



The City of Lee's Summit

Final Agenda

Finance and Budget Committee

Monday, February 11, 2019

5:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

AMENDED

1. Call to Order

2. Roll Call

3. Approval of Agenda

4. Public Comments

5. Business

- A. [2019-2542](#) Approval of the Action Letter from the December 17, 2018 F&BC meeting.
- B. [TMP-1117](#) An Ordinance authorizing the waiver of the Lee's Summit Housing Authority's payment in lieu of taxes for the Authority's fiscal year ended September 30, 2018 in the amount of \$33,874.16.
- C. [TMP-1110](#) An Ordinance approving the 2019 Jackson County Board of Election Commissioners Poll Contracts and authorizing the Mayor to execute the same by and on behalf of the City.
- D. [TMP-1123](#) An Ordinance authorizing the Mayor to execute an Intergovernmental Agreement by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board, and Jackson County, Missouri Parks and Recreation for parking area use and improvements.
- E. [TMP-1129](#) An Ordinance approving the award of Bid No. 2019-014 for Concrete Flat Work, Curb Installation, and Street Repair services on an as-needed basis for a one-year term with up to four, one-year renewals to Quality Custom Concepts, Inc. and authorizing the City Manager to execute the same by and on behalf of the City.
- F. [2019-2559](#) Investment Portfolio Report for the quarter ended December 31, 2018
- G. [2019-2553](#) Presentation of the FY19 December General Fund Financial Dashboards

- H. [2019-2554](#) Presentation of the FY19 General Fund Mid Year Projections
- I. [2019-2558](#) Review of Economic Development Opportunity Funding
- J. [2019-2552](#) Presentation of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2018 by RubinBrown LLP.
- K. [TMP-1122](#) An Ordinance approving Amendment No. 7 to the budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, by revising the Authorized Expenditures to Projected Year End Amounts for the City of Lee's Summit.

6. Roundtable

7. Adjournment

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Legislative Information Center website at "lsmo.legistar.com"

Packet Information

File #: 2019-2542, **Version:** 1

Approval of the Action Letter from the December 17, 2018 F&BC meeting.

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

Monday, December 17, 2018

5:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1. Call to Order

2. Roll Call

Present: 3 - Alternate Rob Binney
Councilmember Phyllis Edson
Chairperson Bob Johnson

Absent: 2 - Councilmember Trish Carlyle
Vice Chair Beto Lopez

3. Approval of Agenda

This was approved.

4. Public Comments

No Public Comments

5. Business

- A. [2018-2429](#) Minutes from F&BC Nov. 5, 2018 meeting

This Minutes were approved.

- B. [2018-2494](#) Review of open records response regarding Lee's Summit Chamber of Commerce funding (F&BC 12-17-18)

This was a discussion item. No action taken.

- C. [BILL NO. 19-05](#) An Ordinance approving the Award of Bid No. 2019-016 for Tow Services for a one-year term with up to four, one-year renewals to Ron's Auto & Truck Towing, LLC, and authorizing the City Manager to execute the same by and on behalf of the City. (F&BC 12-17-18)

Motion by Councilmember Binney, seconded by CouncilmemberEdson, this Ordinance was recommended for approval.to the City Council - Regular Session due back on 1/8/2019. The vote was unanimous.

Finance and Budget Committee

Action Letter

December 17, 2018

Aye: 3 - Alternate Binney
Councilmember Edson
Chairperson Johnson

Absent: 2 - Councilmember Carlyle
Vice Chair Lopez

- D. [BILL NO. 19-06](#) An Ordinance approving a Sole Source Enterprise Agreement with Environmental Systems Research Institute, Inc. for unlimited licensing and software maintenance services; and authorizing the City Manager to enter into and execute an agreement for the same on behalf of the City of Lee's Summit, Missouri. (F&BC 12-17-18)

Motion by Councilmember Edson, seconded by Councilmember Binney this Ordinance was recommended for approval to the City Council - Regular Session due back on 1/8/2019. The vote was unanimous.

Aye: 3 - Alternate Binney
Councilmember Edson
Chairperson Johnson

Absent: 2 - Councilmember Carlyle
Vice Chair Lopez

- E. [BILL NO. 19-07](#) An Ordinance authorizing the Mayor to execute an Intergovernmental Agreement by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board and Jackson County, Missouri Parks and Recreation for facility use to support programming for various Jackson County, Missouri Parks and Recreation Programs. (F&BC 12-17-18)

Motion by Councilmember Binney, seconded by Councilmember Edson, this Ordinance was recommended for approval to the City Council - Regular Session due back on 1/8/2019. The vote was unanimous.

Aye: 3 - Alternate Binney
Councilmember Edson
Chairperson Johnson

Absent: 2 - Councilmember Carlyle
Vice Chair Lopez

Finance and Budget Committee

Action Letter

December 17, 2018

- F. [2018-2474](#) Review of FY19 October General Fund Financial Dashboards (F&BC 12-17-18)

Presentation only. No action required.

6. Roundtable

Councilmember Johnson asked that all future F&BC meetings be scheduled for the 2nd Monday of each month.

7. Adjournment

Meeting was adjourned at 6:00 p.m.

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Legislative Information Center website at "lsmo.legistar.com"

Packet Information

File #: TMP-1117, **Version:** 1

An Ordinance authorizing the waiver of the Lee's Summit Housing Authority's payment in lieu of taxes for the Authority's fiscal year ended September 30, 2018 in the amount of \$33,874.16.

Issue/Request:

The City is considering the recurring annual request of the Lee's Summit Housing Authority to waive the Authority's Payment in Lieu of Taxes (PILOT) payment for the Authority's Fiscal Year ended September 30, 2018, in the amount of \$33,874.16.

Background:

The Lee's Summit Housing Authority is a tax-exempt agency that operates the 116 units at Lee Haven and Duncan Estates housing developments, to provide low income housing for the elderly residents of the City. The Authority is primarily dependent on U.S. Department of Housing and Urban Development for funding. The City and the Lee's Summit Housing Authority have an agreement that requires the Authority to make a Payment in Lieu of Taxes (PILOT) to the City each year equal to the lesser of (i) 10% of the total of the total rental payments minus utility expenses or (ii) the Authority's estimated County property taxes.

For more than 10 years the Housing Authority has requested the City waive the PILOT payment in order to use the monies to maintain and improve the facilities and keep costs as low as possible for its residents.

The Lee's Summit Housing Authority has requested the City waive the 2018 PILOT payment in the amount of \$33,874.16.

Impact/Analysis:

The requested waiver amount of \$33,874.16 is the same amount as the City waived for Fiscal Year ending on September 30, 2017. The City has not budgeted the receipt of the PILOT as revenue in anticipation of a waiver request from the Housing Authority.

Proposed Committee Motion:

I move to recommend to the City Council approval of an ordinance authorizing the waiver of the Lee's Summit Housing Authority's payment in lieu of taxes for the Authority's fiscal year ended September 30, 2018 in the amount of \$33,874.16.

Bette Wordelman, Finance Director

Recommendation: Staff recommends approval of an ordinance authorizing the waiver of Lee's Summit Housing Authority's payment in lieu of taxes for the authority's fiscal year ended September 30, 2018 in the amount of \$33,874.16.

File #: TMP-1117, **Version:** 1

Committee Recommendation:

BILL NO. 19-

AN ORDINANCE AUTHORIZING THE WAIVER OF THE LEE'S SUMMIT HOUSING AUTHORITY'S PAYMENT IN LIEU OF TAXES FOR THE AUTHORITY'S FISCAL YEAR ENDED SEPTEMBER 30, 2018 IN THE AMOUNT OF \$33,874.16.

WHEREAS, the City of Lee's Summit is a constitutional charter City, organized and existing under the laws of the State of Missouri (hereinafter "City"); and,

WHEREAS, the Lee's Summit Housing Authority (hereinafter "the Authority") is a tax exempt agency that operates 116 housing units which provide low-income housing for elderly residents, and relies primarily on the U.S. Department of Housing and Urban Development ("HUD") for funding; and,

WHEREAS, an agreement between the City and the Authority provides that the Authority will make payments in lieu of taxes ("PILOTs") each year equal to the lesser of (i) ten percent (10%) of total rental payments minus utility expenses or (ii) the Authority's estimated property taxes for the real estate it owns; and,

WHEREAS, in an effort to best utilize and maximize its financial resources for the citizens the Authority serves, while simultaneously keeping costs to its clients as low as possible, the Authority regularly submits a request to the City to waive the annual PILOT payment due and owing; and,

WHEREAS, the Authority submitted a written request dated January 22, 2019, attached hereto as Exhibit "A" and incorporated herein as though fully set forth, which seeks a formal waiver of the PILOT payment due for the Authority's fiscal year ending September 30, 2018 in the total amount of \$33,874.16; and,

WHEREAS, the City desires to waive the Authority's PILOT payment for the Authority's fiscal year ending September 30, 2018, in the total amount of \$33,874.16.

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

SECTION 1. The City of Lee's Summit hereby grants a waiver of the payment in lieu of taxes in favor of the Lee's Summit Housing Authority for its fiscal year ended September 30, 2018, in the total amount of \$33,874.16.

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.

SECTION 3. 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.

BILL NO. 19-

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*

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 Operations and Management
Daniel R. White



Commissioners

Emmet Pierson, Jr.	Chair
Barbara Henson	Vice Chair
Kathryn Kelsey	Member
Tameka Bryant	Member
Dr. Syrtiller M. Kabat	Member
Phylliss Edson	City Liaison
Darrin J. Taylor	Executive Director

January 22, 2019

Ms. Bette Wordelman, Director
City of Lee's Summit Finance Department
220 SE Green Street
Lee's Summit, MO 64063

Subject: Waiver of PILOT FYE 09/30/2018

Dear Ms. Wordelman:

The Housing Authority of the City of Lee's Summit Missouri is requesting a waiver of Payment in Lieu of Taxes for its fiscal year ended September 30, 2018. The PILOT funds in the amount of \$33,874.16 will be used for capital improvements projects that the Housing Authority plans to undertake this year. The Housing Authority continues to make capital improvements to our properties; Lea Haven and Duncan Estates. These are necessary physical improvements designed to maintain our low-income public housing properties and help to ensure its long-term viability. Lea Haven was constructed in 60's and Duncan Estates in the 90's. Currently, we are contracting for bathroom improvements at our Duncan Estates property and replacing appliances that have reached their useful life limits.

The Housing Authority maintains a conservative approach to budgeting and the expenditure of limited federal resources. Besides federal subsidies, the only revenue source is tenant rental income which is calculated at 30% of their adjusted income. Primarily, we serve the elderly and handicapped whose incomes are mostly Social Security. We have used PILOT funds to improve and maintain our properties to provide the senior citizens we serve with decent, safe and affordable housing. It is our goal to provide a housing resource that the City and people of Lee's Summit are proud to have in their community.

Thank you in advance for your consideration. If I can provide any further information, please feel free to contact me.

Sincerely,



Darrin J. Taylor, PHM
Executive Director

Enc.: Computation of Payments in Lieu of Taxes

Computation of Payments in Lieu of Taxes

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

For Fiscal Year Ended 9/30/2018

OMB Approval No. 2577-0026 (Exp. 10/31/2009)

Public reporting burden for the collection of information is estimated to average .4 hours. This includes the time for collecting, reviewing, and reporting the data. The information will be used for HUD to ascertain compliance with requirements of Section 6(D) of the U.S. Housing Act, which provides for PHA exemptions from real and personal property taxes, and inclusion in the formula data used to determine public housing operating subsidies. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Name of Local Agency: Lee's Summit Housing	Location: 111 South Grand	Contract Number: FW0812	Project Number: MO16P030001
Part I - Computation of Shelter Rent Charged.			
1. Tenant Rental Revenue (FDS Line 703)		\$452,705.00	
2. Tenant Revenue Other (FDS Line 704)			
3. Total Rental Charged (Lines 1 & 2)			\$452,705.00
4. Utilities Expense (FDS Line 931 - 939)			\$95,114.51
5. Shelter Rent Charged (Line 3 minus Line 4)			\$357,590.49
Part II - Computation of Shelter Rent Collected. (To be completed only if Cooperation Agreement provides for payment of PILOT on basis of Shelter Rent Collected.)			
1. Shelter Rent Charged (Line 5 of Part I, above)			
2. Add: Accounts Receivable - Tenants (FDS Lines 126, 126.1, & 126.2) at beginning of fiscal year			
3. Less: Tenant Bad Debt Expense (FDS Line 964)			
4. Less: Accounts Receivable - Tenants (FDS Lines 126, 126.1, & 126.2) at end of fiscal year			
5. Shelter Rent Collected (Line 1 plus Line 2 minus Lines 3 & 4)			
Part III - Computation of Approximate Full Real Property Taxes.			
(1) Taxing Districts	(2) Assessable Value	(3) Tax Rate	(4) Approximate Full Real Property Taxes
County	\$4,342,841.00	0.007800	\$33,874.16
Total			\$33,874.16
Part IV - Computation of Approximate Full Real Property Taxes. (To be completed if Cooperation Agreement limits PILOT to an amount by which real property taxes exceed 20% of annual contribution.)			
1. Approximate full real property taxes			
2. Accruing annual contribution for all projects under the contract			
3. Prorate share of accruing annual contribution*			
4. 20% of accruing annual contribution (20% of Line 3)			
5. Approximate full real property taxes Less 20% of accruing annual contribution (Line 1 minus Line 4, if Line 4 exceeds Line 1, enter zero)			
Part V - Computation of Approximate Full Real Property Taxes.			
1. 10% of shelter rent (10% of Line 5 of Part I or 10% of Line 5 of Part II, whichever is applicable)**			\$35,759.05
2. Payments in Lieu of Taxes (If Part IV is not applicable, enter the amount shown on Line 1, above, or the total in Part III, whichever is the lower. If Part IV is applicable, enter the amount shown on Line 1, above, or the amount shown on Line 5 of Part IV, whichever is lower.)			\$33,874.16
* Same as Line 2 if the statement includes all projects under the Annual Contributions Contract. If this statement does not include all projects under the Annual Contributions Contract, enter prorata share based upon the development cost of each project. ** If the percentage specified in the Cooperation Agreement or the Annual Contributions Contract with HUD is lower, such lower percentage shall be used.			
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 u.s.c 3729, 3802).			
Prepared By:		Approved By: 	
Name: Lindsey & Company, Inc.		Name: Darrin Taylor	
Title: Fee Accountant	Date: 11/08/2018	Title: Executive Director	Date: 1/4/19

Packet Information

File #: TMP-1110, **Version:** 1

An Ordinance approving the 2019 Jackson County Board of Election Commissioners Poll Contracts and authorizing the Mayor to execute the same by and on behalf of the City.

Issue/Request:

An Ordinance approving the 2019 Jackson County Board of Election Commissioners Poll Contracts and authorizing the Mayor to execute the same by and on behalf of the City.

Key Issues:

Each year, the Jackson County Board of Election Commissioners (JCBE) uses certain City and Lee's Summit Parks and Recreation owned facilities as polling places. For 2019, JCBE has requested the use of Gamber Community Center, Longview Community Center, Legacy Park Community Center, and City Hall for elections to be held on February 5, April 2, August 5 and November 5, 2019. JCBE has also incorporated the February 4, 2020 election in the current poll contract.

Because JCBE is a political subdivision, RSMo. 70.220.3 requires that the agreements between LSPR, the City and JCBE be approved by the governing body of Lee's Summit, Missouri.

Proposed Motion:

I move to recommend to the City Council approval of an Ordinance approving the 2019 Jackson County Board of Election Commissioners Poll Contracts and authorizing the Mayor to execute the same by and on behalf of the City.

Background:

Each year, the Jackson County Board of Election Commissioners (JCBE) uses certain City and Lee's Summit Parks and Recreation owned facilities as polling places. For 2019, JCBE has requested the use of Gamber Community Center, Longview Community Center, Legacy Park Community Center, and City Hall for elections to be held on February 5, April 2, August 5 and November 5, 2019. JCBE has also incorporated the February 4, 2020 election in the current poll contract.

Because JCBE is a political subdivision, RSMo. 70.220.3 requires that the agreements between LSPR, the City, and JCBE be approved by the governing body of Lee's Summit, Missouri.

Impact/Analysis:

[Enter text here]

Timeline:

Start: ____

Finish: ____

File #: TMP-1110, **Version:** 1

Other Information/Unique Characteristics:

[Enter text here]

Jackie McCormick Heanue, Superintendent of Legal Services and Human Resources
Lee's Summit Parks and Recreation

Staff Recommendation: Staff recommends approval of an Ordinance approving the 2019 Jackson County Board of Election Commissioners Poll Contracts and authorizing the Mayor to execute the same by and on behalf of the City.

Committee Recommendation: [Enter Committee Recommendation text Here]

BILL NO. 19-

AN ORDINANCE APPROVING THE 2019 JACKSON COUNTY BOARD OF ELECTION COMMISSIONERS POLL CONTRACTS AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the City of Lee's Summit is a constitutional charter City, organized and existing under the laws of the State of Missouri (hereinafter "City"); and,

WHEREAS, the Lee's Summit Parks and Recreation Board (hereinafter "the Board") is empowered with the control of the supervision, improvement, care and custody of parks and recreation activities in the City; and,

WHEREAS, the Jackson County Board of Election Commissioners (JCBE) is a political subdivision which exists for the purpose of conducting all public elections for various political subdivisions within its' jurisdiction, which includes the City; and,

WHEREAS, JCBE regularly utilizes various facilities owned by the City and the Board to serve as polling places for said public elections; and,

WHEREAS, JCBE has requested the use of the Gamber Community Center, Longview Community Center, Legacy Park Community Center and Lee's Summit City Hall for polling places for the 2019 elections to be held on February 5, April 2, August 6, and November 5, as well as the February 4, 2020 election, and has presented to the Board and the City polling contracts to formalize agreements for said use; and,

WHEREAS, RSMo. § 70.220.3 requires that any contract entered into between a municipality and another political subdivision be approved by the governing body of said municipality.

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

SECTION 1. The Polling Contracts by and between the City of Lee's Summit, Missouri, by and through Lee's Summit Parks and Recreation, and the Jackson County Board of Election Commissioners attached hereto as Exhibits A, B, C, and D, and incorporated herein by reference be and the same are hereby approved, and the Mayor is hereby authorized to execute the same by and 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.

SECTION 3. 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.

BILL NO. 19-

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

Mayor *William A. Baird*

ATTEST:

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:

Chief Counsel of Management & Operations
Daniel White

POLL CONTRACT

Between the Jackson County Board of Election Commissioners and:

GAMBER CENTER
CITY OF LEES SUMMIT
4 SE INDEPENDENCE AVE
LEE'S SUMMIT, MO 64063

2019 Elections: February 5, April 2, August 6, November 5 and 2020: February 4, 2020

The rental fee is: \$150 per election.

SECTION 1 - The Jackson County Board of Election Commissioners requires a clean area with adequate heat and/or cooling, electrical outlets, lighting and restroom facilities unless other arrangements are noted in Section 1A.

SECTION 1A - _____

SECTION 2 - The use of a poll location telephone is required under this contract unless other arrangements are noted in Section 2A.

SECTION 2A - _____

SECTION 3 - Adequate chairs ten (10) and four (4) tables (six or eight feet) are required unless other arrangements are noted in Section 3A.

SECTION 3A - PLEASE HAVE TABLES SET UP

SECTION 4 - It is necessary that someone be present on a predesignated day preceding the election so that voting equipment and supplies can be delivered and someone must be present on a predesignated day following the election so that voting equipment and supplies can be picked up unless other arrangements are noted in Section 4A.

SECTION 4A - _____

SECTION 5 - Election judges must be able to gain entry to the poll at 5:00 a.m. on election day and will remain there until all closing procedures are completed after 7:00 p.m. There shall be no exceptions on Section 5.

SECTION 6 - Other conditions may be required at times due to changes in state statutes or Election Commission rules. These changes will be noted in Section 6A.

SECTION 6A - _____

SECTION 7 - The Jackson County Board of Election Commissioners agrees that it will provide no obstructions to the conduct of normal and necessary business in this poll location and will make no obstructions to any common use areas, such as lobbies, halls, stairways and parking lots, other than those restrictions which are necessary to guarantee the conduct of the election under and as provided by the statutes and the laws of the State of Missouri, and any changes in this paragraph will be noted in Section 7A.

SECTION 7A - _____

SECTION 8 - The Jackson County Board of Election Commissioners will provide liability coverage for the premises to be occupied by them for use as a poll. This coverage is limited to operations performed by, or on behalf of, the Election Board. Coverage is provided only for the facilities owned or used by the Election Board in the conduct of the election.

As authorized agent for the above listed poll location, I hereby agree to all applicable terms above.

Authorized Signature - Poll Location

Date

Telephone

Acceptance by the Jackson County Board of Election Commissioners, I hereby agree to all applicable terms above.

11/29/2018

Authorized Signature - Jackson Co. Board of Election Commissioners

Date

This contract is to be signed and returned to the Election Commission in the enclosed stamped envelope.

If this poll is not available for the named election(s), please notify the Election Board office as quickly as possible at (816) 325-4600.

Polling Place Data Sheet

Judges Key Warehouse Key Key Code JPK Key Alarm Needs Cell tblBuild GCLS

Name GAMBER CENTER Gamber Center
 Address 4 SE INDEPENDENCE AVE 4 SE Independence Ave
 City and Zip LEE'S SUMMIT 64063 Lee's Summit 64063
 Phone 1 969-1581 Phone 2 898-7250 Cell Phone 816-286-0620
 Extension Cords Power Strip

Contract CITY OF LEES SUMMIT PayableTo CITY OF LEES SUMMIT
 DENISE CHISUM TRISHA FOWLER ARCURI
 Address 220 SE GREEN Address 220 SE GREEN ST.
 City and Zip LEES SUMMIT 64063 City and Zip LEE'S SUMMIT MO 64063
 Phone1 969-1006 Check#
 Phone2 Payable Amount \$80.00
 Website http://cityofls.net

Letter Contacts

CITY OF LEES SUMMIT	220 SE GREEN	969-1006
TRISHA FOWLER ARCURI	LEES SUMMIT MO 64063	
	trisha.fowlerarcuri@cityofls.net	
<hr/>		
GAMBER CENTER	220 SE GREEN	969-1581
PAT SHEPARD	LEES SUMMIT MO 64063	898-7250
	pshepard@cityofls.net	

Emergency Contacts	Home	Work	Cell	E-Mail
2 PAT SHEPARD		969-1581	898-7250	

Doors To Use EAST MAIN DOOR.

Warehouse ASK PAT SHEPARD WHERE TO STORE EQUIPMENT.

Special Key

Special Instructions NO KITCHEN FACILITIES.

Poll Directions FROM 291 HWY & 2ND ST, GO WEST ON SECOND ST. GAMBER CENTER ON CORNER OF 2ND ST AND INDEPENDENCE AVE. TURN SOUTH/LEFT ON INDEPENDENCE AVE & WEST/RIGHT ON SUMMIT AVE. ENTER PARKING LOT ON SUMMIT AVE. ENTER THRU EAST MAIN DOORS.

PollLocation DRY ARTS & CRAFT ROOM (REDWOOD ROOM). POLL AREA 23' X 19'. RESTROOMS NEXT TO POLLING LOCATION. TELEPHONE IN OFFICE. ALTERNATE POLL: EVERGLADE ROOM. ASK BEFORE ELECTION WHICH ROOM WE'RE USING.

CallName: PAT SHEPARD **HM #** **WK #**969-1581 **CELL #**898-7250

POLL CONTRACT

Between the Jackson County Board of Election Commissioners and:

LEGACY PARK COMMUNITY CENTER
CITY OF LEES SUMMIT
901 NE BLUESTEM DR
LEE'S SUMMIT, MO 64086

2019 Elections: February 5, April 2, August 6, November 5 and 2020: February 4, 2020

The rental fee is: \$150 per election.

SECTION 1 - The Jackson County Board of Election Commissioners requires a clean area with adequate heat and/or cooling, electrical outlets, lighting and restroom facilities unless other arrangements are noted in Section 1A.

SECTION 1A - _____

SECTION 2 - The use of a poll location telephone is required under this contract unless other arrangements are noted in Section 2A.

SECTION 2A - _____

SECTION 3 - Adequate chairs ten (10) and four (4) tables (six or eight feet) are required unless other arrangements are noted in Section 3A.

SECTION 3A - PLEASE HAVE TABLES SET UP

SECTION 4 - It is necessary that someone be present on a predesignated day preceding the election so that voting equipment and supplies can be delivered and someone must be present on a predesignated day following the election so that voting equipment and supplies can be picked up unless other arrangements are noted in Section 4A.

SECTION 4A - _____

SECTION 5 - Election judges must be able to gain entry to the poll at 5:00 a.m. on election day and will remain there until all closing procedures are completed after 7:00 p.m. There shall be no exceptions on Section 5.

SECTION 6 - Other conditions may be required at times due to changes in state statutes or Election Commission rules. These changes will be noted in Section 6A.

SECTION 6A - _____

SECTION 7 - The Jackson County Board of Election Commissioners agrees that it will provide no obstructions to the conduct of normal and necessary business in this poll location and will make no obstructions to any common use areas, such as lobbies, halls, stairways and parking lots, other than those restrictions which are necessary to guarantee the conduct of the election under and as provided by the statutes and the laws of the State of Missouri, and any changes in this paragraph will be noted in Section 7A.

SECTION 7A - _____

SECTION 8 - The Jackson County Board of Election Commissioners will provide liability coverage for the premises to be occupied by them for use as a poll. This coverage is limited to operations performed by, or on behalf of, the Election Board. Coverage is provided only for the facilities owned or used by the Election Board in the conduct of the election.

As authorized agent for the above listed poll location, I hereby agree to all applicable terms above.

Authorized Signature - Poll Location

Date

Telephone

Acceptance by the Jackson County Board of Election Commissioners, I hereby agree
to all applicable terms above.

11/29/2018

Authorized Signature - Jackson Co. Board of Election Commissioners

Date

This contract is to be signed and returned to the Election Commission in the enclosed stamped envelope.

If this poll is not available for the named election(s), please notify the Election Board office as quickly as possible at (816) 325-4600.

Polling Place Data Sheet

Judges Key Warehouse Key Key Code JPK Key Alarm Needs Cell tblBuild LPCC

Name LEGACY PARK COMMUNITY CENTER Legacy Park Community Center
Address 901 NE BLUESTEM DR 901 NE Bluestem Dr
City and Zip LEE'S SUMMIT 64086 Lee's Summit 64086
Phone 1 969-1550 **Phone 2** 969-1550 **Cell Phone** 816-785-8054
Extension Cords 2 - 10ft Cords **Power Strip** 2 - PowerStrips

Contract CITY OF LEES SUMMIT **PayableTo** CITY OF LEES SUMMIT
 DENISE CHISUM TRISHA FOWLER ARCURI
Address 220 SE GREEN **Address** 220 SE GREEN ST.
City and Zip LEES SUMMIT MO 64063 **City and Zip** LEE'S SUMMIT MO 64063
Phone1 969-1006 **Check#**
Phone2 **Payable Amount** \$80.00
Website

Letter Contacts

CITY OF LEES SUMMIT 220 SE GREEN 969-1006
 TRISHA FOWLER ARCURI LEES SUMMIT MO 64063
 trisha.fowlerarcuri@cityofls.net

LEGACY PARK COMMUNITY CENTER 901 NE BLUESTEM DR
 MIKE HEDRICK LEE'S SUMMIT MO 64086
 mike.hedrick@cityofls.net

Emergency Contacts	Home	Work	Cell	E-Mail
1 MIKE HEDRICK		(816)969-1557		mike.hedrick@cityofls.net
2 DAVID DEAN			(816)718-9280	ddean@cityofls.net
3 JOE SNOOK		(816)969-1504		jsnook@cityofls.net

Doors To Use MAIN DOORS.

Warehouse EQUIP STORED IN OFFICE. BUILDING HOURS 5:30AM TO 10:00PM

Special Key

Special Instructions POLL IS LOCATED TO LEFT OF MAIN FRONT DOORS. RED VOTE HERE SIGN NEEDS TO BE PLACED AT MAIN ENTRANCE. JUDGE SIGN: ENTER & TURN LEFT. (PLACE ON MAIN FRONT DOORS).

Poll Directions FROM COLBERN RD & HWY 291, GO EAST ON COLBERN RD TO BLACKWELL RD. TURN SOUTH/RIGHT ON BLACKWELL RD. GO TO BLUESTEM DR. TURN LEFT/EAST. BUILDING IS ON THE RIGHT SIDE OF CUL-DE-SAC. ENTER THROUGH MAIN FRONT DOOR.

