moving the LSEDC forward with changes...changes that would help bring the organization in alignment with what our City Council has called for over the years. Most of the LSEDC Board Members stated that mistakes had been made, and they were ready to move forward. They stated they wanted to become an EDC with the common success factors from the Best Practices Study the Council conducted earlier this year. These common success factors included Relationship Driven, Effective Leadership, Guided by Results, Economic Resiliency, Purpose and Plan, Customer Oriented, Equity Focused, and Future Ready. Most of the Board Members stated unequivocally that they were wanting to collaborate, build relationships with council members, and commit the time investment and dollars to build a great LSEDC.

There really was not much to disagree with other than a statement by one member that they had been attempting to address the errors of the EDC the last 14 months. That statement was simply not factual. However, one by one the other board members went on record to state that they were willing to change and follow their by-laws, engage an attorney to help with accountability, create more accountability for the Board of Directors and the new Executive Director, adopt action plans from the Best Practices study, create a PSA with reasonable performance measures, reconstitute the Board of Directors, hire a new leader, and even rebrand if desired. All these proposed commitments made me very pleased, and for the first time in a couple of years, I had some hope. However, like many of my fellow council members I question why we would believe these issues will be resolved this time around, and how the EDC will once and for all turn the ship to be in alignment with the City. As I reflected on the commitments made, what seemed most promising to me were the reconstitution of the Board of Directors, change in leadership, and revision to by-laws.

There was not a “unanimous opinion” by the City Council, but the consensus that night, the consensus of the council for the last year, and I believe the current consensus of the City Council is that there is a lack of trust that anything will change. After all, we were made very similar promises in May of 2021 in a public meeting, and what followed was the most lackluster year in the EDCs nearly forty-year history which lead the City Council to terminate funding. Recently, when the Best Practices Consultant was asked why he did not recommend that the City Council do a reset and start over with the current EDC, he stated because the stakeholders and the City Council had lost trust in the LSEDC. He also referred to it as a political issue. In my last meeting with the Board of Directors three weeks ago, I stated emphatically that our a past issues were certainly exasperated by a lack of operational leadership, but also board leadership. I expressed that as a member of the board and as a representative of the largest investor in the LSEDC the Council and I needed board leaders we could trust. To move forward with the LSEDC the City Council needs to trust that they will make a good faith effort to deliver on the commitments they pledged in last week’s meeting.

After great consideration about how to move forward and build trust given the very difficult and at times hostile meetings I have been through in the last couple years, I don't believe we should move forward without the trust issue addressed. I asked numerous times at the end of the discussion if the board members were truly committed to all the statements they made and all the terms they put on the table. They were unanimous in their commitment. I took meticulous notes, and the meeting was recorded with everyone on the record. The LSEDC even provided documentation of an approach and proposed timeline for addressing and achieving the commitments.

I believe there is a way to gain the trust of the majority of the City Council and move forward, but it would require a very important change to this timeline with some additional terms. We need to trust the board of directors and lean on our most trusted civic leaders. Therefore, I propose the City Council move forward with the Current LSEDC if the Board of Directors will immediately "reconstitute" the Board of Directors as they offered in the meeting on numerous occasions and in writing with the following conditions.

There are 18 members of the Board of Directors. They currently have 4 vacancies. There are numerous current Board Members that I believe are trusted by the City Council. However, we have a few members that have either not supported the City Council as a whole or are not actively engaging at the Board level. We should only move forward and work with Board of Directors that are fully committed and are in full support of working with all of our City Council members including the Mayor. I feel there are currently members of the board that are not fully committed in this way and need to step aside for the good of the LSEDC and for what the community needs just as they all committed to last week. I propose the following Members remain on the LSEDC Board of Directors and ask that they elect new leadership for the positions of chair and vice chair.

1. Bill Baird, Mayor, City of Lee's Summit
2. Mark Dunning, City Manager, City of Lee's Summit
3. Dr. David Buck, Superintendent of LSR7 Schools
4. Bobby Olm-Shipman, CEO of St. Lukes East
5. Dan Rexroth, CEO of John Knox Village
6. John McDonald, CEO of Lee's Summit Medical
7. Michael VanBuskirk, Vice Chairman, Newmark Zimmer
8. Tom Jackson, Regional President of Central Bank
9. Larry Hillier, Vice President of Equity Bank

This is only 9 of the 18 Board of Directors seats. The "pay to play" to be appointed to the Board of Directors needs to be addressed in the by-laws or elsewhere to be more democratic and inclusive. The past practice of pay to play allowed the previous Executive Director to work the system and hand pick the board by having an EDC investor raise their membership level to be considered for the Board. I do think investors at the highest levels should be given greater consideration as Board Members, but not under this type of scheming with the Executive

Director. For me it is extremely important to diversify the board going forward. More seats may need to be considered in the future by changing the by-laws. I propose the 9 Board of Directors above immediately fill the remaining 9 seats with the following members regardless of the level of their financial commitment. The remaining seats should be:

10. Mayor Pro Tempore or appointment, City of Lee's Summit
11. LSR7 School Board President or appointment
12. MCC President or representative
13. UCM Representative
14. Civic leader – unanimous board approval for initial appointment
15. Civic leader – unanimous board approval for initial appointment
16. Civic leader – unanimous board approval for initial appointment
17. Business Stakeholder – unanimous board approval for initial appointment
18. Business Stakeholder – unanimous board approval for initial appointment

Please note, I feel the members referenced above for unanimous approval by the Board of Directors is critical to create the culture of trust we are seeking.

Additionally I feel the following Ex-Officio Members should be appointed to the board and included in future by-laws:

1. Lee's Summit Chamber President
2. Downtown Mainstreet President
3. Future DMO (Visitor Bureau) President

An attorney should be present at every board meeting and help with the reset of the LSEDC. I propose the LSEDC engage an attorney to help the Board of Directors with the following:

1. Attend meetings to provide legal guidance and ensure accountability.
2. Review and Amend Bylaws that support best practices, effective leadership and governance, and accountability.
3. Review and advise the Board regarding a proposed PSA with the City to outline a collaborative relationship between LSEDC and the City with a purpose that is in alignment with the City including reasonable performance measures.

It will take time to conduct the appropriate due diligence and proper search to hire an Executive Director. Knowing that it will take time I would like the Board to have a discussion about the role of the Interim Executive Director. Given the current environment it has been extremely difficult for the interim to facilitate a culture of trust at the board level and to help with the relationship between the organization and the City Council. Specifically, I believe the interim needs to take guidance from the body as a whole much like the City Manager does with the Mayor and City Council. It is essential that we address the trust we need at every level to move forward.

I would like to discuss this proposal with City Council and have placed this on the agenda to provide this opportunity.