



**The City of Lee's Summit**  
**Final Agenda**  
**Finance and Budget Committee**

Monday, May 20, 2019  
5:00 PM  
City Council Chambers  
City Hall  
220 SE Green Street  
Lee's Summit, MO 64063

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1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Action Letter
  - A. [2019-2767](#) Approval of the Action Letters from March 13th, April 8th, 18th, 22nd, and 29th, 2019
5. Public Comments
6. Business
  - A. [2019-2772](#) Presentation of the FY19 March General Fund Financial Dashboards.  
*Presenter:* Chris Clubine, Management Analyst
  - B. [2019-2777](#) Presentation of Insurance Options and FY2020 Projections
  - C. [2019-2779](#) General Fund Revenues Update: Actuals and Trends with Sales Tax and Property Taxes (PILOTS and Replacement Tax)  
*Presenter:* Chris Clubine, Management Analyst
  - D. [TMP-1196](#) An Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City. (BOAC 4-8-19)  
*Presenter:* John Ohrazda, Airport Manager
  - E. [TMP-1226](#) An Ordinance amending Section 1, Procurement Definitions, and Section 2, Authority and Enforcement, of the City of Lee's Summit Procurement Policy Manual.  
*Presenter:* Brian Head, City Attorney

- F. [TMP-1227](#) An Ordinance authorizing the execution of the 2019 Combat Drug Commission DARE Agreement by and between the City of Lee's Summit, Missouri and Jackson County, Missouri.

**Presenter:** Major Mike Childs, Lee's Summit Police Department

- G. [TMP-1239](#) An Ordinance approving and authorizing the execution an addendum to a memorandum of understanding between the Kansas Bureau of Investigation and the City of Lee's Summit, Missouri for the use of additional funding from Midwest High Intensity Drug Trafficking Area Award Funds.

**Presenter:** Major Mike Childs, Police Department

- H. [2019-2795](#) Funding for current and future operational needs

**Presenter:** Stephen Arbo | City Manager

- I. [2019-2796](#) Discussion of purchasing lightning detection equipment for Parks use

**Presenter:** Stephen Arbo | City Manager  
Joe Snook | Parks Administrator

- J. [2019-2803](#) Discussion of the Finance and Budget Committee's FY20 Budget Recommendations

**Presenter:** Nick Edwards, Asst. City Manager, Administrative Services

7. Roundtable

8. Adjournment

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## Packet Information

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**File #:** 2019-2767, **Version:** 1

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Approval of the Action Letters from March 13th, April 8th, 18th, 22nd, and 29th, 2019

**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

Wednesday, March 13, 2019

1:30 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

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1. Call to Order

Chairman Johnson called the March 13, 2019 Finance and Budget Committee meeting to order at 1:32 p.m.

2. Roll Call

**Present:** 3 - Councilmember Phyllis Edson  
Chairperson Bob Johnson  
Vice Chair Beto Lopez

**Absent:** 2 - Alternate Rob Binney  
Councilmember Trish Carlyle

3. Approval of Agenda

**A motion was made by Councilmember Edson, seconded by Vice Chair Lopez, to approve the agenda as published. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

4. Public To Be Heard

On each agenda item, Chairman Johnson called for public wishing to speak. There were no comments from the public.

5. Business

**A.** [2019-2600](#) F&BC Minutes from February 11, 2019 (F&BC 3-13-19)

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, to approve the February 11, 2019 action letter. The motion carried by the following vote.**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

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- B. [2019-2616](#) Discussion of FY20 Budget Hearing Dates (F&BC 3-13-19)

**Presentation only.**

- C. [BILL NO. 19-53](#) An Ordinance approving the Award of RFP No. 2019-020 for the acquisition of a budgeting solution to Questica Ltd. for an amount not to exceed \$155,000.00 and authorizing the City Manager to execute agreements for the same by and on behalf of the City. (F&BC 3-13-19)

**A motion was made by Councilmember Edson, seconded by Vice Chair Lopez, that agenda item TMP-1156 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- D. [BILL NO. 19-54](#) An Ordinance approving a one-year extension of Contract 2014-077/4R for auditing services with Rubin Brown LLP for an annual fee of \$84,180 and authorizing the City Manager to execute the same by and on behalf of the City. (F&BC 3-13-19)

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, that agenda item TMP-1159 be recommended for approval to the City Council. The motion carried by the following vote.:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- E. [BILL NO. 19-55](#) An Ordinance authorizing the execution of a memorandum of understanding between the Kansas Bureau of Investigation and the City of Lee's Summit, Missouri for the use of Midwest High Intensity Drug Trafficking Area Award Funds. (F&BC 3-13-19)

**A motion was made by Councilmember Edson, seconded by Vice Chair Lopez, that agenda item TMP-1133 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- F. [BILL NO. 19-56](#) An Ordinance authorizing the execution of a memorandum of understanding between the Kansas Bureau of Investigation and the City of Lee's Summit, Missouri for the use of Midwest High Intensity Drug Trafficking Area Award Funds. (F&BC 3-13-19)

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**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, that agenda item TMP-1134 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- G.** [BILL NO. 19-57](#) An Ordinance authorizing the execution of a sole source agreement between the City of Lee's Summit, Missouri and Idemia Identity and Security USA, LLC, in the amount of \$52,736.00 for the use of two LiveScan Systems. (F&BC 3-13-19)

**A motion was made by Councilmember Edson, seconded by Vice Chair Lopez, that agenda item TMP-1151 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- H.** [BILL NO. 19-58](#) An Ordinance approving the award of RFP No. 2019-023 for the Interactive Voice Response System and Utility Payment System upgrade to Paymentus Corporation and authorizing the City Manager to execute agreements for the same by and on behalf of the City. (F&BC 3-13-19)

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, that agenda item TMP-1158 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- I.** [BILL NO. 19-59](#) An Ordinance approving Amendment No. 8 to the budget for the fiscal year ending June 30, 2019, as adopted by Ordinance No. 8405, by establishing a new Pay and Classification Plan. (F&BC 3-13-19)

**A motion was made by Councilmember Edson, seconded by Vice Chair Lopez, that agenda item TMP-1160 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

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- J. [BILL NO. 19-60](#) An Ordinance repealing the Schedule of Fees and Charges for the City of Lee's Summit and establishing a new City of Lee's Summit Schedule of Fees and Charges to take effect July 1, 2019. (F&BC 3-13-19)

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, that agenda item TMP-1174 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- K. [BILL NO. 19-61](#) An Ordinance authorizing the City of Lee's Summit, Missouri to use Cooperative Contract EV2230, for the provision of pump parts and repair services on an as-needed basis to JCI Industries, Mid-America Pump, Douglas Pump Service, and FTC Equipment for an aggregate amount not to exceed \$200,000.00 annually and authorizing the City Manager to execute the same by and on behalf of the City. (F&BC 3-13-19)

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, that agenda item TMP-1157 be recommended for approval to the City Council. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 2 - Alternate Binney  
Councilmember Carlyle

- L. [2019-2630](#) Presentation of the FY19 January General Fund Financial Dashboards. (3-13-19)

**Presentation Only.**

- M. [2019-2631](#) Review of preliminary FY20 General Fund Revenue Forecast (F&BC 3-13-19)

**Presentation only.**

6. Roundtable

There were no items from committee members for roundtable.

Mr. Nick Edwards, Assistant City Manager, recognized Mrs. Kathy Melcher for her years of service and upcoming retirement.

7. Adjournment

Chairman Johnson adjourned the March 13, 2019 Finance and Budget Committee meeting at 2:57 p.m.

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**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

Monday, April 8, 2019

5:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

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1. Call to Order

Chairman Johnson called the April 8, 2019 Finance and Budget Committee meeting to order at 5:01 p.m.

2. Roll Call

**Present:** 3 - Councilmember Phyllis Edson  
Chairperson Bob Johnson  
Vice Chair Beto Lopez

**Absent:** 1 - Councilmember Trish Carlyle

3. Approval of Agenda

Chairman Johnson amended the published agenda by moving agenda item C before agenda item B.

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, to approve the published agenda as amended by Chairman Johnson. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 1 - Councilmember Carlyle

4. Public Comments

There were no public comments.

5. Business

- A. [2019-2684](#) Presentation by students of Summit Technology Academy regarding research conducted related to development of multi-family complexes in Lee's Summit.

**Presentation only.**

- C. [2019-2689](#) Review of Compensation Funding

**Presentation only.**



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- B. [2019-2685](#) Presentation of the FY19 February General Fund Financial Dashboards.  
**Presentation only.**
- D. [BILL NO. 19-92](#) An Ordinance approving the use of Contract No. 2019-014 for concrete flat work, curb installation, and street repair services to remove, replace and seal the concrete drive apron on south side shop area and reseal the concrete apron on the north side shop area of the maintenance facility for an amount not to exceed \$110,000.00 and authorizing the City Manager to execute the same by and on behalf of the City.  
(NOTE: First reading by City Council on April 16, 2019. Passed by unanimous vote.)  
**ACTION: Due to time constraints, this proposed ordinance was forwarded to City Council by consensus of the Committee.**
- E. [BILL NO. 19-93](#) An Ordinance approving the award of Bid No. 2019-040 for service and maintenance of generators for a one-year term with up to four, one-year renewals to Central Power Systems and Services, LLC (Contract No. 2019-040-1) and to Greenwood Energy Solutions, LLC dba Smart Power Services (Contract No. 2019-040-2) and authorizing the City Manager to enter into and execute agreements for the same by and on behalf of the City of Lee's Summit, Missouri.  
(NOTE: First reading by City Council on April 16, 2019. Passed by unanimous vote.)  
**ACTION: Due to time constraints, this proposed ordinance was forwarded to City Council by consensus of the Committee.**
- F. [BILL NO. 19-94](#) An Ordinance approving Amendment No. 9 to the Budget for the fiscal year ending June 30, 2019 as adopted by Ordinance No. 8405, by establishing a new Pay and Classification Plan.  
(NOTE: First reading by City Council on April 16, 2019.)  
**ACTION: Due to time constraints, this proposed ordinance was forwarded to City Council by consensus of the Committee.**
- G. [BILL NO. 19-95](#) An Ordinance amending Section 5.7 of the Procurement Policy for the City of Lee's Summit, Missouri to correct a scrivener's error and inadvertent omission.  
(NOTE: First reading by City Council on April 16, 2019. Passed by unanimous vote.)  
**ACTION: Due to time constraints, this proposed ordinance was forwarded to City Council by consensus of the Committee.**

6. Roundtable

Mr. Steve Arbo, City Manager, recognized Bette Wordelman, Finance Director, for her work with the students of Summit Technology Academy.

7. Adjournment

Chairman Johnson adjourned the April 8, 2019 meeting at 6:14 p.m.

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**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

Thursday, April 18, 2019

5:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

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1. Call to Order

Chairman Johnson called the April 18, 2019 Finance and Budget Committee meeting to order at 5:00 p.m.

2. Roll Call

**Present:** 3 - Councilmember Phyllis Edson  
Chairperson Bob Johnson  
Vice Chair Beto Lopez

**Absent:** 1 - Councilmember Trish Carlyle

3. Approval of Agenda

**A motion was made by Councilmember Edson, seconded by Vice Chair Lopez, to approve the agenda as published. The motion carried by the following vote:**

**Aye:** 3 - Councilmember Edson  
Chairperson Johnson  
Vice Chair Lopez

**Absent:** 1 - Councilmember Carlyle

4. Public Comments

There were no public comments.

5. Business

- A. [2019-2705](#) Presentation of the City Manager's FY20 Budget  
(Note: This item is a continued discussion from the April 18, 2019 Finance and Budget Committee meeting.)

**Presentation only**

6. Roundtable

Mr. Steve Arbo, City Manager, recognized Mr. Chris Clubine, Management Analyst III, Mr. Nick Edwards, Assistant City Manager, and the members of Management Team for all of their hard work on the budget presentations. All three committee members in attendance concurred.

**Finance and Budget Committee**

**Action Letter**

**April 18, 2019**

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7. Adjournment

Chairman Johnson adjourned the April 18, 2019 meeting at 6:42 p.m.

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**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

Monday, April 22, 2019  
5:30 PM  
City Council Chambers  
City Hall  
220 SE Green Street  
Lee's Summit, MO 64063

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1. Call to Order

Chairman Johnson called the April 22, 2019 Finance and Budget Committee meeting to order at 5:34 p.m.

2. Roll Call

**Present:** 4 - Councilmember Phyllis Edson  
Chairperson Bob Johnson  
Councilmember Trish Carlyle  
Vice Chair Beto Lopez

3. Approval of Agenda

**A motion was made by Vice Chair Lopez, seconded by Councilmember Carlyle, to approve the agenda as published. The motion carried by the following vote:**

**Aye:** 4 - Councilmember Edson  
Chairperson Johnson  
Councilmember Carlyle  
Vice Chair Lopez

4. Public Comments

There were no public comments.

5. Business

- A. [2019-2710](#) Department Presentations of the City Manager's FY20 Budget (Group 1)  
**Presentation only.**

6. Roundtable

Vice Chair Lopez thanked staff for their well prepared presentations which included great details.

7. Adjournment

Chairman Johnson adjourned the April 22, 2019 meeting at 6:57 p.m.

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**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

Monday, April 29, 2019  
5:30 PM  
City Council Chambers  
City Hall  
220 SE Green Street  
Lee's Summit, MO 64063

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1. Call to Order

Chairman Johnson called the April 29, 2019 Finance and Budget Committee meeting to order at 5:33 p.m.

2. Roll Call

**Present:** 4 - Councilmember Phyllis Edson  
Chairperson Bob Johnson  
Councilmember Trish Carlyle  
Vice Chair Beto Lopez

3. Approval of Agenda

**A motion was made by Vice Chair Lopez, seconded by Councilmember Edson, to approve the agenda as published. The motion carried by the following vote:**

**Aye:** 4 - Councilmember Edson  
Chairperson Johnson  
Councilmember Carlyle  
Vice Chair Lopez

4. Public Comments

There were no public comments.

5. Business

**A.** [2019-2711](#) Department Presentations of the City Manager's FY20 Budget (Group 2)  
**Presentation only.**

**B.** [2019-2705](#) Presentation of the City Manager's FY20 Budget  
(Note: This item is a continued discussion from the April 18, 2019 Finance and Budget Committee meeting.)  
**Presentation only.**

6. Roundtable

Committee members discussed development, incentives and job growth.

Ms. Bette Wordelman, Director of Finance, introduced the new Assistant

**Finance and Budget Committee**

**Action Letter**

**April 29, 2019**

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Finance Director-Cash and Debt, Ms. Robin Blum.

Mr. Steve Arbo, City Manager, reported there were no EMS incidents at Legacy Park over the weekend.

Chairman Johnson announced the next Finance and Budget Committee meeting will be Monday, May 20, 2019.

**7. Adjournment**

Chairman Johnson adjourned the April 29, 2019 meeting at 8:32 p.m.

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## Packet Information

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**File #: 2019-2772, Version: 1**

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Presentation of the FY19 March General Fund Financial Dashboards.

Issue/Request:

Presentation of the FY19 March General Fund Financial Dashboards.

Key Issues:

The General Fund year-to-date (YTD) revenue amounts through the month of March total \$59,884,562. This total is less than budgeted amounts by \$353,842 (or less than 1%). Information about the major revenue sources and/ or variances to highlight include:

- Property Taxes: Revenues from property taxes have exceeded budgeted estimates by approximately \$229,640 (or 1%).
- Sales Tax: The local sales tax revenue continues to show a growth trend, with actual gross amounts being \$223,715 (or 2%) above budgeted estimates. In comparison to the same period through FY18, current year actual gross amounts are greater by \$616,257 (or 5%).
- Franchise Tax: In total, revenue from franchise tax is \$93,727 (or 1%) below budgeted estimates. With the exception of Cable TV, the franchise tax categories are at or exceeding budgeted estimates. It is important to point out that Natural Gas franchise tax revenue has exceeded budgeted estimates by \$183,192 (or 12%). This is primarily due to the severe weather and cold temperatures that the city experienced during the winter months. Cable TV franchise tax is \$361,483 (or 27%) below budgeted estimates. Cable TV franchise tax revenue is received by the City on a quarterly basis. A revenue receipt was budgeted for March; however, that receipt was not received until April (in the amount of \$328,074). Taking that information into consideration, the franchise tax category as a whole would be exceeding budgeted estimates.
- Other Taxes: This revenue category is \$41,380 (or 15%) below budgeted estimates. A majority of the "other taxes" category is the cigarette tax.
- Licenses and Permits: There are several different revenues that make up this category and a majority of them are related to the licenses and permits for development (i.e. inspection fees, right-of-way permitting, etc.). The severe weather, cold temperatures, and snow that the city experienced during the winter months had a negative impact on development. This revenue category is \$251,640 (or 13%) below budgeted estimates.
- Intergovernmental: This revenue category is made up of grants and contributions from our partners in other government jurisdictions. YTD revenues are \$145,547 (or 17%) below budgeted estimates.
- Charges for Service: There are several revenues in this category and it primarily consists of revenues received for services provided by the City (i.e. ambulance fees, EMS/ dispatch contracts, police department special details, etc.). The charges for services category has exceeded budgeted estimates by \$220,071 (or 3%). One of the specific revenues that has exceeded budgeted estimates is Special Detail, which is a revenue for Police officers working assignments outside of their regular schedule. (It is important to mention that there is a corresponding expense for Special Detail in personnel services.)
- Investment Earnings: This revenue category is significantly exceeding budgeted estimates by \$349,597 (or 388%). In looking into this category more in-depth, the interest on investments has exceeded budgeted estimates by \$107,629 and

the mark-to-market adjustment exceeded budgeted estimates by \$241,968.