PollLocation CYCLE STUDIO LOCATED TO LEFT OF MAIN DOORS. POLL AREA 29' X 35'. TELEPHONE ON FRONT COUNTER DESK. CAN USE GYM FOR LG ELECTIONS.

CallName: MIKE HEDRICK **HM #** **WK #**(816)969-15 **CELL #**

POLL CONTRACT

Between the Jackson County Board of Election Commissioners and:

LONGVIEW COMMUNITY CENTER
CITY OF LEES SUMMIT
3801 SW LONGVIEW RD
LEE'S SUMMIT, MO 64081

2019 Elections: February 5, April 2, August 6, November 5 and 2020: February 4, 2020

The rental fee is: \$150 per election.

SECTION 1 - The Jackson County Board of Election Commissioners requires a clean area with adequate heat and/or cooling, electrical outlets, lighting and restroom facilities unless other arrangements are noted in Section 1A.

SECTION 1A - _____

SECTION 2 - The use of a poll location telephone is required under this contract unless other arrangements are noted in Section 2A.

SECTION 2A - _____

SECTION 3 - Adequate chairs ten (10) and four (4) tables (six or eight feet) are required unless other arrangements are noted in Section 3A.

SECTION 3A - PLEASE HAVE TABLES SET UP

SECTION 4 - It is necessary that someone be present on a predesignated day preceding the election so that voting equipment and supplies can be delivered and someone must be present on a predesignated day following the election so that voting equipment and supplies can be picked up unless other arrangements are noted in Section 4A.

SECTION 4A - _____

SECTION 5 - Election judges must be able to gain entry to the poll at 5:00 a.m. on election day and will remain there until all closing procedures are completed after 7:00 p.m. There shall be no exceptions on Section 5.

SECTION 6 - Other conditions may be required at times due to changes in state statutes or Election Commission rules. These changes will be noted in Section 6A.

SECTION 6A - _____

SECTION 7 - The Jackson County Board of Election Commissioners agrees that it will provide no obstructions to the conduct of normal and necessary business in this poll location and will make no obstructions to any common use areas, such as lobbies, halls, stairways and parking lots, other than those restrictions which are necessary to guarantee the conduct of the election under and as provided by the statutes and the laws of the State of Missouri, and any changes in this paragraph will be noted in Section 7A.

SECTION 7A - _____

SECTION 8 - The Jackson County Board of Election Commissioners will provide liability coverage for the premises to be occupied by them for use as a poll. This coverage is limited to operations performed by, or on behalf of, the Election Board. Coverage is provided only for the facilities owned or used by the Election Board in the conduct of the election.

As authorized agent for the above listed poll location, I hereby agree to all applicable terms above.

Authorized Signature - Poll Location

Date

Telephone

Acceptance by the Jackson County Board of Election Commissioners, I hereby agree to all applicable terms above.



11/29/2018

Authorized Signature - Jackson Co. Board of Election Commissioners

Date

This contract is to be signed and returned to the Election Commission in the enclosed stamped envelope.

If this poll is not available for the named election(s), please notify the Election Board office as quickly as possible at (816) 325-4600.

Polling Place Data Sheet

Judges Key Warehouse Key Key Code JPK Key Alarm Needs Cell tblBuild LCRC

Name LONGVIEW COMMUNITY CENTER Longview College Recreation Center
Address 3801 SW LONGVIEW RD 3801 SW Longview Rd
City and Zip LEE'S SUMMIT 64081 Lee's Summit 64081
Phone 1 604-2400 Phone 2 604-2400 Cell Phone 816-255-6574
Extension Cords 1 - 10ft Cord Power Strip

Contract CITY OF LEES SUMMIT PayableTo LONGVIEW COMMUNITY CENTER
DENISE CHISUM TRISHA FOWLER ARCURI
Address 220 SE GREEN ST Address 3801 SW LONGVIEW RD
City and Zip LEES SUMMIT MO 64063 City and Zip LEES SUMMIT MO 64081
Phone1 969-1006 Check#
Phone2 Payable Amount \$150.00
Website

Letter Contacts

LONGVIEW COMMUNITY CENTER 3801 SW LONGVIEW RD 536-0166
JODI JORDAN LEE'S SUMMIT MO 64081
jjordan@cityofls.net

Emergency Contacts	Home	Work	Cell	E-Mail
1 JODI JORDAN MANAGER			816-536-0166	jjordan@cityofls.net

Doors To Use MAIN ENTRANCE

Warehouse DOWNSTAIRS CLASS ROOM

Special Key SECURITY CAN OPEN; THERE IS AN ALARM

Special Instructions RESTROOMS TO RIGHT OF MAIN DOOR ENTRANCE; PHONE AT INFO DESK.

Poll Directions FROM 470 EAST & VIEW HIGH RD, GO SOUTH ON VIEW HIGH RD; TURN RIGHT/WEST ONTO LONGVIEW ROAD; RECREATION CENTER ON LEFT. ENTER THROUGH SOUTH DOOR.

PollLocation DOWNSTAIRS CLASS ROOM; ENTER MAIN ENTRANCE, AT INFO DESK TURN RIGHT, DOWN HALLWAY TO CLASSROOM. POLL AREA 24' X 29'.

CallName: JODI JORDAN HM # WK # CELL # 536-0166

POLL CONTRACT

Between the Jackson County Board of Election Commissioners and:

LEE'S SUMMIT CITY HALL
CITY OF LEE'S SUMMIT
220 SE GREEN ST
LEE'S SUMMIT, MO 64063

2019 Elections: February 5, April 2, August 6, November 5 and 2020: February 4, 2020

The rental fee is: \$150 per election.

SECTION 1 - The Jackson County Board of Election Commissioners requires a clean area with adequate heat and/or cooling, electrical outlets, lighting and restroom facilities unless other arrangements are noted in Section 1A.

SECTION 1A - _____

SECTION 2 - The use of a poll location telephone is required under this contract unless other arrangements are noted in Section 2A.

SECTION 2A - _____

SECTION 3 - Adequate chairs ten (10) and four (4) tables (six or eight feet) are required unless other arrangements are noted in Section 3A.

SECTION 3A - PLEASE HAVE TABLES SET UP

SECTION 4 - It is necessary that someone be present on a predesignated day preceding the election so that voting equipment and supplies can be delivered and someone must be present on a predesignated day following the election so that voting equipment and supplies can be picked up unless other arrangements are noted in Section 4A.

SECTION 4A - _____

SECTION 5 - Election judges must be able to gain entry to the poll at 5:00 a.m. on election day and will remain there until all closing procedures are completed after 7:00 p.m. There shall be no exceptions on Section 5.

SECTION 6 - Other conditions may be required at times due to changes in state statutes or Election Commission rules. These changes will be noted in Section 6A.

SECTION 6A - _____

SECTION 7 - The Jackson County Board of Election Commissioners agrees that it will provide no obstructions to the conduct of normal and necessary business in this poll location and will make no obstructions to any common use areas, such as lobbies, halls, stairways and parking lots, other than those restrictions which are necessary to guarantee the conduct of the election under and as provided by the statutes and the laws of the State of Missouri, and any changes in this paragraph will be noted in Section 7A.

SECTION 7A - _____

SECTION 8 - The Jackson County Board of Election Commissioners will provide liability coverage for the premises to be occupied by them for use as a poll. This coverage is limited to operations performed by, or on behalf of, the Election Board. Coverage is provided only for the facilities owned or used by the Election Board in the conduct of the election.

As authorized agent for the above listed poll location, I hereby agree to all applicable terms above.

Authorized Signature - Poll Location

Date

Telephone

Acceptance by the Jackson County Board of Election Commissioners, I hereby agree to all applicable terms above.



11/29/2018

Authorized Signature - Jackson Co. Board of Election Commissioners

Date

This contract is to be signed and returned to the Election Commission in the enclosed stamped envelope.

If this poll is not available for the named election(s), please notify the Election Board office as quickly as possible at (816) 325-4600.

Packet Information

File #: TMP-1123, **Version:** 1

An Ordinance authorizing the Mayor to execute an Intergovernmental Agreement by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board, and Jackson County, Missouri Parks and Recreation for parking area use and improvements.

Issue/Request:

An Ordinance authorizing the Mayor to execute an Intergovernmental Agreement by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board, and Jackson County, Missouri Parks and Recreation for parking area use and improvements.

Key Issues:

Proposed Committee Motion:

I move to recommend to City Council approval of An Ordinance authorizing the Mayor to execute an Intergovernmental Agreement by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board, and Jackson County, Missouri Parks and Recreation for parking area use and improvements.

Background:

Jackson County, Missouri (hereinafter "Jackson County") leases property from the US Army Corps of Engineers which serves as an athletic complex located to the west of the Longview Community Center, owned by Lee's Summit Parks and Recreation (hereinafter "LSPR"). The parking lot which serves the athletic fields is the only point of access for the area which holds the trash enclosure for Longview Community Center.

In order to accommodate trash service needs for Longview Community Center, LSPR and Jackson County have negotiated certain terms and conditions which would allow for long term access across the Jackson County leased property in favor of LSPR in exchange for certain improvements and maintenance obligations accruing to LSPR for the benefit of Jackson County to accommodate for the additional burden placed upon the area as a result of LSPR's use. These obligations include making a financial contribution to upgrading the pavement in the area to be traversed regularly by trash trucks and the allowance of use of the Longview Community Center parking lot for the Jackson County Trip the Light Fantastic Annual Bike Event.

Because Jackson County, Missouri is a political subdivision, RSMo. 70.220.3 requires that the Agreement between the City and Jackson County be approved by the governing body of Lee's Summit, Missouri.

Impact/Analysis:

[Enter text here]

Timeline:

File #: TMP-1123, **Version:** 1

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Jackie McCormick Heanue, Superintendent of Legal Services and Human Resources
Lee's Summit Parks and Recreation

Recommendation: Staff recommends approval of An Ordinance authorizing the Mayor to execute an Intergovernmental Agreement by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board, and Jackson County, Missouri Parks and Recreation for parking area use and improvements.

Committee Recommendation: [Enter Committee Recommendation text Here]

BILL NO. 19-

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI, BY AND THROUGH THE LEE'S SUMMIT PARKS AND RECREATION BOARD AND JACKSON COUNTY, MISSOURI PARKS AND RECREATION FOR PARKING AREA USE AND IMPROVEMENTS.

WHEREAS, the City of Lee's Summit is a constitutional charter City, organized and existing under the laws of the State of Missouri (hereinafter "City"); and,

WHEREAS, the Lee's Summit Parks and Recreation Board (hereinafter "LSPR") is empowered with the control of the supervision, improvement, care and custody of parks and recreation activities in the City of Lee's Summit, Missouri; and,

WHEREAS, LSPR owns property located at 3801 SW Longview Road, Lee's Summit, Missouri, commonly known as Longview Community Center; and,

WHEREAS, Jackson County leases property from the US Army Corps of Engineers, immediately adjacent to Longview Community Center to the west, which includes a parking lot that is connected to the west entrance and trash enclosure area for Longview Community Center, with the only access to the same being through the parking lot via SW County Park Road; and,

WHEREAS, in order to accommodate trash service needs for Longview Community Center, LSPR and Jackson County have negotiated certain terms and conditions which would allow for access across County leased property in favor of LSPR in exchange for certain improvements and maintenance obligations accruing to LSPR for the benefit of Jackson County, which have been established in response to the additional burden placed upon the area as a result of LSPR's use of the same; and,

WHEREAS, LSPR and Jackson County Parks and Recreation desire to enter into a formal agreement outlining said terms and conditions, said formal agreement being attached hereto as "Exhibit A"; and,

WHEREAS, RSMo. § 70.220.3 requires that any contract entered into between a municipality and another political subdivision be approved by the governing body of said municipality.

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

SECTION 1. The Intergovernmental Agreement for Parking Area Use and Improvements by and between the City of Lee's Summit, Missouri, by and through the Lee's Summit Parks and Recreation Board and Jackson County, Missouri Parks and Recreation, attached hereto as Exhibit A and incorporated herein by reference be, and the same is hereby approved, and the Mayor is hereby authorized to execute the same by and 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.

BILL NO. 19-

SECTION 3. 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 Lee's Summit, Missouri this _____ day of _____, 2019.

Mayor *William A. Baird*

ATTEST:

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:

Chief Counsel of Operations and Management
Daniel R. White

**INTERGOVERNMENTAL AGREEMENT
PARKING AREA ENTRY USE AND IMPROVEMENT**

THIS INTERGOVERNMENTAL AGREEMENT FOR PARKING AREA ENTRY USE AND IMPROVEMENT (hereinafter “**Agreement**”) is entered into as of this _____ day of _____, 2019 by and between THE CITY OF LEE’S SUMMIT, MISSOURI, a Missouri Municipal Corporation, by and through the LEE’S SUMMIT PARKS AND RECREATION BOARD (hereinafter “**LSPR**”) and JACKSON COUNTY, MISSOURI a political subdivision of the State of Missouri (hereinafter “**Jackson County.**”) WITNESSETH:

WHEREAS, the City of Lee’s Summit is a constitutional charter City, organized and existing under the laws of the State of Missouri (hereinafter “**City**”); and,

WHEREAS, the Lee’s Summit Parks and Recreation Board is empowered under the Charter of the City of Lee’s Summit, Missouri, with the control of the supervision, improvement, care and custody of parks and recreation activities in the City of Lee’s Summit, Missouri; and,

WHEREAS, LSPR owns property located at 3801 SW Longview Road, Lee’s Summit, Missouri, commonly known as Longview Community Center; and,

WHEREAS, Jackson County leases property from the US Army Corps of Engineers, immediately adjacent to Longview Community Center to the west, which includes a parking lot that is connected to the west entrance and trash enclosure area for Longview Community Center, with the only access to the same being through the parking lot via SW County Park Road; and,

WHEREAS, in order to accommodate trash service needs for Longview Community Center, LSPR and Jackson County have negotiated certain terms and conditions which would allow for access across County leased property in favor of LSPR in exchange for certain improvements and maintenance obligations accruing to LSPR for the benefit of Jackson County, which have been established in response to the additional burden placed upon the area as a result of LSPR’s use of the same; and,

WHEREAS, the terms and conditions associated with the accommodations as referenced herein, have been reduced to writing in this Agreement, and LSPR and Jackson County desire to enter into this Agreement for purposes of formally memorializing the same.

NOW, THEREFORE, it is agreed by LSPR and Jackson County as follows:

1. **Grant of Access.** Jackson County shall permit Ingress and Egress in favor of LSPR, for access for trash services vehicles and other equipment and vehicles needed to reasonably access and serve the Longview Community Center, across the property in an area as noted on attached “**Exhibit A**” and incorporated herein by reference.
2. **Cost of Increased Improvements to be borne by LSPR.** A portion of Jackson County leased land, as depicted on Exhibit A will experience increased traffic and use by heavy equipment as a result of this Agreement. LSPR hereby agrees to compensate Jackson County for the cost of certain improvements to the Use Area. Specifically, LSPR agrees to provide a one-time payment which represents the increased cost for improvement of the southernmost entrance apron, as well as an area equally as wide as the entrance apron to the LSPR trash dumpster driveway and a 42’x30’ section of pavement immediately adjacent to the LSPR trash dumpster driveway, all identified on

**INTERGOVERNMENTAL AGREEMENT
PARKING AREA ENTRY USE AND IMPROVEMENT**

Exhibit A. This shall include an increase in the depth of asphalt to be paved in the Use Area to a thickness of 6". LSPR and Jackson County shall share equally in the costs for Improvements, but in no case shall the total compensation to Jackson County from LSPR under this Section of the Agreement exceed TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00). The improvements contemplated under this Section shall be completed by July 2020, or upon such other date as mutually agreed upon in writing by the Administrator of Parks and Recreation for LSPR and the Director of Parks + Rec for Jackson County. No other improvements are authorized by this Agreement. The LSPR provided trash dumpster shall be placed adjacent to the Longview Community Center by LSPR, as depicted on Exhibit A.

3. **Ongoing Maintenance Costs.** As Jackson County identifies maintenance or improvement needs for the Use Area which are not specifically addressed in this Agreement for Ingress and Egress, LSPR agrees to participate in good faith discussions to identify what reasonable monetary contribution shall be assessed to LSPR for the same.
4. **Use Area Utilization.** Access across County leased area for heavy equipment access shall be primarily on weekdays, Monday through Friday, between the hours of 8:00 am and 4:00 pm. Jackson County shall retain the right to temporarily close Use Area for County special events, such as the County's annual Trip the Light bicycle event, and will notify LSPR no less than thirty (30) days prior to any temporary closure. In no event will the temporary closure of the Use Area exceed seventy two (72) hours.
5. **Other Consideration.** As additional consideration for this Agreement, LSPR agrees to allow Jackson County, free of charge, utilization of a maximum of 350 spaces in LSPR's parking area on the west side of the Longview Community Center to be used as public/participant parking for Jackson County's annual Trip the Light bicycle event to be hosted on the Sunday before Thanksgiving, between the hours of 5:00 pm and 10:00 pm. Jackson County will provide notice to LSPR of the planned event date a minimum of sixty (60) days prior to the event. Further, Jackson County shall not permit alcoholic drinks to be sold or provided on LSPR property under any circumstances, and shall further ensure there are sufficient staff/volunteers to coordinate parking for the event and ensure that participants only park in areas identified pursuant to this Agreement. LSPR agrees to mark the areas of parking which shall remain open for use by patrons of Longview Community Center.
6. **Term and Termination.** The Initial Term of this Agreement shall be for a period of ten (10) years from the date of execution. Thereafter, this Agreement may be extended by mutual written agreement of the parties for successive one (1) year periods unless and until terminated in writing no less than ninety (90) days prior to its' natural expiration. Non-appropriation of funds by either LSPR or Jackson County shall not be considered a violation or default of this Agreement. In the event that LSPR does not appropriate funds as required herein, Jackson County shall be entitled to terminate this Agreement at its' discretion.
7. **Insurance.** Jackson County and LSPR shall each furnish evidence that it is self-insured or has procured insurance pursuant to any statute adopted by the General Assembly of Missouri authorizing same, including, but not limited to, the following: Section 71.185, Section 105.711, Section 105.721, Section 105.1070, Section 162.013, Section 537.610 and/or Section 537.620.

**INTERGOVERNMENTAL AGREEMENT
PARKING AREA ENTRY USE AND IMPROVEMENT**

- 8. Indemnification.** Each party to this Agreement shall be solely responsible for any and all actions, suits, damages, liability, or other proceedings brought against it as a result of the alleged negligence, misconduct, error, or omission of any of its trustees, officers, agents, or employees. Neither party is obligated to indemnify the other party or to hold harmless the other party from costs or expenses incurred as a result of such claims. The foregoing provisions shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided or available to the parties under applicable state governmental immunities law and each party shall continue to enjoy all rights, claims, and defenses available to it under law, to specifically include Mo. Rev. Stat. § 537.600, et seq.
- 9. Non-Discrimination Provisions.** LSPR and Jackson County each agree not to discriminate against any employee or applicant for employment because of race, color, religion, age, sex, disability, national origin, veteran status or any other status protected by applicable law. The parties also agree to abide by the requirements of 41 CFR §60-300.5(a) and 41 CFR §60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.
- 10. Compliance with the Law.** LSPR and Jackson County shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.
- 11. Interest of Local Public Office/Political Activity.** No member of the City Council of the City, the Lee’s Summit Parks and Recreation Board, or any officer, employee or agent of the City who exercises any functions or responsibilities in connection with review or approval of the work to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement or the proceeds thereof except as permitted by the laws of the State of Missouri.
- 12. Notice.** Any notice required by this Agreement is deemed to be given if it is mailed by United States certified mail, postage prepaid, and is addressed as hereafter specified:

If to LSPR:

Administrator of Parks and Recreation
220 SE Green Street
Lee’s Summit, Missouri 64063

If to Jackson County:

Director of Parks + Rec
22807 Woods Chapel Road
Blue Springs, MO 64015

- 13. Amendments.** In order to provide necessary flexibility for the most effective execution of this Agreement, whenever both LSPR and Jackson County mutually agree, changes to this Agreement may be effected by placing them in written form and incorporating them into this Agreement as an Amendment.
- 14. Severability.** It is mutually agreed that in case any provision of this Agreement is determined by a court of law to be unconstitutional, illegal or unenforceable, the intention of the parties that all the other provisions of this Agreement shall remain in full force and effect.
- 15. No Agency.** Except to the extent as expressly provided herein, nothing in this Agreement shall create an agency, partnership, or joint venture between LSPR and Jackson County.

**INTERGOVERNMENTAL AGREEMENT
PARKING AREA ENTRY USE AND IMPROVEMENT**

- 16. Remedies.** All rights and remedies of the parties, at law or in equity, are cumulative and may be exercised concurrently or separately. The exercise of one remedy will not be an election of that remedy to the exclusion of other remedies.
- 17. Assignment.** This Agreement shall not be assigned by either LSPR or Jackson County without the prior written consent of the other party, and, unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- 18. Governing Law.** This Agreement shall be deemed to have been made within the County of Jackson, State of Missouri, and shall be interpreted, construed, and enforced in accordance with the laws of the State of Missouri and before the courts of Missouri in the County of Jackson.
- 19. Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its' subject matter and any prior agreements, understandings or other matters whether oral or written, are hereby merged into and made part hereof, and are not of further force or effect.
- 20. Execution.** This Agreement may be executed in counterparts, which together constitute one and the same Agreement. If a party sends a signed copy of this Agreement via digital transmission, such party will, upon request by the other party, provide an originally signed copy of this Agreement. Execution by one or both of the parties after the date of the Event shall not render this Agreement invalid.

IN WITNESS WHEREOF, LSPR and Jackson County have executed this Agreement as of the date and year first written above.

CITY OF LEE'S SUMMIT, MISSOURI
LEE'S SUMMIT PARKS AND RECREATION BOARD

William A. Baird
Mayor

Joe Snook
Administrator of Parks and Recreation

Approved as to Form:

Jackie McCormick Heanue
Superintendent of Legal Services & Human Resources

**INTERGOVERNMENTAL AGREEMENT
PARKING AREA ENTRY USE AND IMPROVEMENT**

JACKSON COUNTY, MISSOURI

By: _____

Title: _____

Approved as to Form:

By: _____

Title: _____

Packet Information

File #: TMP-1129, **Version:** 1

An Ordinance approving the award of Bid No. 2019-014 for Concrete Flat Work, Curb Installation, and Street Repair services on an as-needed basis for a one-year term with up to four, one-year renewals to Quality Custom Concepts, Inc. and authorizing the City Manager to execute the same by and on behalf of the City.

Issue/Request:

An Ordinance approving the award of Bid No. 2019-014 for Concrete Flat Work, Curb Installation, and Street Repair services on an as-needed basis for a one-year term with up to four, one-year renewals to Quality Custom Concepts, Inc. and authorizing the City Manager to execute the same by and on behalf of the City.

Key Issues:

The City's agreement (No. 2014-058/4R) for concrete flat work, curb installation, and street repair services expired on December 31, 2018. The City solicited Bid No. 2019-014 for concrete flat work, curb installation or Street Repair via its' e-bidding service Public Purchase and through the City's website. The advertisement was also sent to four (4) potential vendors from the internal vendor list. 294 potential respondents were notified via Public Purchase, and 55 potential firms reviewed the online documents for Bid 2019-014.

Upon close of the Bid, October 5, 2018, the Procurement and Contract Services Division received one (1) response. Using departments reviewed and accepted the submitted bid. The pricing sheet is attached.

Proposed Committee Motion:

I move to recommend to City Council approval of An Ordinance approving the award of Bid No. 2019-014 for Concrete Flat Work, Curb Installation, and Street Repair services on an as-needed basis for a one-year term with up to four, one-year renewals to Quality Custom Concepts, Inc. and authorizing the City Manager to execute the same by and on behalf of the City.

Background:

Routine and emergency maintenance and repair activities related to water and sewer infrastructure often requires excavations that remove or damage existing improvements including both public and private drives, sidewalks, and curbs. This disruption needs to be restored in a timely fashion to maintain good customer relations and to keep facilities in service. Water Utilities utilizes for the restoration of concrete surfaces and curbing previously performed by Public Works Operations

Utilization by the Parks and Recreation Department is project oriented. Primary use of the contract would be for the installation of curbing when required for parking lots. This contract replaces a previous contract used by Parks for these purposes.

Impact/Analysis:

Rick Gentry, Procurement and Contract Services Manager

Staff recommends approval of An Ordinance approving the award of Bid No. 2019-014 for Concrete Flat Work, Curb Installation, and Street Repair services on an as-needed basis for a one-year term with up to four, one-year renewals to Quality Custom Concepts, Inc. and authorizing the City Manager to execute the same by and on behalf of the City.

BILL NO.

AN ORDINANCE APPROVING THE AWARD OF BID NO. 2019-014 FOR CONCRETE FLAT WORK, CURB INSTALLATION, AND STREET REPAIR SERVICES ON AN AS-NEEDED BASIS FOR A ONE-YEAR TERM WITH UP TO FOUR, ONE-YEAR RENEWALS TO QUALITY CUSTOM CONCEPTS, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the City of Lee's Summit ("City"), through the Procurement and Contract Services Division, issued Bid No. 2019-014 for concrete flat work, curb installation, and street repair services for use by the Public Works, Parks and Recreation, and Water Utilities departments; and,

WHEREAS, Bid No. 2019-014 was advertised through the City's e-procurement system, Public Purchase, and sent to four (4) potential bidders; and,

WHEREAS, as of the close of the time period for submission, one (1) contractor submitted a bid and its bid was responsive and responsible.

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 authorizes the award of Bid No. 2019-014 to Quality Custom Concepts, Inc.

SECTION 2. The Agreement by and between the City and Quality Custom Concepts, Inc., generally for the purpose of provision of concrete flat work, curb installation, and street repair services on an as needed basis as described in Bid No. 2019-016, a true and accurate copy of the same being attached hereto as "Exhibit A" and incorporated herein by reference be and is hereby approved, and the City Manager is hereby authorized to execute such Agreement by and on behalf of the City.

SECTION 3. 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 4. 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.

Mayor William A. Baird

ATTEST:

City Clerk Trisha Fowler Arcuri

BILL NO.