- Other: This revenue category is primarily made up of refunds and reimbursements for General Fund departments. In total, revenue from this category is \$755,146 (or 82%) below budgeted estimates. The primary reason for this large variance is that the Capital Project Reimbursement has not yet been processed, which for the first half of the fiscal year was approximately \$686,046.

- Transfers In: This revenue category consists of transfers from other City funds into the General Fund and is \$201,129 (or 25%) below budgeted estimates. The cause of the variance is due to the difference in how it is budgeted versus when it is/ will be received. When it was budgeted, the full amount of fiscal year revenue for transfers in was placed in one month at the beginning of the fiscal year; however, the transfers in to the General Fund are made on a monthly basis. When the end of the fiscal year is completed, all the budgeted and actual amounts for transfers in will equal each other.

The General Fund YTD expense and encumbrance amounts through the month of March total \$54,358,447. This total is less than budgeted amounts by \$1,685,070 (or 3%).

The major variance to mention for the expenses is the Transfers Out category. This expense category has exceeded budgeted amounts by \$334,320 (or 29%). It is important to point out that the cause of this variance to how it was budgeted and when the transfers actually occurred. The transfers out were budgeted to occur each month; however, the transfers out actually occurred in one month at the beginning of the fiscal year. When the end of the fiscal year is completed, the budgeted and actual amounts for the transfers out expense category will equal each other and there will be no variance.

Proposed City Council Motion:

N/A

Background:

N/A

Chris Clubine, Management Analyst



## March Dashboard

	2019 YTD Budget	2019 YTD Encumbrance	2019 YTD Expense (Revenue)	2019 YTD Budget Remaining*	% Used	2018 YTD Expense/ (Revenue)	% Chg. 2018 to 2019
<b>REVENUE</b>	<b>(60,238,404)</b>	<b>0</b>	<b>(59,884,562)</b>	<b>(353,842)</b>	<b>99%</b>	<b>(58,365,927)</b>	<b>3%</b>
<b>Property taxes</b>	<b>(21,664,477)</b>	<b>0</b>	<b>(21,894,117)</b>	<b>229,640</b>	<b>101%</b>	<b>(20,538,774)</b>	<b>7%</b>
<b>Sales tax</b>	<b>(13,088,604)</b>	<b>0</b>	<b>(13,403,766)</b>	<b>315,162</b>	<b>102%</b>	<b>(12,724,216)</b>	<b>5%</b>
Local Sales Tax	(13,584,219)	0	(13,807,934)	223,715	102%	(13,191,417)	5%
Local Sales Tax - EATS	495,615	0	493,677	1,939	100%	503,005	-2%
Sales tax-CassCo prior period remit	0	0	(89,509)	89,509	--	(35,804)	150%
<b>Franchise tax</b>	<b>(10,185,388)</b>	<b>0</b>	<b>(10,091,661)</b>	<b>(93,727)</b>	<b>99%</b>	<b>(10,320,618)</b>	<b>-2%</b>
Natural Gas Franchise Tax	(1,579,574)	0	(1,762,765)	183,192	112%	(1,743,455)	1%
Telephone Franchise Tax	(1,538,309)	0	(1,540,590)	2,280	100%	(1,665,966)	-8%
Electric Franchise Tax	(5,712,811)	0	(5,795,095)	82,284	101%	(5,895,685)	-2%
Cable TV Franchise Tax	(1,354,694)	0	(993,211)	(361,483)	73%	(1,015,512)	-2%
<b>Motor vehicle taxes</b>	<b>(2,725,912)</b>	<b>0</b>	<b>(2,757,306)</b>	<b>31,394</b>	<b>101%</b>	<b>(2,764,843)</b>	<b>0%</b>
<b>Other taxes</b>	<b>(268,952)</b>	<b>0</b>	<b>(227,573)</b>	<b>(41,380)</b>	<b>85%</b>	<b>(249,620)</b>	<b>-9%</b>
<b>Fines and forfeitures</b>	<b>(899,329)</b>	<b>0</b>	<b>(885,694)</b>	<b>(13,635)</b>	<b>98%</b>	<b>(873,248)</b>	<b>1%</b>
<b>Licenses and permits</b>	<b>(1,874,944)</b>	<b>0</b>	<b>(1,623,304)</b>	<b>(251,640)</b>	<b>87%</b>	<b>(1,971,500)</b>	<b>-18%</b>
<b>Intergovernmental</b>	<b>(861,049)</b>	<b>0</b>	<b>(715,501)</b>	<b>(145,547)</b>	<b>83%</b>	<b>(520,284)</b>	<b>38%</b>
<b>Charges for services</b>	<b>(6,856,462)</b>	<b>0</b>	<b>(7,076,532)</b>	<b>220,071</b>	<b>103%</b>	<b>(6,068,420)</b>	<b>17%</b>
<b>Material and fuel sales</b>	<b>0</b>	<b>0</b>	<b>(2,498)</b>	<b>2,498</b>	<b>--</b>	<b>(65)</b>	<b>3,752%</b>
<b>Investment earnings</b>	<b>(90,000)</b>	<b>0</b>	<b>(439,597)</b>	<b>349,597</b>	<b>488%</b>	<b>(10,205)</b>	<b>4,208%</b>
<b>Other</b>	<b>(918,772)</b>	<b>0</b>	<b>(163,626)</b>	<b>(755,146)</b>	<b>18%</b>	<b>(1,455,014)</b>	<b>-89%</b>
<b>Sale of property</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>--</b>	<b>(108,233)</b>	<b>-100%</b>
<b>Transfers in</b>	<b>(804,515)</b>	<b>0</b>	<b>(603,386)</b>	<b>(201,129)</b>	<b>75%</b>	<b>(760,886)</b>	<b>-21%</b>
<b>EXPENSES</b>	<b>56,043,517</b>	<b>226,767</b>	<b>54,131,680</b>	<b>1,685,070</b>	<b>97%</b>	<b>52,694,350</b>	<b>3%</b>
<b>Personal services</b>	<b>37,705,207</b>	<b>0</b>	<b>36,027,896</b>	<b>1,677,311</b>	<b>96%</b>	<b>35,018,916</b>	<b>3%</b>
Salaries	25,220,426	0	23,192,734	2,027,692	92%	22,408,845	103%
Overtime	1,931,329	0	2,112,690	(181,362)	109%	2,174,406	97%
FICA/Medicare	1,767,918	0	1,831,679	(63,761)	104%	1,783,958	103%
Misc	124,682	0	147,540	(22,858)	118%	126,585	117%
Health/Dental Insurance	5,180,771	0	5,127,303	53,468	99%	4,811,710	107%

Other Payroll Costs	835,402	0	871,168	(35,766)	104%	990,677	88%
Retirement-Lagers	2,644,679	0	2,744,781	(100,102)	104%	2,722,735	101%
<b>Supplies for resale</b>	<b>244,987</b>	<b>0</b>	<b>123,597</b>	<b>121,390</b>	<b>50%</b>	<b>185,824</b>	<b>-33%</b>
<b>Other supplies, services and charges</b>	<b>9,038,751</b>	<b>171,569</b>	<b>8,979,539</b>	<b>(112,358)</b>	<b>101%</b>	<b>7,927,024</b>	<b>15%</b>
<b>Repairs and maintenance</b>	<b>1,151,616</b>	<b>9,788</b>	<b>1,094,958</b>	<b>46,869</b>	<b>96%</b>	<b>1,202,040</b>	<b>-8%</b>
<b>Utilities</b>	<b>1,317,323</b>	<b>23</b>	<b>1,140,984</b>	<b>176,316</b>	<b>87%</b>	<b>1,181,577</b>	<b>-3%</b>
<b>Fuel and lubricants</b>	<b>384,602</b>	<b>2,993</b>	<b>296,843</b>	<b>84,766</b>	<b>78%</b>	<b>338,948</b>	<b>-12%</b>
<b>Miscellaneous</b>	<b>73,087</b>	<b>0</b>	<b>13,104</b>	<b>59,984</b>	<b>18%</b>	<b>41,175</b>	<b>-68%</b>
<b>Capital outlay</b>	<b>162,000</b>	<b>42,393</b>	<b>140,303</b>	<b>(20,695)</b>	<b>113%</b>	<b>293</b>	<b>62,236%</b>
<b>Construction</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>--</b>	<b>0</b>	<b>--</b>
<b>Interdepartment charges</b>	<b>4,802,065</b>	<b>0</b>	<b>4,816,259</b>	<b>(14,194)</b>	<b>100%</b>	<b>4,751,659</b>	<b>1%</b>
<b>Transfers out</b>	<b>1,163,878</b>	<b>0</b>	<b>1,498,198</b>	<b>(334,320)</b>	<b>129%</b>	<b>2,046,894</b>	<b>-27%</b>
<b><u>NET INCOME</u></b>	<b><u>(4,194,886)</u></b>	<b><u>226,767</u></b>	<b><u>(5,752,881)</u></b>	<b><u>1,331,228</u></b>	<b><u>132%</u></b>	<b><u>(5,671,577)</u></b>	<b><u>-3%</u></b>

## Packet Information

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**File #: 2019-2777, Version: 1**

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Presentation of Insurance Options and FY2020 Projections

### Key Issues:

- Each year the City Council considers and approves the City's property and liability insurance program.
- Overseen by the Law Department since 2012, the City has enjoyed reduced premium and claim expenses and has increased autonomy and flexibility in the claims management process.
- Considering transitioning liability coverage from OneBeacon to States Self-Insurers Risk Retention Group, Inc. to reduce premium costs and give City more autonomy and involvement in claims management
- Based on FY2019 premium quotes, changing from OneBeacon to States insurance could result in a premium savings of at least \$100,000 per year.

### Background:

Since 2012, the City of Lee's Summit has used a risk management program for property and liability matters which is overseen by the Law Department. The program uses a broker relationship for the procurement of insurance products for the City, a defined methodology for requesting competitive quotes for insurance needs, and internal insurance claims management processes and procedures. In addition, the City has a self-insured retention program in lieu of a traditional deductible insurance program. This has resulted in both significant cost savings to the City as well as increased internal control of the City's risk and loss program, enabling broad internal handling and management of claims and claims processes, resulting in additional cost savings. Currently, the City is under a \$100,000.00 per occurrence self-insured retention, with a stop-loss of \$500,000.00.

While these measures have helped reduce the quantity of claims the City pays out, the City anticipates increased premiums, because of price hardening in the overall market, and our own adverse experience. We anticipate a 10-20% increase in premiums for FY2020. As such, the City is looking at alternative insurance options for its public entity broad form liability that reduce its costs while still maintaining sufficient coverage to keep the City's risk management program financially viable. Public entity broad form liability encompasses general liability, employment practices liability, automobile liability, law enforcement liability and public officials error and omission liability. Currently, OneBeacon provides these coverages to the City.

One option available to the City is to transition to States Self-Insurers Risk Retention Group, Inc. as its insurance provider. States is a national insurance pool of public entities who self-insure a portion of their risk and supplement their limits of insurance offered with the purchase of reinsurance. The premium for a \$100,000 SIR for liability coverage through States is projected to cost approximately \$200,000.00 for FY2020. While this option is by far the best priced option and there are a number of benefits to entering into a risk pool like the one States offers, it comes with some additional exposures that do not exist with OneBeacon.

Some of the benefits to States is the member ownership, which allows the City to proactively mitigate risks by learning from and relying on other members in the pool who regularly deal with the same issues. The City also has much more control over litigation that may result in an insurance payout, such as selected legal counsel and determining whether to

settle, then it does with OneBeacon. Unlike OneBeacon, however, because States is meant to be excess insurance, each year a member renews, the self-insured retention increases by \$50,000 each year until the self-insured retention is \$250,000. With the increase self-insured retention, the premiums also decrease by approximately \$8,000 per year. OneBeacon also allows the City to carry Stop-Loss coverage of \$500,000, whereas States insurance does not offer Stop-Loss coverage and such coverage is not otherwise available on the market. Finally, States does not provide automobile comp and collision coverage, so the City will need to obtain a quote for such coverage through another provider.

City staff has discussed the States program with Lockton in detail, and reviewed States' policy information. Lockton is prohibited from endorsing, because they are a non-rated "insurer" (as they would with MOPERM, or MPR)- but they have other large Missouri cities in the Pool- Independence, Springfield, and Columbia. The policy is non-assessable, financially viable, and supported by strong reinsurance. States collects over \$12 million in premiums annually and carry a surplus of \$9.6 million. We have contacted references from other entities who are currently members, such as the City of Springfield and the City of Columbia who both noted how well the program treats its members and actively seeks to reduce risk exposure and ensure that a member is taken care of when incidents occur. Transitioning to the States Risk Pool would further reduced the City's risk management expenditures while maximizing autonomy and efficiency in the risk management process.

Based on the premiums quoted for FY2019, transitioning from OneBeacon to States would save the City at least \$100,000 in premiums alone without increasing the City's self-insured retention which currently is \$100,000 for FY2020.

Lockton, the City's insurance broker, believes the State's Program is designed to benefit entities, like the City, that take an active role in managing risk and claims. The Law Department has actively managed third party claims since 2012 with success.

The City is marketing its other insurance coverages (i.e. property, crime, medical director, and cyber) to ensure it receives the lowest premiums. Staff plans to bring an ordinance to secure all insurance coverages to the entire City Council at the first meeting in June.

### *Recommendation*

Staff recommends approval of the City contracting with States as its insurance provider for liability coverage, on the condition that the premium costs would net the City significant savings as compared to remaining with OneBeacon Insurance.

*Yours Truly*

# City of Lee's Summit, Missouri Property & Liability Insurance

Insurance Options and  
FY 2020 Projections

# Savings Initiatives

- Starting 2012...
  - Law Department to oversee Property & Liability Insurance.
  - Convert from Agent to Broker Relationship for Insurance Procurement
    - Increased annual savings
  - Increased \$25,000 per occurrence deductible → \$50,000 per occurrence SIR → \$100,000 SIR with \$500,000 Stop Loss
  - Internally process and manage all claims
  - Managed various claims involving litigation in-house, reducing litigation expenses and deductible payments

# Summary of States

- Operating since 1980s
- Member owned and operated, with broad coverage
- Increasing SIR
- Set up to benefit entities with good risk management plans and procedures
- Non-assessable
- Financing (as of 12/31/2017)
  - \$10M treaty limits
  - \$9.6M surplus
  - \$12.2M gross premium

# Comparison

	<b>States</b>	<b>OneBeacon</b>
SIR/Premium*	\$100,000/ \$199,240 \$250,000/ \$175,331	\$100,000/ \$392,850 \$250,000/ Unknown
Type of Insurance	Risk-Pool	Traditional
Cliental	Only public entities	Private and Public Entities
Stop-Loss Coverage	Not Available	Available by endorsement
Auto Comp/Collision	Not Available	\$5,000 SIR



# Liability Insurance Premiums FY 2016 to Present

- FY2016: \$356,444
- FY2017: \$339,818
- FY2018: \$341,710
- FY2019: \$392,850
- FY2020: Broker projects 10-20% increase

# Liability Claims Processing

Fiscal Year	Internal	Insurance	TPA
2015-16	123	1	N/A
2016-17	125	2	N/A
2017-18	190	3	N/A
2018-19 (to date)	168	0	2

# Historical Loss Data

- FY 2016 Historical Loss Data
  - Largest Claim Paid: \$200,000
  - Claims Paid over \$100K SIR: 1\*; Claims over Paid \$250K SIR: 1
- FY 2017 Historical Loss Data
  - Largest Claim Paid: \$40,000
  - Claims Paid over \$100K SIR: 0; Claims Paid over \$250K SIR: 0
- FY 2018 Historical Loss Data
  - Largest Claim Paid: \$7,488.18
  - Claims Paid over \$100K SIR: 0\*; Claims Paid over \$250K SIR: 0\*
- FY 2019 (to date)– No liability claims submitted to insurance
  - Largest Claim Paid: \$76,756.11
  - Claims over \$100K SIR: 0; Claims over \$250K SIR: 0

# Continued Cost Reduction Initiatives

- Resources readily available In-House to manage claims and litigation for a variety of matters
- Continued management and review of all claims internally
- Continued subrogation and restitution efforts for damage to City owned property and resources
- Use third-party administrator for complex claims

## Packet Information

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**File #:** 2019-2779, **Version:** 1

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General Fund Revenues Update: Actuals and Trends with Sales Tax and Property Taxes (PILOTs and Replacement Tax)

Issue/Request:

General Fund Revenues Update: Actuals and Trends with Sales Tax and Property Taxes (PILOTs and Replacement Tax)

Key Issues:

Since the revenue estimates for the FY19 Projections and FY20 Forecasts were presented to the Finance and Budget Committee (F&BC), additional data has become available which has helped to refine trends. After reviewing each of the General Fund revenue categories, there are three revenues that should be revised: Sales Tax, Property Tax-Payments in Lieu of Taxes (PILOTs), and Property Tax-Replacement Tax.

-Sales Tax: When the FY19 Projections were presented to the F&BC at the February meeting, there was seven months of Actuals data available (July - January). The trends at that time showed that the Sales Tax was growing at significant rates: FY19 Actuals were 8.04% above FY18 Actuals, and FY19 Actuals were also coming in at 2.74% over the FY19 Budget amounts. When the FY20 Forecast was presented to the F&BC at the March meeting, there were eight months of Actuals data available (July - February). The trends with that additional month of data continued to show strong growth trends: FY19 Actuals were 7.76% above FY18 Actuals, and FY19 Actuals were also coming in 2.57% over the FY19 Budget amounts.

As of the writing of this report, there are now eleven months of Sales Tax Actuals data available (July - May). The updated trends continue to show that the year-to-date (YTD) actuals are greater than prior year (FY18) actuals and current year (FY19) budgeted amounts, but they are not at the same levels as they were at the time of Projections and Forecasts. With eleven months of data, the YTD Actuals for FY19 are now 6.23% above FY18 Actuals, and FY19 Actuals are now 0.86% above FY19 Budget amounts.

As a result of the additional months of Actuals data, it seems appropriate to update the FY19 Projections estimate. It is important to mention that the FY19 Projection is the revenue total that we believe we will have at the end of the Fiscal Year and it is the base amount that the FY20 Forecast was calculated off of (3.5% growth over Projections). The methodology for the updated FY19 Projection was to use the eleven months of Actuals for July through May and enter the FY19 Budget amount for the only month where Actuals are not yet available, the month of June. Using the updated FY19 Projection, a new FY20 Forecast amount for Sales Tax was calculated using the same anticipated rate of growth of 3.5% over the Projections amount. This gave a new FY20 Forecast amount of \$18,596,208. The new Forecast amount is \$307,518 less than the original Forecast amount (\$18,903,726).

-Property Tax-PILOTs: After a review of the revenues and expenses for PILOTs, it was determined that the revenue amounts for PILOTs were not accurate and should be revised. (The expense amounts were correct).

The correct revenue amount for PILOTs, which will be the updated Forecast amount, is \$2,989,531. This is an increase of \$205,542 over the original Forecast amount (\$2,783,989).

-Property Tax-Replacement Tax: When the FY19 Projections and FY20 Forecast were presented to the F&BC, the FY19 Actuals data was not available. Since the FY19 Actuals are now available, it seems appropriate to revise the FY20 Forecast. The methodology that is used for the FY20 Forecast is a two-year average of FY18 Actuals (\$1,794,230) and FY19 Actuals (\$2,015,812). Using this calculation, the updated FY20 Forecast for the Property Tax-Replacement Tax revenue is \$1,905,021. This is an increase of \$154,209 over the original Forecast amount (\$1,750,812).

In total, the aggregate impact of the FY20 Forecast changes described above is an increase in revenue of \$54,233. This brings the total revenue for the General Fund FY20 Forecast to \$75,719,343.

Proposed City Council Motion:

N/A

Background:

N/A

Chris Clubine, Management Analyst

# Revenues Update

Update on Actuals and Trends with Sales Tax and Property Taxes (PILOTs and Replacement Tax)

# Sales Tax





# Sales Tax – Projections

- Original FY19 Projection: \$18,264,469.
  - Presented to the F&BC on February 11th.
  - 7 months of Actuals: July – January.
  - Trends:
    - 8.04% over prior year (FY18) actuals
    - 2.74% over current year (FY19) budget
- Methodology for Projections: 7 months of actuals plus budgeted amounts increased at 2%.

Month	Actual 2018	Actual 2019
July	1,686,459	1,822,515
Aug	1,062,223	1,114,791
Sept	1,791,492	1,979,547
Oct	1,328,051	1,252,757
Nov	1,031,529	1,410,362
Dec	2,006,596	1,805,011
Jan	1,186,780	1,519,617
<b>Total</b>	<b>10,093,130</b>	<b>10,904,600</b>

\$ Change: 811,470  
 % Change: 8.04%

Month	Budget 2019	Actual 2019
July	1,675,964	1,822,515
Aug	1,046,586	1,114,791
Sept	1,954,102	1,979,547
Oct	1,490,538	1,252,757
Nov	1,080,462	1,410,362
Dec	1,770,459	1,805,011
Jan	1,595,731	1,519,617
<b>Total</b>	<b>10,613,842</b>	<b>10,904,600</b>

\$ Change: 290,758  
 % Change: 2.74%



# Sales Tax – Forecast

- Original FY20 Forecast: \$18,903,726.
  - Presented at the F&BC on March 11<sup>th</sup>.
  - 8 months of Actuals: July – February.
  - Trends:
    - 7.76% over prior year (FY18) actuals
    - 2.57% over current year (FY19) budget
- Methodology for Forecast: 3.5% increase over FY19 Projections.

Month	Actual 2018	Actual 2019
July	1,686,459	1,822,515
Aug	1,062,223	1,114,791
Sept	1,791,492	1,979,547
Oct	1,328,051	1,252,757
Nov	1,031,529	1,410,362
Dec	2,006,596	1,805,011
Jan	1,186,780	1,519,617
Feb	1,092,056	1,148,345
<b>Total</b>	<b>11,185,186</b>	<b>12,052,945</b>

\$ Change: 867,759  
 % Change: 7.76%

Month	Budget 2019	Actual 2019
July	1,675,964	1,822,515
Aug	1,046,586	1,114,791
Sept	1,954,102	1,979,547
Oct	1,490,538	1,252,757
Nov	1,080,462	1,410,362
Dec	1,770,459	1,805,011
Jan	1,595,731	1,519,617
Feb	1,137,516	1,148,345
<b>Total</b>	<b>11,751,358</b>	<b>12,052,945</b>

\$ Change: 301,587  
 % Change: 2.57%



# Sales Tax – Trend Since Projections and Forecast

- 11 months of Actuals: July – May.
- Trend: Growth rates have decreased.
  - 6.23% over prior year (FY18) actuals
  - 0.86% over current year (FY19) budget

Month	Actual 2018	Actual 2019
July	1,686,459	1,822,515
Aug	1,062,223	1,114,791
Sept	1,791,492	1,979,547
Oct	1,328,051	1,252,757
Nov	1,031,529	1,410,362
Dec	2,006,596	1,805,011
Jan	1,186,780	1,519,617
Feb	1,092,056	1,148,345
Mar	2,006,232	1,754,988
Apr	970,442	1,362,113
May	1,024,585	962,660
<b>Total</b>	<b>15,186,445</b>	<b>16,132,706</b>

\$ Change 946,261  
% Change 6.23%

Month	Budget 2019	Actual 2019
July	1,675,964	1,822,515
Aug	1,046,586	1,114,791
Sept	1,954,102	1,979,547
Oct	1,490,538	1,252,757
Nov	1,080,462	1,410,362
Dec	1,770,459	1,805,011
Jan	1,595,731	1,519,617
Feb	1,137,516	1,148,345
Mar	1,832,862	1,754,988
Apr	1,397,825	1,362,113
May	1,012,710	962,660
<b>Total</b>	<b>15,994,755</b>	<b>16,132,706</b>

\$ Change 137,951  
% Change 0.86%



# Sales Tax – Updated Projection

- As a result of new data and trends, it seems appropriate to revise the year-end projections.
- Methodology: 11 months of Actuals (July – May) and FY19 Budgeted amount for June.

Month	Projected YE 2019 (new)
July	1,822,515
Aug	1,114,791
Sept	1,979,547
Oct	1,252,757
Nov	1,410,362
Dec	1,805,011
Jan	1,519,617
Feb	1,148,345
Mar	1,754,988
Apr	1,362,113
May	962,660
June	1,834,645
<b>Total</b>	<b>17,967,351</b>

# Sales Tax – Updated Forecast

- As a result of updating the projection, it is also recommended to update the FY20 Forecast.
- Methodology: 3.5% increase over updated FY19 Projections.

Month	Projected YE 2019 (new)	new FY20 Forecast
July	1,822,515	1,886,303
Aug	1,114,791	1,153,809
Sept	1,979,547	2,048,831
Oct	1,252,757	1,296,603
Nov	1,410,362	1,459,725
Dec	1,805,011	1,868,186
Jan	1,519,617	1,572,804
Feb	1,148,345	1,188,537
Mar	1,754,988	1,816,413
Apr	1,362,113	1,409,787
May	962,660	996,353
June	1,834,645	1,898,858
<b>Total</b>	<b>17,967,351</b>	<b>18,596,208</b>
	\$ Change	628,857
	% Change	3.50%

# Sales Tax – Updated Forecast (continued)

- The updated FY20 Forecast decreased from the original FY20 Forecast amount by \$307,518.

Month	FY20 Forecast	new FY20 Forecast
July	1,886,303	1,886,303
Aug	1,153,809	1,153,809
Sept	2,048,831	2,048,831
Oct	1,296,603	1,296,603
Nov	1,459,725	1,459,725
Dec	1,868,186	1,868,186
Jan	1,572,804	1,572,804
Feb	1,200,876	1,188,537
Mar	1,934,952	1,816,413
Apr	1,475,684	1,409,787
May	1,069,118	996,353
June	1,936,835	1,898,858
<b>Total</b>	<b>18,903,726</b>	<b>18,596,208</b>

\$ Change (307,518)

% Change -1.63%



# Sales Tax

	2018	2019	2019	2020	Change from FY19 Budget		Change from FY19 Proj	
	Actuals	Budget	Proj	Forecast	\$	%	\$	%
<b>Gross Sales Tax</b>	16,946,275	17,829,399	18,264,469	18,596,208	766,809	4.30%	331,739	1.82%
<b>EATs</b>	-633,691	-708,123	-669,816	-680,200	27,923	-3.94%	-10,384	1.55%
<b>Sales Tax-Cass Co prior period</b>	89,509	0	214,824	214,824	214,824	N/A	0	0.00%
<b>Total</b>	<b>16,402,093</b>	<b>17,121,276</b>	<b>17,809,477</b>	<b>18,130,832</b>	<b>1,009,556</b>	<b>5.90%</b>	<b>321,355</b>	<b>1.80%</b>

# Property Taxes

Payments in Lieu of Taxes (PILOTs)  
and Replacement Tax



# Property Taxes – PILOTs

- Original FY20 Forecast: \$2,783,989
- Most PILOTs are on a fixed schedule.
- After a review of the revenues (and expenses) for PILOTs, it was determined that the total revenues for FY20 was not correct and should be revised.
- Updated FY20 Forecast: \$2,989,531 (increase of \$205,542).

# Property Taxes – Replacement Tax

- Original FY20 Forecast: \$1,750,812
  - When the FY20 Forecast was calculated, the FY19 Actual amounts were not available yet.
- With the FY19 Actuals information available, it is recommended to revise the FY20 Forecast amount for Replacement Tax.
  - FY17 Actuals: \$1,704,297
  - FY18 Actuals: \$1,794,230
  - FY19 Actuals: \$2,015,812
- Updated FY20 Forecast: \$1,905,021 (increase of \$154,209)
  - Methodology: 2-year average of FY18 and FY19 Actuals

# Property Taxes

	2018	2019	2019	2020	Change from FY19 Budget		Change from FY19 Proj	
	Actuals	Budget	Proj	Forecast	\$	%	\$	%
<b>Property Taxes- Jackson</b>	16,652,184	16,683,733	17,017,105	17,261,085	577,352	3.46%	243,980	1.43%
<b>Property Taxes Cass</b>	485,585	495,242	480,817	518,682	23,440	4.73%	37,865	7.88%
<b>RR Tax - Jackson</b>	382,344	334,486	334,486	382,344	47,858	14.31%	47,858	14.31%
<b>RR Tax - Cass</b>	9,904	9,954	9,954	9,187	-767	-7.71%	-767	-7.71%
<b>Replacement Tax</b>	1,794,230	1,794,230	1,794,230	1,905,021	110,791	6.17%	110,791	6.17%
<b>Payment in Lieu of Taxes</b>	1,853,132	2,346,832	2,346,832	2,989,531	642,699	27.39%	642,699	27.39%
<b>Total</b>	<b>21,177,379</b>	<b>21,664,477</b>	<b>21,983,424</b>	<b>23,065,850</b>	<b>1,401,373</b>	<b>6.47%</b>	<b>1,082,426</b>	<b>4.92%</b>



# Impact of Revenue Updates

- Sales Tax: decrease \$307,518
- Property Tax – PILOTs: increase \$205,542
- Property Tax – Replacement Tax: increase \$154,209
  
- Total Impact of Changes: increase \$52,233

# FY20 Revenues Forecast

	2018	2019	2019	2020	Change from FY19 Budget		Change from FY19 Proj	
	Actuals	Budget	Proj	Forecast	\$	%	\$	%
<b>Property Taxes</b>	21,177,380	21,664,477	21,983,424	23,065,850	1,401,373	6.47%	1,082,426	4.92%
<b>Sales Tax</b>	16,402,094	17,121,276	17,809,477	18,130,832	1,009,556	5.90%	321,355	1.80%
<b>Franchise Tax</b>	13,425,420	12,530,550	12,892,717	12,625,326	94,776	0.76%	-267,391	-2.07%
<b>Motor Vehicle Taxes</b>	3,704,598	3,694,490	3,683,787	3,694,164	-326	-0.01%	10,377	0.28%
<b>Other Taxes</b>	319,617	322,690	310,610	295,174	-27,516	-8.53%	-15,436	-4.97%
<b>Fines and Forfeitures</b>	1,201,591	1,199,105	1,147,106	1,159,690	-39,415	-3.29%	12,584	1.10%
<b>Licenses and Permits</b>	2,762,581	2,655,300	2,727,300	2,685,440	30,140	1.14%	-41,860	-1.53%
<b>Intergovernmental</b>	891,502	1,148,065	1,148,065	1,310,965	162,900	14.19%	162,900	14.19%
<b>Charges for Services</b>	7,731,488	8,826,224	8,901,187	9,374,305	548,081	6.21%	473,118	5.32%
<b>Materials and Fuel Sales</b>	830	0	1,860	2,000	2,000	N/A	140	7.53%
<b>Investment Earnings</b>	98,394	120,000	334,334	330,000	210,000	175.00%	-4,334	-1.30%
<b>Other</b>	1,890,067	1,730,838	1,740,105	2,139,500	408,662	23.61%	399,395	22.95%
<b>Sale of Property</b>	108,233	0	0	0	0	0.00%	0	0.00%
<b>Transfers In</b>	791,112	804,515	804,515	906,097	101,582	12.63%	101,582	12.63%
<b>Total</b>	<b>70,504,907</b>	<b>71,817,530</b>	<b>73,484,487</b>	<b>75,719,343</b>	<b>3,901,813</b>	<b>5.43%</b>	<b>2,234,856</b>	<b>3.04%</b>



## Packet Information

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**File #:** TMP-1196, **Version:** 1

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An Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City. (BOAC 4-8-19)

Issue/Request:

An Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City.

Key Issues:

The Airport has received a request from Rebel Aviation Inc. as part of their lease agreement renewal with the City to also include additional services to be provided that would include aircraft maintenance and aviation testing center for aviation licenses and certificates, in addition to the flight training and aircraft rental currently being provided as part of their FBO Agreement.

Proposed Committee Motion:

I move to recommend to City Council approval of an Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City.

Background:

Rebel Aviation Inc. will have been located on the Airport for two-years as of May 1<sup>st</sup>. They are currently the only business providing aircraft rental and flight instruction at the airport. Rebel Aviation Inc. has been in operation over 15 years at Roosterville Airport in Liberty, Missouri. Rebel Aviation Inc. filled the gap left by a former flight school when the operators retired in 2012. The operators of Rebel Aviation Inc. are requesting approval to expand the services being offered to include aircraft maintenance and aviation testing center. Electronic testing is a service that was previously offered by Air Charter prior to the sale of their facility to the City in 2016. Rebel Aviation Inc. began their operation at the airport with the rental of one Open-T hangar to house one aircraft and rental of an office in the former Terminal building. Their fleet of aircraft has grown to two aircraft and the rental of the P-hangar with plans to add two more aircraft in the coming months. Prior to the arrival of Rebel Aviation Inc. the Airport was without an operating flight school for over five years after the owners of Midwest Executive Aircraft, Inc. retired and closed their doors in July 2012. The Airport actively marketed for a Flight School operator until the arrival of

Rebel Aviation Inc. in 2017.

Impact/Analysis:

Flight School operations not only provide additional revenues from fuel sales, but could also provide hangar tenants from students that become pilots who decide to purchase their own aircraft and need hangar space to store their aircraft.

Timeline:

Start: \_\_\_\_

Finish: \_\_\_\_

Other Information/Unique Characteristics:

[Enter text here]

John Ohrazda, Airport Manager

Recommendation: Staff recommends approval of An Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City.

Committee Recommendation: The Board of Aeronautic Commissioners voted unanimously 6-0 (Commissioner Bray abstained) to recommend to City Council approval of An Ordinance approving a renewal and amendment to services being offered in the Fixed Base Operator Agreement between Rebel Aviation Inc. (Hereinafter "Operator") and the City of Lee's Summit, Missouri (Hereinafter "City") and authorizing the City Manager to execute the same by and on behalf of the City.