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 Operations and Management
Daniel R. White

GENERAL TERMS AND CONDITIONS

GENERAL INSTRUCTIONS CONCERNING IFB's/BID's

1. **AWARD.** The right is reserved, as the interest of the City may require, to reject any or all bids and to waive any minor informality or irregularity in bids received. The City may accept any item or group of items of any bid unless qualified by specific limitation of the bidder. Unless otherwise provided in the schedule, bids may be submitted for any quantities less than those specified; and the City reserves the right to make an award on any item for a quantity less than the quantity bid upon at the unit price offered unless the bidder specified otherwise in his bid. The Contract shall be awarded to that responsible and responsive bidder whose bid, conforming to the Invitation for Bids, will be most advantageous (lowest price and best value) to the City, price and other factors considered. An award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid, results in a binding contract without further action by either party.
2. **PREPARATION OF BIDS.**
 - A Bidders are expected to examine the drawing, specifications, schedule and all instructions. Failure to do so will be at the bidder's risk.
 - B Each bidder shall furnish the information required by the invitation. The bidder shall sign the invitation. Erasures or other changes must be initialed by the person signing the offer. Bids signed by an agent are to be accompanied by evidence of his authority unless such evidence has been previously furnished to the City.
 - C Unit price for each unit bid shall be shown and such price shall include packing unless otherwise specified. Freight or shipping shall be included in the Unit Price unless requested as a single line item. A total shall be entered in the total column for each item bid. In case of discrepancy between a unit price and extended price, the unit price will be presumed to be correct.
 - D Alternate bids for supplies or services other than those specified will not be considered unless authorized by the invitation.
 - E Bidder must state a definite time for delivery of supplies or services unless otherwise specified in the invitation.
 - F Time, if stated as a number of days, will include Saturdays, Sundays, and holidays.
 - G If the item has a trade name, brand and/or catalog number, such must be stated in the bid.
 - H Prices quoted are to be firm, final and shall include shipping F.O.B. destination unless requested as a single line item.
 - I In submitting bids, Vendor agrees that the City of Lee's Summit shall have 120 days in which to accept or reject any of the bids submitted unless otherwise specified on the bid page.
 - J Specification sheets **MUST** be uploaded with bids.
3. **EXPLANATION TO BIDDERS.** Any explanation desired by a bidder regarding the meaning or interpretation of the invitation, drawing, specifications, etc., must be requested in writing and with sufficient time allowed for a reply to reach bidders before the submission of their bids. Oral explanation or instruction given before the award of the contract will not be binding. Any information given to a prospective bidder concerning an invitation will be furnished to all prospective bidders as an addendum to the invitation, if such information is necessary to bidders in submitting bids per the invitation or if the lack of such information would be prejudicial to uninformed bidders.
4. **ACKNOWLEDGMENT OF ADDENDUM TO INVITATIONS.** Receipt of an addendum to an invitation by a bidder must be acknowledged by signing and uploading the addendum into the City's e-bidding system or as otherwise stipulated in the bid document. Such acknowledgment must be received prior to the hour and date specified for receipt of bids, or returned with the bid and received prior to opening time and date.
5. **SUBMISSION OF BIDS.**
 - A Bids, addendum(s) and modification(s) thereof shall be uploaded into the City's e-bidding system, unless otherwise stated in the Invitation for Bid, before the open date and time.
 - B Emailed or faxed bids will not be considered unless authorized by the invitation.
 - C Samples of items, when required, must be submitted within the time specified and unless otherwise specified by the City, at no expense to the City. If not consumed by testing, samples will be returned at bidders request and expense, unless otherwise specified by the invitation.
 - D Bids will be publicly opened and read aloud as stipulated in the "Invitation for Bid".
 - E Submission of a bid constitutes an assignment by you of any and all anti-trust claims that you may have under the Federal and/or State laws resulting from this Contract.
6. **FAILURE TO SUBMIT BID.** If a "no bid" is submitted, do not return the invitation unless otherwise specified. A letter, postcard or email notification should be sent to the issuing office advising whether future invitations for the type of supplies or services covered by this invitation are desired. Failure of the recipient to bid or to notify the issuing office that future invitations are desired may result in removal of the name of such recipient from the mailing list for the type of supplies or services covered by the invitation.
7. **MODIFICATION OR WITHDRAWAL OF BIDS/SOLICITATIONS.** A bid/solicitation may only be withdrawn by one of the following methods prior to the official opening/closing date and time specified: 1. A bid/solicitation may be withdrawn by signed, written notice. 2. A bid/solicitation may also be withdrawn in person by the bidder or its authorized representative who provides proper identification. 3. A bid/solicitation may be withdrawn via email by the bidder or its authorized representative. A bid/solicitation may only be modified by one of the following methods prior to the official opening/closing date and time specified: 1. A bid/solicitation modification may be modified by signed, written notice provided in a sealed envelope with the bid/solicitation number, description and the word "modification" identified on the envelope. 2. A bid/solicitation modification may also be submitted in person by the bidder or its authorized representative who provides proper identification and provides written notice in a sealed envelope with the bid/solicitation number, description and the word "modification" identified on the envelope. All modifications **shall not** be opened until the official opening date and time to preserve the integrity of the bid/solicitation process. Telephone, telegraphic or electronic requests to modify a bid/solicitation shall not be honored. No modification or withdrawal of any response will be permitted after the bid/solicitation official opening date and time specified.
8. **LATE BIDS AND MODIFICATIONS.** It is the responsibility of the bidder to upload or submit a hard copy if stipulated in the Invitation for Bid (IFB), his bid, bid addendum(s) or bid modification(s) on or before the date and time of the bid opening date and time. Bids will NOT be accepted after the date and time of opening under any circumstances.
9. **BONDS.** Bonds shall be executed with the proper sureties, through a company licensed to operate in the State of Missouri, and hold a current Certificate of Authority as an acceptable surety under 31 CFR Part 223 (and be listed on the current U.S. Department of the Treasury Circular 570 and have at least A Best's rating and a FPR9 or better financial performance rating per the current A.M. Best Company ratings.)
 - A **BID DEPOSITS (BONDS).**
 - Bid Deposit Not Required .
 - Bid Deposit Required as stipulated in the "Invitation for Bid".

Note the following: Bid Deposit. The Bidder will furnish a bid deposit in the form of a bond, certified check, or money order in the amount of 5% of base bid made payable to the City of Lee's Summit, Jackson County, Missouri, for the measure of liquidated damages which the City will sustain and the proceeds thereof will become the property of the City if for any reason the bidder (Personal or company checks will not be accepted):

- (1) Withdraws his bid after the opening of the bids and prior to the time a formal written agreement evidencing the contract has been signed and delivered to the City whether or not the bidder at the time of such withdrawal has been designated as the successful bidder, or
- (2) Upon written notification of the award of contract to him, he fails to properly sign and deliver to the City within 10 days Labor and Materials and Performance Bonds, if required; Certificate of Insurance, and the written Contract, formally evidencing the terms of the Invitation for Bid and his bid as submitted.
- (3) The bidder further agrees the City will have the right to retain the bid deposit for a period of one hundred twenty (120) days from the date of opening of the bids. At the expiration of said time, or earlier at the option of the City, said bid deposit will be returned to the bidder unless said bid deposit has become the property of the City as liquidated damages for one of the reasons stipulated.

B PERFORMANCE AND LABOR AND MATERIAL PAYMENT BONDS.

Performance and Labor and Material Payment Bonds Not Required .

Performance and Labor and Material Payment Bonds Bond Required as stipulated in the "Invitation to Bid".

Note the following:

- (1) Coincident with the execution of the Contract, Contractor shall furnish to City a contract Performance Bond and a Labor and Material Payment Bond drawn upon the forms included in these Contract Documents.
- (2) Date of bonds shall be the same as the date of City's execution of the contract.
- (3) The Performance Bond and Labor and Material Payment Bond shall be in an amount equal to the full contract price, guaranteeing the payment of all bills and obligations arising from the performance of the contract, and otherwise conditioned as required by law.
- (4) The bonds shall be automatically increased in amount and extended in time without formal and separate amendments to cover full and faithful performance of the contract in the event of Change Orders regardless of the amount of time or money involved. It shall be Contractors' responsibility to notify his surety of any changes affecting the general scope of the work or change in the Contract Price.
- (5) At any time during the continuance of the Contract that the surety on any bond becomes unacceptable to City, City shall have the right to require additional and sufficient sureties which Contractor shall furnish to the satisfaction of City within ten (10) days after notice to do so.

10. **DISCOUNTS AND BID EVALUATION.** Discounts offered for prompt payment may be considered in bid evaluation.

11. **MATERIAL AVAILABILITY.** Bidders must accept responsibility for verification of material availability, production schedules and other pertinent data prior to submission of bid and delivery time. It is the responsibility of the bidder to notify the City of Lee's Summit immediately if materials specified are discontinued, replaced, or not available for an extended period of time.

12. **ALTERNATE BIDS.** Bidders must submit complete specifications on all alternate bids. Alternate bids without complete specifications may be rejected. Alternate bids and exceptions may be rejected. Alternate bids and exceptions to bid clauses must be clearly noted on the bid form. Unless otherwise indicated, it will be assumed that the article proposed is exactly as specified.

13. **AWARD OF CONTRACT.**

A BASIS OF AWARD.

- (1) Only firm bids will be considered.
- (2) Bidders may be requested to submit financial statements subsequent to the bid opening. Such statements shall be submitted to City within three (3) days after being so requested.
- (3) The award of the Contract, if it is awarded, will be to the lowest responsible and responsive bidder whose qualifications indicate the award will be in the best interest of the Owner and whose bid complies with all prescribed requirements.
- (4) City reserves the right to reject any and all bids, and waive any and all informalities, and the right to disregard all non-conforming or conditional bids or counter-proposals.

B EVALUATION OF BIDS.

- (1) The evaluation of bids will include consideration of prior experience, financial statements, if requested, sub-contractors, suppliers, and manufacturers to be used in the work and manufacturers' data on the materials and equipment to be incorporated. Time of completion or delivery will also be a factor in the award.
- (2) "Or Approved Equal" Clause. Whenever a material, article, or piece of equipment is identified on the plans or in the specifications by reference to manufacturer's or vendor's names, trade names, catalog numbers, etc., it is intended merely to establish a standard; and, any material, article, or equipment of other manufacturers and vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable provided the material, article, or equipment so proposed, is, in the opinion of the City, of equal substance and function. Substitute items may be rejected at the discretion of the City of Lee's Summit.
- (3) Whenever the name of a manufacturer is mentioned on the face hereof and the words "or equal" do not follow, it shall be deemed that the words "or equal" shall follow such designations unless the face hereof specifies "no substitutes". The City may assume that items bid are equal or it may request samples and proof thereof unless approved before shipment. City reserves the right to return at bidder's expense all items that are not acceptable as equals, said items to be replaced by bidder with satisfactory items at the original price.
- (4) By virtue of statutory authority, the City shall give preference to all commodities manufactured, mined, produced, or grown within the State of Missouri, and to all firms, corporations or individuals, when quality is equal or better and the delivered price is the same or less. Similar preference will be given to Lee's Summit products and supplies.

C NOTICE OF AWARD. After considering the basis of award and evaluation of bids, City will within one hundred twenty (120) days after the date of opening bids, notify the successful bidder of acceptance of his bid.

14. **QUALIFICATIONS OF BIDDERS.** The City may make such investigations as are deemed necessary to determine the ability of the bidder to perform the work and the bidder shall furnish all such information and date for this purpose as the City may request. The City reserves the right to reject any bid if the evidence submitted by, or investigation of such bidder fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.

15. **ANTI-TRUST.** Submission of a bid constitutes an assignment by bidder of any and all anti-trust claims that the bidder may have under the Federal and/or State laws resulting from this contract.

16. **GUARANTEE.** All customary guarantees for workmanship, quality and performance specific by the Manufacturer for any or all items shall apply to the items offered under this bid.

17. **EXPERIENCE STATEMENT** (if required). Only those bids will be considered which are submitted by bidders who submit with their bid an Experience Statement listing projects and showing satisfactory completion of work of type and size comparable to the work required by these contract documents. A list of comparable projects, including pertinent information and identification of the owners, shall be submitted with the bid. Similar Experience Statements shall be included for any subcontractors named in the bid.
18. **REFUND OF DEPOSIT ON BID DOCUMENTS** (if required). Deposits on bid documents and contract drawings will be refunded to all prospective bidders, sub-contractors, suppliers and manufacturers who return the documents in good condition to Owner before the date set for opening bids or within ten days thereafter (unless otherwise stated in the invitation to bid).

CONTRACTUAL REQUIREMENTS.

GENERAL CONTRACTUAL REQUIREMENTS.

1. DEFINITIONS.

- A "City" shall refer to: City of Lee's Summit, Jackson County, Missouri who are the owners of the property, and their authorized representatives.
- B "Contractor" shall refer to the corporation, company, partnership, firm, or individual, named and designated in the contract agreement and who has entered into this contract for the performance of the work and/or to furnish goods, services, or construction covered thereby at an agreed upon price, and its, his or their duly authorized agents or other legal representatives.
- C The "specifications" includes Instruction to Bidders, the Terms and Conditions of Purchase, the Definitions and the technical specifications of the work.
- D A "sub-contractor" is a person, firm or corporation supplying labor or materials, or only labor for work at the site of the project for, and under separate contract or agreement with the Contractor.
- E The term "sample" as used herein includes natural materials, fabricated items, equipment, devices, appliances or parts thereof as called for in the specifications and any other samples as may be required by the City to determine whether the kind, quality, construction, workmanship, finish, color and other characteristics of the materials, etc., proposed by the Contractor conform to the requirements of the contract documents. Samples approved by the City shall establish the kind, quality, and other required characteristics, and all work shall be in accordance with the approved samples. Samples, when requested, shall be supplied at no cost to the City.
- F The term "estimated" represents quantities estimated for the period of time stated. Purchase orders shall be placed for actual requirements as needed.
- G The term "minimum" means the City will order this quantity of supplies during the period of this contract at the price bid.
- H The term "maximum" means the City may order this quantity of supplies during the period of this contract and the bidder should be prepared to supply same at the price bid.

2. **PURCHASE ORDERS.** The City will not be responsible for articles or services furnished without a purchase order unless otherwise set forth in the Bid Documents.

3. **CONTRACT TERMS.** The performance of this contract shall be governed solely by the terms and conditions as set forth in this contract and any specifications or bid documents notwithstanding any language contained on any invoice, shipping order, bill of lading or other document furnished by the Contractor at any time and the acceptance by the City of any terms or conditions contained in such document which is inconsistent with the terms and conditions set forth in the contract. Any different or additional terms other than those herein contained in Contractor's acceptance are hereby objected to.

4. **TRANSPORTATION CHARGES.** Freight/shipping shall be F.O.B. Destination whereby all transportation charges shall be paid by Contractor.

5. **PACKAGING.** The City will not be liable for any charges for drayage, packing, cartage, boxing, crating or storage in excess of the purchase price of this order unless stated otherwise herein.

6. **INSPECTION AND ACCEPTANCE.** No material received by the City pursuant to the purchase order issued under the terms and conditions of this bid document shall be deemed accepted until the City has had reasonable opportunity to inspect said material. All material which is discovered to be defective or which does not conform to any warranty of the Contractor herein, upon initial inspection, or at any later time if the defects contained in the material were not reasonably ascertainable upon the initial inspection, may be returned at the Contractor's expense for full credit or replacement. No goods returned as defective shall be replaced without Buyer's written authorization. Such return shall in no way affect City's discount privileges. Such right to return, offered to the City arising from the City's receipt of defective goods, shall not exclude any other legal, equitable or contractual remedies the City may have therefore.

7. **GENERAL GUARANTY AND WARRANTY.** The Contractor warrants that all materials, fixtures, and equipment furnished by the Contractor and his sub-contractors shall be new, of good quality, and of good title, and that the work will be done in a neat and workmanlike manner. The Contractor also guarantees the workmanship and materials for a period of one year from the date of final acceptance of all the work required by the Contract. Furthermore, he shall furnish the City with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the Contract.

8. **PATENTS.** Contractor warrants that the articles described herein and the sale or use of them will not infringe upon any U.S. or foreign patent and Contractor covenants that he will at his own expense, defend every suit which may be brought against the City, or those selling or using City's product (provided Contractor is promptly notified of such suit and all papers therein are delivered to Contractor) for any alleged infringement of any patent by reason of the sale or use of such articles and Contractor agrees that he will pay all cost, damages and profits recoverable in any such suit.

9. **QUANTITIES.** City assumes no obligation for articles or materials shipped in excess of the quantity ordered hereunder. Any unauthorized quantity is subject to City's rejection and return at Contractor's expense.

10. **ACTS OF GOD.** Neither party shall be liable for delays, or defaults in the performance of this contract due to Acts of God or the public enemy, riots, strikes, fires, explosions, accidents, Governmental action of any kind or any other causes of a similar character beyond its control and without its fault or negligence.

11. **BANKRUPTCY OR INSOLVENCY.** In the event of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of Contractor, or in the event of breach of any of the terms hereof including the warranties of the Contractor, City may cancel this contract or affirm the contract and hold Contractor responsible in damages.

12. **COMPLIANCE WITH APPLICABLE LAWS.** Contractor shall comply with all federal, state or local laws, ordinances, rules, regulations and administrative orders, including but not limited to Wage, Labor, Unauthorized Aliens, EEO and OSHA-type requirements which are applicable to Contractor's performance under this contract. Contractor shall indemnify and hold the City harmless on account of any violations thereof relating to Contractor's performance under this contract, including imposition of fines and penalties which result from the violation of such laws.

13. **LAW GOVERNING.** All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Missouri. Any dispute regarding this contractual agreement will be decided by a Missouri Court.

14. **TIME OF DELIVERY.** The City requires that all materials ordered will be delivered when specified. Time is therefore of the essence. If deliveries are not made at the time agreed upon, City reserves the right to cancel or to purchase elsewhere and hold Contractor accountable for any damages sustained as a result thereof.
15. **INTERPRETATION OF CONTRACT AND ASSIGNMENTS.** This contract shall be construed according to the laws of the State of Missouri. This contract, or any rights, obligations, or duties hereunder may not be assigned by Contractor without City's written consent and any attempted assignment without such consent shall be void.
16. **CONTRACTOR'S INVOICES.** Invoices shall be prepared and submitted in triplicate unless otherwise specified. Invoices shall contain the following information: Contract Number (if any), Purchase Order number, Item Number; contract description of supplies or services, sizes, quantities, unit prices and extended totals. Invoices for and inquiries regarding payment should be addressed to the City Accounts Payable Division. Any delay in receiving invoices, or errors and omissions, on statement or invoices will be considered just cause for withholding settlement without losing discount privileges.
17. **NOTICE AND SERVICE THEREOF.** Any notice to any Contractor from the City relative to any part of this contract will be in writing and considered delivered and the service thereof completed when said notice is posted, by certified or regular mail or email, to the said Contractor at his last given address or delivered in person to said Contractor or his authorized representative on the work.
18. **PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in this contract will be deemed to be inserted herein and the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the contract will forthwith be physically amended to make such insertion or correction.
19. **TERMINATION OF CONTRACT.** This contract may be terminated by either party upon sixty (60) days prior notice in writing to the other party. The City may terminate this contract immediately, under breach of contract, if the Contractor fails to perform in accordance with the terms and conditions. In the event of any termination of contract by the Contractor, the City may purchase such supplies and/or services similar to those so terminated, and for the duration of the contract period the Contractor will be liable for all costs in excess of the established contract pricing.
20. **INDEMNITY AND HOLD HARMLESS.** To the fullest extent allowable by law, Contractor agrees to indemnify, release, defend, and forever hold harmless the City, its officers, agents, employees, and elected officials, each in their official and individual capacities (collectively "Indemnitee"), for, from and against any and all claims, demands, damages, losses, fines, judgments, or liabilities, including costs, expenses, and attorneys' fees (collectively "Claims") to which Indemnitee may become subject, under any theory of liability whatsoever, incurred in the defense of such Claims, or incurred in the establishment of the right to indemnity hereunder, caused in whole or in part by Contractor, and arising out of Contractor's performance or non-performance under this contract. The obligations under this indemnification provision shall also apply to any and all any intentional, reckless, or negligent acts, mistakes, directives, errors, or omissions of Contractor's agents, directors, officers, employees, volunteers, contractors, whether employed directly or indirectly by Contractor, and any other person for which Contractor may be legally liable.
21. **SUB-CONTRACTS.**
- A The Contractor shall not execute an agreement with any sub-contractor to perform any work until he has written the City of Lee's Summit to determine any disapproval of the use of such sub-contractor.
 - B The Contractor shall be fully responsible to the City for the acts and omissions of his sub-contractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.
 - C The Contractor shall cause appropriate provisions to be inserted in all sub-contracts relative to the work to require compliance by each sub-contractor with the applicable provisions of the contract.
 - D Nothing contained in the Conditions shall create any contractual relationship between any sub-contractor and the City.
22. **UNIFORM COMMERCIAL CODE.** This contract is subject to the Uniform Commercial Code and shall be deemed to contain all the provisions required by said Code that apply to said Contract.
23. **CHANGES.** The City may at any time, by written order, without notice to any surety, make changes or additions, within the general scope of this contract in or to drawings, designs, specifications, instructions for work, methods of shipment or packing or place of delivery. If any such change causes an increase or decrease in the cost of or in the time required for performance of this contract or purchase order, the Contractor shall notify the City in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of the contract. Any claim by the Contractor for such adjustment must be asserted within 30 days or such other period as may be agreed upon in writing by the parties after the Contractor's receipt of notice of the change. Nothing herein contained shall excuse the Contractor from proceeding with the contract as changed.
24. **RESPONSIBILITY FOR SUPPLIES.** The Contractor shall be responsible for supplies until they are delivered and accepted at the designated delivery point; and the Contractor shall bear all risks for rejected supplies after notice of rejection. This needs rewriting to coincide with the Freight clause.
25. **EXECUTION OF CONTRACT.** Depending on the type of service provided, one or more of the following four (4) methods will be employed. The methods applicable to this contract will be checked below:
- A The Contract shall consist of a **PURCHASE ORDER** and a copy of the suppliers signed bid attached and that the same, in all particulars, becomes the agreement and contract between the parties hereto: that both parties thereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and the compensation to be paid the Supplier is as set forth in the Suppliers' Bid. Items not awarded, if any, have been deleted.
 - B The contract shall consist of a **YEARLY CONTRACT** and a copy of the suppliers signed bid attached and that the same, in all particulars, becomes the agreement and contract between the parties hereto. That both parties thereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and the compensation to be paid the Supplier is as set forth in the Suppliers' Bid. Items not awarded, if any, have been deleted.
 - C The contract shall consist of a **ONE-TIME CONTRACT** and a copy of the suppliers signed bid attached and that the same, in all particulars, becomes the agreement and contract between the parties hereto. That both parties thereby accept and agree to the terms and conditions of said bid documents, and that the parties are bound thereby and the compensation to be paid the Supplier is as set forth in the Suppliers' Bid. Items not awarded, if any, have been deleted.
 - D Five copies of the Contract.
 - (1) City will furnish 5 copies of the Bid Documents to the successful Bidder who shall prepare 5 counterpart copies, each containing an exact copy of the Bid Form as submitted, required insurance as evidenced by a Certificate of Insurance, surety bonds properly executed, and Contract signed with the date of his signature.
 - (2) The prepared counterpart copies shall be delivered to Owner within ten days after the date of Notice of Award.
 - (3) City will sign the Contract, insert the date of his signature at the beginning of the Contract, and return one copy to Contractor after receiving the counterpart copies.
26. **FINAL PAYMENT.** Final payment shall be in a lump sum after Contractor has performed, to the City's satisfaction, all duties imposed upon him/her by the contract documents. Contractor shall allow thirty (30) days minimum for payment sum (unless otherwise specified in the bid documents). Additional payment provisions for construction projects are detailed in number 41 below.

27. **NON-DISCRIMINATION IN EMPLOYMENT.** In connection with the furnishing of supplies or performance of work under this contract, the Contractor agrees to comply with the Fair Labor Standard Act, Fair Employment Practices, Equal Opportunity Employment Act, and all other applicable Federal and State Laws, and further agrees to insert the foregoing provision in all subcontracts awarded hereunder.
28. **DOMESTIC PRODUCTS.** The City of Lee's Summit has adopted a formal written policy to encourage the purchase of products manufactured or produced in the United States (City of Lee's Summit Resolution No. 87-18, MO. State Statute No. 34.353, Section 3, (5)).
29. **TAX EXEMPT.** Do not bill tax. The City of Lee's Summit is exempt from payment of the Missouri Sales Tax in accordance with Section 39 (10), Article 3, of the Missouri Constitution and is exempt from payment of Federal Excise Taxes in accordance with Title 26, United States Code annotated.
30. **REGULATIONS PURSUANT TO SO-CALLED "ANTI-KICKBACK ACT".** The Contractor shall comply with the applicable regulations of the Secretary of Labor, United States Department of Labor, made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 862; Title 18 U.S.C., Section 874 and Title 40 U.S.C.; Section 276c). and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in sub-contracts to insure compliance therewith by all sub-contractors subject thereto, and shall be responsible for the submission of statements required of sub-contractors thereunder, except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.
31. **INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS.** No member of, or delegate to the Congress of the United States and no Resident Council Member shall be admitted to any share or part of this Contract or to any benefit to arise from the same; provided, that the foregoing provision of the Section shall not be construed to extend to this Contract if made with a corporation for its general benefit.
32. **FUND ALLOCATION.** Continuance of any resulting Agreement, Contract, or issuance of Purchase Orders is contingent upon the available funding and allocation of City funds. The Contractor understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the contract shall be construed so as to give effect to such intent.
33. **ASSIGNMENTS.** Neither City nor Contractor shall, without the prior written consent of the other, assign in whole or in part his interest under any of the Contract Documents and, specifically the Contractor shall not assign any moneys due or to become due without the prior written consent of the City.
34. **DEBARMENT.** By submission of its response, the Contractor certifies that neither it nor its principals is presently debarred or suspended by any Federal or State Department or agency, including listing in the U.S. General Services Administration's List of Parties Excluded from Federal Procurement or Non-Procurement programs; or if the amount of this response is equal to in excess of \$100,000, that neither it nor its principals nor its subcontractors receiving sub-awards equal to or in excess of \$100,000 is presently disbarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by an Federal department, agency or provision of law. If the Contractor is unable to certify any of the statements in this certification, the responder must attach an explanation to its response.

NOTE TO BIDDERS: THE FOLLOWING CONTRACTUAL REQUIREMENTS PERTAIN TO CONSTRUCTION PROJECTS AND OTHER PROJECTS WHICH REQUIRE ITS CONTRACTOR TO PERFORM WORK FOR THE CITY. THESE MAY NOT APPLY TO ALL MATERIAL PURCHASES OR SUPPLY CONTRACTS UNLESS SO STIPULATED.

35. **WORK HOUR AND SAFETY STANDARD ACT.** All bidders awarded contracts in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29CFR, Part 5). Under Section 103 of the Act, each Contractor shall be required to compute wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard work week of 40 hours. Work in excess of the standard work day or work week is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies, or materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
36. **LABOR-RELATED REGULATIONS.** The bidder's attention is specifically directed to the special rules, regulations, and stipulations pertaining to labor listed below which may be a part of the bid as stipulated in the "Invitation to Bid"
- A **Wage Rate Stipulation** - State of Missouri. If required by the "Invitation to Bid"
- B **Wage Rate Determination** – Federal. If required by the "Invitation to Bid"
- The bid, contract and bonds shall be conditioned upon compliance with all provisions of the Contract Documents including these rules, regulations and stipulations.
37. **BUILDING REGULATION, PERMITS AND LAW.**
- A The "General Conditions for the Construction of Buildings" AIA Form A201 forms part of this contract as if herein bound Arbitration shall not apply to any contract resulting from this IFB.
- B Satisfy all current and applicable local codes, ordinances and licensing requirements.
38. **COORDINATION OF THE WORK.** The Contractor shall be responsible for the proper execution of all work and for the coordination of the operations of all trades, subcontractors, and supplies engaged under the Contract. He shall be prepared to provide each of his subcontractors the locations, measurements, and information they may require for the performance of their work.
39. **CHANGES IN THE WORK.**
- A The Contractor shall not make changes in the work required to be performed by omitting work, by adding work or by changing materials, fixtures or services from those specified without the prior written consent of the City and using Departments of the City of Lee's Summit, Missouri. Any authorized changes will not relieve or release the Contractor from any of these obligations under the contract. All work shall be executed under the terms of the original Contract unless it is expressly provided otherwise. Except for the purpose of affording protection against any emergency endangering life and/or property, the Contractor shall not make any changes in the Contract.
- B Each change order shall include in its final form, a detailed description of the change in the work, the Contractor's proposal for the change in price and/or time, and the statement that all work involved in the change shall be performed in accordance with Contract requirements except as modified by the change order.

40. **TIMING.**

- A **Time to Commence Work:** Upon receipt of Contract Documents fully executed by City and a Notice to Proceed, Contractor shall immediately proceed with the work. However, he shall not move onto the site until all required copies of insurance policies and certificates have been accepted by City.
- B **Time Starts to Run:** The Contract Time shall start to run on the date stated in the Notice to Proceed.
- C **Time of Contract:** Time is of the essence of the Contract. The work shall be prosecuted diligently at such rate of progress as will insure full completion thereof within the Contract Time. If Contractor shall neglect, refuse or fail to complete the work within the time set forth above, or any proper extension thereof granted by City, Contractor shall pay (see bid document) to City for each and every day he is in default. Because of the difficulty in determining the actual damages to be sustained by City in the event of such breach of the Contract, all amounts paid as provided herein shall be considered as and for City's liquidated damages and not as a penalty, and City shall have the right to deduct the amount of such liquidated damages from payments otherwise due to Contractor or to sue for and recover same.
- D **Excusable Delays:** The Contractor shall not be charged damages for any delays in the completion of the work that the Contractor is required to perform under the terms and conditions of this Contract for the following reasons:
- (1) To any acts of the Governments, including controls or restrictions upon or requisitioning of materials, equipment, tools or labor by reason of war, National Defense, or any other national emergency.
 - (2) To any acts of the City.
 - (3) To causes not reasonably foreseeable by the parties to this Contract at the time of the execution of the Contract which are beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of god or of the public enemy, acts of another Contractor in the performance of some other Contract with the Owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, weather of unusual severity, such as hurricanes, tornadoes, cyclones, and other extreme weather conditions.
 - (4) To any delay of any sub-contractor occasioned by any of the causes specified in sub-paragraphs 1, 2, and 3 above; provided however, that the Contractor promptly (within 10 days) notifies the City, in writing, of the cause of the delay. If the facts show the delay to be properly excusable under the terms of this Contract, the City shall extend the contract time by a period commensurate with the period of excusable delay to the completion of the work as a whole.

41. **PAYMENTS.**

- A Lump Sum Payments: After the final inspection and acceptance of all work under the Contract, by the City, including clean-up, the Contractor shall prepare his statement for final payment and submit it to the Owner for approval. When the required warranties and the release of liens have been executed by the Contractor, the final payment will be made which will include any amounts remaining due under the Contract. (Allow a full thirty (30) days). The Contractor will be paid the Contract price in one lump sum amount after the work is satisfactorily completed unless progress payments are approved prior to Contract award. Pay estimates are by the City Engineer as follows:
- B Engineer's Pay Estimates:
- (1) The Engineer's pay estimate, in consequence of any Contractor's application for payment will constitute a representation by him to City, based on Engineer's observations of the work in progress and on his review of the application for payment and supporting data, that the work has progressed to the point indicated that, to the best of his knowledge, information and belief, the quality of the work is in accordance with the Contract Documents (subject to an evaluation of the work as a functioning project upon substantial completion, to the results of any subsequent tests called for in the Contract Documents and any qualifications stated in his Pay Estimate); and the Contractor is entitled to payment of the amount shown in the Engineer's Pay Estimate.
 - (2) Engineer shall not be deemed by his rendering of any Pay Estimate to have represented that he made exhaustive or continuous inspections to check the quality or the quantity of the work, or that he has reviewed the means, methods, techniques, sequences and procedures of construction or that he has made any examination to ascertain how or for what purpose Contractor has used the moneys paid or to be paid to him on account of the Contract price.
 - (3) Engineer may refuse to render an Engineer's pay Estimate for the whole or any part of any payment if, in his opinion, he is unable to make the above representations to City. He may also refuse to render any Engineer's Pay Estimate, or because of subsequently discover evidence or the results of subsequent inspections or tests, nullify any such previous Engineer's Pay Estimate to such extent as may be necessary in his opinion to protect City from loss because of any reason set forth in General Conditions.

42. **CONTRACTOR'S CERTIFICATE AND RELEASE** (for Construction Purposes). Prior to final payment and as a condition there to, the Contractor shall execute a certificate and release. This certificate and release will set forth the undisputed balance due the Contractor under the Contract, a listing for amounts of outstanding and unsettled items which the Contractor claims are due and owing by the City to the Contractor; a certification that the work under the Contract and Change Orders has been performed in accordance with the terms, thereof, and that there are no unpaid claims for materials, supplies or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of the Contract, a statement that, except for the amounts enumerated, the Contractor releases the City from any and all claims arising under or by virtue of the Contract. A duplicate of the certificate shall be issued to the City.

43. **SURPLUS MATERIALS.** The job site shall be kept clean and free of surplus materials, rubbish and debris at all times. All surplus materials delivered to the job site and all materials, fixtures, and equipment removed and not reused shall remain or become the property of the Contractor and its sub-contractors, and shall be removed from the job site promptly after completion, as well as all rubbish and debris resulting from their respective operations at the Contractor's expense.

44. **ACCIDENT PREVENTION.**

- A The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the site, which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building construction codes shall be observed and the Contractor shall take or cause to be taken such additional safety and health measures as the City may determine to be reasonably necessary. All materials, parts, supplies and services rendered under the technical specifications must comply with standards of the Williams Steiger Occupational Safety and Health Act. In consideration of the price paid herein Contractor agrees to indemnify City for any penalties imposed by the Act arising out of misfeasance or malfunction of items or services purchased.
- B The Contractor shall maintain an accurate record of all cases of death, occupational disease, and injury requiring medical attention or causing loss of time from work, arising out of and in the course of employment on work under the Contract. The Contractor shall promptly furnish the City with reports concerning these matters.

45. **CONFLICTS.** No salaried officer or employee of the City and no member of the City Council or Park Board shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Federal conflict of interest regulations and applicable provisions of Sections 105.450 – 105.496 shall not be violated. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Contractor further covenants that in the performance of this contract no person having such interest shall be employed.

46. **DAVIS BACON ACT:** The wages for any work utilizing this contract in which federal funding is utilized shall comply with any and all applicable federal laws and/or requirements to include but not limited to the Davis Bacon Act.

ITEM	DESCRIPTION	UNIT PRICE
SECTION 1: Concrete Curb Edging- New 12" H x 6" W		
4.1	Concrete Curb Edging- New 12" H x 6" W	\$13.03
4.2	Concrete Curb Edging- New 12" H x 6" W	\$13.03
4.3	Concrete Curb Edging- New 12" H x 6" W	\$11.59
4.4	Concrete Curb Edging- New 12" H x 6" W	\$10.91
4.5	Concrete Curb Edging- New 12" H x 6" W	\$10.61
4.6	Concrete Curb Edging- New 12" H x 6" W	\$10.14
SECTION 2: Concrete Curb Edging- Replacement 12"Hx6"W		
4.7	Concrete Curb Edging- Replacement 12"Hx6"W	\$23.39
4.8	Concrete Curb Edging- Replacement 12"Hx6"W	\$20.32
4.9	Concrete Curb Edging- Replacement 12"Hx6"W	\$17.64
4.10	Concrete Curb Edging- Replacement 12"Hx6"W	\$17.02
4.11	Concrete Curb Edging- Replacement 12"Hx6"W	\$16.50
4.12	Concrete Curb Edging- Replacement 12"Hx6"W	\$16.30
SECTION 3: Concrete Curb Edging- New 6"x12"wide		
4.13	Concrete Curb Edging- New 6"x12"wide	\$11.39
4.14	Concrete Curb Edging- New 6"x12"wide	\$10.91
4.15	Concrete Curb Edging- New 6"x12"wide	\$10.28
4.16	Concrete Curb Edging- New 6"x12"wide	\$10.08
4.17	Concrete Curb Edging- New 6"x12"wide	\$9.77
4.18	Concrete Curb Edging- New 6"x12"wide	\$9.77
SECTION 4: Concrete Curb Edging- Replace 6"x12"wide		
4.19	Concrete Curb Edging- Replace 6"x12"wide	\$22.61
4.20	Concrete Curb Edging- Replace 6"x12"wide	\$21.40
4.21	Concrete Curb Edging- Replace 6"x12"wide	\$20.24
4.22	Concrete Curb Edging- Replace 6"x12"wide	\$20.03
4.23	Concrete Curb Edging- Replace 6"x12"wide	\$19.61
4.24	Concrete Curb Edging- Replace 6"x12"wide	\$19.09
SECTION 5: CG-1 Curbing – New		
4.25	CG-1 Curbing - New	\$26.99
4.26	CG-1 Curbing - New	\$21.96
4.27	CG-1 Curbing - New	\$18.98
4.28	CG-1 Curbing - New	\$18.45
4.29	CG-1 Curbing - New	\$17.64
4.30	CG-1 Curbing - New	\$15.83
SECTION 6: CG-1 Replacement		
4.31	CG-1 Replacement	\$34.29
4.32	CG-1 Replacement	\$32.56
4.33	CG-1 Replacement	\$30.70
4.34	CG-1 Replacement	\$27.27
4.35	CG-1 Replacement	\$26.32
4.36	CG-1 Replacement	\$24.33
SECTION 7: CG-2 Curbing – New		
4.37	CG-2 Curbing - New	\$26.85
4.38	CG-2 Curbing - New	\$19.56
4.39	CG-2 Curbing - New	\$18.93
4.40	CG-2 Curbing - New	\$16.99
4.41	CG-2 Curbing - New	\$16.84
4.42	CG-2 Curbing - New	\$16.36
SECTION 8: CG-2 Replacement		

4.43	CG-2 Replacement	\$35.76	
4.44	CG-2 Replacement	\$31.57	
4.45	CG-2 Replacement	\$31.04	
4.46	CG-2 Replacement	\$29.47	
4.47	CG-2 Replacement	\$27.48	
4.48	CG-2 Replacement	\$24.28	
SECTION 9: Concrete Steps – New price based on square footage of stair tread			
4.49	Concrete Steps – New price - sq ft of stair tread	\$73.94	
4.50	Concrete Steps – New price - sq ft of stair tread	\$71.42	
4.51	Concrete Steps – New price - sq ft of stair tread	\$64.19	
4.52	Concrete Steps – New price - sq ft of stair tread	\$58.94	
4.53	Concrete Steps – New price - sq ft of stair tread	\$57.79	
4.54	Concrete Steps – New price - sq ft of stair tread	\$56.64	
4.55	Concrete Steps – New price - sq ft of stair tread	\$53.70	
SECTION 10: Concrete Steps – Replacement price based on square footage of stair tread			
4.56	Concrete Steps – Replace price - sq ft of stair tread	\$77.83	
4.57	Concrete Steps – Replace price - sq ft of stair tread	\$75.61	
4.58	Concrete Steps – Replace price - sq ft of stair tread	\$71.59	
4.59	Concrete Steps – Replace price - sq ft of stair tread	\$69.22	
4.60	Concrete Steps – Replace price - sq ft of stair tread	\$67.22	
4.61	Concrete Steps – Replace price - sq ft of stair tread	\$61.04	
4.62	Concrete Steps – Replace price - sq ft of stair tread	\$53.91	
SECTION 11: Concrete Flat Work-New-Broom Finish-Pour finish and saw cut only			
(forming, reinforcement placement, concrete and all other related materials will be furnished by the City)			
4.63	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$6.39	
4.64	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$6.14	
4.65	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$4.30	
4.66	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$2.72	
4.67	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$2.31	
4.68	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$2.25	
4.69	Concrete Flat Work-New-Broom/Pour finish. Saw cut.	\$2.20	
SECTION 12: Concrete Flat Work-New-Trowel Finish-Pour finish and saw cut only			
(forming, reinforcement placement, concrete and all other related materials will be furnished by the City)			
4.70	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$6.92	
4.71	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$6.40	
4.72	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$3.80	
4.73	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$2.20	
4.74	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$1.89	
4.75	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$1.84	
4.76	Concrete Flat Work-New-Trowel/Pour finish. Saw cut.	\$1.47	
SECTION 13: Ramps			
4.77	ADA Ramp – New (concrete portion only)	\$10.28	
4.78	ADA Ramp – Replacement (concrete portion only)	\$12.43	
4.79	ADA Detectable Surface – Cast In Place Panels	\$43.45	
4.80	ADA Detectable Surface – Grouted In Place Bricks	\$51.49	
SECTION 14: Concrete Flat Work-New- broom finish		4" Thick	6" Thick
4.81	Concrete Flat Work-New- broom finish	\$9.65	\$10.73
4.82	Concrete Flat Work-New- broom finish	\$6.83	\$7.44
4.83	Concrete Flat Work-New- broom finish	\$4.91	\$5.15
4.84	Concrete Flat Work-New- broom finish	\$4.91	\$5.15
4.85	Concrete Flat Work-New- broom finish	\$4.71	\$4.95
4.86	Concrete Flat Work-New- broom finish	\$4.60	\$4.75

4.87	Concrete Flat Work-New- broom finish	\$4.10	\$4.20
SECTION 15: Concrete Flat Work-Replacement- broom finish		4" Thick	6" Thick
4.88	Concrete Flat Work-Replacement- broom	\$9.46	6.199.66
4.89	Concrete Flat Work-Replacement- broom	\$9.34	\$9.43
4.90	Concrete Flat Work-Replacement- broom	\$8.91	\$8.91
4.91	Concrete Flat Work-Replacement- broom	\$7.65	\$7.87
4.92	Concrete Flat Work-Replacement- broom	\$7.13	\$7.44
4.93	Concrete Flat Work-Replacement- broom	\$6.50	\$7.34
4.94	Concrete Flat Work-Replacement- broom	\$5.77	\$6.19
SECTION 16: Concrete Flat Work-New- Trowel Finish		4" Thick	6" Thick
4.95	Concrete Flat Work-New- Trowel Finish	\$9.65	\$9.86
4.96	Concrete Flat Work-New- Trowel Finish	\$7.88	\$8.29
4.97	Concrete Flat Work-New- Trowel Finish	\$5.14	\$5.67
4.98	Concrete Flat Work-New- Trowel Finish	\$4.62	\$5.14
4.99	Concrete Flat Work-New- Trowel Finish	\$4.19	\$4.72
4.100	Concrete Flat Work-New- Trowel Finish	\$4.17	\$4.63
4.101	Concrete Flat Work-New- Trowel Finish	\$3.98	\$4.42
SECTION 17: Concrete Flat Work-Replacement-Trowel Finish		4" Thick	6" Thick
4.102	Concrete Flat Work-Replacement-Trowel Finish	\$11.48	\$11.96
4.103	Concrete Flat Work-Replacement-Trowel Finish	\$11.11	\$11.64
4.104	Concrete Flat Work-Replacement-Trowel Finish	\$7.96	\$8.29
4.105	Concrete Flat Work-Replacement-Trowel Finish	\$7.54	\$7.55
4.106	Concrete Flat Work-Replacement-Trowel Finish	\$5.35	\$5.57
4.107	Concrete Flat Work-Replacement-Trowel Finish	\$5.30	\$5.51
4.108	Concrete Flat Work-Replacement-Trowel Finish	\$5.14	\$5.35
SECTION 18: Concrete Street Repairs			
4.109	10" Thick Concrete Patch	\$16.98	\$16.98
4.110	10" Thick Concrete Patch	\$15.94	\$15.94
4.111	10" Thick Concrete Patch	\$14.74	\$14.74
4.112	10" Thick Concrete Patch	\$12.87	\$12.87
SECTION 19: Concrete Flat Work-New Broom/Pour Finish		8" Saw Cut	10" Saw Cut
4.113	Concrete Flat Work-New- broom finish	\$11.60	\$11.57
4.114	Concrete Flat Work-New- broom finish	\$8.31	\$8.65
4.115	Concrete Flat Work-New- broom finish	\$6.10	\$6.48
4.116	Concrete Flat Work-New- broom finish	\$6.10	\$6.48
4.117	Concrete Flat Work-New- broom finish	\$5.96	\$6.45
4.118	Concrete Flat Work-New- broom finish	\$5.80	\$6.19
4.119	Concrete Flat Work-New- broom finish	\$5.75	\$6.14
SECTION 20: Concrete Flat Work-Replacement- Broom/Pour Finish		8" Saw Cut	10" Saw Cut
4.120	Concrete Flat Work-Replacement- broom	\$11.10	\$11.60
4.121	Concrete Flat Work-Replacement- broom	\$10.60	\$11.10
4.122	Concrete Flat Work-Replacement- broom	\$9.92	\$10.52
4.123	Concrete Flat Work-Replacement- broom	\$8.96	\$9.46
4.124	Concrete Flat Work-Replacement- broom	\$8.13	\$9.16
4.125	Concrete Flat Work-Replacement- broom	\$7.44	\$8.23
4.126	Concrete Flat Work-Replacement- broom	\$6.95	\$8.04
SECTION 21: Concrete Flat Work-New- Trowel/Pour Finish		8" Saw Cut	10" Saw Cut
4.127	Concrete Flat Work-New- Trowel Finish	\$11.73	\$11.90
4.128	Concrete Flat Work-New- Trowel Finish	\$8.90	\$9.23
4.129	Concrete Flat Work-New- Trowel Finish	\$6.76	\$7.13
4.130	Concrete Flat Work-New- Trowel Finish	\$6.76	\$7.13
4.131	Concrete Flat Work-New- Trowel Finish	\$6.21	\$6.59

4.132	Concrete Flat Work-New- Trowel Finish	\$5.93	\$6.32
4.133	Concrete Flat Work-New- Trowel Finish	\$5.86	\$6.25
SECTION 22: Concrete Flat Work-Replacement-Trowel Finish		8" Saw Cut	10" Saw Cut
4.134	Concrete Flat Work-Replacement-Trowel Finish	\$11.30	\$11.73
4.135	Concrete Flat Work-Replacement-Trowel Finish	\$10.82	\$11.10
4.136	Concrete Flat Work-Replacement-Trowel Finish	\$10.04	\$10.60
4.137	Concrete Flat Work-Replacement-Trowel Finish	\$9.86	\$9.93
4.138	Concrete Flat Work-Replacement-Trowel Finish	\$9.70	\$9.73
4.139	Concrete Flat Work-Replacement-Trowel Finish	\$8.90	\$9.24
4.140	Concrete Flat Work-Replacement-Trowel Finish	\$7.96	\$8.96
SECTION 23: Dowel Bars			
4.141	Dowel Bars Installed	\$3.10	\$3.10
SECTION 24: 4" Compacted Aggregate Base			
4.142	4" Compacted Aggregate Base	\$1.13	\$1.13
4.143	4" Compacted Aggregate Base	\$0.96	\$0.96
4.144	4" Compacted Aggregate Base	\$0.73	\$0.73
4.145	4" Compacted Aggregate Base	\$0.59	\$0.59
4.146	4" Compacted Aggregate Base	\$0.51	\$0.51
4.147	4" Compacted Aggregate Base	\$0.50	\$0.50
4.148	4" Compacted Aggregate Base	\$0.41	\$0.41
SECTION 25: Pavestone Concrete Pavers over Sand Base		Installation	Replacement
4.149	Pavestone Concrete Pavers over Sand Base	\$24.20	\$23.20
4.150	Pavestone Concrete Pavers over Sand Base	\$22.10	\$21.10
4.151	Pavestone Concrete Pavers over Sand Base	\$19.65	\$18.65
4.152	Pavestone Concrete Pavers over Sand Base	\$18.52	\$17.52
4.153	Pavestone Concrete Pavers over Sand Base	\$15.25	\$14.25
4.154	Pavestone Concrete Pavers over Sand Base	\$13.65	\$12.65
4.155	Pavestone Concrete Pavers over Sand Base	\$13.47	\$12.47
SECTION 26: Pavestone Concrete Pavers over Concrete Base		Installation	Replacement
4.156	Pavestone Concrete Pavers over Concrete Base	\$33.20	\$32.20
4.157	Pavestone Concrete Pavers over Concrete Base	\$30.10	\$29.10
4.158	Pavestone Concrete Pavers over Concrete Base	\$23.65	\$22.65
4.159	Pavestone Concrete Pavers over Concrete Base	\$22.52	\$21.52
4.160	Pavestone Concrete Pavers over Concrete Base	\$21.25	\$20.25
4.161	Pavestone Concrete Pavers over Concrete Base	\$18.65	\$17.65
4.162	Pavestone Concrete Pavers over Concrete Base	\$17.47	\$16.47
SECTION 27: Brick Pavers over Sand Base		Installation	Replacement
4.163	Brick Pavers over Sand Base	\$24.20	\$23.20
4.164	Brick Pavers over Sand Base	\$24.10	\$23.10
4.165	Brick Pavers over Sand Base	\$21.65	\$20.65
4.166	Brick Pavers over Sand Base	\$20.52	\$19.52
4.167	Brick Pavers over Sand Base	\$17.25	\$16.25
4.168	Brick Pavers over Sand Base	\$15.65	\$14.65
4.169	Brick Pavers over Sand Base	\$15.47	\$14.47
SECTION 28: Brick Pavers over Concrete Base		Installation	Replacement
4.170	Brick Pavers over Concrete Base	\$35.20	\$34.20
4.171	Brick Pavers over Concrete Base	\$32.10	\$31.10
4.172	Brick Pavers over Concrete Base	\$25.65	\$25.65
4.173	Brick Pavers over Concrete Base	\$25.52	\$24.52
4.174	Brick Pavers over Concrete Base	\$23.25	\$23.25
4.175	Brick Pavers over Concrete Base	\$20.65	\$19.65
4.176	Brick Pavers over Concrete Base	\$19.47	\$18.47

SECTION 29: 4" Brick Red Stamped Concrete Flatwork		Installation	Replacement
4.177	4" Brick Red Stamped Concrete	\$11.46	\$11.46
4.178	4" Brick Red Stamped Concrete	\$8.73	\$8.73
4.179	4" Brick Red Stamped Concrete	\$6.52	\$6.52
4.180	4" Brick Red Stamped Concrete	\$5.35	\$5.35
4.181	4" Brick Red Stamped Concrete	\$4.93	\$4.93
4.182	4" Brick Red Stamped Concrete	\$4.71	\$4.71
4.183	4" Brick Red Stamped Concrete	\$4.71	\$4.71

Packet Information

File #: 2019-2559, **Version:** 1

Investment Portfolio Report for the quarter ended Decmeber 31, 2018

Issue/Request:

[Enter text here]

Key Issues:

This report is prepared to provide a summary of the status of the Investment Portfolio by noting transactions over the previous quarter. This report lists maturities as well as new purchases when applicable.

As of December 31, 2018, the largest portion of the portfolio was invested in US Treasuries (51%); followed by US Government Agencies (19%). The cash balance at December 31, 2018 is quite high to due tax collection activity and an incoming wire from Jackson County on the last day of the year. Cash balances are invested in an overnight repurchase agreement and are collateralized. The repo rate is based on the previous week's auction of the 91 day Treasury Bill adjusted every Wednesday. The repo rate for December was 2.518%.

Proposed City Council Motion:

[Enter text here]

Background:

A "Mark to Market" adjustment is required at each quarter end to recognize any change in the value of the portfolio in the event that securities would need to be liquidated. Fair values are determined by our custodial bank.

At December 31, 2018, the market adjustment was an unrealized loss of \$915,588.97. This is a paper loss only, resulting from shifts in interest rates. Since the City typically holds securities until maturity, loss of principal does not normally occur.

Impact/Analysis:

As of December 31, 2018, the average yield on the portfolio was 1.6348%.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Sherri Staub, Cash Management Officer

File #: 2019-2559, **Version:** 1

Recommendation: Presentation for information only. No action required.

Committee Recommendation: [Enter Committee Recommendation text Here]

CITY OF LEE'S SUMMIT, MISSOURI QUARTERLY INVESTMENT PORTFOLIO REPORT QUARTER ENDED DECEMBER 31, 2018

Purpose and Goals

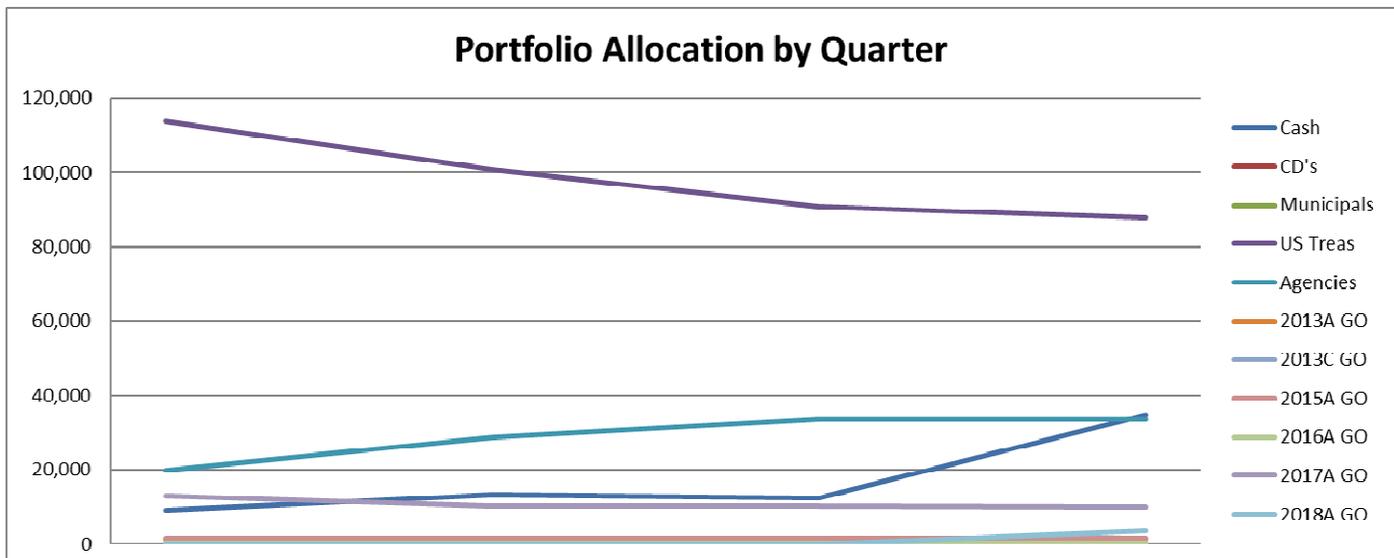
In compliance with the Investment Policy of the City of Lee's Summit, this quarterly investment portfolio report for the quarter ended December 31, 2018 is hereby submitted for your review. This report will provide you with an overview of the City's current cash and investment portfolio holdings along with a summary of all investment activity for the last fiscal quarter.

Cash and investments held by the City represent financial resources provided by its citizens to fund current operations and additionally to provide for future economic development, enhancement of services and programs, construction of major capital improvements and allow for unforeseen emergencies. Monies held for future use in meeting identifiable long-term needs are invested in authorized securities in order to provide additional earnings until such time as these funds are required to be expended. While the objective is to obtain a market rate of return, the City believes that the priority should be on the safety of principal, liquidity of its investments, and stability of earnings.

Current Portfolio

The City has sought to achieve a balance within the combined investment portfolio. While maintaining relatively strong liquidity, it strives to achieve earnings stability. As of December 31, 2018, the portfolio was allocated as follows: Cash (20%), Certificates of Deposit (0%), Municipal Obligations (0%), US Treasury (51%) and Agencies (19%). The following table illustrates the composition of the portfolio, in comparative dollar amounts (000) and component percentages, for the quarter ending December 31, 2018 and the previous three quarters.

Portfolio	-----Book Value in 000's-----				-----Percent of Portfolio-----			
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2018	6/30/2018	9/30/2018	12/31/2018
Cash	9,082	13,274	12,373	34,825	6%	9%	8%	20%
CD's	1,491	0	0	0	1%	0%	0%	0%
Municipals	0	0	0	0	0%	0%	0%	0%
US Treas	113,813	100,831	90,845	87,814	71%	64%	60%	51%
Agencies	19,819	28,812	33,724	33,724	12%	18%	23%	19%
2013A GO	1,398	1,404	1,333	1,340	1%	1%	1%	1%
2013C GO	130	499	296	86	0%	0%	0%	0%
2015A GO	1,524	1,531	1,538	1,547	1%	1%	1%	1%
2016A GO	379	380	357	359	0%	0%	0%	0%
2017A GO	12,937	10,270	10,077	9,941	8%	7%	7%	6%
2018A GO	0	0	0	3,641	0%	0%	0%	2%
Total	\$160,573	\$157,001	\$150,543	\$173,277	100%	100%	100%	100%



Purchases			
		Amount	Maturity Date
No new purchases this quarter			
	TOTAL	\$ 0	
Maturity			
10/31/2018	US Treasury	3,031,171.88	
	TOTAL	\$ 3,031,171.88	

Transaction Summary

The City monitors and maintains a level of cash on hand to meet the day to day operations of the city. Each night the remaining balance is invested in an interest bearing “sweep” account through a “repurchase agreement” or “repo” with our bank. For funds not needed immediately, the city employs a strategy of maturity "laddering" over a period not to exceed five years. When the spread between short term securities and the maximum is minimal, staff does not fully extend to the five year maximum.

Cash in Bank

The City utilizes UMB Bank as its depository. Lee’s Summit's cash in bank at December 31, 2018, was as follows: UMB Trustee Account, \$20,576,830.12 and the UMB Investment Settlement Account \$14,248,617.68. Cash on deposit with UMB earns interest at a rate equivalent to the previous week’s auction of the 91 day Treasury bill yield, adjusted every Wednesday. The UMB “repo” rate for December was 2.518%; September was 2.192%; June was 2.04% and March was 1.70%. To protect the City against fluctuating securities values, the City's bank depository agreement requires the bank to pledge certain securities as collateral equal to 105% of the City's funds on account (in excess of FDIC coverage). The estimated collateral value is \$37,924,296.39.

Combined Portfolio Performance

The City has utilized all components of the investment portfolio to achieve safety of principal, reasonable liquidity, relatively stable earnings over a wide range of interest rates, and a market rate of return. As of December 31, 2018, the average portfolio yield is 1.6348%.

The investment portfolio's maturity structure as of December 31, 2018, is as follows:

Fiscal Year	Prin Amt	Cash Flow %
2019	\$ 24,121,936.38	20%
2020	\$ 52,969,616.12	44%
2021	\$ 39,535,271.91	33%
2022	\$ 4,912,007.40	3%
TOTAL	\$ 121,538,831.81	100%

A complete itemized schedule of investments in the City of Lee's Summit Portfolio is available upon request.

Recommendations

The City's passive investment strategy has been to match the investments based upon cash flow needs in conjunction with a maturity "laddering" approach with its investments, not to exceed five years. Investment purchases have been made with safety as the primary factor. The purchase of Certificates of Deposit and Municipal Obligations has been halted due to clarification of the State Investment Policy.