**BILL NO. -**

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AN ORDINANCE APPROVING A RENEWAL AND AMENDMENT TO SERVICES BEING OFFERED IN THE FIXED BASED OPERATOR AGREEMENT BETWEEN REBEL AVIATION, INC. (HEREINAFTER "OPERATOR") AND THE CITY OF LEE'S SUMMIT, MISSOURI, (HEREINAFTER "CITY") AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the City of Lee's Summit owns and operates the Lee's Summit Municipal Airport (hereinafter "Airport") which includes the ownership of a number of facilities located on the property; and,

WHEREAS, the Airport, through the City Council, periodically enters into agreements for the facilities located on the property for various aviation business purposes; and,

WHEREAS, Rebel Aviation, Inc. has requested permission to renew their contract and add additional services to include aircraft maintenance and aviation testing center as a Fixed Base Operator (FBO) at the Lee's Summit Municipal Airport: and

WHEREAS, Rebel Aviation, Inc. and the Airport have negotiated the terms and conditions of a Fixed Base Operator Agreement which provides for the operations as an FBO; and,

WHEREAS, City and Rebel Aviation, Inc. wish to enter into the Fixed Base Operator Agreement.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Fixed Base Operator Agreement by and between the City of Lee's Summit, Missouri and Rebel Aviation, Inc. for the purpose of the operation of a Fixed Based Operator Agreement (FBO), a true and accurate copy being attached hereto as Exhibit "A" and incorporated herein by reference, be and the same is hereby approved. The City Manager is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2019.

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Mayor, William A. Baird

ATTEST:



**BILL NO. -**

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\_\_\_\_\_  
City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor, *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

\_\_\_\_\_  
*Nancy K. Yendes*  
Chief Counsel, Infrastructure and Planning

**FIXED BASE OPERATOR AGREEMENT**

**Rebel Aviation Inc.**

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**2019**

**And**

**The City of Lee's Summit, Missouri**

FIXED BASE OPERATOR AGREEMENT

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## FIXED BASE OPERATOR AGREEMENT

THIS LEASE AGREEMENT is made this \_\_\_\_ of \_\_\_\_\_, **2019**, between the City of Lee's Summit, Missouri, hereinafter called "City," and **Rebel Aviation, Inc.**, a corporation incorporated and existing under the laws of the State of Missouri and authorized to do business in the State of Missouri, hereinafter called "Operator".

### WITNESSETH

WHEREAS, City operates the Lee's Summit Municipal Airport, hereafter called "Airport," located in the City of Lee's Summit, Jackson County, Missouri; has the right, title and interest in and to the real property comprising the Airport; and has full power and authority to enter into this Agreement;

WHEREAS, the Operator is desirous to rent Open-bay Hangar Unit #1 for the operation of a flight school and aircraft rental, aviation maintenance and testing center Fixed Based Operation located at the Airport; and

WHEREAS, Operator agrees to comply with the Minimum Standard Requirements for Airport Aeronautical Services adopted by the City for fixed based operators and requirements for specific businesses engaged in which includes flight school and aircraft rental business at the Lee's Summit Municipal Airport and the Lee's Summit Municipal Airport Rules and Regulations, and as may be amended from time to time, which are hereby incorporated by reference as if fully set forth herein, for so long as this Agreement is in effect.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, City leases to Operator and Operator leases from City the following described premises and rights, subject to the following:

### SECTION 1. LEASED PREMISES

#### Subsection 1.01 Description of Leased Premises

A. The term "leased premises", as referenced to in this Agreement, includes the following premises located at the Lee's Summit Municipal Airport, 2751 NE Douglas, Lee's Summit, Missouri, 64064:

1. Office premises Z.04 at the Airport Administrative Building, known as Suite A located therein;
2. The Aircraft Maintenance Facility, also referred to as "Building-P".

A. Missouri, 64064 for a period of **two (2)** years from and after the date of this Agreement.

B. The above referenced facilities are included as part of the Leased Premises in their present condition, and any improvements, together with the easements and rights thereto or as may be hereafter separately granted to effectuate the purposes of this lease, including the right of ingress thereto and egress therefrom.

C. The Operator may also use up to five (5) paved tie-downs, on an as needed basis and when available, to be used only for those aircraft that are owned, operated or under the control of the Operator. Such tie-down spaces are not specific as to location and are not for exclusive use by the Operator.

D. Upon request from the Operator and approval by the Airport Manager, the Operator may lease additional aircraft tie-downs or additional aircraft storage hangars on a daily or monthly basis for those aircraft that are owned, operated, or under the control of the Operator. Such additional tie-downs or hangars will be leased subject to the terms of this Agreement.

E. The parties agree that the Operator may, upon approval by the Airport Manager, substitute the above referenced office space, open or enclosed aircraft storage hangars for other such rental spaces. At such time the Operator wishes to rent office space, open or enclosed aircraft storage hangars, the rates will be based on the City's current schedule of fees. The City Manager is hereby authorized to execute any such addendum to this Agreement relating to the rental of office space or the addition of hangars. Any additional or substituted hangars will be subject to the terms of this Agreement, and the rental rate shall be the hangars current retail rate (the "Posted Rate").

## SECTION 2. PURPOSE OF AGREEMENT

### Subsection 2.01. Use of Leased Premises.

A. Purpose of Agreement: The purpose of this Agreement is to establish an agreement for the operation of a flight school, aircraft rental, aviation maintenance and aviation testing center business as a Fixed Base Operator (FBO) at the Lee's Summit Municipal Airport. In addition to other limitations and restrictions contained in this Agreement, the Operator agrees to the following limitations on the permitted uses of the Leased Premises:

- a. 1. Office premises Z.04 shall only be used for general business office purposes;
2. Building P, shall only be used for the storage and maintenance of aircraft that are owned, operated, or under the control of the Operator.

B. Conditions of Granting Fixed Base Operator Status: Granting Operator the status of Fixed Based Operator is conditioned upon the following covenants:

- (1) That the right to use the public airport facilities as well as all of Operator's rights as a fixed Base Operator shall be exercised subject to and in accordance with the laws of the United States of America including regulations promulgated by the Federal Aviation Administration (FAA), the State of Missouri, and the City of Lee's Summit, now in force or afterwards ordained or promulgated including environmental legislation and regulations.
- (2) That Operator shall obtain a business license from the City prior to commencement of its Aeronautical Services.
- (3) That Operator shall provide the City with appropriate certificates of insurance in accordance with Subsection 8.02 and all relevant FAA certificates for types of services provided.
- (4) That the Operator shall comply with the Minimum Standard Requirements for Commercial Airport Aeronautical Service Providers ("Requirements") as adopted and revised by the City. The Operator understands that this requirement is ongoing and continuing in nature, and that the Requirements are subject to future modification.
- (5) That the Operator shall comply with Lee's Summit Municipal Airport Rules and Regulations.

C. Aeronautical Services. Upon execution of this agreement and completion of all requirements herein, the Operator is authorized to undertake and provide the following proposed Aeronautical Services: Aircraft and Power plant maintenance, repair and inspection, Flight Instruction, Aircraft Rental, and Professional pilot services, (including but not limited to sight seeing, aerial photography and patrol). **aviation maintenance and aviation testing center.** The rights granted by this agreement will be exercised in such a way as to not interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 2.02. No Exclusive Right. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

Subsection 2.03. Prohibited Activities. The following activities are expressly prohibited:

- A. Operator agrees not to use any Leased Premises or permit the use thereof in such manner as to make void or increase the rate of insurance thereon.
- C. The Operator is prohibited from selling or dispensing aircraft fuels. Any violation by the Operator of this subsection shall constitute a material breach of this Agreement, and shall constitute cause for immediate termination of the Agreement and repossession of the

Leased Premises by the City.

### SECTION 3. TERM

Subsection 3.01. Term. The Initial Term of this Agreement is one (1) years, commencing on the May 31, 2017, and terminating April 30, 2018. This agreement may be extended for one additional one year term upon the giving of sixty (60) days' notice by the Operator of its intent to so renew.

Subsection 3.02 Holdover. In the event Operator rents office space during the term of the agreement and continues to occupy the Leased Premises beyond the initial Agreement term, or any extension thereof, without the City's written consent thereto, such holding over shall not constitute a renewal or extension of this Agreement but shall create a tenancy from month to month which may be terminated at any time by either party giving thirty (30) days written notice to the other party. The Operator shall perform and maintain its obligations under this Agreement during any holdover period, including the payment of rent in accordance with Subsection 4.01 of this Agreement.

### SECTION 4. RENTALS, FEES AND RECORDS

#### Subsection 4.01 Rentals for Leased Premises.

The monthly rental payment for office premises Z.04 described herein is based on a rate of \$1.41 per square foot, resulting in a rental rate of two-hundred-sixty-five dollars (\$265.00) per month for the Northwest. In addition to the rental rate for office premises Z.04, the Operator shall pay a monthly fee of twenty dollars (\$25.00) for the use of various City provided services, including water, sewer, electricity, and trash removal. The rental rate for the Aircraft Maintenance Facility (hereafter known as Building-P, a 60-foot by 60-foot building) will be one-thousand eight hundred seventy-one (\$1,871.00) dollars per month for the two year period of the term of this agreement.

- A. Rental fees shall be adjusted following the Initial Term of this Agreement, and then after every Renewal Term thereafter, with each such adjustment to become effective upon commencement of the subsequent term. The rental rates shall be adjusted by the total change in the Consumer Price Index for All Urban Consumers, (CPI-U) all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 equals 100) or a successor index appropriately adjusted. This shall be measured by finding the difference between the CPI-U figure for the month immediately prior to the commencement date of the Agreement or of the previous two year measuring period, and the CPI-U index figure for the same month immediately prior to the commencement of the next measuring period, as described in the example below.

2. The percent increase in the Consumer Price Index during the measuring period shall be multiplied by the annual square footage rental rate to determine the annual rent to be paid for the next two year Renewal Term. The annual rent increases shall be cumulative. For example:

FORMULA	EXAMPLE
NEW CPI (9/99)	156.91
- OLD CPI (9/94)	149.44
CPI CHANGE+	7.47
 CHANGE IN CPI = % CPI	 7.47 = (5.00%)
OLD CPI	149.44
 (% CPI + 1) X CURRENT RATE =	 (0.05 + 1) X \$0.25 = \$0.26
NEW RATE	

3. Notwithstanding the adjustment calculation methodology stated above, at no time during the term of this Agreement, including any renewals thereof, will the annual square feet rental rate decrease. In the event the adjustment calculation methodology described above would result in a decrease in the annual rental rate, the Operator shall, for that measuring period under the said Renewal Term, pay an annual rental rate in the same amount as that assessed for the Renewal Term or measuring period immediately prior to the period or renewal term involving the calculated or appraised decrease. In the event that the City causes a decrease in the total square feet of the Leased Premises, the total rental amount would decrease proportionately.

Subsection 4.02 Fuel Purchase Rates:

A. Operator agrees to pay fuel pricing, per gallon, established each Monday based on the most recently delivered Wholesale Price + Federal Excise Tax (+ State Excise Tax for 100LL) + (any other federally or state mandated taxes or fees) + City Fee. The City Fee shall be according to the following table, based on Operator’s total annual fuel volume purchased from City.

City Fee

Volume	Fee Per Gallon Self Service	Fee Per Gallon Full- Service
0-49,999	\$ 0.45	\$0.55
50,000 – 99,999	\$ 0.37	\$0.47
100,000 – 199,999	\$ 0.35	\$0.45
200,000 +	\$ 0.30	\$0.40



The fee per gallon for the City Fee shall be assessed incrementally on the respective volumes listed in the above table, such that the fee per gallon for each gallon purchased in the first range shall be \$ 0.55 per gallon for full service and \$0.45 per gallon for self service, the fee per gallon for each gallon purchased in the second range shall be \$ 0.47 per gallon for full service and \$0.37 per gallon for self service and so forth. The above fuel pricing shall apply to and be calculated based on all aircraft owned or operated by the Operator or permanently hangared at the Airport. Per gallon fuel prices shall be rounded up or down to the nearest half cent.

B. The Airport shall provide fuel invoices on a weekly or bi-weekly basis based on Operator's Preference. Operators wishing to pay monthly shall deposit with the City \$5,000 or an amount equal to the average cost for two weeks' worth of total fuel usage, whichever is greater. Fuel use will not be charged against this deposit. During each renewal of this Agreement, average fuel use will be reviewed to determine appropriate deposit amount required. Upon such review, the Operator agrees to adjust the deposit as required. Upon termination of this agreement, said deposit shall be returned to the Lessee, minus any amount for unpaid invoices.

Subsection 4.03. Delinquent Payments. The Operator agrees to pay all invoices within ten (10) days after receipt. The City may establish an interest charge computed as simple interest, to be collected on the principal of all sums due and unpaid for more than ten (10) days, but such interest when assessed thereafter, shall be computed from the 11<sup>th</sup> day after invoice date. The City reserves the right to refuse to provide services, including fuel, or require payment in advance for any fuel or services at any time Operator is thirty (30) days or more delinquent on any payment. Upon payment of any delinquent amounts, the decision to provide services on an advance payment or invoice basis is at the sole discretion of the Airport Manager. In the event that collection activities, including litigation, are used in order to recover past due amounts owed, the City shall be entitled to recover its collections costs, including its reasonable attorney's fees.

Subsection 4.04. Review and Adjustment of Fuel Fees. Fuel fees listed in Subsection 4.02 ***above shall be in effect for one (2) year from the effective date of the Agreement. Operator and City agree to review fuel fees and re-negotiate, if mutually deemed appropriate for the remainder of the term of this agreement.*** Upon notification of request for renewal of the agreement per Subsection 3.01, fuel fee shall be reviewed and re-negotiated as appropriate.

Subsection 4.05 Fees for Ramp Tie-Downs and Other Services. Open ramp aircraft tie-downs shall be charged at a rate of fifty percent (50%) of the retail rate (the "Posted Rate") for flight school training, rental aircraft, or on consignment to the Operator. The charge for towing services shall be at the Posted Rate. Any special services not available or required by other airport patrons will have rates determined on a case by case basis.

Subsection 4.06. Books and Records of Operator. There are no books and records requirements under this Agreement.

Subsection 4.07. Audit. There are no audit requirements under this Agreement.

## SECTION 5. OBLIGATIONS OF OPERATOR

Subsection 5.01. Operations by Operator: Operator agrees:

- A. To promote aviation activity on the Airport and to conduct operations on the Leased Premises in a proper, efficient and courteous manner.
- B. That all services shall be furnished on a fair, equal and nondiscriminatory basis to all users, and that only fair, reasonable and nondiscriminatory prices for each unit of sale or service will be charged. Operator may, however, make reasonable and nondiscriminatory discounts, rebates or other similar price reductions to volume purchasers.
- C. To furnish those Aeronautical Services listed heretofore and to receive written approval from the Airport Manager of all Operator's operations, signs, etc. thirty (30) days before start-up of any additional Aeronautical Services or cessation of any or all approved Aeronautical Services.
- C. To supply the Airport Manager with a list of its employees or associated personnel names, job titles and duties, and their emergency telephone numbers and addresses. The Airport may request background or other checks on such employees.
- E. To not execute an agreement with any subcontractor to perform the Operator's Aeronautical Services without written approval of the City and to insert in all subcontracts a provision requiring the subcontractors to comply with applicable provisions of this agreement and further provide in each subcontract a statement "that nothing contained in these conditions shall create any contractual relationship between the subcontractor and the City."
- F. To provide the City with a list by "N" number and type of all aircraft owned or operated by Operator and to provide a written revision of said list within seven (7) days of any aircraft changes.
- G. To follow the procedures of the National Fire Protection Association when draining residual fuel from aircraft tanks incidental to aircraft fuel system maintenance, testing, manufacturing, salvage, or recovery operations

- H. To store any paints, cleaners or other flammable liquids in an approved storage locker.
- I. If any are applicable, follow all Homeland Security requirements and Transportation Security Administration recommendations, as amended, as they pertain to registering and recording new student pilots and pilot rating upgrades.

Subsection 5.02 Nondiscrimination. Operator, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (A) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (B) that in the construction of any improvements on, over, or under such land and the furnishing of services thereof no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (C) that Operator shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and any other relevant law, regulation or standard in effect now or adopted in the future, and as said Regulations may be amended, to the extent that said requirements are applicable, as a matter of law, to Operator.

Subsection 5.03. Fair Service. The Operator agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Operator may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Subsection 5.04. Observance of Statutes, etc. The granting of this Agreement and its acceptance by Operator is conditioned upon the right to use the Airport facilities in common with others authorized to do so. The Operator shall observe and comply with any and all requirements of the constituted public authorities and with all Federal, State or Local statutes, ordinances, regulations and standards applicable to Operator for its use of the leased premises, including but not limited to, rules and regulations promulgated from time to time by the City for the administration of the Airport. The Operator shall also defend, reimburse, indemnify and hold harmless the City, its agents, employees and elected officials, including costs of defense, from any claims, demands, penalties or liability which may accrue to it because of any alleged violation or noncompliance with any such statute, ordinance, rule or standard by the Operator or resulting from Operator's activities hereunder.

## SECTION 6. OBLIGATIONS OF THE CITY

Subsection 6.01. Operation as a Public Airport. The City reserves the right to discontinue use of the Airport as an airport. The City covenants and agrees that as long as the City continues to use the Airport as an airport it will operate and maintain the Airport consistent with and pursuant to the Sponsor's Assurances given by the City to the United States Government under the Federal Aviation Act, subject to the City's Reservations set forth in this Agreement.

## SECTION 7. CITY'S RESERVATIONS

Subsection 7.01. Free and Unrestricted Flight. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or thereafter used for navigation of or flight in the air using said airspace or landing , taking off from, or operating on or about the Airport.

Subsection 7.02. Subordination to U.S. and Missouri State Government. This Agreement shall be subordinate to the provisions of any existing or future agreements between City and the United States or any agency thereof, and between the City and the State of Missouri or any agency thereof, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City for Federal or State funds for the development of the Airport.

Subsection 7.03 Improvements, Relocation, or Removal of Structures. The City, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport (including, without limitation, the Leased Premises), including the right to remove or relocate any structure on the Airport as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent the Operator from erecting or permitting to be erected, any buildings or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. The City further reserves the right to take any of the aforementioned actions regardless of the desire or views of the Operator, without interference or hindrance by the Operator and without obligation to abate rent or otherwise provide relief of be liable to the Operator for any harm or inconvenience from disruption of Airport operations resulting from such actions.

Subsection 7.04. Inspection of Leased Premises. The City, through its duly authorized agent, shall have at any reasonable time, the full and unrestricted right to enter any Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.

Subsection 7.05. War or National Emergency. During the time of war or national emergency,

the City shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended.

## SECTION 8. INDEMNITY AND INSURANCE

Subsection 8.01. Indemnification. Operator agrees to protect, defend, indemnify, and hold the City of Lee's Summit, and its officers employees, elected officials in their official and personal capacities, and attorneys, completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement or the use or occupancy of the Leased Premises, or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused solely by the negligence or willful misconduct of the City, or its officers and employees. This duty shall also extend to claims of damages to the environment caused by Operator, including but not limited to the investigation, field study, and cleanup costs assessed by any federal, state or local agency against the City of Lee's Summit or any of its agents or employees, as well as any civil fine or penalty. The City shall give to the Operator reasonable notice of any such claims or actions. The provisions of this Section shall survive the expiration or early termination of this Agreement. The duties of the Operator specified herein shall not be limited by the amount of any insurance coverage required to be provided by the Operator herein, but shall extend to the full amount of any such claim or liability. This duty shall also not be limited by the provision of any workers' compensation coverage.

Subsection 8.02 Insurance Requirements. Operator shall, at its expense, procure and keep in force at all times during the term of this Agreement, from a financially sound and reputable company acceptable to the City, all types of insurance required pursuant to the City's Minimum Standards for Commercial Aeronautical Service Providers, Appendix 1, *Minimum Insurance Policy Requirements*, as currently revised, in amounts at least equal to the minimum amounts specified therein, unless specified otherwise in this sub-section, insuring Operator for bodily injury and property damage, and such other insurance necessary to protect the Operator from all such claims and actions described in the preceding section 8.01. Operator recognizes that the required amounts of coverage set forth are the minimum limits, and may not reflect the Operator's actual risk. Operator shall furnish the City with a certificate of insurance as evidence of coverage whenever requested. Said insurance policies shall not be canceled or materially modified or non-renewed except upon thirty (30) days advance written notice to the City and such requirement for notice shall appear on the face of the certificate of insurance. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost. Operator further agrees to name the City as an additional insured on all applicable policies, with

the exception of the policy endorsement covering hired and non-owned automobiles, and workers compensation. Operator further agrees to increase its insurance coverage, if necessary, to ensure coverage for all approved Aeronautical Services and if Operator adds any Aeronautical Services not identified in Subsection 2.01(C)

Subsection 8.03 Insurance Notification. Operator shall keep on file with the Airport Manager a copy of a current certificate of insurance evidencing that Operator has procured all required insurance coverage and that said insurance coverage will not be canceled without thirty (30) day advance written notice to the City. This agreement will not be executed, renewed or extended by the City until such proof of coverage has been received, reviewed and accepted by the City.

## SECTION 9. TERMINATION OF AGREEMENT BY OPERATOR

Subsection 9.01. Termination. Unless renewed by the Operator as described in Subsection 3.01, this Agreement shall terminate at the end of the term, or at such time as written notice of termination is provided by either party as provided in Subsection 9.02 or Subsection 10.02.

Subsection 9.02. Termination by Operator. Operator, in addition to any other rights it has under the law, may terminate this Agreement and terminate its obligations hereunder (excluding such obligations that survive the expiration or termination of this Agreement) at any time that Operator is not in default in the payment of rentals and/or fees to the City by giving the City sixty (60) days advance written notice to be served as hereinafter upon or after the happening of any one of the following events:

- A. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, so as to substantially affect Operator's use of the system at the Airport, and the remaining in force of such injunction for a period of at least sixty (60) days; provided, however, that such injunction is not due to Operator's operation at the Airport.
- B. The default by the City in the performance of any covenant or agreement herein required to be performed by the City, and the failure of the City to undertake and be continuing to remedy such default for a period of sixty (60) days after receipt from Operator of written notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if the City shall have remedied the default prior to receipt of Operator's notice of termination.
- C. The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport and facilities or any substantial part or parts thereof, in a manner as substantially to restrict Operator for a period of at least sixty (60) days from full use of its leased premises, and in that event, a just and proportionate part

of the rent hereunder shall be abated.

#### SECTION 10. TERMINATION OF AGREEMENT BY CITY

Subsection 10.01. Termination by the City. The City, in addition to any other rights to which it may be entitled by law, may declare this Agreement terminated in its entirety as provided in Subsection 10.02 upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Leased Premises. These events are as follows:

- A. The completion of the initial or any subsequent term without written notice of Operator's intention to enter into a subsequent term extension.
- B. The failure to pay all installments of fees then due (with interest) within thirty (30) days after receipt by Operator of written notice from the City to pay such rent.
- C. The filing by Operator of a voluntary petition in bankruptcy or the making of any assignment of all or any part of Operator's assets for benefit of creditors.
- D. The filing of an involuntary bankruptcy petition against the Operator as a bankrupt pursuant to any involuntary bankruptcy proceedings.
- E. The taking of jurisdiction by a court of competent jurisdiction of Operator or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- F. The appointment of a receiver or a trustee of Operator's assets by a court of competent jurisdiction or a voluntary agreement with Operator's creditors.
- G. The breach by Operator of any of the covenants or agreements herein contained, and the failure of Operator to remedy such breach within 30 days after receipt of written notice of such breach from the City.
- H. The abandonment of the Leased Premises.
- I. The breach of any one of the covenants contained in Subsection 2.03.C. in which case the provisions of Subsection 10.02 concerning notice to the Operator of the breach and time to cure said breach shall not apply.
- J. The Operator, its principles, directors, owners or agents, transfers, sells or otherwise conveys an ownership interest in the Operator greater than 50%.
- K. The City's discontinuation of use of the Airport as an airport.

Subsection 10.02. Termination Notice. In the event the City exercises its option to cancel this Agreement upon the happenings of any or all of the events set forth in this Section, a notice of cancellation shall be sufficient to cancel this Agreement; and, upon such cancellation, Operator hereby agrees that it will forthwith cease all FBO services defined and approved herein. The City shall provide written notice of its intent to terminate the Agreement to the Operator a minimum of sixty (60) days prior to the date of termination, except for termination as described in Subsection 10.01(I). Failure of the City to declare this Agreement terminated for any of the reasons set out shall not operate to bar, destroy, or waive the right of the City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

## SECTION 11. ASSIGNMENT AND SUBLETTING

Subsection 11.01. Assignment. Operator shall not assign this Agreement or any part thereof in any manner whatsoever or assign any of the privileges recited herein without the prior written consent of the City. In the event of such assignment, Operator shall remain liable to the City for the remainder of the term of the Agreement to pay to the City any portion of the rentals or fees provided for herein upon failure of the assignee to pay the same when due. Said assignee shall not assign said Agreement except with the prior written approval of the City and the Operator herein, and any assignment by the Operator shall contain a clause to this effect. The City shall not unreasonably withhold its consent to any assignment, transfer or delegation by the Operator of its privileges and obligations under this Agreement to any successor, parent organization, wholly owned subsidiary or affiliate of the Operator.

Subsection 11.02 Subletting. The Operator shall not have the right to sublease all or part of the Leased Premises subject to the following conditions:

- A. No sublease or rental for the performance of FBO or Special Aviation Services Operator (SASO) services, the engagement of any aviation-related commercial activity upon the Leased Premises, or for any aviation-related commercial purposes shall be valid unless the sublessee has executed a separate Fixed Based Operator Agreement with the City; and
- B. No sublease or rental for the performance of non-aviation-related services or operations on the Leased Premises shall be valid unless the sublessee has executed a General Services Provider Agreement with the City.

## SECTION 12. GENERAL PROVISIONS

Subsection 12.01. The City shall maintain and keep in repair the Airport landing areas, including taxiways and aircraft parking apron and shall have the right to direct and control all activities of the Operator in this regard.



Subsection 12.02. Attorney's Fees. In any action brought by either party for the enforcement or the construction of the terms of this Agreement, the City, if it is a prevailing party in the action, shall be entitled to recover interest and its reasonable attorney's fees and litigation expenses, including, but not limited to, expert witness fees and expenses.

Subsection 12.03. Taxes. Operator shall pay any personal property taxes and other taxes which may be assessed against equipment, merchandise, or other personal property belonging to Operator located on the Leased Premises, or other permitted portions of the Airport, or upon Operator's activities thereupon.

Subsection 12.05. License Fees and Permits. Operator shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Subsection 12.06. Non-Exclusive Rights. It is hereby specifically understood and agreed between the parties that nothing contained hereby shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended; and the City reserves the right to grant to others the privilege and right of conducting any one or all of the Aeronautical Services listed herein or any other activity of an aeronautical nature.

Subsection 12.07. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of the Agreement.

Subsection 12.08. Applicable Law; Venue. This Agreement shall be interpreted in accordance with the laws of the State of Missouri. Should any part of this Agreement be adjudicated, jurisdiction and venue shall be proper only in the Circuit Court of Jackson County, Missouri.

Subsection 12.09. Non-Waiver. No waiver of any condition or covenant contained in this Agreement or of any breach thereof shall be taken to constitute a waiver of any subsequent condition, covenant or breach.

Subsection 12.10. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Subsection 12.11. Binding Effect. This Agreement, including all of its covenants, terms, provisions, and conditions, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Subsection 12.12. No Partnership. Nothing contained in this Agreement shall be deemed to create the relationship of principal and agent or of partnership or joint venture or any relationship between the City and Operator other than the relationship of the City and Operator.

Subsection 12.13. Duty to be Reasonable. Wherever in this Agreement the City is to give its consent, approval or otherwise exercise discretion in judgment, such consent, approval or judgment shall not be unreasonably exercised or unreasonably withheld.

Subsection 12.14. City Agent. Unless specifically stated herein, the City Manager, or his designee, shall be considered the agent and representative of the City with respect to all notices, approvals and matters contained hereunder, and his authority to act for and on behalf of the City in connection with all matters occurring under this Agreement shall not be questioned by the Operator.

Subsection 12.15. Non-Liability of Individuals. No director, officer, agent, elected official or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. This Subsection 12.15 shall have no application to any independent guaranty or other assumption of the obligations of Operator which may be obtained by the City relative to this Agreement. This Subsection 12.15 shall also not apply to the Operator if the Operator is an entity other than a corporation in good standing and authorized to conduct business in the state of Missouri.

Subsection 12.16. Personal Property. Operator shall maintain the Leased Premises in a clean and orderly condition. Upon termination of this Agreement, Operator shall remove all personal property from the Leased Premises within thirty (30) days after said termination, unless otherwise agreed to, in writing, by the parties, and restore the leased premises to its original condition. If the Operator fails to remove said personal property within the aforementioned time frame, the City may take immediate possession of any property remaining on the Leased Premises and shall, at the City's sole option, become the property of the City or same may be removed and/or disposed of in any manner deemed appropriate by the City. The City shall not be liable in any manner for such removal and/or disposal; and the cost and expense of such removal and/or disposition shall be paid by the Operator.

Subsection 12.17. Casualty. If either part of the Leased Premises is damaged by fire or other insured casualty, the rent payable hereunder for such damaged premises shall not abate provided that the damaged premises are not rendered untenable by such damage. If the damaged premises are rendered untenable and the City elects to repair the damaged premises, the rent shall abate for the period during which such repairs are being made, provided the damages were not caused by the acts or omissions of the Operator, its employees, agents or invitees, in which case the rent shall not abate. If the damaged premises are rendered untenable and the City elects not

to repair the damaged premises, this Agreement shall terminate upon written notice from the City. If this Agreement is terminated by reason of fire or other insured casualty as herein provided, rent shall be apportioned and paid to the day of such fire or other insured casualty. Notwithstanding the forgoing, termination of the Agreement under this subsection shall not preclude the negotiation of a new agreement for alternate premises.

Subsection 12.18. Maintenance. City will keep the exterior of the Leased Premises in repair, provided that Operator shall give City written notice of the necessity for such repairs, and provided that the damage thereto shall not have been caused by the carelessness or negligence of Operator, its agents, employees, or servants, in which event Operator shall be responsible therefore. Operator will keep the interior of the Leased Premises in good repair and will surrender the Leased Premises at the expiration of the term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting depreciation caused by ordinary wear and tear.

Subsection 12.19 Utilities. Rental of any Office Premises by the Operator shall include a monthly fee of twenty-five dollars (\$25.00) for the use of various City provided services, including water, sewer, electricity, and trash. This fee may be increased at the City's discretion and any such increase shall become effective upon \_\_\_\_\_ days written notice to Operator.

Subsection 12.20. Notices. Whenever any notice is required by this Agreement to be made, given or transmitted to the City, it shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, first class, addressed to:

Airport Manager  
Lee's Summit Municipal Airport  
2751 NE Douglas  
Lee's Summit, Missouri 64064

with a copy to the City Attorney, City of Lee's Summit, 220 SE Green St., Lee's Summit, MO 64063.

Notices to Operator shall be addressed to:

Rebel Aviation Inc.  
PO Box 1433  
Liberty, Missouri 64069

Attn. Robert Bingham

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above, or in the case of delivery by the City to the Operator, by posting said item conspicuously on the

leased premises. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed, or posted on the leased premises, the item shall be considered received the third day after the date of posting.

Subsection 12.21. Prohibition against Interference. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 12.22. Amendment of Agreement. This Agreement may not be amended or changed without the mutual written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above mentioned at Lee's Summit, Missouri.

Remainder of this page left intentionally blank.

**CITY OF LEE'S SUMMIT,**

\_\_\_\_\_  
Stephen Arbo,  
City Manager

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Office of the City Attorney

OPERATOR: [insert legal entity name]

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

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Remainder of this page left intentionally blank.

CITY OF LEE'S SUMMIT

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF JACKSON )

On this \_\_\_\_ day of \_\_\_\_\_, 2017, before me \_\_\_\_\_, a Notary Public in and for said state, personally appeared Steve Arbo, City Manager of the City of Lee's Summit, Missouri, known to me to be the person who executed the within Agreement and acknowledged to me that he executed the Agreement for the purposes therein stated and as the free act and deed of the City of Lee's Summit, a municipal corporation.

WITNESS my hand and official seal in the County and State aforesaid, the day and year first above written.

/s/ \_\_\_\_\_  
Notary Public Signature  
\_\_\_\_\_  
Printed or Typed Name

My Commission Expires: \_\_\_\_\_

operator's full legal name

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF JACKSON )

On this \_\_\_\_ day of \_\_\_\_\_, 2017, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came \_\_\_\_\_, the \_\_\_\_\_ of [operator's full legal name] who is personally known to me to be the same person who executed the within instrument on behalf of \_\_\_\_\_ of [operator's full legal name] , and such person duly acknowledged the execution of the same to be the free act and deed of [operator's full legal name].

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/ \_\_\_\_\_  
Notary Public Signature  
\_\_\_\_\_  
Printed or Typed Name

My Commission Expires: \_\_\_\_\_

## Packet Information

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**File #:** TMP-1226, **Version:** 1

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An Ordinance amending Section 1, Procurement Definitions, and Section 2, Authority and Enforcement, of the City of Lee's Summit Procurement Policy Manual.

Issue/Request:

Consideration and adoption of an Ordinance amending Section 1, Procurement Definitions, and Section 2, Authority and Enforcement, of the City of Lee's Summit Procurement Policy Manual.

Key Issues:

On October 5, 2017, pursuant to Ordinance No. 8253, the City Council adopted the current City of Lee's Summit Procurement Policy ("Procurement Policy") which sets forth policy guidelines intended to assist in the procurement of goods and services at economical prices while ensuring compliance with all applicable laws and policies and simultaneously maintaining confidence in government expenditures.

Among other things, the Procurement Policy included language in Section 2.10 that prohibits the City from "knowingly purchas[ing] any service, good or property from any Councilmember, the Mayor or any City Employee or any entity in which he or she holds a "substantial interest" as defined in section 105.450 RSMo." As written, Section 2.10 prevents the spouse or dependent children of any Councilmember, the Mayor or any City employee from contracting with the City for services, goods, or property regardless of whether such persons comply with state law.

Although the City intended to prohibit Councilmembers, the Mayor, and City employees from contracting with the City regardless of what the state law allowed, it did not intend to extend that prohibition to the spouse and dependent children of Councilmembers, the Mayor, and City employees. The City desires to amend Section 2.10 to reflect the intended purpose of such section.

Finally, the proposed Ordinance deletes the term "substantial interest" from Section 1 "Procurement Definitions" of the Procurement Policy because the only reference to such term occurs in Section 2.10, and the new Section 2.10 includes a definition for "substantial interest".

Proposed Committee Motion:

I move to recommend to the City Council approval of an Ordinance amending Section 1, Procurement Definitions, and Section 2, Authority and Enforcement, of the City of Lee's Summit Procurement Policy Manual.

Brian Head, City Attorney

Staff recommends adoption of an Ordinance amending Section 1, Procurement Definitions, and Section 2, Authority and Enforcement, of the City of Lee's Summit Procurement Policy Manual.