Mark-to-Market

The investment portfolio is valued at our purchase price with gains/losses recognized at sale or maturity. With the implementation of GASB 31, the portfolio was required to be adjusted at year end to reflect the difference between our carrying value and today's market. This is referred to as "Marking to Market."

The Government Finance Officers Association (GFOA) then recommended that local governments report the market value of all securities in the portfolio on a quarterly basis. Fair market values are determined by our custodial bank.

GFOA has recommended that in addition to the reporting of this paper gain/loss on a quarterly basis, this adjustment should be entered on a quarterly basis. Starting in fiscal year 2006-2007 this adjustment was spread and posted to cash accounts based on cash balances at each quarter end. These adjustments will be updated at the end of each quarter. At December 31, the quarter end entry of September 30 was reversed and the new entry booked based on the current market values at December 31, 2018. This unrealized loss of \$915,588.97 was spread across all funds based on their respective cash balance percentages.

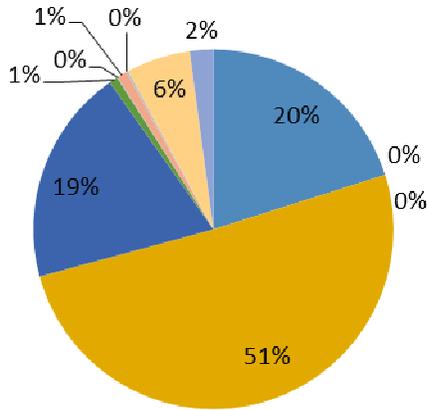
Respectfully Submitted,

Sherri Staub
Cash Management Officer

Bette Wordelman
Finance Director

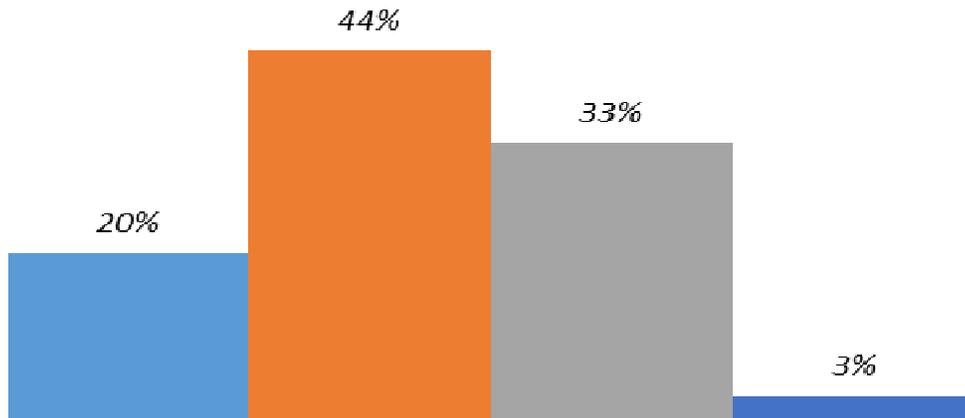
Asset Allocation December 31, 2018

■ Cash ■ CD's ■ Municipals ■ US Treas ■ Agencies ■ 2013A GO
■ 2013C GO ■ 2015A GO ■ 2016A GO ■ 2017A GO ■ 2018A GO



Asset Allocation by Maturity Year

■ 2019 ■ 2020 ■ 2021 ■ 2022



**CITY OF LEES SUMMIT
INVESTMENT PORTFOLIO
MONTH ENDING DECEMBER 2018**

TREASURY BILLS AND NOTES

Maturities (***)

	PURCHASE PRICE	DESCRIPTION		YIELD	PURCHASE DATE	MATURITY DATE	TERM DAYS	
	5,049,414.05	T-Note	912828SH4	Aaa	1.08%	30-Sep-15	28-Feb-19	1,247
	4,987,500.00	T-Note	912828UQ1	Aaa	1.31%	30-Sep-15	29-Feb-20	1,613
	4,033,750.00	T-Note	912828WS5	Aaa	1.38%	11-Dec-15	30-Jun-19	1,297
	4,036,040.00	T-Note	912828WW6	Aaa	1.36%	11-Jan-16	31-Jul-19	1,297
##	3,974,960.00	T-Note	912828XK1	Aaa	1.13%	11-Jan-16	15-Jul-18	916
##	3,005,625.00	T-Note	912828L40	Aaa	0.93%	1-Feb-16	15-Sep-18	957
	2,984,765.63	T-Note	912828TR1	Aaa	1.14%	1-Feb-16	30-Sep-19	1,337
##	3,031,171.88	T-Note	912828WD8	Aaa	0.86%	23-Feb-16	31-Oct-18	981
	1,997,656.25	T-Note	912828TN0	Aaa	1.03%	23-Feb-16	31-Aug-19	1,285
##	3,005,625.00	T-Note	912828K82	Aaa	0.91%	3-Jun-16	15-Aug-18	803
	2,021,250.00	T-Note	912828XE5	Aaa	1.23%	3-Jun-16	31-May-20	1,458
	3,054,843.75	T-Note	912828WLO	Aaa	0.87%	22-Jun-16	31-May-19	1,073
	2,000,000.00	T-Note	912828Q52	Aaa	0.88%	13-Sep-16	15-Apr-19	944
	2,033,160.00	T-Note	912828F62	Aaa	0.96%	13-Sep-16	31-Oct-19	1,143
	2,034,375.00	T-Note	912828XH8	Aaa	1.15%	27-Oct-16	30-Jun-20	1,342
	2,014,375.00	T-Note	912828L65	Aaa	1.19%	27-Oct-16	30-Sep-20	1,434
	4,015,937.50	T-Note	912828SN1	Aaa	1.32%	20-Jan-17	31-Mar-19	800
	3,971,562.50	T-Note	912828J84	Aaa	1.38%	20-Jan-17	31-Mar-20	1,166
	2,995,327.08	T-Note	912828XM7	Aaa	1.67%	5-Jan-17	31-Jul-20	1,303
	6,805,288.98	T-Note	912828P87	Aaa	1.82%	5-Jan-17	28-Feb-21	1,515
	4,935,937.50	T-Note	912828L32	Aaa	1.76%	3-Mar-17	31-Aug-20	1,277
	4,997,460.94	T-Note	912828F62	Aaa	1.52%	3-Mar-17	31-Oct-19	972
	3,954,160.00	T-Note	912828L9	Aaa	1.71%	31-Mar-17	31-Oct-20	1,310
	2,995,591.08	T-Note	912828ST8	Aaa	1.33%	29-Jun-17	30-Apr-19	670
	4,021,718.75	T-Note	912828D80	Aaa	1.37%	29-Jun-17	31-Aug-19	793
	3,006,750.00	T-Note	912828X21	Aaa	1.41%	13-Sep-17	15-Apr-20	945
	2,979,337.95	T-Note	912828V1	Aaa	1.62%	26-Oct-17	15-Sep-20	1,055
	2,994,023.31	T-Note	9128282X7	Aaa	1.48%	26-Oct-17	30-Sep-19	704
	3,894,200.00	T-Note	912828Q37	Aaa	2.10%	5-Jan-18	31-Mar-21	1,181

##

US GOVERNMENT AGENCIES

Maturities (***)

	PURCHASE PRICE	DESCRIPTION		YIELD	PURCHASE DATE	MATURITY DATE	TERM DAYS	
	2,963,988.30	Federal Home Loan Mtg Corp	3137EAEJ4	Aaa	2.08%	5-Jan-18	29-Sep-20	998
	2,977,806.00	Federal Farm Credit Banks	3133EAN46	Aaa	2.03%	8-Jan-18	27-Apr-20	840
	1,980,720.00	Federal Home Loan Banks	313380FB8	Aaa	1.96%	8-Jan-18	13-Sep-19	613
	2,972,790.00	Federal Home Loan Banks	313383HU8	Aaa	2.14%	19-Jan-18	12-Jun-20	875
	2,963,407.74	Federal Home Loan Banks	3130AA3R7	Aaa	2.06%	19-Jan-18	15-Nov-19	665
	2,972,400.00	Federal Home Loan Banks	3130ABF92	Aaa	2.14%	9-Mar-18	28-May-19	445
	2,988,630.00	Federal Farm Credit Bank	3133EJCA5	Aaa	2.33%	9-Mar-18	8-May-20	791
	1,993,289.64	Federal National Mortgage Assn	3135G0U27	AA+	2.62%	4-Jun-18	13-Apr-21	1,044
	999,432.62	Federal Farm Credit Bank	3133EJLZ0	AA+	2.65%	4-Jun-18	23-Apr-21	1,054
	2,993,754.84	Federal Home Loan Banks	3130AEPP1	AA+	2.62%	4-Jun-18	28-May-21	1,089
	3,006,180.00	Federal National Mortgage Assn	3135G0U35	Aaa	2.68%	29-Jun-18	22-Jun-21	1,089
	1,912,875.60	Federal Home Loan Banks	3130A8QS5	Aaa	2.713%	31-Aug-18	14-Jul-21	1,048
	2,999,131.80	Federal Home Loan Bank	3130AESP6	Aaa	2.76%	31-Aug-18	16-Aug-21	1,081

0

134,556,213.69
-13,017,381.88

121,538,831.81

TOTALS

U. S. AGENCIES & GOVERNMENT SECURITIES:

TREAS Treasury Notes and Bills	87,814,425.27
FNMA Federal National Mortgage Association	4,999,469.64
FHLB Federal Home Loan Bank	21,759,068.28
INTR International Bank	0
FFCB Federal Farm Credit Banks	<u>6,965,868.62</u>

TOTAL 121,538,831.81

Investment Ratios

US T-Bills/Notes	72.25%
FNMA	4.11%
FHLB	17.90%
FFCB	<u>5.73%</u>
	100.00%

Packet Information

File #: 2019-2553, **Version:** 1

Presentation of the FY19 December General Fund Financial Dashboards

Issue/Request:

Presentation of the FY19 December General Fund Financial Dashboards

Key Issues:

The General Fund revenues amounts through the month of December total \$27,300,000. Year to date (YTD) budgeted revenues total \$27,300,000. The major variances include the following:

- Property Tax: Payment in Lieu of Tax (PILOT) revenue is approximately \$400,000 above previous year amounts.
- Sales Tax: The General Fund continues to see a strong growth trend and actual gross amounts are \$366,000 or 4% above budgeted estimates.
- Franchise Tax: All categories of franchise tax are exceeding budgeted amounts except for cable. In total, all franchise tax revenue amounts are \$445,000 or 7% above budget.

For expenditures, the major variances include the following:

- Personnel Services: This category of expense includes all expenses generally attributed to employees such as salaries, health insurance, retirement, FICA, etc. Actual amounts are \$104,000 below budgeted amounts.
- Other Supplies, Services, and Charges: This is the second largest category of expense and is \$1,100,000 below budgeted amounts. The variance is primarily due to a PILOT payment (\$996,000) that has yet to be processed.

Proposed City Council Motion:

N/A

Background:

N/A

Nick Edwards | Assistant City Manager

Recommendation: N/A

Committee Recommendation: N/A

December Dashboard

	2019 YTD Budget	2019 YTD Expense (Revenue)	2019 YTD Budget Remaining*	% Used	2018 YTD Expense/ (Revenue)	% Chg. 2018 to 2019
REVENUE	(27,330,408)	(27,284,042)	(46,365)	100%	(26,525,940)	3%
Property taxes	(2,346,832)	(1,924,375)	(422,457)	82%	(1,583,394)	22%
Sales tax	(8,661,712)	(9,150,977)	489,265	106%	(8,570,790)	7%
Local Sales Tax	(9,018,110)	(9,384,984)	366,874	104%	(8,906,350)	5%
Local Sales Tax - EATS	356,398	323,516	32,883	91%	335,559	-4%
Sales tax-CassCo prior period r	0	(89,509)	89,509	--	0	--
Franchise tax	(6,489,132)	(6,934,910)	445,777	107%	(6,793,256)	2%
Natural Gas Franchise Tax	(627,036)	(685,009)	57,973	109%	(715,116)	-4%
Telephone Franchise Tax	(1,025,540)	(1,057,729)	32,190	103%	(1,113,710)	-5%
Electric Franchise Tax	(4,159,210)	(4,533,108)	373,899	109%	(4,286,675)	6%
Cable TV Franchise Tax	(677,347)	(659,063)	(18,284)	97%	(677,754)	-3%
Motor vehicle taxes	(1,829,680)	(1,884,453)	54,773	103%	(1,881,087)	0%
Other taxes	(166,639)	(165,570)	(1,070)	99%	(185,978)	-11%
Fines and forfeitures	(599,552)	(582,359)	(17,194)	97%	(550,819)	6%
Licenses and permits	(1,267,375)	(1,143,607)	(123,768)	90%	(1,306,875)	-12%
Intergovernmental	(574,032)	(505,640)	(68,392)	88%	(333,214)	52%
Charges for services	(4,059,842)	(4,228,106)	168,264	104%	(3,853,179)	10%
Material and fuel sales	0	(1,426)	1,426	--	0	--
Investment earnings	(60,000)	(270,432)	210,432	451%	(51,099)	429%
Other	(471,095)	(89,930)	(381,165)	19%	(790,757)	-89%
Sale of property	0	0	0	--	(108,233)	-100%
Transfers in	(804,515)	(402,257)	(402,258)	50%	(517,257)	-22%
EXPENSES	38,178,224	35,123,527	2,922,852	92%	35,200,488	0%
Personal services	23,674,540	23,570,527	104,013	100%	23,587,464	0%
Salaries	15,374,601	14,973,303	401,298	97%	15,019,130	100%
Overtime	1,287,552	1,350,837	(63,284)	105%	1,414,667	95%
FICA/Medicare	1,178,060	1,176,160	1,900	100%	1,191,420	99%
Misc	83,122	93,087	(9,966)	112%	84,726	110%
Health/Dental Insurance	3,375,799	3,356,322	19,477	99%	3,132,959	107%
Other Payroll Costs	613,065	835,824	(222,759)	136%	928,452	90%
Retirement-Lagers	1,762,341	1,784,994	(22,653)	101%	1,816,109	98%
Supplies for resale	130,020	85,590	44,430	66%	130,324	-34%
Other supplies, services and charges	6,142,770	4,947,325	1,081,081	82%	4,533,072	12%
Repairs and maintenance	806,949	757,523	41,235	95%	778,804	-2%
Utilities	884,882	733,127	151,286	83%	720,318	2%
Fuel and lubricants	256,402	174,145	73,437	71%	222,564	-18%
Miscellaneous	48,725	5,951	42,774	12%	13,439	-56%
Capital outlay	153,000	140,303	12,697	92%	293	47,772%
Construction	0	0	0	--	0	--
Interdepartment charges	3,201,377	3,210,839	(9,462)	100%	3,167,316	1%
Transfers out	2,879,559	1,498,198	1,381,361	52%	2,046,894	-27%
NET INCOME	10,847,816	7,839,485	2,876,487	73%	8,674,548	-8%

Packet Information

File #: 2019-2554, **Version:** 1

Presentation of the FY19 General Fund Mid Year Projections

Issue/Request:

Presentation of the FY19 General Fund Mid Year Projections

Key Issues:

Each year as part of the budget process staff updates the revenue forecast and expenditure request to estimate a "projected" year end balance or deficit.

Major changes for revenues include the following:

- Property Tax: A majority of property tax revenue has been received at this time. The projected amount is based on the actual receipts from Jackson and Cass Counties which is approximately \$318,000 more than what was budgeted. It may be possible for the property tax revenue to further exceed the new projected amounts when the final Payment in Lieu of Tax (PILOT) revenue is received.
- Sales Tax: The current year to date (YTD) variance for gross sales tax receipts is 2.74% above budgeted amounts. The FY19 budget anticipated 3.5% growth from the previous fiscal year.
- Franchise Tax: Collectively franchise tax revenue is trending slightly above budget with the exception of cable franchise tax. Staff projects that the franchise tax will meet or slightly exceed budgeted amounts but have projected a 1.3% decrease in cable franchise tax for the remainder of the fiscal year.

Major changes for expenditures include the following:

- Personnel Services: It is expected that collective bargaining negotiations will reach conclusion soon. As part of the negotiations, wage increases have been tentatively identified for each of the bargaining units. The FY19 projection includes the additional expense which is tentatively planned to occur starting in March.
- Other Services, Supplies, and Charges: Additional maintenance costs for sidewalks and stormwater infrastructure have occurred. To date, staff anticipates being able to complete an additional \$46,000 of maintenance work. Funding has also been included for closed captioning service (\$18,000) and continued court security at \$30,000. A large portion of the increase can be attributed to an increase in bad debt (uncollected ambulance fees) and unbudgeted development reimbursement expenses (\$355,000) that should have been included in the original adopted budget.

Proposed City Council Motion:

N/A

Background:

Presentation Only

Nick Edwards | Assistant City Manager

File #: 2019-2554, Version: 1

Recommendation: N/A

Committee Recommendation: N/A

FY19 Projections

Finance & Budget Committee

February 11, 2019

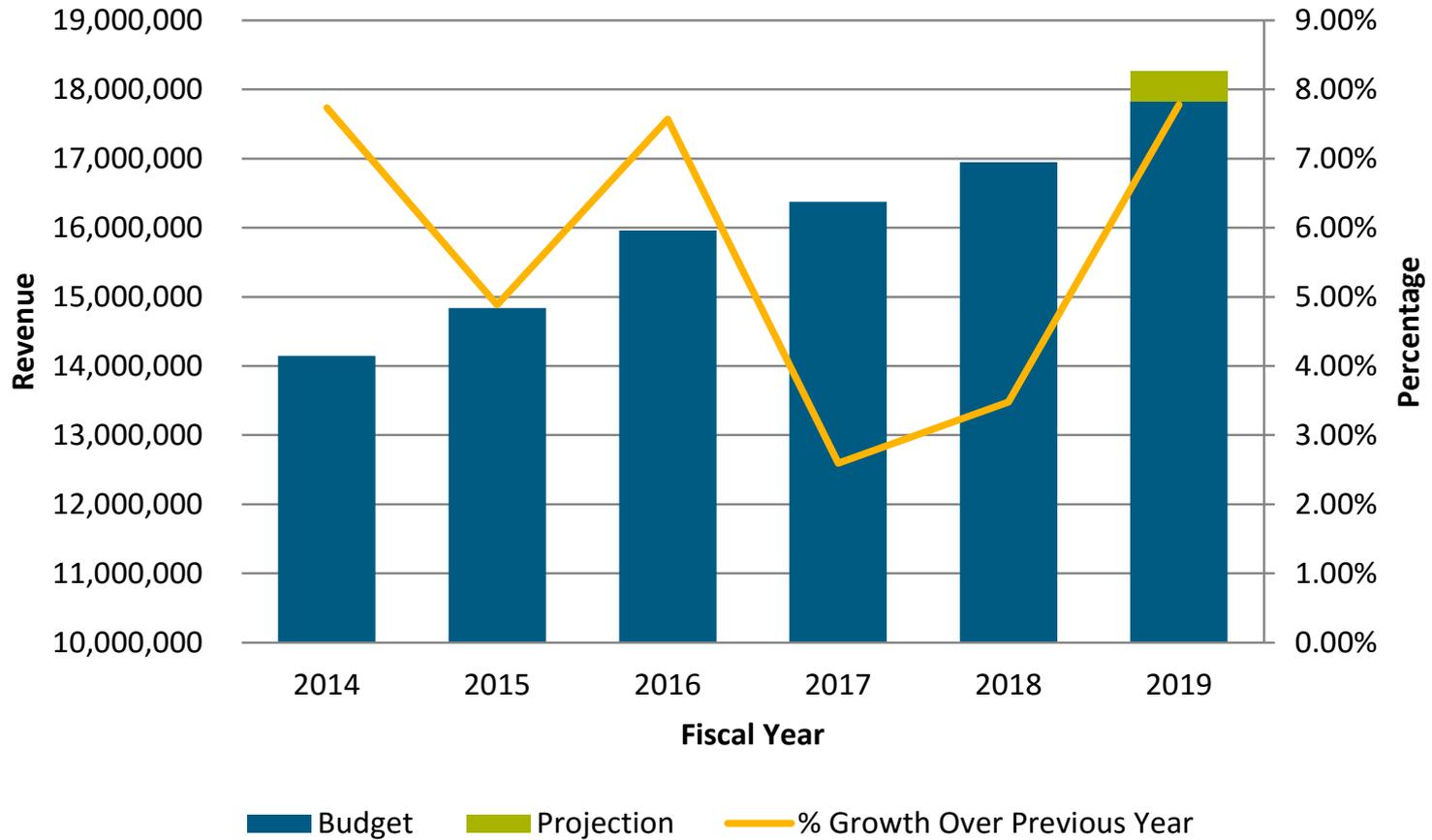
Revenue

Annual Budget vs. Projected

Revenue Type	Budget	Projected	Variance (\$)	Variance (%)
Property Tax	\$21,664,477	\$21,983,424	\$318,947	1.47%
Sales Tax	\$17,121,276	\$17,809,477	\$688,201	4.02%
Franchise Tax	\$12,530,550	\$12,892,717	\$362,167	2.89%
Motor Vehicle Taxes	\$3,694,490	\$3,683,787	(\$10,703)	-0.29%
Other Taxes	\$322,690	\$310,610	(\$12,080)	-3.74%
Fines & Forfeitures	\$1,199,105	\$1,147,106	(\$51,999)	-4.34%
Licenses and Permits	\$2,655,300	\$2,727,300	\$72,000	2.71%
Intergovernmental	\$1,148,065	\$1,148,065	\$0	0.00%
Charges for Service	\$8,826,224	\$8,901,187	\$74,963	0.85%
Material and Fuel Sales	\$0	\$1,860	\$1,860	
Investment Earnings	\$120,000	\$334,334	\$214,334	178.61%
Other	\$1,730,838	\$1,740,105	\$9,267	0.54%
Sale of Property	\$0	\$0	\$0	100.00%
Transfers In	\$804,515	\$804,515	\$0	0.00%
Total	\$71,817,530	\$73,484,487	\$1,666,957	2.32%

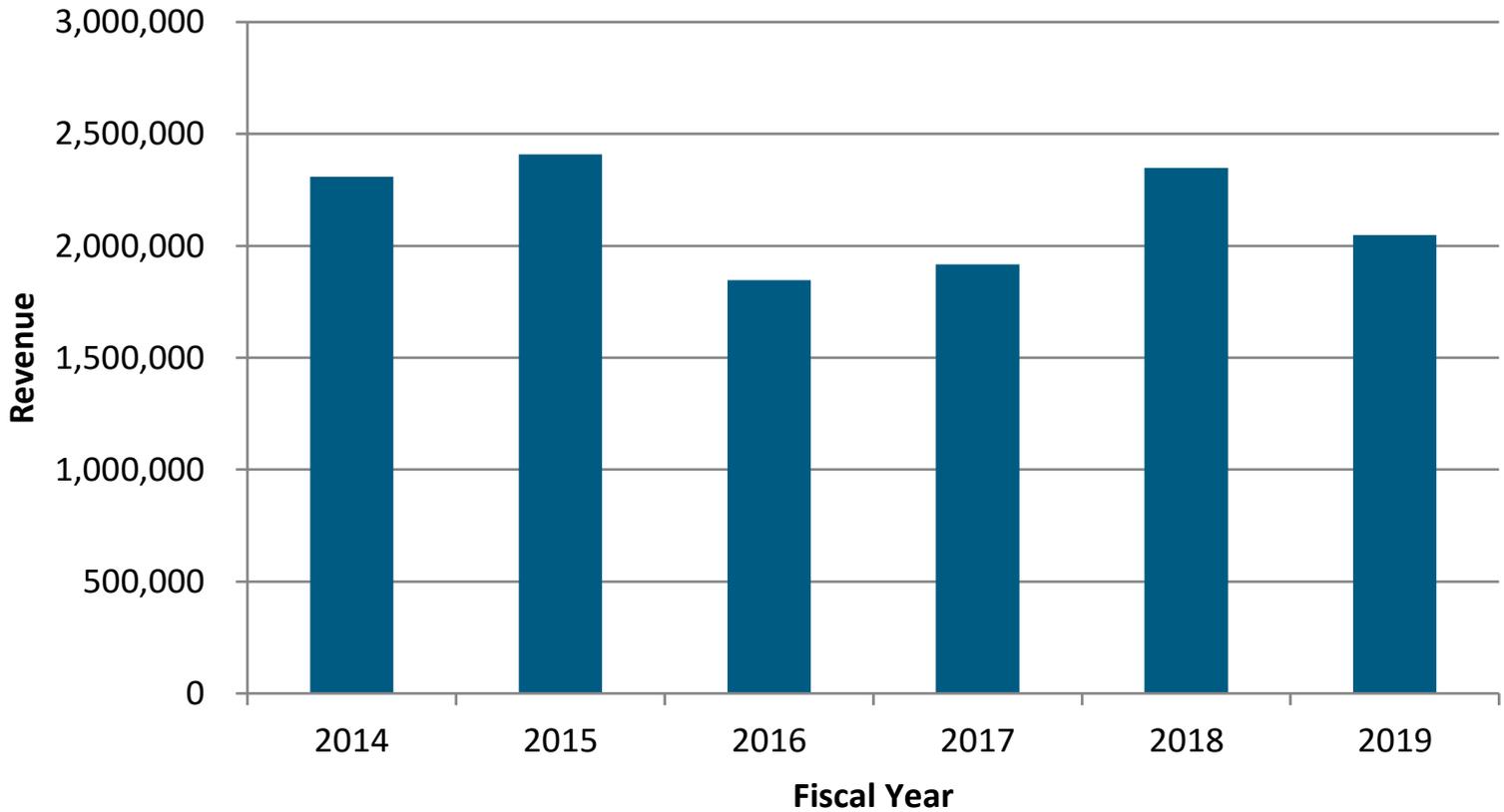
Sales Tax

Sales Tax Revenue



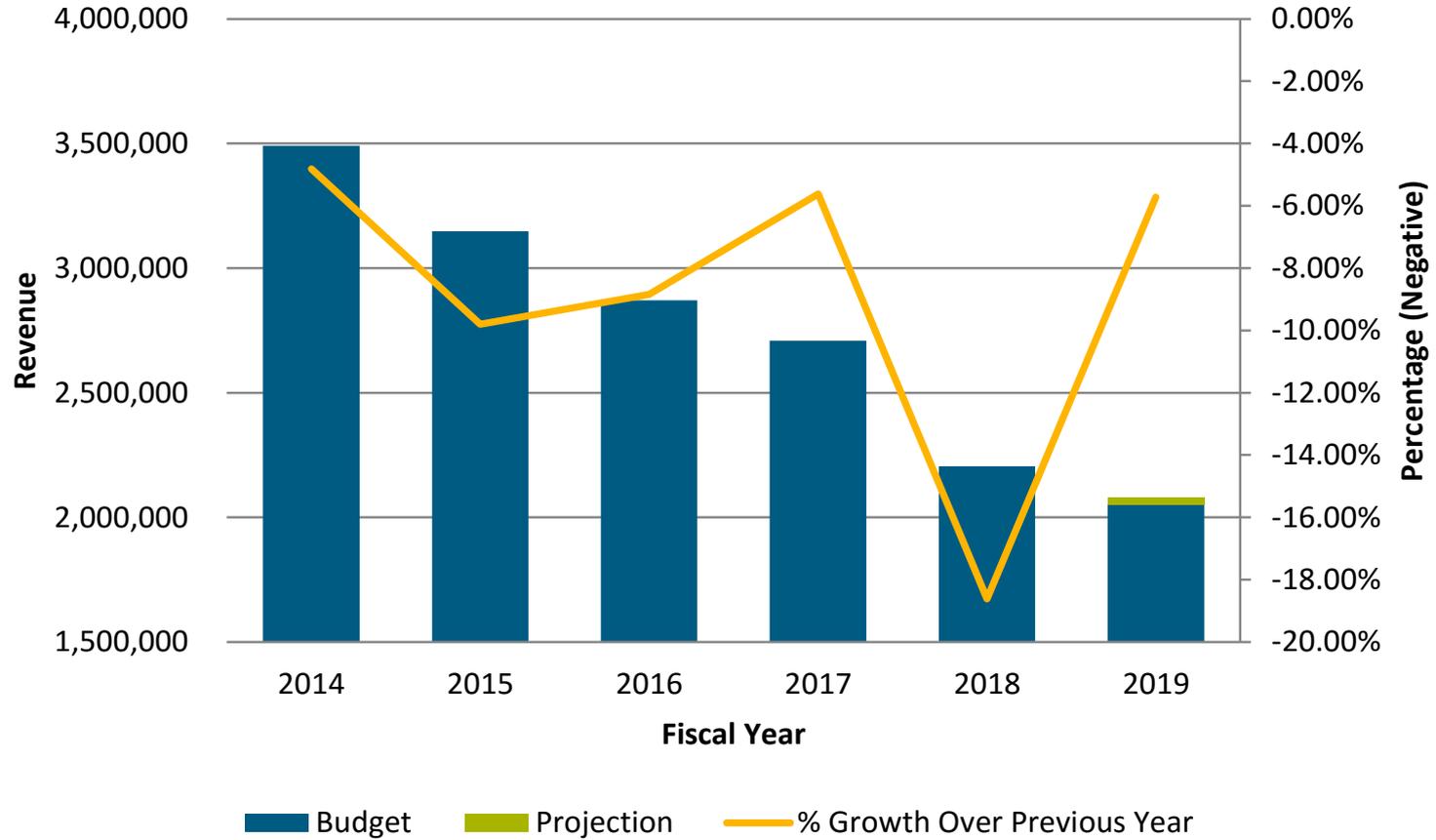
Franchise Tax

Franchise Tax: Natural Gas



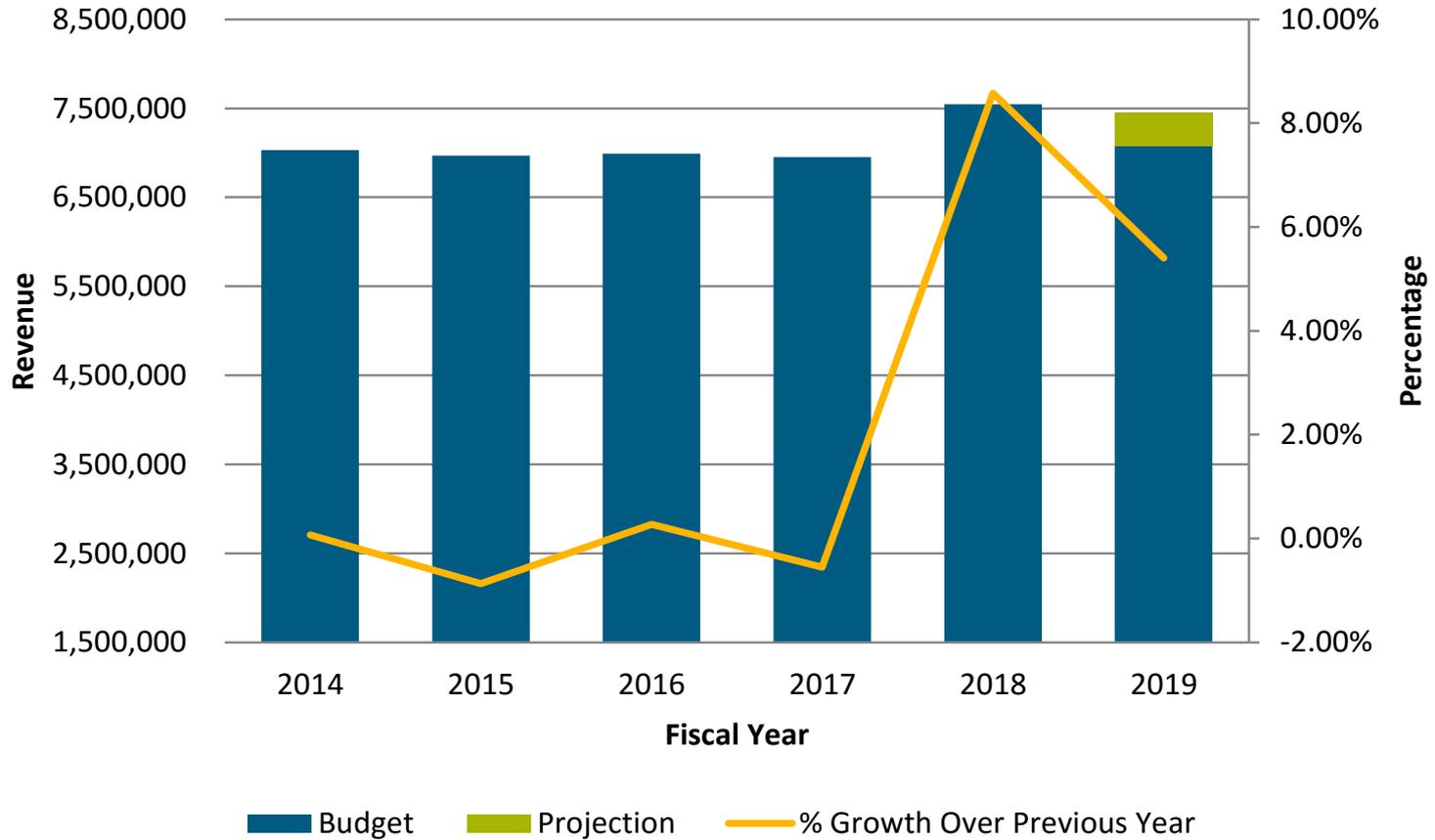
Franchise Tax

Franchise Tax: Telephone



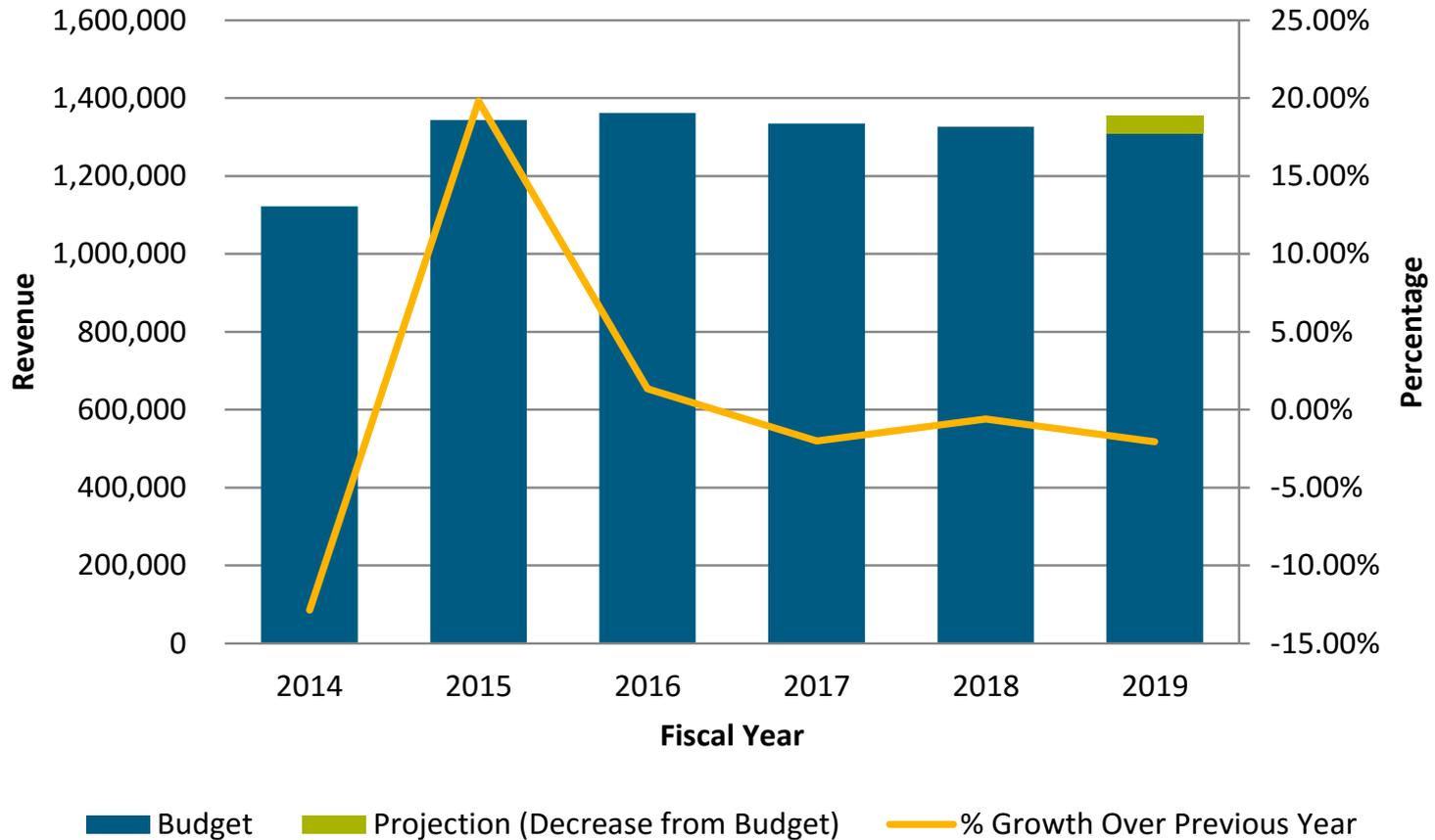
Franchise Tax

Franchise Tax: Electric



Franchise Tax

Franchise Tax: Cable



Revenue

Annual Budget vs. Projected

Revenue Type	Budget	Projected	Variance (\$)	Variance (%)
Property Tax	\$21,664,477	\$21,983,424	\$318,947	1.47%
Sales Tax	\$17,121,276	\$17,809,477	\$688,201	4.02%
Franchise Tax	\$12,530,550	\$12,892,717	\$362,167	2.89%
Motor Vehicle Taxes	\$3,694,490	\$3,683,787	(\$10,703)	-0.29%
Other Taxes	\$322,690	\$310,610	(\$12,080)	-3.74%
Fines & Forfeitures	\$1,199,105	\$1,147,106	(\$51,999)	-4.34%
Licenses and Permits	\$2,655,300	\$2,727,300	\$72,000	2.71%
Intergovernmental	\$1,148,065	\$1,148,065	\$0	0.00%
Charges for Service	\$8,826,224	\$8,901,187	\$74,963	0.85%
Material and Fuel Sales	\$0	\$1,860	\$1,860	
Investment Earnings	\$120,000	\$334,334	\$214,334	178.61%
Other	\$1,730,838	\$1,740,105	\$9,267	0.54%
Sale of Property	\$0	\$0	\$0	100.00%
Transfers In	\$804,515	\$804,515	\$0	0.00%
Total	\$71,817,530	\$73,484,487	\$1,666,957	2.32%

Expenses, Account View

Annual Budget vs Projected

Account Type	Budget #6	Projected	Variance (\$)	Variance (%)
Personal Services	\$48,844,928	\$49,051,989	(\$183,549)	-0.38%
Supplies for Resale	\$255,500	\$255,500	\$0	0.00%
Other Supplies & Services	\$11,933,524	\$12,707,999	(\$774,250)	-6.49%
Repairs & Maintenance	\$1,576,710	\$1,650,854	(\$74,144)	-4.70%
Utilities	\$1,749,764	\$1,753,444	(\$3,680)	-0.21%
Fuel & Lubricants	\$512,803	\$508,163	\$4,640	0.90%
Miscellaneous	\$103,950	\$105,750	(\$1,800)	-1.73%
Capital Outlay	\$171,000	\$171,000	\$0	0.00%
Interdepartment Charges	\$6,402,753	\$6,402,753	\$0	0.00%
Transfers Out	\$1,498,198	\$1,498,198	\$0	0.00%
Total	\$73,049,130	\$74,105,650	(\$1,032,783)	-1.41%

Expenses, Dept. View

Annual Budget vs. Projected

Department	Budget #6	Projected	Variance (\$)	Variance (%)
Administration	\$4,731,153	\$4,705,990	\$25,164	0.53%
Public Works Engineering	\$5,708,298	\$5,619,274	\$89,024	1.56%
Law Enforcement	\$21,013,359	\$21,528,868	(\$515,509)	-2.45%
Fire Department	\$19,009,581	\$19,549,196	(\$539,615)	-2.84%
Finance	\$10,750,894	\$11,013,647	(\$262,753)	-2.44%
Legal Services	\$1,464,112	\$1,542,316	(\$78,204)	-5.34%
Municipal Court	\$1,032,107	\$937,090	\$95,017	9.21%
Public Works Operations	\$4,822,305	\$4,876,734	(\$54,429)	-1.13%
Development Services	\$3,804,981	\$3,699,344	\$129,375	3.40%
Planning & Special Projects	\$712,338	\$633,191	\$79,147	11.11%
Total	\$73,049,128	\$74,105,650	-\$1,032,783	-1.41%

General Fund Net Income

	FY16 Actual	FY17 Actual	FY18 Preliminary YE	FY19 Budget	FY19 Budget 6	FY19 Projections
Total operating revenues	64,964,658	66,876,874	70,081,739	71,817,530	71,817,530	73,269,663
Total operating expenditures	59,717,377	64,087,657	67,291,624	69,795,503	73,049,129	74,105,649
Net Income (excl. one time)	5,247,281	2,789,217	2,790,115	2,022,027	(1,231,599)	(835,986)
Total Revenue	64,964,658	66,876,874	70,396,569	72,139,760	71,817,530	73,484,487
Total Expense	59,717,377	65,608,565	68,593,769	71,050,067	73,049,129	74,105,649
Net Income (incl. one time)	5,247,281	1,268,309	1,802,800	1,089,693	(1,231,599)	(621,162)
Estimated Fund Balance %	42.60%	41.67%	34.77%	35.08%	30.34%	30.73%

One-time expenses/revenue:

- Amendment #1 (expansion items): \$575k
- Cass County Revenue Repayment: \$214k

Re-occurring expenses/revenue:

- Amendment #6 (Compensation): \$1.734m

Amended Fund	Amended Department	Added/ (Reduced)	New Amended budget
F100 General Fund	Administration 1. Automated Captioning for LSTV (\$18,000) 2. Software Replacement Fund (SLERP) (\$25,000)	\$43,000	\$4,601,333
F100 General Fund	Development Services 1. Building Inspector (\$110,798) 2. Senior Engineering Inspector Conversion (\$14,927)	\$125,725	\$3,591,978
F100 General Fund	PW Operations 1. Shop Fan Installation (\$36,000)	\$36,000	\$4,779,655
F100 General Fund	Fire 1. Lucas Device, AED for reserve command vehicle (\$15,775) 2. Toughbooks (x2) \$10,700 3. Communications Specialist (x6) (\$343,860)	\$370,335	\$18,874,304
F610 Fleet	1. Mechanic (\$53,366) 2. Computers (x3) \$5,500 3. Truck Post Lifts \$25,000 4. Sedan VERP Upgrade to F150 (\$5,221) 5. Ambulance VERP Upgrade to 4x4 (\$4,500) 6. Vehicle for Support Services (\$21,000)	\$114,587	\$6,191,370
F500 Water Utilities	1. Accoustic leak correlation equipment (\$32,000) 2. Maintenance Workers (x2) \$91,072 3. Seasonal Laborers (x2) 10,710 4. Timekeeping System (\$9,500) 5. Utility Trailer (\$9,000)	\$152,282	\$43,343,763
F510 Airport	1. Line Attendant .5 FTE Increase (\$15,969) 2. Line Attendant 1 FTE Increase (\$23,710) 3. De-icing Equipment (\$10,450) 4. Improvements to Hangar 1 HVAC (\$12,373) 5. Circulating Fan for Hangar 1 (\$11,789) 6. Hangar 1 Electronic Gate Opener (\$15,155) 7. Window and door awnings for Hangar 1 (\$10,000)	\$99,446	\$2,323,133



FY19 Budget Amendment No. 7

FY19 Budget Amendment No. 7

Amended Fund	Amended Department	Added/ (Reduced)	New Amended budget
F100 General Fund	Police Department	\$515,509	\$21,528,868
F100 General Fund	Fire Department	\$539,615	\$19,549,196
F100 General Fund	Finance	\$262,753	\$11,013,647
F100 General Fund	Legal Services	\$78,204	\$1,542,316
F100 General Fund	Public Works Operations	\$54,429	\$4,876,734
F200 Parks and Recreation		\$650,000	\$4,095,394
F202 Legacy Park Community Center		\$190,551	\$2,117,905
F203 Summit Waves		\$19,138	\$644,971
F204 Cemetery Trust Fund		\$748	\$203,967
F220 Business Fund		\$75,000	\$649,044
F520 Solid Waste Management		\$301,884	\$2,859,479



Packet Information

File #: 2019-2558, **Version:** 1

Review of Economic Development Opportunity Funding

Issue/Request:

At the request of Chairman Johnson, information regarding Economic Development Opportunity Funding is being provided.

Key Issues:

An amount of \$100,000 has been budgeted as a part of the Development Services Budget for the purpose of supporting Economic Development Opportunities. The funds have been used to perform market analysis, legal expenses incurred by the City, and to assist with marketing and promotion of Economic Development opportunities located within the City.

Currently, \$51,200 has been spent or encumbered. \$48,800 is currently unallocated.

Staff will be available to answer any questions or provide any additional information.

Ryan Elam, Director of Development Services

Packet Information

File #: 2019-2552, Version: 1

Presentation of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2018 by RubinBrown LLP.

Key issues:

Each year the City is required to undergo an independent audit of its financial statements. In addition, a Single Audit is performed on grant expenditures.

The City received an unmodified audit opinion.

The Single Audit Report, Section II (beginning on page 10) notes any financial statement findings. In this fiscal year, there were three findings noted, none of which was considered a material weakness. Corrective actions have been implemented on each of the three deficiencies as noted in the Single Audit Report, Page 13.

Kaleb Lilly, along with his team from RubinBrown will be here to present the report to the committee.

Kaleb Lilly, RubinBrown

Committee Recommendation: Presentation only. No action required.

City Of Lee's Summit, Missouri



Presentation Of Results Of Annual Audit
And Required Communications



for the year ended
June 30, 2018

Auditor Communications

City of Lee's Summit, Missouri

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

We have audited the basic financial statements of the City of Lee's Summit, Missouri (the City) for the year ended June 30, 2018. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used by the City and the significant estimates made by the City's management as well as evaluated the overall financial statement presentation.

Auditing Standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

This information is intended solely for the use of the Honorable Mayor, Members of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

RubinBrown LLP

January 15, 2019

Auditor Communications (Continued)

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and Uniform Guidance</p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the City complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements does not relieve you or management of responsibility for the accuracy of the financial statements.</p> <p>Professional standards also require that we obtain a significant understanding of the City's internal control to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p>	<p>We have audited the financial statements of the City of Lee's Summit, Missouri (the City) and the City's compliance with laws and regulations applicable to each of its major federal programs for the year ended June 30, 2018 and have issued the following:</p> <ul style="list-style-type: none"> ■ An unmodified opinion on the City's financial statements for the year ended June 30, 2018. ■ A report on internal control over financial reporting and on compliance based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i>. ■ An unmodified opinion on compliance and a report on internal control over federal programs in accordance with Uniform Guidance. ■ An in-relation-to opinion on the combining and individual fund financial statements and schedules. ■ No opinion on the management's discussion and analysis and other RSI included within the financial statements. ■ No opinion on the introductory and statistical sections of the CAFR.

Auditor Communications (Continued)

AREA	COMMENTS
Other Information In Documents Containing Audited Financial Statements	<p>To our knowledge, the 2018 audited financial statements are not included within any other document.</p>
Planned Scope And Timing Of The Audit	<p>We performed the audit according to the planned scope and timing previously communicated to you through our engagement letter regarding the nature, timing and extent of our audit procedures.</p>
Qualitative Aspects Of Accounting Practices Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.	<ul style="list-style-type: none"> ■ Significant accounting policies are described in Note 1. ■ The City implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions during the year. ■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. ■ No significant transactions have been recognized in a different period than when the transactions occurred.

Auditor Communications (Continued)

AREA	COMMENTS
<p>Management Judgments And Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p> <p>We evaluated the key factors and assumptions used to develop the estimates noted at right in determining that these amounts are reasonable in relation to the financial statements taken as a whole.</p>	<ul style="list-style-type: none"> ■ Allowance for uncollectible taxes and other accounts receivable ■ Useful lives of capital assets ■ Actuarial assumptions in the calculation of annual pension and OPEB costs ■ Estimated liability for payment of incurred (both reported and unreported) but unpaid self insurance claims ■ Estimated cost of closure and post closure care of the solid waste landfill ■ Acquisition value of contributed capital assets
<p>Financial Statement Disclosures</p> <p>The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements users. The most sensitive disclosures affecting the financial statements are:</p>	<ul style="list-style-type: none"> ■ Note 2 – Deposits and investments ■ Note 4 - Long-term obligations ■ Note 7 - Employee retirement plan ■ Note 8 - Other post employment benefits (OPEB) ■ Note 10 - Closure and postclosure care costs ■ Note 13 – Tax Abatements
<p>Difficulties Encountered In Performing The Audit</p>	<p>There were no difficulties encountered in dealing with management related to performance of the audit.</p>

Auditor Communications (Continued)

AREA	COMMENTS
Corrected And Uncorrected Misstatements	Professional standards require us to accumulate factual, judgmental and projected misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction. Management has corrected one misstatement. See the attachment labeled Adjusting Journal Entries. We accumulated no uncorrected misstatements.
Disagreements With Management	None
Management Representations	We have requested certain representations from management that are included in the management representation letters dated December 20, 2018 and updated through January 15, 2019. Copies of the signed representation letters are attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the City's auditors.

Accounting Pronouncements

GASB Statement No. 83, Certain Asset Retirement Obligations

- Requires recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs).
- An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.
- Effective for periods beginning after June 15, 2018.

GASB Statement No. 87, Leases

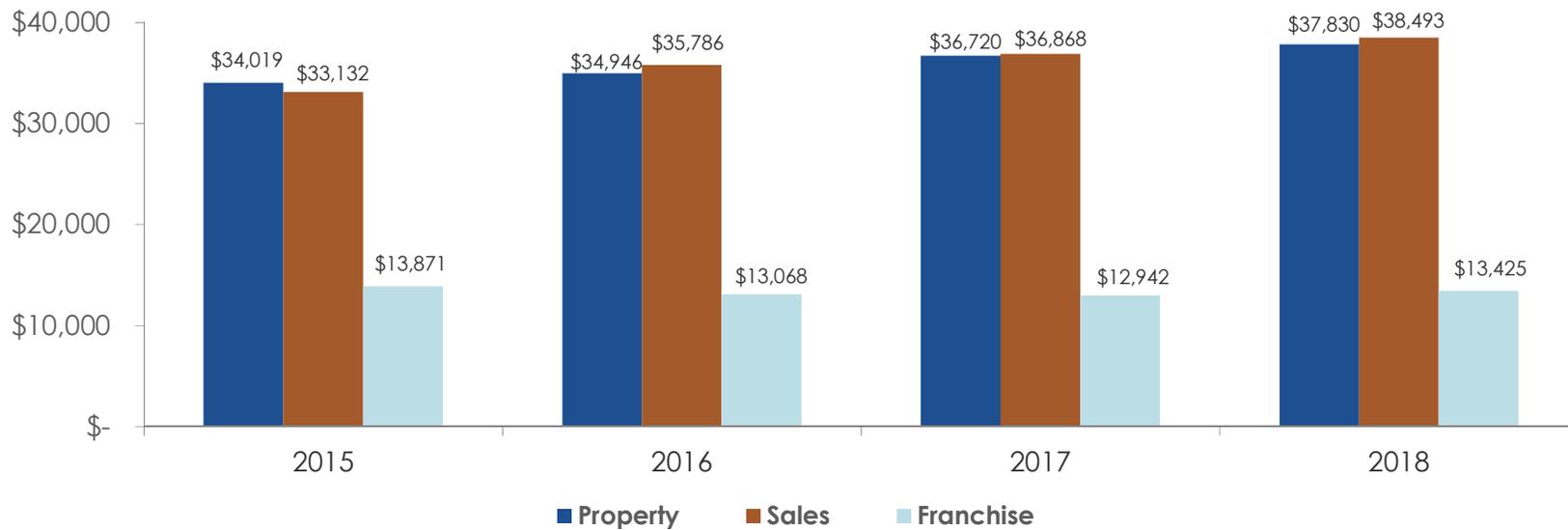
- Requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- Recognize a lease liability and an intangible right-to-use lease asset.
- Effective for periods beginning after December 15, 2019.

GASB Statement No. 88, Certain Disclosures Related to Debt

- Requires disclosure of amounts of unused lines of credit.
- Requires disclosure of assets pledged as collateral for debt.
- Requires disclosure of terms specified in debt agreements with finance-related consequences such as termination events or acceleration clauses.
- Effective for periods beginning after June 15, 2018.

Graphs

**Selected Tax Revenues - Governmental Funds
(In Thousands)**

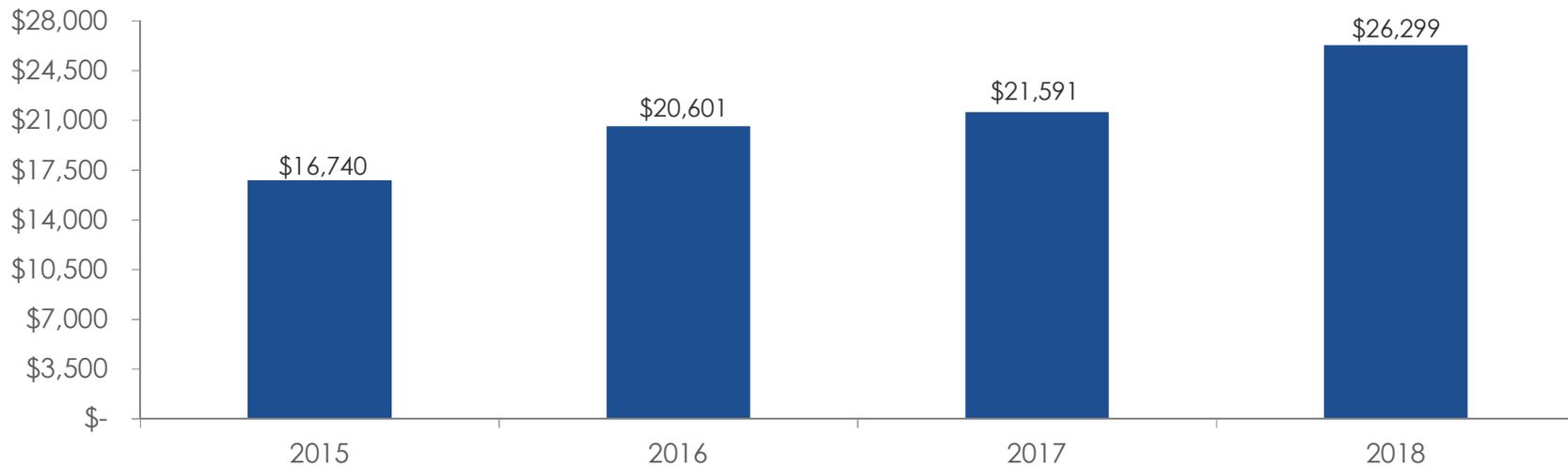


OBSERVATION

Both sales taxes and property taxes have had steady increases each year since 2015. Franchise taxes show a notable rebound in 2018 stemming from electric and natural gas franchise tax receipts. Telecom franchise taxes continue to decline.