Committee Recommendation:



## **BILL NO. 19-**

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AN ORDINANCE AMENDING SECTION 1, PROCUREMENT DEFINITIONS, AND SECTION 2, AUTHORITY AND ENFORCEMENT, OF THE CITY OF LEE'S SUMMIT PROCUREMENT POLICY MANUAL.

WHEREAS, the City of Lee's Summit ("City") Procurement and Contract Services Division of the Finance Department provides semi-centralized procurement of goods and services for City operations; and,

WHEREAS, on October 5, 2017, pursuant to Ordinance No. 8253, the City Council adopted the current City of Lee's Summit Procurement Policy ("Procurement Policy") which sets forth policy guidelines intended to assist in the procurement of goods and services at economical prices while ensuring compliance with all applicable laws and policies and simultaneously maintaining confidence in government expenditures; and,

WHEREAS, Section 2.10 of the Procurement Policy sets forth the policies regarding purchasing any services, goods, or property from the Mayor, Councilmembers, or City employees or an entity in which such persons hold a "substantial interest" as defined by RSMo § 105.450; and,

WHEREAS, although RSMo. § 105.450, *et al*, allows the spouse and dependent children of the Mayor, Councilmembers, or employees to be award a contract with the City provided certain procedures are followed, Section 2.10 is more restrictive then state statute and prohibits contracting with the Mayor, Councilmembers, or employees and his or her spouse or dependent children regardless of whether the elected official or employee otherwise complies with state law; and,

WHEREAS, Section 2.10 was only intended to prohibit the Mayor, Councilmembers, or employees from contracting with the City, not their spouse or dependent children; and,

WHEREAS, the City desires to amend the Procurement Policy to reflect the City's intent.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The definition of the term "substantial interest" as set forth in Section 1 "Procurement Definitions" of the City of Lee's Summit Procurement Policy is deleted in its entirety

SECTION 2. Subsection 2.10 "Prohibited Acts by Elected and Appointed Officials and Employees" of Section 2 "Authority & Enforcement" of the City of Lee's Summit Procurement Policy is deleted in its entirety and replaced with the following:

**2.10 Prohibited Acts by Elected and Appointed Public Officials and Employees.**

For any transaction identified in this policy, the City shall not knowingly purchase any service, good or property from any Councilmember, the Mayor or any City Employee or any entity in which he or she holds a "substantial interest". For purpose of this section the term "substantial interest" shall mean ownership by the individual either directly or indirectly of ten percent or more of any business entity, or of an interest having a value of ten thousand dollars or more, or the receipt by an individual of a

**BILL NO. 19-**

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salary, gratuity or other compensation or remuneration of five thousand dollars, or more per year from an individual, partnership, organization, or association within any calendar year. Additionally, it is recognized that it is difficult or impossible for every employee utilizing a purchasing card to have knowledge of every entity which a Councilmember, the Mayor or another employee may hold an interest as described above; however, the City shall exercise its best efforts to refrain from conducting such transactions utilizing a purchasing card and shall not knowingly do so.

SECTION 3. Nothing in this Ordinance shall be construed to affect any suit or proceeding now pending in any court or any rights acquired or liability incurred nor any cause or causes of action occurred or existing, under any language, act or ordinance repealed hereby. Nor shall any existing right or remedy of any character be lost, impaired, or affected by this ordinance.

SECTION 4. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 5. Should any section, sentence or clause of this Ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences, or clauses.

SECTION 6. This Ordinance shall be in full force and effect from and after the date of its adoption, passage, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said City this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and Operations  
*Daniel R. White*

## Packet Information

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**File #:** TMP-1227, **Version:** 1

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An Ordinance authorizing the execution of the 2019 Combat Drug Commission DARE Agreement by and between the City of Lee's Summit, Missouri and Jackson County, Missouri.

Issue/Request:

An Ordinance authorizing the execution of the 2019 Combat Drug Commission DARE Agreement by and between the City of Lee's Summit, Missouri and Jackson County, Missouri.

Proposed Committee Motion: I move to recommend to City Council approval of an Ordinance authorizing the execution of the 2019 Combat Drug Commission DARE Agreement by and between the City of Lee's Summit, Missouri and Jackson County, Missouri.

Key Issues

The City of Lee's Summit, Missouri ("City") has requested funding from Jackson County, Missouri's ("County") Anti-Drug Sales Tax Funds to assist the City in defraying certain costs of its Drug Abuse Resistance Education ("DARE") or similar anti-drug program.

Jackson County's COMBAT Drug Commission recommended and the Jackson County Legislature approved the City's request as an appropriate expenditure of Anti-Drug Sales Tax Funds.

Jackson County will grant funding in the amount not to exceed Two Hundred Fifty Two Thousand Two Hundred Four Dollars (\$252,204.00), pursuant to the terms of the attached agreement, to the City to use towards expenses of the City's DARE or similar anti-drug program.

Impact/Analysis:

Jackson County will grant funding in the amount not to exceed Two Hundred Fifty Two Thousand Two Hundred Four Dollars (\$252,204.00) pursuant to the terms of this attached agreement that will provide funds for personnel and supplies for the Lee's Summit Police Department's DARE program.

Major Mike Childs, Lee's Summit Police Department

Recommendation:

Staff recommends approval.

**ACTION:**

**BILL NO. 19-**

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AN ORDINANCE AUTHORIZING THE EXECUTION OF THE 2019 COMBAT DRUG COMMISSION DARE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND JACKSON COUNTY, MISSOURI.

WHEREAS, the City of Lee's Summit, Missouri ("City") has requested funding from Jackson County, Missouri's ("County") Anti-Drug Sales Tax Funds to assist the City in defraying certain costs of its Drug Abuse Resistance Education ("DARE") or similar anti-drug program; and,

WHEREAS, the County's COMBAT Drug Commission recommended and the County Legislature approved the City's request as an appropriate expenditure of Anti-Drug Sales Tax Funds; and,

WHEREAS, the County will grant funding in the amount not to exceed Two Hundred Fifty Two Thousand Two Hundred Four Dollars (\$252,204.00), pursuant to the terms of the attached agreement, to the City to use towards expenses of the City's DARE or similar anti-drug program; and,

WHEREAS, the City and County desire to enter into the attached 2019 COMBAT Drug Commission DARE Agreement in order for the City to acquire funds to be used towards costs of its DARE or similar anti-drug program.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The City Council of the City of Lee's Summit, Missouri hereby approves the 2019 COMBAT Drug Commission DARE Agreement which is attached hereto and incorporated by reference as if fully set forth herein, and the Mayor is authorized to execute the same on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this Ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

**BILL NO. 19-**

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APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Mayor *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Public Safety  
*Beth Murano*

**AGREEMENT**  
(2019 COMBAT Drug Commission DARE)

AN AGREEMENT by and between Jackson County, Missouri, hereinafter referred to as "County", and, **CITY OF LEE'S SUMMIT, MISSOURI 200 SOUTHEAST GREEN LEE'S SUMMIT, MO 64063**, hereinafter referred to as "the City" made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

WHEREAS, the City has requested funding from County's Anti-Drug Sales Tax Funds to assist the City in defraying certain costs of its Drug Abuse Resistance Education (DARE) or similar anti-drug program; and,

WHEREAS, the County's Jackson County Drug Commission recommended and the County Legislature approved the City's request as an appropriate expenditure of Anti-Drug Sales Tax Funds; and,

WHEREAS, this Agreement provides a suitable mechanism by which the designated County funds shall be disbursed to the City;

NOW THEREFORE it is agreed by and between the parties as follows:

1. The County agrees to pay to the City a total amount not to exceed **\$252,204.00**. Upon execution of this contract, an advance payment equal to one-half of the contract amount, totaling **\$126,102.00** will be submitted to the City. Prior to September 30, 2019, and upon receipt and approval of the previous DARE Semester Report, the final payment shall be made. This award is contingent upon collection of sales taxes as budgeted at the time of the contract award. If COMBAT funds are reduced, contractor will be informed of necessary contract revisions, as provided for in this Agreement.
2. The County agrees and acknowledges that the City shall use the proceeds of this Agreement, together with City funds and any federal or state grant funds which may have been awarded, to cover certain expenses of its DARE or similar anti-drug program, all as is more fully set out in the funding request and other documents attached hereto as Exhibit A.
3. The City agrees that all proceeds of this Agreement shall be subject to audit by the County's Legislative Auditor or such other auditor as the County may designate. Additionally, the City agrees to contract for the performance of a comprehensive audit in conformance with the Single Audit Act of 1984, and to forward two copies of the audit report to the Jackson County Drug Commission, one of which will be forwarded to the County's Department of Finance and Purchasing.

4. The City shall provide an annual program report at the end of each calendar year summarizing all activities of its DARE or similar anti-drug program to the Jackson County Drug Commission containing such particulars as said Commission might specify.
5. If the City receives or obtains any media attention because of this project, the City is required to acknowledge that funding for the project is from COMBAT funds. Printed material involving this program shall contain the COMBAT logo and a COMBAT sign shall be posted at the program site(s) for the duration of the contract.
6. This Agreement shall be effective as of January 1, 2019, and extend through December 31, 2019, for expenses incurred during the same time period.
7. The City shall indemnify, defend, and hold the County harmless from any and all claims, liabilities, damages, and costs (including reasonable attorney's fees directly related thereto) to the extent allowable by law caused by the negligence or willful misconduct of the City or its employees, agents or representatives.
8. If the City shall default in the performance or observation of any term or condition herein, the County shall give the City ten (10) days' written notice setting forth the default. If said default shall continue for ten (10) days after the City receives written notice thereof, the County may at its election terminate the Agreement and withhold any payments not yet made to the City. Said election shall not in any way limit the County's or the City's right to sue for breach of contract.
9. The City warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this Agreement.
10. Pursuant to §285.530.1, RSMo, City assures that it does not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri and/or Jackson County, and shall affirm, by sworn affidavit and provision of documentation, its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Further, City shall sign an affidavit, attached hereto and incorporated herein as Exhibit B, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.
11. This Agreement may be terminated for any reason or no reason by either of the parties upon thirty (30) days written notice to the party's designated fiscal representative. All services and payments shall continue through the effective date of termination. Termination of this Agreement shall not constitute a waiver of the rights or obligations which the County or the City may be entitled to receive as provided in this Agreement, or be obligated to perform under this Agreement

for services prior to the date of termination. Should this Agreement terminate, all County written materials of any kind must be delivered and returned by the City to the County within ten (10) days of the termination of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

APPROVED AS TO FORM:

JACKSON COUNTY, MISSOURI

\_\_\_\_\_  
Bryan O. Covinsky  
County Counselor

By: \_\_\_\_\_  
Frank White, Jr.  
County Executive

ATTEST:

CITY OF LEE'S SUMMIT, MISSOURI

\_\_\_\_\_  
Mary Jo Spino  
Clerk of the County Legislature

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**REVENUE CERTIFICATE**

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made, each sufficient to meet the obligation of **\$252,204.00**, which is hereby authorized.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director of Finance and Purchasing  
Account No.008-4403-56005





Exhibit B

WORK AUTHORIZATION AFFIDAVIT

As a condition for any service provided to the County, a business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit.

Every such business entity shall complete the following affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. The completed affidavit must be returned as a part of the contract documentation.

This affidavit affirms that **City of Lee's Summit, Missouri**, is enrolled in, and is currently participating in, E-verify or any other equivalent electronic verification of work authorization operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA); and, **City of Lee's Summit, Missouri**, does not knowingly employ any person who is an unauthorized alien in conjunction with the contracted services.

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.)

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 2019. I am commissioned as a notary public within the County of \_\_\_\_\_, State of \_\_\_\_\_, and my commission expires on \_\_\_\_\_.

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Date

## Packet Information

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**File #:** TMP-1239, **Version:** 1

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An Ordinance approving and authorizing the execution an addendum to a memorandum of understanding between the Kansas Bureau of Investigation and the City of Lee's Summit, Missouri for the use of additional funding from Midwest High Intensity Drug Trafficking Area Award Funds.

Issue/Request:

An Ordinance approving and authorizing the execution an addendum to a memorandum of understanding between the Kansas Bureau of Investigation and the City of Lee's Summit, Missouri for the use of additional funding from Midwest High Intensity Drug Trafficking Area Award Funds.

Key Issues:

This ordinance will authorize the Mayor of the City of Lee's Summit to authorize an addendum to a MOU with the Kansas Bureau of Investigation (KBI) for additional funding for salary and fringe benefits associated to the continued assignment of one Lee's Summit Police Officer to the Kansas City FBI Combined Task Force. As part of the LSPD Officer's participation in the task force, the City of Lee's Summit received an award of \$57,700.00 from the 2018 High Intensity Drug Trafficking Area (HIDTA) funding that is administered locally through KBI. KBI has identified and wishes to distribute additional funds to the City in the amount of \$5,770.00 for the salary and fringe benefits of the LSPD Officer appointed to the Kansas City FBI Combined Task Force.

Background:

In March 2019, pursuant to Ordinance No. 8588, the City Council approved and authorized the execution of a memorandum of understanding between the City and the Kansas Bureau of Investigation ("KBI") in which the LSPD was awarded \$57,700.00 in 2018 High Intensity Drug Trafficking Area ("HIDTA") funding for the purpose of combating the manufacture and importation of methamphetamine and the disruption of poly-drug trafficking organizations. The funds would be used to partially cover the salary of a detective assigned to work on a special task force known as the Kansas City FBI Combined Task Force.

KBI has identified and wishes to distribute additional funds to the City in the amount of \$5,770.00 for the salary and fringe benefits of the LSPD Officer appointed to the Kansas City FBI Combined Task Force. To include the additional funds in the City's award, an addendum has been issued and requires the City's signature.

Staff is seeking the approval of an Ordinance approving and authorizing the execution of an addendum to the memorandum of understanding with the KBI for the additional funding.

Impact/Analysis:

With this partnership, the FBI will provide necessary support to the LSPD officer assigned to the task force including salary, vehicles, fuel, mobile phone, office space and supplies, travel funds, funds for the purpose of

evidence and information, investigative equipment, training and overtime during the term of this agreement.

The LSPD will be able to force multiply with the FBI in combating locally the trafficking of controlled substances.

Proposed Committee Motion: I move to recommend to City Council approval of an Ordinance approving and authorizing the execution an addendum to a memorandum of understanding between the Kansas Bureau of Investigation and the City of Lee's Summit, Missouri for the use of additional funding from Midwest High Intensity Drug Trafficking Area Award Funds.

Major Mike Childs, Police Department

Recommendation:

Staff recommends adoption of the ordinance.

Committee Recommendation:

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN ADDENDUM TO A MEMORANDUM OF UNDERSTANDING BETWEEN THE KANSAS BUREAU OF INVESTIGATION AND THE CITY OF LEE'S SUMMIT, MISSOURI FOR THE USE OF MIDWEST HIGH INTENSITY DRUG TRAFFICKING AREA AWARD FUNDS.

WHEREAS, the Office of National Drug Control Policy (ONDCP) has awarded 2018 High Intensity Drug Trafficking Area (HIDTA) funding to federal, state and local law enforcement agencies in the region comprised of the states of Kansas, Missouri, Nebraska, Iowa, South Dakota and North Dakota for the purpose of combating the manufacture and importation of methamphetamine and the disruption of poly-drug trafficking organizations; and,

WHEREAS, the Kansas Bureau of Investigation (KBI) has been designated as the fiscal agent for award proceeds to be distributed to state and local agencies participating in the Midwest HIDTA program within the region; and,

WHEREAS, the City of Lee's Summit, Missouri is a local recipient of Midwest HIDTA award and agrees to designate one Lee's Summit Police Department (LSPD) Officer to the Kansas City FBI Combined Task Force; and,

WHEREAS, as part of the designation of a LSPD Officer to the Combined Task Force, the City of Lee's Summit, Missouri received the amount of \$57,700.00 in award funds as approved by the ONDCP; and,

WHEREAS, the City of Lee's Summit and KBI entered into a Memorandum of Understanding which described the parties responsibilities in regards to the award funding and as was authorized by Ordinance No. 8588; and,

WHEREAS, KBI has identified and wishes to distribute additional funds to the City in the amount of \$5,770.00 for the salary and fringe benefits of the LSPD Officer appointed to the Kansas City FBI Combined Task Force; and,

WHEREAS, the City wishes to accept the additional funds by entering into the Addendum.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The Addendum to the Memorandum of Understanding Kansas City FBI Combined Task Force attached hereto and made a part hereof by reference, is hereby approved and the Mayor is hereby authorized to execute the same on behalf of the City of Lee's Summit, Missouri.

SECTION 2. This Ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2019.

**BILL NO. 19-**

**ORDINANCE NO.**

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ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Public Safety *Beth Murano*

**Addendum to  
Memorandum of Understanding Between  
The Kansas Bureau of Investigation (KBI)  
and  
City of Lee's Summit  
through  
Lee's Summit Police Department  
for the  
Kansas City FBI Combined Task Force  
January 1, 2018 to December 31, 2019  
Grant #G18MW0003A  
CFDA number 95.001**

The parties agree that Appendix H to the existing MOU between KBI and City of Lee's Summit through Lee's Summit Police Department, for the Midwest HIDTA Kansas City FBI Combined Task Force, shall be amended to include an additional \$5,770.00 in grant funds to be distributed. The additional funds will add \$4,000.00 to the "Personnel" line item, and \$1,770.00 to the "Fringe" line item bringing the revised total amount of the award to \$63,470.00.

Agreed to by and between:


**Participating Agency:  
City of Lee's Summit**

\_\_\_\_\_  
Bill Baird, Mayor

DATE: \_\_\_\_\_

and

**Fiscal Agent:  
Kansas Bureau of Investigation**

  
\_\_\_\_\_  
Kirk D. Thompson, Director

DATE: 4/30/2019

Reviewed & approved as to form and legality by <u>Kelly McPherson</u> AAG Date: <u>4/30/2019</u>
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## Packet Information

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**File #:** 2019-2795, **Version:** 1

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Funding for current and future operational needs

Issue/Request:

Funding for current and future operational needs

Key Issues:

Rapid growth and changing expectations have highlighted new needs for the City of Lee's Summit to consider when making financial plans. During the FY20 Budget process, many of the operating departments communicated growing challenges in service delivery. To fully address these needs, departments prepared expansion requests to be considered for funding. In its current state, the City's revenue structure will not fully support the growing needs of the operating departments.

In addition to needs today, the City must also look to the future in an effort to prepare the community for continued success. The citizens strategic planning process has identified new critical success factors that will be important to address in the coming years. Success will likely require new financial resources and a financial commitment to make meaningful progress.

The purpose of this presentation is to explore ideas that will position the City to address challenges today and in the future.

Proposed City Council Motion:

N/A

Background:

Police Department Expansion Plans

Lee's Summit remains one of the safest cities in the metropolitan area. Residents repeatedly mention this safety as an important reason for their enjoyment of Lee's Summit as a place to live. The City also continues to grow at a rapid rate, particularly in retail and multi-family housing sectors. Unfortunately, such growth is often accompanied with increases in crime. Over the past three years, there have been small indicators of increases that provide red flags for concern. A planned effort to proactively curb potential increases is needed to maintain Lee's Summit's long-standing environment of safety and security for families, visitors, and businesses.

The Lee's Summit Police Department has developed a five-year plan for meeting these needs called the "LSPD Blueprint." Presentations of the Blueprint are pending for a July work session to Council. The plan addresses eight elements to meet the needs of growth in Lee's Summit:

1. Expand the Crime Reduction Team (CRT) program to proactively reduce crime and disorder and efficiently maintain the safety of Lee's Summit.



2. Provide a more significant presence throughout the City to foster community relationships, more efficiently distribute personnel and improve service to citizens.
3. Improve mental health and addiction services through the coordinated response of police resources and mental health professionals.
4. Improve post-incident investigative capabilities through improved technology and by meeting recognized manpower standards.
5. Improve response to critical incidents.
6. Improve police department training, administration, and fiscal efficiency systems.
7. Improve traffic safety by reducing vehicle crashes attributable to increasing roadway miles and population.
8. Meet growing demands for Animal Control services.

The plan calls for an expansion of 21 sworn and 6.5 (including one part time) civilian positions over a five-year period, along with capital and technology needs. The police department has been well-funded throughout recent budget cycles, but modern challenges are on the horizon requiring technology and manpower to assure safety. The Blueprint provides a means to proactively address these issues, assuring a safer Lee's Summit well beyond the five-year plan.

### Fire Department Expansion Plans

The Lee's Summit Fire Department (LSFD) provides fire suppression, emergency medical services, technical rescue, hazardous materials mitigation, fire prevention, public education, and disaster preparedness to the residents, businesses, and visitors to Lee's Summit, Missouri. LSFD is consistently working to achieve and/or maintain the highest level of professionalism and efficiency on behalf of those it serves.

LSFD Community Risk Standard of Cover is the blueprint for Fire Department

- A study of the risks and hazards within the community associated with fire department core programs.
- A description of the current capabilities and limitations of fire department resources to mitigate fire department incidents against consensus standard benchmark response time standards.
- Identified gaps are developed into strategic recommendations to enhance fire department services over a period of time.
- The SOC is a required component of all internationally accredited fire departments.

In the fire department's pursuit of best outcomes, time is the enemy when responding to emergencies. The impact of the incident is dependent on the response time for the fire department to stabilize the hazard or control the risk.

#### Hazard or Risk

- Loss of life
- Loss of quality of life
- Minimizing pain and suffering
- Loss of property
- Loss of resources

#### Personnel need:

- Adequate resources for:
  - Communications Center staffing to meet emergency communication need based on critical task (Communications Study)
  - Administrative staffing to meet demands for Prevention, Support Services, and Training (12)
  - Operations staffing to meet benchmark for concentration of effective response force: (21)

- Staffing for additional Rescue (9)
- Staffing for new station (Pumper only 16)

Facility need:

- Placement of fire stations within 4 minute travel time to developed areas of the city.
  - Relocation of existing facilities. (Station 4 and 5)
  - Addition of new fire stations. (Station 8)
- Live Burn Training Facility

Equipment needs:

- Additional Rescue Ambulance
- Additional Aerial Ladder Truck
- Additional Pumper (Station 8)

### Public Works Department Expansion Plans

Between FY2010 and FY2019, the basic infrastructure maintained and managed by Public Works increased as follows.

Pavement	+ 67 miles	+ 6.8%
Storm drain pipe	+ 21 miles	+ 8.6%
Storm drain structures	+ 1,386 each	+ 9.3%
Traffic signals	+ 11 each	+ 24.4%
City-owned streetlights	+ 1,141 each	+ 95.2%

Not accounted for in these figures are the additional curb & gutter (equal to the miles of pavement), sidewalk and/or paths, pavement markings, various types of street signs and leased streetlights that are associated with all of these expansions.

During the same period, FY2010 to FY2019, the Public Works Department budget for general fund divisions (Engineering and Operations) has remained flat (approx. \$10.2-10.3 Million) and staffing levels have remained essentially the same. Maintenance priorities have shifted from year to year to balance budgets with the storm drainage system often receiving almost no funding for preventive maintenance. For several years, storm drainage maintenance has been reactive, mostly addressing emergencies. Very little preventive maintenance is done on the system. Construction of new projects adds to the maintenance demand.

#### Programs for expansion or addition

- Expanded transit services have recently been discussed and there appears to be more demand from citizens to provide fixed route service between Lee's Summit and transit centers in South KC and in Independence
- Eventually a central traffic operations/video management center will be appropriate to monitor and manage traffic and emergency issues remotely (similar to KC Scout), which should be a collaborative project with PD and FD
- Beautification is a high priority to a number of citizens and groups so landscaping and tree replacement programs may become necessary
- Growth in the number of capital projects across multiple departments (PW, WU, FD, PD) is planned over the next few years. Engineering staff is in the process of evaluating taking responsibility for managing the project management process for all capital projects in order to ensure consistency on all City projects. This change will definitely increase the need for engineers as project managers as well CIP construction inspectors and managers.

Information Technology Department Expansion Plans

Between FY2013 and FY2019, the basic IT infrastructure maintained and managed by Information Technology Services has increased as follows:

	FY 2013	FY2019	Change
Network IDs	+ 542	+ 969	+427 (78%)
Email Accounts	+ 542	+ 678	+ 136 (25%)
IP Phones Managed	+ 547	+ 670	+ 123 (22%)
Applications Managed	+130	+ 234	+ 104 (80%)
Devices Managed	+1281	+ 1636	+ 355 (28%)
Servers Managed	+ 116	+ 151	+ 35 (35%)

During this period, four new City facilities came online. Each of these new facilities expands the responsibilities of ITS staff. Not included in the list above is the impact of the expanded network, network equipment, and increased number of remote locations to service.

During the same period, FY2013 to FY2019, Information Technology Service Department was able to add 2 new positions (1.9 net FTE) these new positions were added because there were gaps in maintaining core ITS responsibilities, functions that were necessary to address, but were not at the time. These additions did not increase the capacity to meet the increasing demands on our services.

The growth in demand for IT projects has increased every year over the last eight years. Each year there are an increasing number of requests for applications, and additional ways to update and modernize their services. As more of these requests are approved, there are increased demands on ITS for the support of these new tools and processes. To address these increases in demand for services, ITS has requested two positions in the last three budgets.

Programs for expansion or addition

- **Staff:** ITS has identified staff expansion as the key issue to address future demands. There have been two positions on the expansion list for the last three budget cycles. Those are still needed. In addition, we are estimating that a minimum of 3.25-4.25 additional FTE will be needed to meet current demands and demands in the next five to eight years. These positions would support each of the core functions of the organization: GIS, Applications, Operations, and Support Services.
- **Software and software maintenance:** The City regularly expands its software implementations. Both in number and complexity. What has not been done is funding for the known upgrades and replacements that will be upcoming. The Software License Enterprise Replacement Program (SLERP) was created as a reserve account for this purpose, but adequate funds have not been allocated to fully fund the program.
- **Workspace and fixtures need to be updated:** Many staff do not have cubical desks. There is very little space to grow, ITS does not have a conference room, and managers do not have the ability to have closed door meetings in their cubicles.
- **New infrastructure growth:** The City will need to fund increasing bandwidth and network capacity to support current and future technologies. New software is also needed to allow for expansion of enterprise collaboration and project management.

Stephen Arbo | City Manager

# 1970s

# 1980s

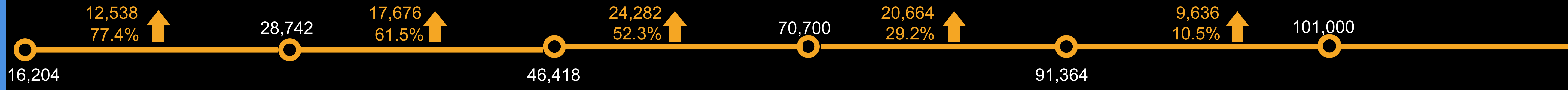
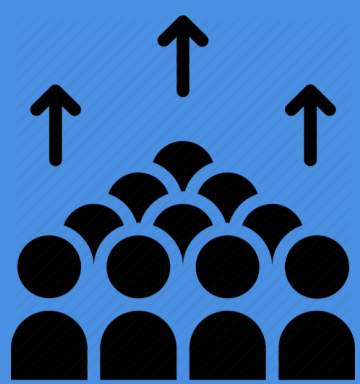
# 1990s

# 2000s

# 2010s

# 2020s

## population growth



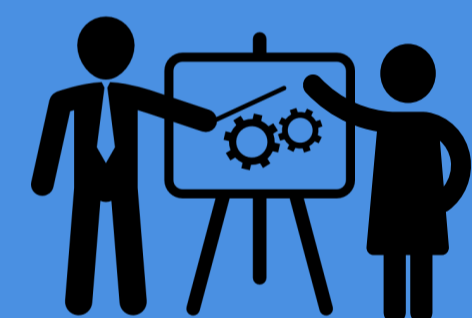
## issues



- sewer system
- water supply
- transportation
- parks & rec system
- police station
- fire dept support

continued into 1990s

## strategic planning



## solutions



- sales tax leakage
- stormwater
- poor highway access
- need design standards
- transportation impact
- demand for cultural arts
- downtown vitality

- stormwater
- curbs
- police presence
- employee compensation
- fire/EMS
- demand for cultural arts

continued into 2020s

- balanced economic development
- strong neighborhoods with housing choices
- cultural and recreational activities
- inclusive community engagement
- community health and well-being
- collaborative relations w/ education partners
- proactive infrastructure development

### Lee's Summit: 21st Century

GO bond: Quality '88

- 3/8 cent sales tax for park improvements
- 1/2 cent sales tax for transportation
- GO bonds for:
  - police/court facility
  - fire station #6
- water tap fee sewer connection fee
- 1/2 cent sales tax for capital improvements
- hotel/motel tax
- transportation excise tax
- adoption of charter

### Lee's Summit 360

- Summit Woods TIF I-470 & Chapel Ridge TIF
- access management policy
- downtown master plan
- adoption of UDO
- adoption of design standards
- 1/4 of 1% sales tax for parks
- 1/2 cent sales tax for capital improvements renewed
- amendments to the charter
- GO bonds for:
  - maintenance/street facility
  - downtown improvements
  - new city hall
  - stormwater improvements
  - public safety - fire station & animal control
  - sidewalk rehab
  - connectivity program
  - salt dome

- increase compensation program
- increase police districts from 7 to 10
- added 2 ambulances, 9 staff at fire station #6
- GO bonds for public safety:
  - emergency services radio
  - police facility improvements
  - indoor firearm training
  - emergency services radio equipment & connectivity
  - fire station #3
  - equipment & apparatus
- GO bonds for:
  - public infrastructure (curbs, sidewalks)
  - 291/50 hwy improvements
- parks 1/4 cent & capital improvements 1/2 cent sales taxes (cont. 15 yrs)
- downtown cultural arts center & Legacy Park amphitheater
- economic development policy

Ignite! Your ideas. Our future.

## **Challenge of Today:**

**More resources are necessary to meet community needs and expectations in areas such as public safety, employee and public infrastructure, quality of life, and accreditation standards.**

## **Challenge for the future:**

**Change is certain. We get the opportunity to choose the direction of our path. Future challenges will include quality of growth and its impact on our community. We will still need to focus on meeting current service delivery standards and a commitment to continual improvement.**

## Steps forward:

- **Modernize revenue structure**
  - **Use Tax**
  - **Technology Revenues**
- **Establish Long-Term Operations Strategy**
- **Set funding priorities to align with strategy**
- **Identify growth impact and create new contribution modes such as Public Safety infrastructure**
- **Consider new revenue structure that supports long term sustainability**

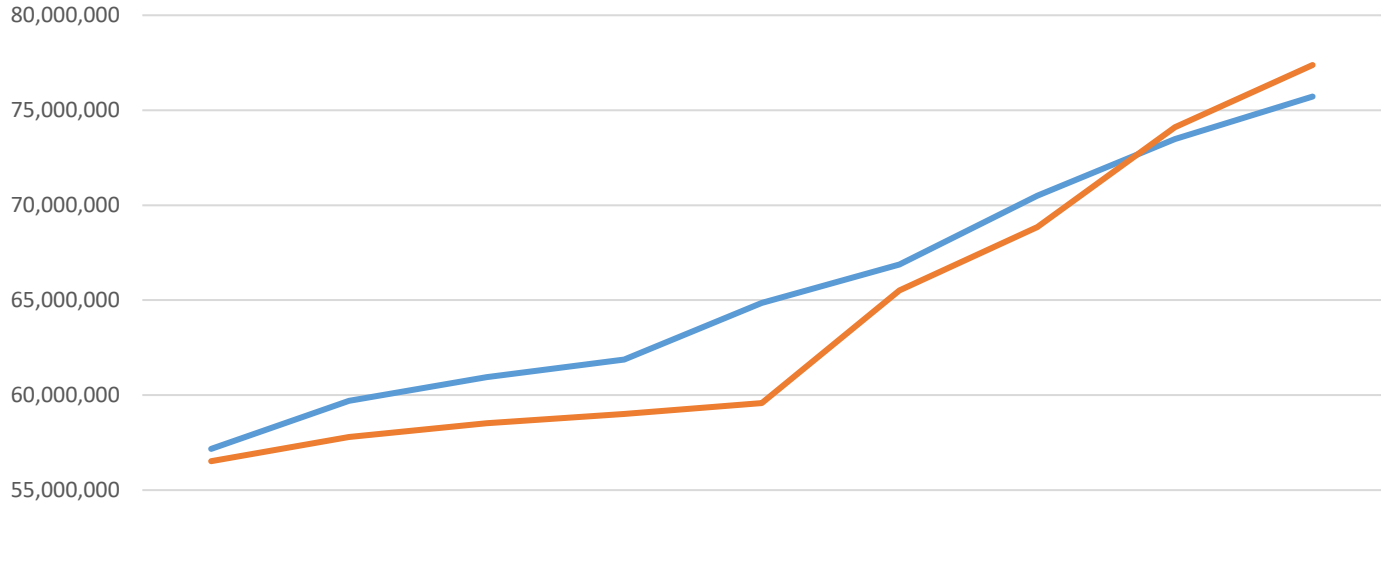


Previously Unfunded Department Expansion Requests					
Fund	Department	Type	Description	FY19 Cost	Recurring Cost
General Fund	Fire	Personnel	Battalion Chief, EMS	\$110,989	\$108,647
General Fund	Fire	Personnel	Captain of Training (2nd FTE)	\$81,036	\$76,469
General Fund	Fire	Personnel	EMS Assistant Chief	\$109,638	\$104,829
General Fund	Fire	Personnel	Captain of Prevention	\$87,552	\$85,710
General Fund	Fire	Personnel	Battalion Chief of Support Services	\$110,989	\$108,647
General Fund	ITS	Personnel	Applications Analyst	\$84,478	\$80,478
General Fund	ITS	Personnel	System Administrator	\$86,398	\$80,478
General Fund	Police	Personnel	Lead Detention Officer (reclassification)	\$7,326	\$7,326
General Fund	Police	Personnel	Police Officer (Traffic Enforcement)	\$68,453	\$60,830
General Fund	Police	Personnel	Animal Control Officer	\$58,141	\$58,141
<b>Total</b>				<b>\$614,326</b>	<b>\$590,257</b>
<b>Cost to General Fund</b>				<b>\$614,326</b>	<b>\$590,257</b>