Graphs (Continued)

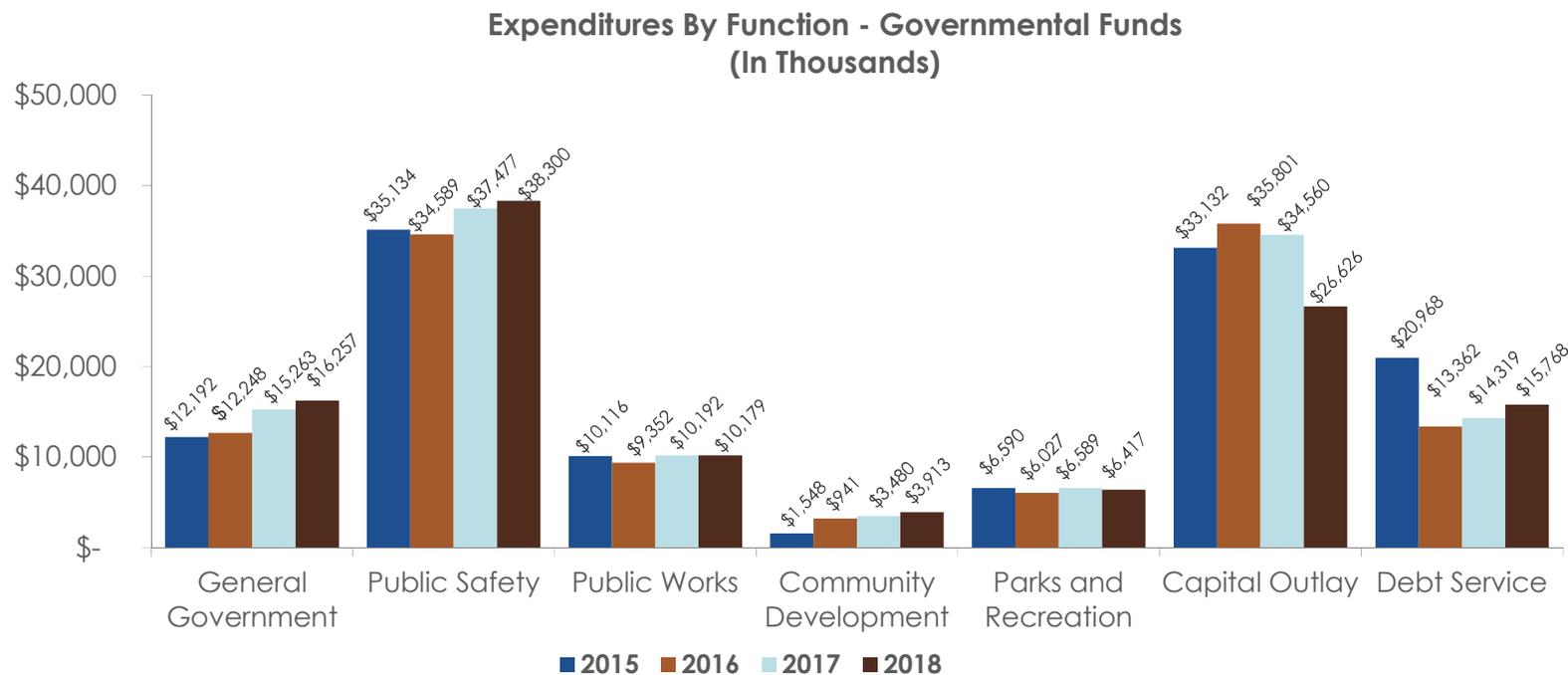
**Unassigned Fund Balance - General Fund
(In Thousands)**



OBSERVATION

From 2015 to 2018, the General Fund has had a surplus of revenues over expenditures and the unassigned fund balance in the General Fund has been steadily growing. The 2018 balance represents approximately 39% of the expenditures in the fund for the entire year. In 2018 \$2 million was set aside to fund recommendations from a compensation study. The implementation was delayed and rolled over into 2019 and included in the \$4.708 million surplus for 2018.

Graphs (Continued)



OBSERVATION

Current year increase in general government and public safety categories are largely due to additional FTEs, rising insurance costs, and increased contractual adjustments of ambulance fees. The increase in debt service expenditures for 2015 related to refunding certain bonds with the issuance of new debt.

Graphs (Continued)

Total Expenditures- General Fund



This graph depicts how the City expended each General Fund dollar during the fiscal year.

Cyber Security: Principles For Council Consideration

City of Lee's Summit, Missouri

- I Council Members should consider cybersecurity as an enterprise-wide risk management issue, not just an IT issue.
- II Council Members should understand the legal implications of cyber risks as they relate to their City's specific circumstances.
- III City Council should have adequate access to cybersecurity expertise, and discussions about cyber-risk management should be given regular and adequate time on the Council meeting agenda.
- IV Council Members should set the expectation that management will establish an enterprise-wide cyber-risk management framework with adequate staffing and budget.
- V Council and management discussions of cyber-risk should include identification of which risks to avoid, accept, mitigate or transfer through insurance, as well as specific plans associated with each approach.

A publication from the  **RubinBrown** **Trusted Security Center of Excellence**

Independent Auditors' Report On Additional Information

City of Lee's Summit, Missouri

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

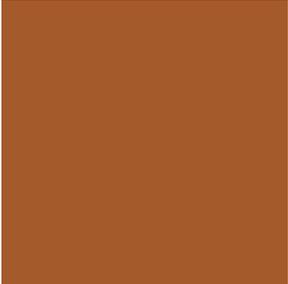
Our report, dated December 20, 2018, on our audit of the basic financial statements of the City of Lee's Summit, Missouri (the City) for the year ended June 30, 2018 accompanies the financial statements of the City. That audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The additional information presented on pages 6 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no such opinion on it.

RubinBrown LLP

January 15, 2019

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Management Representation Letters



LEE'S SUMMIT MISSOURI

December 20, 2018

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, Missouri 64105

The City of Lee's Summit, Missouri (referred to as the "City" or "We") is providing this letter in connection with RubinBrown, LLP's ("you" or "your") audit of the City's financial statements as of June 30, 2018, and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and, where applicable, cash flows thereof in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The City confirms that it is responsible for the fair presentation of such financial statements in conformity with GAAP.

The City understands it is responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provided, for evaluating the adequacy and results of the services performed, and accepting responsibility for such services.

The City confirms, to the best of its knowledge and belief the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. All events subsequent to the date of the financial statements, and for which GAAP requires adjustment or disclosure, have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
9. Guarantees, whether written or oral, under which the City Council is contingently liable, if any, have been properly recorded or disclosed.
10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of City Council meetings and summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have disclosed to you all known instances of noncompliance and suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known, actual, or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
18. We have made available to you all financial records and related data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. As part of your audit, you assisted with preparation of the financial statements and related notes, the schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and

- accepted responsibility for those financial statements and related notes, the schedule of expenditures of federal awards.
27. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 28. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 29. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
 30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
 31. The financial statements properly classify all funds and activities.
 32. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 33. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
 34. Investments, derivative instruments, and land are properly valued.
 35. Provisions for uncollectible receivables have been properly identified and recorded.
 36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
 39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
 40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
 41. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
 42. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and

the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

43. With respect to the combining and individual non-major fund financial statements and schedules,
 - a. We acknowledge our responsibility for presenting the combining and individual non-major fund financial statements and schedules in accordance with GAAP, and we believe the combining and individual non-major fund statements and schedules, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the combining and individual non-major fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the combining and individual non-major fund financial statements and schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

44. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the requirements set forth in the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Uniform Guidance Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions

taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the OMB Uniform Guidance Compliance Supplement.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for, and have accurately prepared, the auditee section of the Data Collection Form as required by the Uniform Guidance.
- z. We are responsible for preparing and implementing a corrective action plan for each audit finding, if any.

45. We have evaluated and classified any subsequent events as recognized or non-recognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Darlene Pickett

Darlene Pickett, Controller

Bette Wordelman

Bette, Wordelman, Finance Director

Stephen A. Arbo

Stephen A. Arbo, City Manager

ATTEST:

Julia Lauderback
CITY CLERK

Client: 20600.0000 - City of Lee's Summit
 Engagement: 2018 AUD - City of Lee's Summit
 Period Ending: 6/30/2018
 Trial Balance: TB
 Workpaper:

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To adjust debt issuance fund level entries to present correctly on fund level statements (original entries were netted, and discount/premium was not separate from expense accounts to show as other financing source/use)				
300-4900A	(Premium) Discount on Debt Issuance		265,375.00	
352-4900-0	Bond Proceeds		759,690.00	
352-7802-0	Fiscal Agent Expense		43,908.00	
300-7802-0	Fiscal Agent Expense			265,375.00
352-4900A	(Premium) Discount on Debt Issuance			803,598.00
Total			<u><u>1,068,973.00</u></u>	<u><u>1,068,973.00</u></u>



LEE'S SUMMIT
MISSOURI

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

CITY OF LEE'S SUMMIT, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Report issued by the Department of Finance

CITY OF LEE'S SUMMIT, MISSOURI

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CITY OF LEE'S SUMMIT, MISSOURI

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Introductory Section



LEE'S SUMMIT

MISSOURI

December 20, 2018

The Honorable Mayor and City Councilmembers:

Transmitted herewith is the annual financial report for the City of Lee's Summit, Missouri (the City) for the fiscal year ended June 30, 2018. The Finance Department prepared this report and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Profile of the Government

The City was organized on December 1, 1865 under the laws of the State of Missouri. The City became a Charter City on April 2, 1996 when voters approved the Home Rule Charter. The charter established a government in which the City Council, consisting of eight members, two per district, elected by their respective district's citizens, performs the legislative duties of the City. The City Council holds Regular Sessions the first and third Tuesday of each month and has an additional "Work or Study Session" on the second Tuesday of each month. The executive power in the City is vested in the Mayor, who is recognized as the head of the City for all legal and ceremonial purposes. The Mayor is elected at large by the City electorate. The City Manager is the chief administrative officer of the City. The City Manager is appointed by the Mayor with the advice and consent of a majority of the City Council.

Lee's Summit is approximately 65 square miles in size and is located at the suburban edge of the Kansas City metropolitan area and has absorbed significant growth in the last three decades. In 1980, the City's population was approximately 28,000 and 46,500 in 1990. The city experienced a 53 percent increase in population from 1990 to 2000 and increased in population by more than 29 percent between 2000 and 2010. Today's population is approximately 97,135.

The City is well served by several interstate, federal and state highways. Interstate 470, which rings the southeastern part of the Kansas City metropolitan area, and connects with Interstates 70 and 435, dissects the City of Lee's Summit. These interstates also connect with Interstates 35 and 29, thereby giving Lee's Summit excellent access to the entire metro area. Two federal highways, U.S. 50 and U.S. 40, and two state highways, M-291 and M-150, also connect Lee's Summit to Kansas City and the surrounding area. Significant road improvements throughout the community over the past ten years have enhanced safety, alleviated traffic congestion, and opened areas for development. Amtrak and the Union Pacific Railroads also serve the City. The Lee's Summit Municipal Airport has both north/south and crosswind directional runways.

Utility service in the City is mixed between public and private companies. Water and sanitary sewerage utilities are operated by the Water Utilities Department of the City. Water and sewerage rates are established to meet the total revenue requirements of the utilities. Natural gas is supplied by the Spire (formerly Missouri Gas Energy/Laclede Gas Company) and electricity by Kansas City Power and Light. Both traditional and cellular phone service is provided by numerous companies.

All major commercial television networks, independent local stations as well as public television and various cable & satellite television companies service the City, and a number of AM and FM stations broadcast throughout the area.

In addition to the *Kansas City Star* daily newspaper and its supplemental *Lee's Summit Journal*, the city is served by the *Lee's Summit Tribune* and *The Examiner*.

Education

The City of Lee's Summit boundaries overlap several school districts. The Lee's Summit R-7 School District represents 83% of the total area and is recognized as one of the top educational systems in the state and nation. In addition, the R-7 School District has won Missouri's Distinction in Performance Award, the state's highest recognition for academic achievement. The school district's enrollment has increased from 9,125 pupils in 1990 to 18,157 in 2018 and expects growth to continue. The R-7 School District has 18 elementary schools, 3 middle schools and 3 high schools, an alternative secondary school, a secondary technology academy, an early education center, a special-education, day-treatment center, and the Lee's Summit R-7 Aquatic Center. Within City limits, the Blue Springs R-4 School District also has an elementary school and a middle school.

There are numerous higher education institutions located within the Kansas City metro area that are accessible to residents in Lee's Summit. For continuing education and associate's programs, the Metropolitan Community College – Longview is another award-winner with nearly 4,300 students enrolled per year. Undergraduate completion programs are available through the University of Central Missouri's Summit Center Campus.

The Mid-Continent Public Library system has two facilities in Lee's Summit, one in the east central section and one in the west central part of the City.

Recreation and Cultural Facilities

Lee's Summit Parks and Recreation offers a quality of life that is second to none. This Gold Medal Award winning department manages a wide range of programs and activities throughout the Lee's Summit community. One hundred and twelve staff and hundreds of seasonal staff care for over 1,200 acres, almost 70 miles of trails, manage three community centers, a water park, an amphitheater, and provide more than 3,100 programs and events annually. To help serve the population, a volunteer program was created; and approximately 3,300 volunteers contributed over 98,000 hours. Lee's Summit Parks and Recreation nurtures public and private partnerships with county parks, private developers and other city departments to create land agreements, new neighborhood parks and the two dog parks.

Lee's Summit Parks and Recreation also supports and encourages arts, culture and beautification throughout the City. From free downtown festivals, to an Arts Council grant program and Arts Summits, to the Beautification Committee awards, Lee's Summit Parks and Recreation ensure the continuance and growth of a thriving arts community in Lee' Summit.

The Park Board continues to support significant improvements to existing parks and recreation facilities based on a citizen-based strategic plan called "Legacy for Tomorrow and Beyond" with voters approving a fifteen year extension of the Parks and Soils sales tax in 2016. These projects are funded through user fees, Parks and Soils sales tax and property taxes as well as cooperative development agreements in which potential neighborhood park land is donated by developers.

Lake Jacomo, Longview Lake, Blue Springs Lake and Prairie Lee Lake are located in Jackson County Parks within the City limits of Lee's Summit and offer numerous recreational activities such as boating, fishing, camping, skiing and swimming. Lee's Summit residents and the Kansas City metropolitan area enjoy these lakes.

Commerce, Industry and Employment

Lee's Summit continues to see growth in commercial and residential development.

Two highway interchanges opened in 2010 serving Lee's Summit. The I-470 and 350/50 Highway interchange opened up approximately 150 acres of commercial land for new development and improved access to two regional shopping centers with 1.2 million square feet of retail space along with reducing traffic congestion and improving safety. The Strother Road interchange provides convenient access from the interstate to a light industrial area, alleviates traffic congestion, and has increased economic development in the area. Completed in the last year, a new interchange on US 50 Highway and Blackwell Road and reconstruction of the interchange on US 50 Highway at M-291 South. These two interchanges will help alleviate traffic congestion, improve safety and spur economic development.

The City of Lee's Summit has a broad spectrum of major employers. They include companies that manufacture everything from plastic containers to tools to electronic components. In addition to manufacturing, there are a wide variety of services such as customer service centers for pharmaceuticals and telecommunications firms, data management and processing centers and educational institutions. There are twelve business sites in Lee's Summit with 500 employees or more.

John Knox Village is recognized as one of the largest and most comprehensive life plan communities in the nation. The not-for-profit community offers a variety of engaging lifestyle opportunities in independent living, assisted living/residential care and skilled nursing as well as an abundance of services and amenities. The Village also provides home health and hospice series to patients who live both on campus and across the metropolitan area. Located on 450 acres, more than 1,500 residents enjoy services and amenities in nearly 1,600 housing choices, ranging from free standing homes to apartment complexes, including private assisted living apartments and a skilled nursing center.

The City has seen its retail sales tax base increase significantly in the past fifteen years. The pattern of retail development in Lee's Summit follows closely with major traffic routes. The 800,000-square-foot Summit Woods Crossing is located west of US 50 Highway and just south of I-470. It includes anchor tenants such as Lowe's, Kohl's, Best Buy, Target, and specialty stores such as Michaels and Bed Bath and Beyond. Summit Fair, a 507,000-square-foot, open-air lifestyle center, is located east of US 50 Highway and just south of I-470. Opening in August 2009 and anchored by Macy's and JC Penney, it includes men's and women's fashion, fast-casual eateries, sit-down restaurants and specialty retailers. Smaller centers are scattered throughout the City, generally along highways M-291, M-150 and US 50.

The City, in cooperation with the Unity Village School of Christianity, approved the annexation and development of approximately 300 acres of land south of Colbern Road in 2012. This property contains an estimated 2.2 million square feet capacity for 'Class A' and other commercial oriented development upon full build out.

Major Initiatives

The following table sets forth average annual unemployment figures for Lee's Summit and for the State of Missouri, obtained from the Bureau of Labor Statistics, compared to national figures:

Year	Area Unemployment Rate	Statewide Unemployment Rate	United States Unemployment Rate
2018	2.7%	3.5%	4.2%
2017	2.8%	3.8%	4.5%
2016	3.7%	5.0%	5.1%
2015	4.0%	5.2%	5.5%
2014	4.9%	6.3%	6.3%

The City of Lee's Summit continues to be an active and growing community. 2,510 building permits were issued in calendar year 2017 (including alterations, additions and demolitions).

The City's population has grown from 28,416 in 1980, 47,253 in 1990, 70,700 in 2000 and 91,364 in the 2010 census to an estimated population of 97,135 as of December 2017.

Capital projects of \$42.5 million were constructed during the year using proceeds of General Obligation Bonds, Certificates of Participation, water and sewer connection fees, transportation sales and excise taxes together with grant funds for buildings, street, airport, water and sewer improvements.

The Lee's Summit 360° Strategic Planning process completed its 8th year in the implementation phase. In August 2009, the City Council approved a resolution adopting this as the City's long-term strategic plan. This is the third such plan that the community of Lee's Summit has collaborated together to create. The first strategic plan was completed in 1993 with a follow-up in 1998. Many of the accomplishments attributed to the quality of life in our community, and the excellence in City services are a result of these processes. From the City Hall complex to the renovated downtown corridor, strategic planning has dramatically changed the way Lee's Summit has developed during the last 25 years.

Citizen participation has become the norm in Lee's Summit. From involving citizens in identifying problems to inviting them to be part of suggesting solutions, citizens are empowered to contribute their time and talents in many ways. Lee's Summit has a wide variety of volunteer boards and commissions and an opportunity for anyone who desires to get involved. The implementation of our citizen strategic plan is just one of the reasons why Lee's Summit has passed 21 successful ballot issues in a row.

Long-Term Financial Planning

Over the years, one of the City's strengths has been its strong financial condition and prudent financial management. The City has diligently developed and implemented annual budgets that provide our citizens consistent, reliable municipal services and programs.

The City has experienced modest growth in revenue categories such as property tax, sales tax and vehicle tax in recent years. The City continues to focus on cost containment efforts to continue to meet fiscal priorities to residents. These cost containment efforts began during fiscal year 2009 and continue into 2018, as vacant positions are carefully evaluated and approved and filled only when essential.

General Fund expenditures are recommended to increase 5.74% over the previous year's budget. These increases are due to employee merit increases, EMS insurance adjustments, and tax abatement and incentive payments.

Financial Information

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues and expenditures or expenses.

Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control is established at the activity level by the encumbrance of purchase orders with material balances before their release to vendors. Purchase orders that result in an overrun of activity balances are not released until alternative sources of payment are made available.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluation by the management of the City.

As a part of the City's single audit, tests are made to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2018 provided for two significant deficiencies in internal control, which was also a violation of applicable laws and regulations. This report is available in the City of Lee's Summit's separately issued Single Audit Report.

Major Revenue Sources

The City's largest source of revenue is from sales taxes.

Combined property, franchise and excise tax revenues comprise 45% of total governmental revenue.

Property tax is an ad valorem tax, levied on all real and personal property, based upon the assessed valuation as established by the County Assessor on January 1st of each year. Real property assessed valuation is determined by applying the "market value" times the appropriate assessment ratios. They are as follows: Commercial/Industrial-32%; Residential-19%; Agricultural-12%. Personal property assessed valuation is set at 33% of market value and is determined by the State Tax Commission. Each year the City Council must set the rates to be levied for the City's property taxes.

Utility franchise fees are gross receipt taxes levied on all service charges for customers subscribing to natural gas, electricity, telecommunications and cable television service within the City's boundaries. Franchise taxes are directly dependent on the weather conditions and will vary with extreme periods of heat or cold.

The road excise tax is in the form of a license tax on building contractors to be paid on all development which requires a building permit and results in additional traffic (vehicle trips). These revenues are used to construct streets, roads, bridges and related improvements.

Sales taxes comprise approximately 33% of total governmental revenue.

The City imposes a total sales tax of 2.25% on all goods and commodities sold within the City limits with the exception of pharmaceutical drugs and farm machinery. The State of Missouri receives the tax from the respective business and distributes the funds monthly to the City.

The general sales tax is a one cent sales tax used for the General Fund.

The transportation tax is a one-half cent sales tax used for funding transportation projects only. This tax is not levied on utilities.

The capital project sales tax is a one-half cent sales tax with a sunset as approved by the voters of Lee's Summit for streets, roads, bridges, stormwater, and other transportation related improvements. The tax became effective beginning April 1, 1998. This tax was approved by voters in April 2017 for an additional fifteen years at the same rate. This tax will sunset on March 31, 2033.

The local parks sales tax is a one-quarter cent sales tax with a sunset to fund four key elements of the "Legacy for Tomorrow" plan. Previously, this tax rate was three-eighths cent. The new rate became effective on April 1, 2008. These revenues will be used to fund future capital projects and operations. This tax will sunset on March 31, 2033.

The state motor vehicle fuel tax is distributed to the City on the city-to-state population ratio. The ratio is based on the U.S. census figures and will fluctuate with statewide consumption and population changes, as they become measurable.

The City actively applies for many federal and state pass-through grant funds that may be available. Many of these grants are designed to provide start-up funds or are for limited periods of time.

Enterprise Funds

The City operates four Enterprise Funds: the Combined Waterworks and Sewerage System, the Airport, the Solid Waste Management (Sanitary Landfill) and the Harris Park Community Center.

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate of capital maintenance, public policy, management control, accountability or other purposes.

Combined Waterworks and Sewerage System

The City's combined Water and Sewer System revenues include water and sewer connection fees intended to fund significant capital improvement projects identified in their respective master plans. The rate structure provides a capital improvement funding mechanism to upgrade and replace existing transmission and collection lines.

A strategic plan for the Water Utilities Department was adopted by the City Council in December 2011. This plan consisted of a comprehensive assessment phase followed by a strategic planning process. One of many recommendations of the plan was to adjust water rates in order to preserve financial reserves, address needed system improvements and offset increasing operating costs.

The City purchases its water from the City of Independence, Missouri (73%) and the City of Kansas City, Missouri Water Department (27%). Sewage treatment is provided by the Little Blue Valley Sewer District, which charges member cities on a volume treated basis. The City of Lee's Summit represents approximately 34% of the normalized flow of the Little Blue Valley metro sewer district.

Airport

The City operates the Lee's Summit Municipal Airport, which is designated by the Federal Aviation Administration as a reliever airport for the Kansas City metropolitan area. It is designed to reduce congestion at larger air carrier airports by providing general aviation pilots with alternate landing facilities. For fiscal year 2017 the airport was classified as a general aviation utility airport serving planes with gross weights of less than 30,000 pounds and landing speeds less than 121 knots. The airport is equipped with two runways, each approximately 4,000 feet long, and supports an estimated 34,000 takeoffs and landings of personal and business purposes per year. The Airport has 23 buildings and many tie down spots that house approximately 172 aircraft.

In April 2011, the *Airport Business Plan* was adopted by the City Council. The plan was developed to assess the potential to improve the Airport's financial performance, economic development and operation. Items identified in the plan to increase profitability range from extending a runway to attract more corporate aviation to improving terminal services and initiating a marketing strategy.

Following recommendation of the *Airport Business Plan*, the City initiated design and construction work for the runway extension. The project included major earthwork and concrete paving to complete an extension of the north/south runway 18-36 to 5,501 feet x 100 feet and extension of the crosswind runway 11-29 from 3,800 feet to 4,000 feet. The runway improvements allow heavier corporate jet to take off and land at the airport, and are expected to boost economic development and redevelopment in Lee's Summit by providing another option for transportation and accessibility. This work was completed in Fall 2017.

Solid Waste Management (Sanitary Landfill)

During 2016 the daily operations of the landfill were outsourced to an outside vendor. The landfill offers trash disposal, Household Hazardous Waste, yard waste/composting and several other environmental programs. The expansion of the original area should provide solid waste disposal early 2019.

Harris Park Community Center

The Harris Park Community Center, formerly known as the Recreation Center is a multipurpose recreational facility that is self-supporting and was renovated in 2008. The Center offers summer day camp for children, volleyball, soccer, basketball leagues and instruction, as well as numerous other activities and programs.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lee's Summit, Missouri for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 40th consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Honorable Mayor
and City Council members
City of Lee's Summit, Missouri

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document beginning July 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

Independent Audit

The City Charter requires an annual audit to be made of the financial statements of the various funds. This audit is performed by an independent certified public accounting firm selected by the City. The City's auditor is RubinBrown LLP.

Acknowledgments

The preparation of this report was accomplished through the efforts of the staff of the Finance Department in cooperation with the City's auditors, RubinBrown LLP. Our sincere thanks to all of those who assisted.

Respectfully submitted,



Stephen A. Arbo
City Manager



Bette Wordelman
Finance Director

THE CITY OF LEE'S SUMMIT

MAYOR

Bill Baird

DISTRICT 1

Rob Binney
Diane Forte

DISTRICT 3

Phyllis Edson
Beto Lopez

DISTRICT 2

Trish Carlyle
Craig Faith

DISTRICT 4

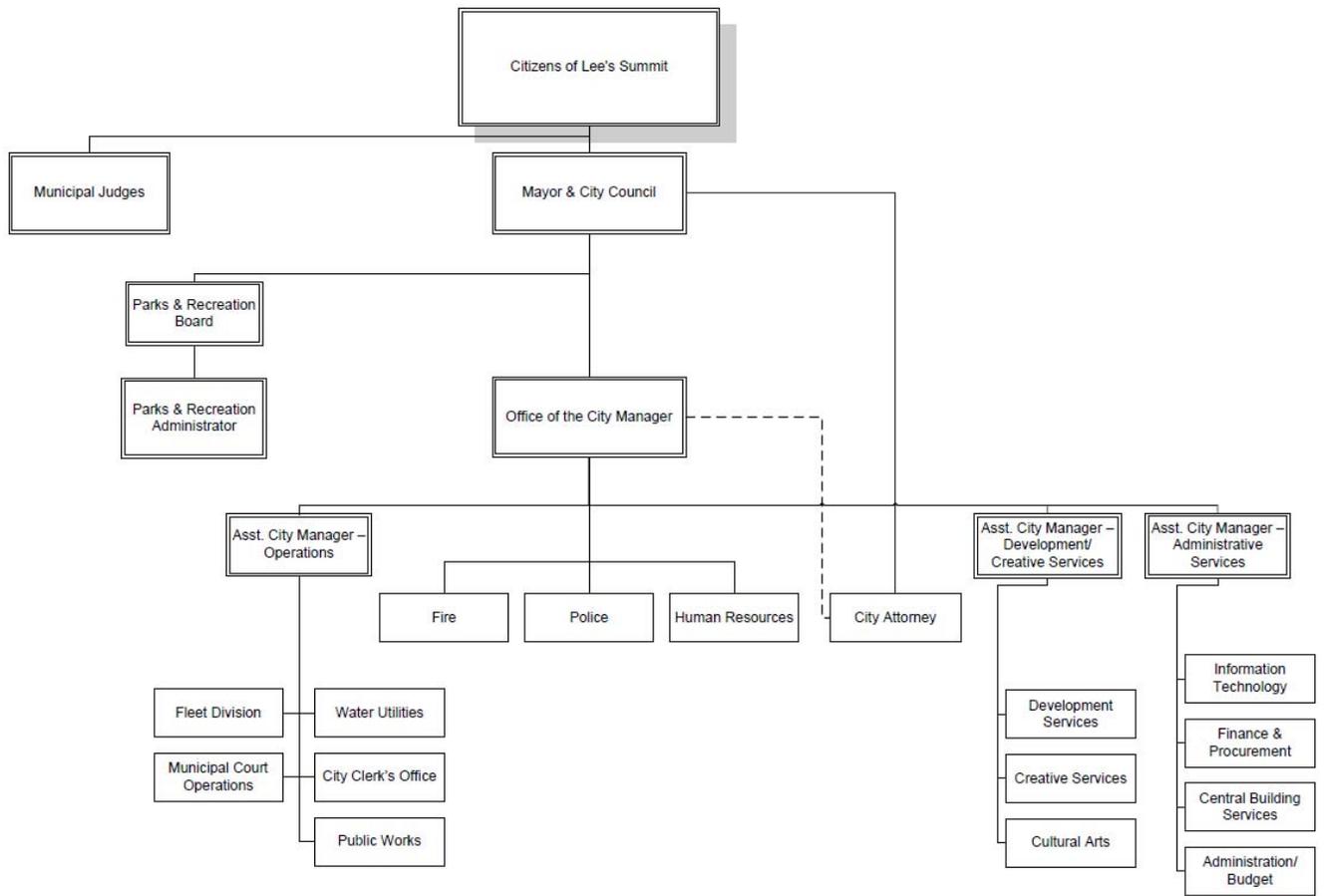
Fred DeMoro
Bob Johnson

FINANCE & PERSONNEL COMMITTEE

Bob Johnson, Chairman
Beto Lopez
Trish Carlyle
Phyllis Edson

ADMINISTRATION

Stephen A. Arbo, City Manager
Bette Wordelman, Finance Director
Rick Poeschl, Fire Chief
Brian Head, City Attorney
Travis Forbes, Police Chief
Joe Snook, Parks Administrator
Dena Mezger, Public Works Director
Mark Schaufler, Water Utilities Director
Robert McKay, Planning & Codes Administration Director
Mark Dunning, Development Center Director





Government Finance Officers Association

**Certificate of
Achievement
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Reporting**

Presented to

**City of Lee's Summit
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section



RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Independent Auditors' Report

The Honorable Mayor and Members
of the City Council
City of Lee's Summit, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Lee's Summit, Missouri, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Lee's Summit, Missouri's basic financial statements, as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lee's Summit, Missouri, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the City of Lee's Summit, Missouri adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Budgetary Comparison Information on pages 60 through 61, the Schedules of Selected Pension Information on page 62 and the Schedule of Changes in Total OPEB Liability and Related Ratios on page 63 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lee's Summit, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2018, on our consideration of the City of Lee's Summit, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lee's Summit, Missouri's internal control over financial reporting and compliance.