FY20 Department Expansion Requests					
Fund	Department	Type	Description	FY20 Cost	Recurring Cost
General Fund	Administration-Cultural Arts	General	Cultural Arts programming expansion	\$25,189	\$25,189
General Fund	Development Services	Capital	Vehicle upgrade from 2-wheel to 4-wheel drive (x2)	\$6,446	\$200
General Fund	Development Services	Personnel	GIS Technician	\$72,125	\$70,525
General Fund	Development Services	Personnel	Data Analyst	\$73,490	\$71,540
General Fund	Finance	Personnel	Procurement Contract Compliance Officer	\$84,466	\$84,466
General Fund	Fire	Capital	AeroClave (x2)	\$29,000	\$0
General Fund	Fire	Capital	Lucas devices (x5)	\$76,250	\$9,725
General Fund	Fire	Capital	National Fire Operations Reporting System (NFORS)	\$5,000	\$8,000
General Fund	Fire	Capital	Rescue 3 apparatus, equipment, and supplies	\$437,884	\$56,260
General Fund	Fire	Capital	Staff cars (x3)	\$78,000	\$6,543
General Fund	Fire	Capital	Training and burn props	\$1,000,000	\$0
General Fund	Fire	Personnel	Deputy Chief	\$133,988	\$131,146
General Fund	Fire	Personnel	Firefighter Paramedic (x9)	\$633,772	\$603,109
General Fund	ITS	Capital	WhatsUp Gold license expansion	\$15,375	\$0
General Fund	ITS	Capital	Backup uninterruptible power supply (UPS)	\$7,262	\$0
General Fund	Police	Capital	Crime Scene Van	\$10,500	-\$3,100
General Fund	Police	Personnel	Shelter Attendant-Animal Control	\$56,419	\$56,419
General Fund	Police	Personnel	CIU Detective (x2)	\$138,740	\$123,939
General Fund	Police	Personnel	Communication Specialist (x2)	\$128,050	\$128,050
General Fund	PW Engineering	Personnel	Right-of-Way Coordinator (reclassification)	\$6,997	\$6,997
General Fund	PW Operations	Capital	F-150 Truck	\$25,000	\$1,816
General Fund	PW Operations	Capital	Envirosight Quickview Camera	\$20,000	\$0
General Fund	PW Operations	Personnel	Assistant Manager of PW Operations (reclassification)	\$37,681	\$37,681
General Fund	PW Operations	Personnel	PWO Contract Manager (reclassification)	\$0	\$0
<b>Total</b>				<b>\$3,101,634</b>	<b>\$1,418,505</b>
<b>Cost to General Fund</b>				<b>\$3,101,634</b>	<b>\$1,418,505</b>

Totals for Previously Unfunded and FY20 Department Expansion Requests					
<b>Total</b>				<b>\$3,715,960</b>	<b>\$2,008,762</b>
<b>Cost to General Fund</b>				<b>\$3,715,960</b>	<b>\$2,008,762</b>

### GF Revenues and Expenditures



Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projection	Request
2012	2013	2014	2015	2016	2017	2018	2019	2020

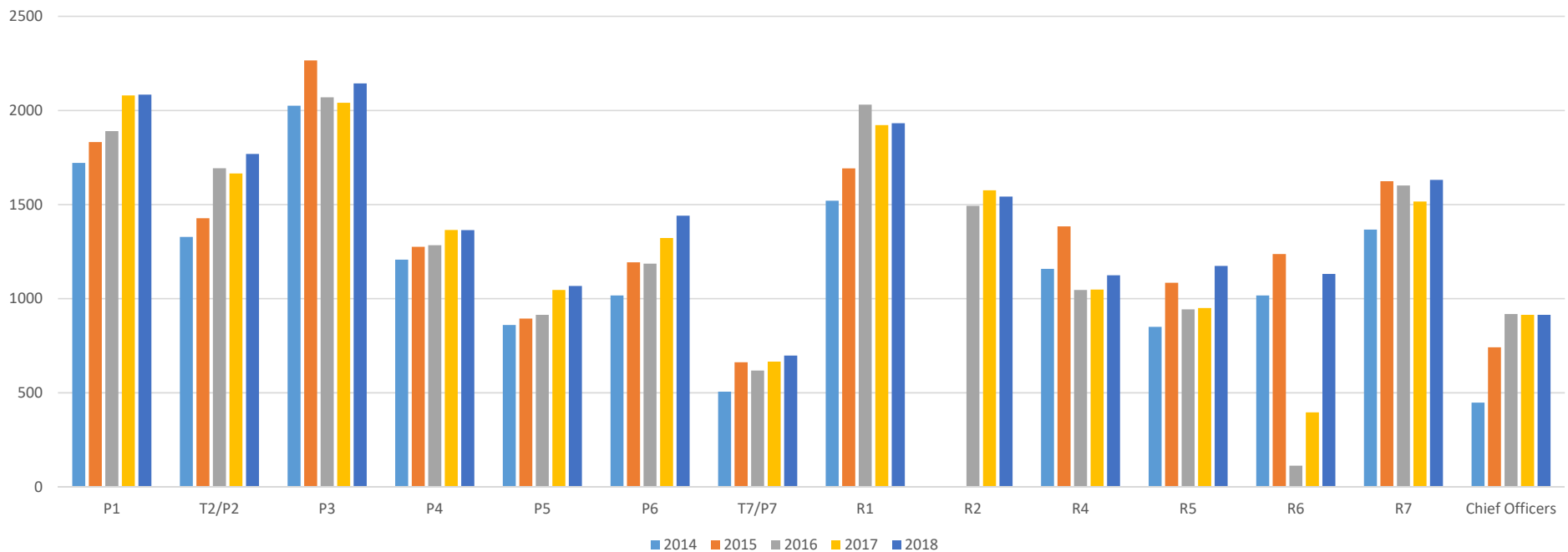
— Revenue — Expenses

# Police Department Measurables

Measure	CY 2016	CY 2017	CY 2018
Property Crime/1000	17.05	16.70	21.39
Violent Crime/1000	1.08	1.17	1.20
Calls for Service	65,235	71,459	71,702
Traffic Crashes	1,685	2,030	2,098

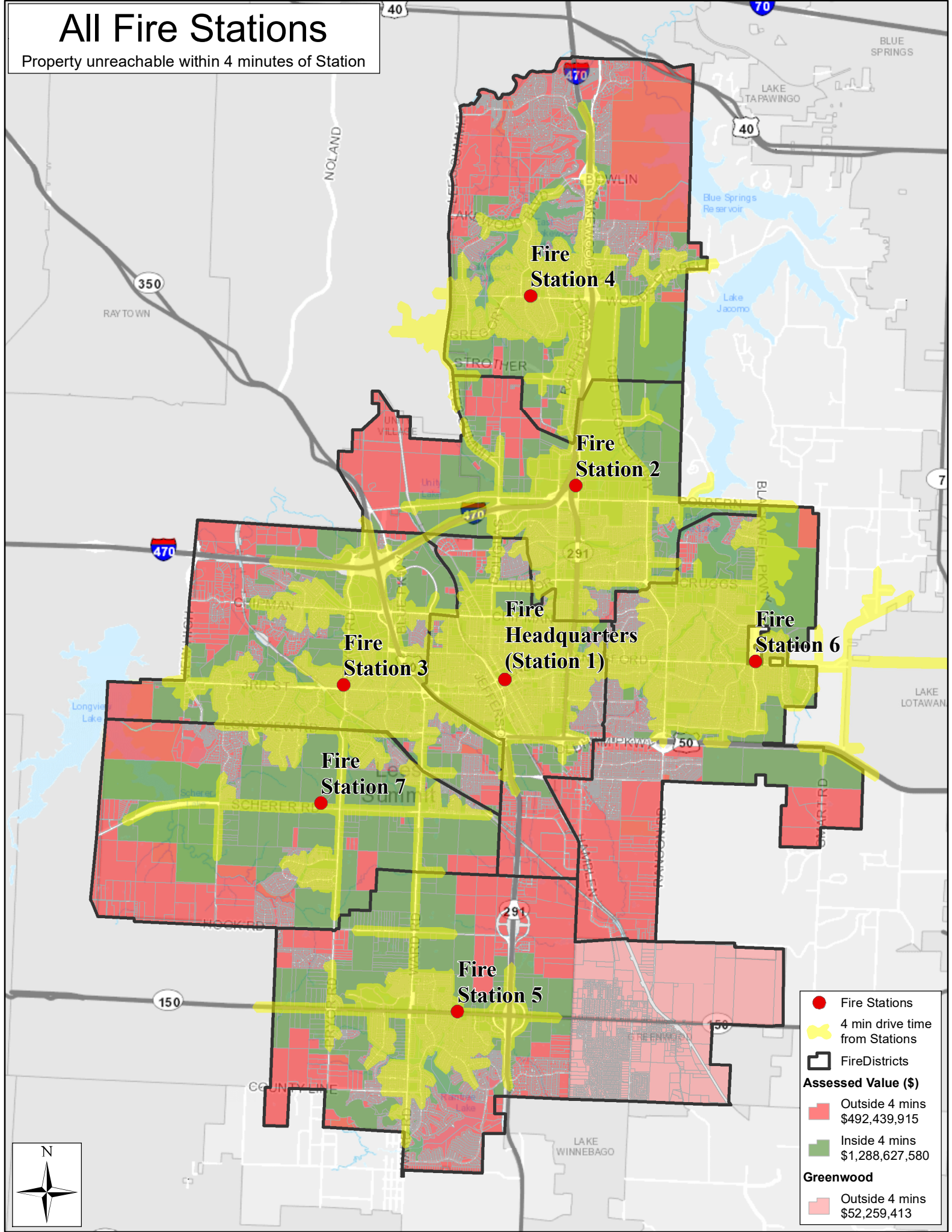
# LSFD 5 Year Demand by Fire Station

Operational Demand 2014-2018 for  
Frontline Apparatus



# All Fire Stations

Property unreachable within 4 minutes of Station



- Fire Stations
- ☞ 4 min drive time from Stations
- ▭ FireDistricts

**Assessed Value (\$)**

- Outside 4 mins  
\$492,439,915
- Inside 4 mins  
\$1,288,627,580

**Greenwood**

- Outside 4 mins  
\$52,259,413



# 10-year Growth in Public Infrastructure

Item	FY2010	FY2019	Change
Pavement	984 Lane Miles	1,051 Lane Miles	+ 67 lane miles
Storm drain pipe	245 miles	267 miles	+ 21 miles
Storm drain structures	14,947	16,333	+ 1,386
Traffic Signals	45	56	+ 11
Street lights	1,198	2,339	+ 1,141

# 7-year Growth in IT

Item	FY2013	FY2019	Change
Network IDs	542	969	+ 427 (78%)
Email Accounts	542	678	+ 136 (25%)
IP Phones Managed	547	670	+ 123 (22%)
Devices Managed	1281	1636	+ 355 (28%)
Servers Managed	116	151	+ 35 (30%)
Applications Managed	130	234	+ 104 (80%)

## Packet Information

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**File #:** 2019-2796, **Version:** 1

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Discussion of purchasing lightning detection equipment for Parks use

Issue/Request:

Discussion of purchasing lightning detection equipment for Parks use

Key Issues:

The purpose of this item is to discuss the need and capabilities of weather detection equipment at Parks facilities.

Background:

Attached for reference is a summary of preliminary research on the topic.

Stephen Arbo | City Manager  
Joe Snook | Parks Administrator

Recommendation: N/A

Committee Recommendation: N/A



## Jacob Johnson

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**From:** Jacob Johnson  
**Sent:** Friday, January 18, 2019 3:20 PM  
**To:** Joe Snook  
**Cc:** Heath Harris  
**Subject:** Follow-up Weather Research  
**Attachments:** Follow-up research 1.18.19.docx; NG Thor Guard vs EN Comparison.xlsx

Joe,

Attached is our follow-up information from our presentation on Monday. You will find the information broken down in the following order:

1. EarthNetworks additional information
2. ThorGuard additional information
3. Weather or Not information
4. Presentation possibilities from each organization
5. Cold Weather Policy research.

\*Based on the ranges we were able to find regarding cold weather, what we have in the policy, and what was expressed at the last meeting we would recommend making the following adjustments to the cold weather policy:

- Temperature with wind chill is 15°F or Below, Games will be cancelled or moved indoors if possible.

Per Heath:

Earth Networks also shared a study done over a Louisiana airport who has ThorGuard and compared it to Earth Networks (Weather Bug at the time). The representative from Earth Networks did not specify who completed this study and where the data came from. He was also very hesitant to share the file with me, but said he would if I kept it confidential. I told him only myself, a colleague and our Administrator would see it. Jacob and I thought it would be something you would like to take a look at but did not want to include this in the YSA update because of the confidentiality of the document and we do not know the credibility behind the findings. This document is the excel sheet that is attached.

A print out of Both documents will be in your mailbox at City Hall along with this email. If you have any questions please let us know.

Best Regards,

**Jacob Johnson, CYSA** | Recreation Supervisor I  
110 SW Blue Parkway | Lee's Summit, MO 64063  
Phone: 816.969.1544 | Cell: 816.875.0342 | fax: 816.969.1543 | [www.lsparks.net](http://www.lsparks.net)

## EarthNetwork

### Installation Details:

- We must prepare site.
  - Provide wiring to alert system.
  - Internet connection cable
  - Concrete and pole set if needed
- Alert systems are installed on buildings 90% of the time.
  - Could mount on light poles or other utility poles if needed.
  - Earth Networks would send installation team to determine recommended mounting areas.
  - Earth Networks recommends mounting the alert systems on top of buildings so the strobe and sound of the horn can be seen and heard at a longer distance.
- Multiple secondary horns can connect to 1 primary horn.
  - Earth Networks said a horn at each venue connected to primary horn at LPCC is an option. *what about stroke*
  - If only one secondary horn was purchased and each venue wants a strobe, each strobe would require internet connection and would have to purchase additional equipment for each strobe to sync signal.
    - (I do not have the estimated cost at this time)
- The alert system itself ranges from 8ft to 10ft tall.
  - Depends on mounting location
  - Primary horn will be taller with the antenna- to send signals to secondary horns.

### Number of contacts for alert notifications:

- “100's and 100's” of contacts can be added to receive notifications.
- We would control who is on the contact list.
  - We can add/remove contacts at any time.
  - We can set who receives notifications from a location
  - We do not need to notify Earth Networks of changes to contact list.
- There are 89 different variables we can monitor
  - Lightning, Tornado, Heat, Cold, Heat Index, Wet Bulb, Wind direction, etc.

### Adding Locations:

- Whoever has a login for the system can add/remove additional locations.
  - Enter the address of location or latitude and longitude.

- Earth Networks recommends Coaches work together on multiple locations within a mile of each other.
  - If Earth Networks are monitoring 2 parks within 1 mile of each other their readings may overlap and send alerts to both parks when a lightning strike is with the set radius of 1 park.
- Countdown clock is only available for venue where outdoor alert system is installed (Legacy Park)
  - Text/Email alerts are still available for additional locations.
  - All clear notifications available as well.
  - Earth Networks is currently researching into adding a countdown clock in the future.

#### Thunder and In Cloud Lightning:

- Earth Network's system does not detect thunder.
- System does detect in cloud lightning.
  - In cloud lightning show up as purple on radar.
  - Cloud to ground lightning show up as yellow on radar.
- Determines positive and negative charged lightning strikes
  - Positive appears as "+" on radar
    - Stronger strikes and travel further from storm
      - Out of the Blue strikes
  - Negative appears as "-" on radar
    - Weaker strikes and most common.

#### Countdown Clock on Website:

- Countdown clock can be linked to 1 website.
  - A Link with URL for countdown clock can be posted on each YSA website and would direct patrons to countdown clock on our website.
  - Earth Networks recommended not posting radar on our website.

# ThorGuard vs Earth Networks

## ThorGuard

**Services:** On-site Monitor and alert system, Software that provides radar for your area.

### **Pros**

- Takes decision out of department/ organizations hands
- Can now monitor WetBulbGlobe Temperature
- Staff is easily reach and very helpful
- Will give an all clear which can eliminate extended closures.

### **Cons**

- Billed as a prevention system. Looks at a very specific element of a storm and the atmosphere to determine alert.
- Can go off even if there is not a storm directly overhead/no sign of threat.
- Cost

**Cost:** Initial investment - \$22,750

Ongoing Maintenance - \$3,500 per year

## EarthNetworks

**Services:** On-site Monitor and alert system for lighting, Software that provides radar for your area. Can designate multiple locations to be monitored by their network. Can set multiple contacts for specific areas to be alerted by email/messaging. Also provides a meteorological service.

### **Pros**

- Takes decision out of department/ organizations hands
- Can monitor WetBulbGlobe Temperature
- Staff is easily reach and very helpful
- Can monitor all aspects such as Heat, Cold, High Winds, Lightning.
- Extensive sensors and weather station network provide a commercial grade radar and forecast.
- Specific forecast will be sent to your organization depending upon the service along with updates if changes
- Keeps data on file to view where strikes have occurred and at what time.

### **Cons**

- You can experience delays if the alert continues to go off for a storm on the edge of your radius or if you have to monitored locations in close proximity to one another.
- Cost

**Cost:** Initial investment - \$17,500

Ongoing Cost - \$1,500 per year



## Packet Information

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**File #:** 2019-2803, **Version:** 1

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Discussion of the Finance and Budget Committee's FY20 Budget Recommendations

Issue/Request:

Discussion of the Finance and Budget Committee's FY20 Budget Recommendations

Key Issues:

The purpose of this item is to provide the Committee an opportunity to discuss the Committee's FY20 Budget Recommendations. The City Manager's budget will be presented at the June 4th City Council meeting. If the Committee has recommendations to accompany the City Manager's presentation, a list would be made and presented following the City Manager's presentation.

Nick Edwards, Asst. City Manager, Administrative Services