RubinBrown LLP

December 20, 2018

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CITY OF LEE'S SUMMIT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

As management of the City of Lee's Summit, Missouri (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. This is the 16th year of reporting in conformance with the guidelines prescribed in Governmental Accounting Standards Board's (GASB) Statement No. 34. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets of the City of Lee's Summit exceeded its liabilities at the close of the most recent fiscal year by \$893,483,103 (net position). Of this amount, unrestricted net position was negative \$3,540,791.
- The City's total net position increased \$33.1million. Of this amount, \$13.1 million was from the City's "governmental activities" and the balance was from the "business-type activities."
- The City's total debt increased approximately \$25.4 million (31%) during the current fiscal year. Factors in this increase are the issuance of \$15 million in General Obligation and \$33 million in TIF bonds.

Overview Of The Financial Statements

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

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

The *statement of net position* presents all of the City's assets and liabilities with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

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

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

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

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

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

Proprietary Funds. The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and equipment, management information systems, central building services, and self-insurance activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary and pension information. The combining statements for the nonmajor funds and internal service funds are presented immediately following the required supplementary information.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the City's financial position. As of June 30, 2018, assets exceed liabilities by \$893,483,103. The largest portion of the City's net position, \$758,966,531 (85%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following table reflects the condensed Statement of Net Position as of June 30, 2018 and 2017:

	Net Position					
	Governmental Activities		Business type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 151,455,073	\$ 111,930,192	\$ 64,324,244	\$ 61,585,858	\$ 215,779,317	\$ 173,516,050
Capital assets	528,061,298	518,961,296	274,467,857	261,179,352	802,529,155	780,140,648
Total assets	679,516,371	630,891,488	338,792,101	322,765,210	1,018,308,472	953,656,698
Deferred outflows of resources	6,239,945	10,565,548	281,856	600,643	6,521,801	11,166,191
LT liabilities outstanding	87,411,143	60,926,224	13,025,218	12,892,312	100,436,361	73,818,536
Other liabilities	15,405,017	17,371,565	5,276,432	9,737,809	20,681,449	27,109,374
Total liabilities	102,816,160	78,297,789	18,301,650	22,630,121	121,117,810	100,927,910
Deferred inflows of resources	9,896,776	1,750,963	332,584	126,433	10,229,360	1,877,396
Net position:						
Net investment in capital assets	487,120,128	475,492,143	271,846,403	257,714,352	758,966,531	733,206,495
Restricted	97,827,922	72,865,528	40,229,441	37,222,417	138,057,363	110,087,945
Unrestricted	(11,904,670)	13,050,613	8,363,879	5,672,530	(3,540,791)	18,723,143
Total net position	\$ 573,043,380	\$ 561,408,284	\$ 320,439,723	\$ 300,609,299	\$ 893,483,103	\$ 862,017,583

At the end of the current fiscal year, the City is able to report positive balances in invested in capital assets, net of related debt and restricted net position. There were five funds that did not have positive fund balances. One of these funds, The Todd George Tax Increment Financing (TIF) Fund, is a capital project fund with an interfund loan outstanding. One fund, Entitlement Fund, is a special revenue fund that is waiting on grant reimbursement. This fund currently has a temporary loan from other funds until proceeds are received. Two other funds are capital project funds. These include: Blue Parkway and Colbern Road CID which accounts for improvements related to a recently annexed area in the City and New Longview Farm TIF for historical preservation and improvements in the Longview Farm area. Lastly, the Sanitary Landfill is an enterprise fund that accounts for landfill operations and capital projects. These funds have temporary loans from other funds.

The City's combined net position increased to \$893.5 million from \$862 million as a result of this year's revenues exceeding expenses as reflected in the next table. The City's unrestricted net position for governmental activities was negative \$11.9 million. Total unrestricted net position was negative \$3.5 million including business-type activities of \$8.4 million.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

By far, the largest portion of the City's net position (85%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total net position of \$893.5 million is comprised of \$759 million invested in capital assets, net of related debt; \$138 million is restricted for pension, capital projects, debt service, law enforcement and economic development; negative \$3.5 million is unrestricted.

Net position increased \$31.5 million during the current fiscal year. Thirty-seven percent of this increase represents the increase in governmental activities. The City implemented GASB Statement 75 this fiscal year. With the reporting change, the City has allocated its proportionate share of the Other Post-Employment Benefits liability, deferred outflows of resources, deferred inflows of resources, and pension expense. Decisions regarding the allocations are based upon actuarial calculations, not by the City's management.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

Statement Of Activities

The following table reflects the revenues and expenses from the City's activities for the years ended June 30, 2018 and 2017:

	Changes In Net Position					
	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 14,806,671	\$ 13,387,971	\$ 43,525,216	\$ 48,847,818	\$ 58,331,887	\$ 62,235,789
Operating grants and contr	1,375,031	1,570,982	—	—	1,375,031	1,570,982
Capital grants and contr	5,661,103	24,491,263	8,077,310	5,644,782	13,738,413	30,136,045
General revenues:						
Property taxes	38,051,491	36,718,136	—	—	38,051,491	36,718,136
Sales and use taxes	39,369,885	37,662,496	—	—	39,369,885	37,662,496
Other revenue	22,121,454	21,187,446	114,217	416,564	22,235,671	21,604,010
Total revenues	121,385,635	135,018,294	51,716,743	54,909,164	173,102,378	189,927,458
Expenses:						
Public works	22,878,176	14,759,666	—	—	22,878,176	14,759,666
Public safety	39,526,693	40,634,376	—	—	39,526,693	40,634,376
Parks and rec	9,292,458	9,674,365	—	—	9,292,458	9,674,365
Planning and dev	3,912,862	3,479,519	—	—	3,912,862	3,479,519
General govt	24,349,810	32,139,295	—	—	24,349,810	32,139,295
Interst on LT debt	5,683,481	2,517,687	—	—	5,683,481	2,517,687
Combined water and sewer	—	—	29,115,965	29,061,497	29,115,965	29,061,497
Sanitary landfill	—	—	1,717,642	343,754	1,717,642	343,754
Airport	—	—	2,214,597	1,856,761	2,214,597	1,856,761
Rec Center	—	—	1,331,319	1,317,821	1,331,319	1,317,821
Total expenses	105,643,480	103,204,908	34,379,523	32,579,833	140,023,003	135,784,741
Change in net position before transfers	15,742,155	31,813,386	17,337,220	22,329,331	33,079,375	54,142,717
Transfers	(2,603,322)	627,939	2,603,322	(627,939)	—	—
Change in net position	13,138,833	32,441,325	19,940,542	21,701,392	33,079,375	54,142,717
Net position beginning	559,904,547	528,966,959	300,499,181	278,907,907	860,403,728	807,874,866
Net position ending	\$ 573,043,380	\$ 561,408,284	\$ 320,439,723	\$ 300,609,299	\$ 893,483,103	\$ 862,017,583

Governmental Activities

Governmental activities increased the City's net position by \$13.1 million.

Sales and Use taxes, the largest governmental category at 32% finished the year at \$39.4 million which was a \$1.7 million increase or 4.5% over the prior year. This increase, after recent years of flat or declining sales tax revenues, is fueled by stronger retail sales in the City's two major shopping centers and second Walmart store. Property taxes, the second largest governmental category at 31% finished the year at \$38.1 million which had an increase \$1.3 million or 3.6% over the prior year. This is due primarily to a rebounding housing market and new commercial construction. The third largest category, Franchise tax, came in at \$13.4 million for an increase of \$500,000. Overall, governmental revenues finished the year \$13.6 million below prior year. This decrease is primarily due to Capital grants finishing \$18.8 million below prior year.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

For the fiscal year ended June 30, 2018, revenues totaled \$173.1 million (governmental and business-type). Revenues from governmental activities totaled \$121.4 million or 70% of the total City revenues.

Governmental activities expenses increased \$2.4 million or 2.4% for the fiscal year ended June 30, 2018 compared to the fiscal year ended June 30, 2017. This increase is primarily due to capital projects that were under construction this year.

Certain revenues are generated that are specific to governmental program activity. These totaled \$4.2 million.

The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2018 and 2017:

	Net Cost Of Governmental Activities			
	Total Cost Of Service		Net Cost Of Service	
	2018	2017	2018	2017
General government	\$ 24,349,810	\$ 32,139,295	\$ (21,707,547)	\$ (29,552,761)
Public safety	39,526,693	40,634,376	(30,325,478)	(32,404,754)
Public works and streets	22,878,176	14,759,666	(16,081,518)	10,618,437
Planning and development	3,912,862	3,479,519	(3,729,340)	(3,281,011)
Parks and recreation	9,292,458	9,674,365	(6,273,311)	(6,616,916)
Interest on long-term debt	5,683,481	2,517,687	(5,683,481)	(2,517,687)
Total	\$ 105,643,480	\$ 103,204,908	\$ (83,800,675)	\$ (63,754,692)

As previously noted, expenses from governmental activities totaled \$105.6 million. However, net costs of these services were \$83.8 million. The difference represents direct revenues received from charges for services of \$14.8 million, operating grants and contributions of \$1.4 million and capital grants and contributions of \$5.7 million. Taxes and other revenues of \$99.5 million were collected to cover these net costs.

Business-Type Activities

Business-type activities net position increased by \$19.9 million in the current year.

Overall revenues decreased \$3.2 million or 6% compared to last year. This was primarily due to a decrease in airport grant revenues of \$2.5 million and a decrease \$.5 million decrease in Sanitary Landfill revenue. Overall expenses increased \$1.8 million or 5.5% compared to the prior year. This is due to landfill closure and post closure costs.

Financial Analysis Of The City's Funds

The General Fund is the chief operating fund of the City. The fund balance of the General Fund at June 30, 2018 was \$28.4 million or 42.4% of actual expenditures. This represents an increase of \$1.6 million or a 6% increase over the previous year's balance. Revenues increased \$3.5 million and expenses increased by \$3.2 million over the previous fiscal year.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

The City recognizes the need for a fund balance that can adequately absorb a downturn and to avoid changes and reductions in service levels. The City Council adopted an ordinance committed to maintain an amount equal to that of at least two (2) months of regular General Fund operating revenues or expenditures, whichever is greater (16.67%) based on the prior fiscal year; to address emergencies and provide for economic stability.

The Debt Service Fund ended the year with a fund balance of \$8.3 million, a decrease of almost \$1.3 million or 14%. As of June 30, 2018, the City has issued all but \$1.0 million of the \$37.4 million general obligation debt authorized by the electorate in November 2010. In April 2013, the electorate authorized an additional \$7.49 million in general obligation debt. The bonds provide for cultural arts facilities including an amphitheater at Legacy Park, rehabilitation of the old downtown post office/city hall building, and creating an outdoor performance and festival space downtown. It also included road improvements. As of June 30, 2018, \$658,000 of these bonds have not been issued. In April 2014, the electorate authorized \$10 million in general obligation debt. The bonds provide for the construction of improvements to the US Highway 50 and Missouri State Route 291 intersection and bridge system. As of June 30, 2018 \$2.0 million of these bonds have not been issued. The City, in accordance with these "No Tax Increase" bond elections, has held the tax levy constant and monitors fluctuations in fund balance for future no tax increase bond issues.

The Capital Improvement Sales Tax Fund ended the year with a fund balance of \$31.5 million. This represents an increase of \$2.9 million or 10% over the previous year. The increase is due to steady sales tax revenue growth coupled with completed projects.

The Blue Parkway and Colbern Road CID Fund ended the year with a fund balance of negative \$3.7 million. The negative balance is due to costs associated with the tax increment financing (TIF) district that will be reimbursed with tax funds generated from future development in this area.

The Todd George 50 Highway TIF Fund ended the year with a negative fund balance of \$4.8 million. This represents increase of \$.6 million or 10% over the previous year. The increase is due to property and sales tax revenues. Construction on a state highway interchange commenced in 2016 and was completed fall 2017.

The Summit Woods East (Summit Fair) TIF Fund ended the year with a fund balance of \$18.6 million. This represents an increase of \$15.3 million or 470% over the previous year. The increase is due to steady sales tax revenue growth coupled with the refunding of TIF bonds.

The Combined Water and Sewerage system recorded an increase of \$13.1 million in net position for the year. Operating revenues increased over the last fiscal year by \$1.2 million due to a slight rate increase.

The Sanitary Landfill fund recorded a decrease of \$1.2 million in net position for the year. On March 1, 2016 the City began to outsource operations of the landfill to a third party operator. Most heavy equipment was sold and all daily operations are performed by the operator. In fiscal year 2017, the landfill was granted additional airspace under its operating permit. This additional airspace decreased closure and post closure costs for one fiscal year. Fiscal year 2018 saw closure and post closure costs of \$1.2 million.

The Airport Fund recorded an increase of \$8.1 million in net position for the year. The increase is attributed to \$5.6 million in grant funding received during the fiscal year coupled with a transfer in of \$3.5 million.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

The total original expenditure budget of \$66,616,497 increased to \$70,165,493 for an increase of \$3,548,996.

Actual expenditures were \$1.1 million less than the amended budget. This was primarily due to prudent usage of fiscal resources.

Actual revenues were \$1.9 million more than budgeted. Property taxes were \$.7 million more than expected due to growth in the housing and commercial market. Sales tax revenues were \$.2 million or 1.3% more than expected. Franchise receipts came in \$.4 million more than budget due to extreme weather conditions. Franchise tax revenues are paid by utilities and can vary with customer usage. Licenses, permits and fees were \$.4 million more than expected. This is due to economic growth in both retail and new housing.

Capital Assets And Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$802.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems improvements, collections systems, machinery and equipment, park facilities, and infrastructure. Capital assets increased \$22.4 million during the period.

Major capital events during the current fiscal year included the following:

- Progress on right of way acquisition on Chipman Road between Bent Tree and View High totaling \$2 million for the year.
- Completion of airport runway extension pavement totaling \$1.2 million for the year.
- Curb and gutter replacement totaling \$1.6 million for the year.
- Road overlay and slurry seal program totaling \$3.2 million for the year.
- Progress construction of North Lea McKeighan Park improvements totaling \$4.4 million for the year.
- Progress construction of airport taxiway extension \$3.2 million for the year.
- Progress construction of airport hangar replacement \$2.3 million for the year.
- Substantial completion of the new Water Utility Operations Facility totaling \$4.5 million for the year.
- Progress on emergency services radio system totaling \$4 million for the year.
- Additional system additions and improvements were completed in the Combined Waterworks and Sewerage Fund at a cost of over \$3.7 million including water main rehab of \$1.4 million for the year.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 7,857,966	\$ 7,857,966	\$ 19,625,415	\$ 19,625,415	\$ 27,483,381	\$ 27,483,381
Construction in progress	116,186,662	101,467,023	91,338,744	74,706,854	207,525,406	176,173,877
Buildings	64,703,729	64,703,729	—	—	64,703,729	64,703,729
Improvements	52,231,638	48,882,018	267,367,716	266,707,212	319,599,354	315,589,230
Machinery & equipment	35,513,906	34,106,377	3,560,167	3,501,160	39,074,073	37,607,537
Infrastructure	443,709,198	438,767,425	—	—	443,709,198	438,767,425
	\$ 720,203,099	\$ 695,784,538	\$ 381,892,042	\$ 364,540,641	\$ 1,102,095,141	\$ 1,060,325,179

These capital assets are funded by traditional bond financing, impact fees, and user charges. For more detailed information on capital assets, refer to Note 3 in the Notes to Basic Financial Statements.

Debt Administration

The City, at the end of fiscal 2018, had a total of \$84.1 million of outstanding obligations. This was an increase of \$21.4 million or 34% from the previous year.

The City's issuance of \$14.6 million of previously authorized but unissued debt and TIF debt issuance was the reason for the increase.

As of June 30, 2018, the City's total issued General Obligation (G.O.) Bonded Debt was \$50,060,000 and authorized and unissued debt was \$3,658,000. The City has statutory authority to issue debt equal to 20% of the City's total assessed valuation or \$384,675,374. This, less outstanding debt, authorized and unissued debt, and available cash, leaves a legal debt margin of \$339,040,420, which is 88% of the City's total bonding capacity. Bonded debt, net of available debt service funds, amounted to approximately \$466 per capita and represented 2.2% of the assessed value of taxable property.

General Obligation Bonds retired \$6.5 million of their principal amount outstanding this year along with interest payments of \$1.6 million.

The City's Obligation bonds have most recently been rated AAA by Moody's Investors Services and AA+ by Standard and Poors.

The total revenue bond amount outstanding at June 30, 2018 was \$2,515,000, which was solely made up of bonds of the Combined Water and Sewer Utility.

The Combined Water and Sewer Utility Fund retired \$950,000 of their principal amount outstanding this year along with interest payments of \$69,300.

The City's Combined Water and Sewer Revenue Bonds were upgraded to an Aa1 rating from Moody's Investors Service. This rating reflects the City's covenant to budget and appropriate for debt service, subject to annual appropriations.

The City has \$31,510,000 in TIF debt outstanding for various public infrastructure improvements associated with the Summit Fair shopping area.

Additional information on the City's long-term debt can be found beginning with Note 4.

CITY OF LEE'S SUMMIT, MISSOURI

Management's Discussion And Analysis (*Continued*)

Economic Factors And Next Year's Budgets And Rates

Combined General Fund revenues for fiscal year 2019 are projected to total \$71.6 million. This represents an increase of \$3.6 million over the prior year budget. After recent years of flat sales tax growth and decreased building permit activity, the City has experienced growth in revenue categories such as property taxes, sales taxes and licenses, permits and fees.

General Fund expenses are projected to total \$71.1 million compared to \$70.2 million budgeted in fiscal year 2018. This represents a \$.9 million increase.

Personal Services expenditures are estimated using a wage adjustment pool for the employee pay-for-performance system. In fiscal year 2019, the organization is implementing a compensation pay structure intended to attract and retain quality employees. The City has budgeted \$1.6 million for this new pay structure.

Because of Lee's Summit's strong growth, much of the budget is dedicated to capital improvement (CIP) funding. The City prepares a five-year CIP annually, which includes a detailed description of the various projects and their funding sources.

A key initiative in the FY19 budget is funding to redesign the City's annual budget process. As resources become scarcer and needs more prevalent, it is imperative to utilize a more transparent and qualitative financial planning process. In FY19, staff will begin transitioning to the Priority Based Budgeting methodology. With this framework, it will be easier for our elected officials and staff to match resources to needs.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Bette Wordelman, Finance Director, City of Lee's Summit, 220 SE Green Street, Lee's Summit, Missouri 64063.

Basic Financial Statements

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF NET POSITION

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 117,218,876	\$ 55,583,634	\$ 172,802,510
Receivables (net of allowance)			
Taxes	9,146,066	—	9,146,066
Accounts and other	2,299,926	5,610,100	7,910,026
Interest	322,306	200,428	522,734
Due from other governmental agencies	857,786	1,579,106	2,436,892
Inventories	194,211	435,992	630,203
Prepaid expenses	5,779	2,291	8,070
Other assets	11,039	7,086	18,125
Restricted assets			
Cash and investments	117,783	—	117,783
Pension asset	21,281,301	905,607	22,186,908
Capital assets			
Nondepreciable	124,044,628	110,964,159	235,008,787
Depreciable, net	404,016,670	163,503,698	567,520,368
Total Assets	679,516,371	338,792,101	1,018,308,472
Deferred Outflows Of Resources			
Pension	5,498,879	122,635	5,621,514
Other post employment benefits	667,600	64,937	732,537
Deferred amount on refunding	73,466	94,284	167,750
Total Deferred Outflows Of Resources	6,239,945	281,856	6,521,801
Liabilities			
Accounts payable and accrued expenses	3,221,750	5,000,676	8,222,426
Payroll liabilities	2,313,028	214,988	2,528,016
Accrued interest payable	616,592	73,265	689,857
Unearned revenue	—	25,906	25,906
Customer deposits - payable from restricted deposits	1,209,234	221,351	1,430,585
Internal balances	1,287,017	(1,287,017)	—
Long-term obligations			
Due within one year			
Compensated absences	162,396	47,263	209,659
Bonds and contracts	6,595,000	980,000	7,575,000
Due in more than one year			
Compensated absences	4,377,895	275,960	4,653,855
Other post employment benefits	5,004,764	396,723	5,401,487
Bonds and contracts	78,028,484	12,352,535	90,381,019
Total Liabilities	102,816,160	18,301,650	121,117,810
Deferred Inflows Of Resources			
Pension	8,387,476	332,584	8,720,060
Deferred amount on refunding	1,509,300	—	1,509,300
Total Deferred Inflows Of Resources	9,896,776	332,584	10,229,360
Net Position			
Net investment in capital assets	487,120,128	271,846,403	758,966,531
Restricted for			
Pension	18,392,704	695,658	19,088,362
Debt service	8,309,464	794,000	9,103,464
Capital projects	52,252,395	38,739,783	90,992,178
Economic development	18,873,359	—	18,873,359
Unrestricted	(11,904,670)	8,363,879	(3,540,791)
Total Net Position	\$ 573,043,380	\$ 320,439,723	\$ 893,483,103

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 24,349,810	\$ 2,158,734	\$ 483,529	\$ —	\$ (21,707,547)	\$ —	\$ (21,707,547)
Public safety	39,526,693	8,309,713	891,502	—	(30,325,478)	—	(30,325,478)
Public works and streets	22,878,176	1,135,555	—	5,661,103	(16,081,518)	—	(16,081,518)
Planning and development	3,912,862	183,522	—	—	(3,729,340)	—	(3,729,340)
Parks and recreation	9,292,458	3,019,147	—	—	(6,273,311)	—	(6,273,311)
Interest on long-term debt	5,683,481	—	—	—	(5,683,481)	—	(5,683,481)
Total Governmental Activities	105,643,480	14,806,671	1,375,031	5,661,103	(83,800,675)	—	(83,800,675)
Business-Type Activities							
Waterworks and sewerage system	29,115,965	40,216,812	—	2,449,608	—	13,550,455	13,550,455
Sanitary landfill	1,717,642	550,830	—	—	—	(1,166,812)	(1,166,812)
Airport	2,214,597	1,436,672	—	5,627,702	—	4,849,777	4,849,777
Recreation center	1,331,319	1,320,902	—	—	—	(10,417)	(10,417)
Total Business-Type Activities	34,379,523	43,525,216	—	8,077,310	—	17,223,003	17,223,003
Total Primary Government	\$ 140,023,003	\$ 58,331,887	\$ 1,375,031	\$ 13,738,413	(83,800,675)	17,223,003	(66,577,672)
General Revenues							
Taxes							
Property taxes, levied for general purposes					28,713,502	—	28,713,502
Property taxes, levied for debt service					9,337,989	—	9,337,989
Franchise taxes					13,425,421	—	13,425,421
Sales and use taxes					39,369,885	—	39,369,885
License taxes					1,087,048	—	1,087,048
Motor vehicle taxes					3,704,598	—	3,704,598
Earnings on investments					778,964	114,217	893,181
Other revenues					2,905,917	—	2,905,917
Gain on sale of assets					219,506	—	219,506
Transfers					(2,603,322)	2,603,322	—
Total General Revenues And Transfers					96,939,508	2,717,539	99,657,047
Change In Net Position					13,138,833	19,940,542	33,079,375
Net Position - Beginning, As Previously Stated					561,408,284	300,609,299	862,017,583
Prior Period Adjustment					(1,503,737)	(110,118)	(1,613,855)
Net Position - Beginning, As Restated					559,904,547	300,499,181	860,403,728
Net Position - Ending					\$ 573,043,380	\$ 320,439,723	\$ 893,483,103

CITY OF LEE'S SUMMIT, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Debt Service	Capital Improve- ment Sales Tax	Blue Parkway And Colbern Road CID	Todd George 50 HWY TIF	Summit Woods East TIF	Other Govern- mental Funds	Total Govern- mental Funds
Assets								
Pooled cash and investments	\$ 20,580,768	\$ 7,964,882	\$ 27,150,655	\$ —	\$ 88,774	\$ 18,282,885	\$ 32,479,621	\$ 106,547,585
Receivables (net of allowance)								
Taxes	4,973,348	1,053,224	1,434,666	—	34,386	150,585	1,499,857	9,146,066
Accounts and other	2,223,112	—	—	—	—	—	56,375	2,279,487
Interest	83,090	45,203	95,716	—	—	—	60,206	284,215
Due from other funds	4,076,858	—	2,853,200	—	—	—	3,340,000	10,270,058
Due from other governments	350,383	—	—	—	70,788	156,251	280,364	857,786
Other assets	9,966	—	—	—	—	—	1,073	11,039
Restricted assets								
Cash and investments	—	—	—	117,783	—	—	—	117,783
Total Assets	\$ 32,297,525	\$ 9,063,309	\$ 31,534,237	\$ 117,783	\$ 193,948	\$ 18,589,721	\$ 37,717,496	\$ 129,514,019
Liabilities, Deferred Inflows Of Resources And Fund Balances Liabilities								
Accounts payable and accrued liabilities	\$ 647,195	\$ —	\$ 35,423	\$ —	\$ 15,000	\$ 19,620	\$ 754,156	\$ 1,471,394
Payroll liabilities	1,619,718	—	—	—	—	—	159,400	1,779,118
Payable from restricted	616,375	—	—	—	—	—	592,859	1,209,234
Accrued interest payable	—	—	—	90	27,322	97	8,909	36,418
Due to other funds	—	—	—	3,832,075	5,000,000	—	2,725,000	11,557,075
Total Liabilities	2,883,288	—	35,423	3,832,165	5,042,322	19,717	4,240,324	16,053,239
Deferred Inflows Of Resources								
Property tax	1,032,911	753,845	—	—	—	—	205,598	1,992,354
Fund Balances								
Nonspendable								
Advances to other funds	2,082,174	—	—	—	—	—	—	2,082,174
Restricted								
Bridges, streets and signals	—	—	31,498,814	—	—	—	7,642,721	39,141,535
Economic development	—	—	—	—	—	18,570,004	303,355	18,873,359
Debt service reserve	—	8,309,464	—	—	—	—	—	8,309,464
Other capital projects	—	—	—	—	—	—	13,110,860	13,110,860
Committed								
Bridges, streets and signals	—	—	—	—	—	—	188,950	188,950
Landfill care	—	—	—	—	—	—	5,392,694	5,392,694
Cemetery care	—	—	—	—	—	—	1,303,956	1,303,956
Assigned								
Parks and recreation	—	—	—	—	—	—	4,584,871	4,584,871
Economic development	—	—	—	—	—	—	460,982	460,982
Other capital projects	—	—	—	—	—	—	289,684	289,684
Other purposes	—	—	—	—	—	—	587,495	587,495
Unassigned	26,299,152	—	—	(3,714,382)	(4,848,374)	—	(593,994)	17,142,402
Total Fund Balances	28,381,326	8,309,464	31,498,814	(3,714,382)	(4,848,374)	18,570,004	33,271,574	111,468,426
Total Liabilities, Deferred Inflows And Fund Balances	\$ 32,297,525	\$ 9,063,309	\$ 31,534,237	\$ 117,783	\$ 193,948	\$ 18,589,721	\$ 37,717,496	\$ 129,514,019

CITY OF LEE'S SUMMIT, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION June 30, 2018

Total Fund Balance - Governmental Funds \$ 111,468,426

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Governmental capital assets	690,502,536
Less: Accumulated depreciation	(173,053,835)

Pension assets are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

20,841,063

Some of the City's taxes will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

1,992,354

Some future pension resources are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported as a deferred outflow of resources in the governmental activities of the statement of net position.

5,439,262

Some future other post employment benefits resources are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported as a deferred outflow of resources in the governmental activities of the statement of net position.

623,170

Some future pension resources are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported as a deferred inflow of resources in the governmental activities of the statement of net position.

(8,225,798)

Interest on long-term debt is not accrued in the governmental funds but rather is recognized as an expenditure when due.

(580,174)

The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.

19,267,510

Some liabilities and deferred inflows, such as compensated absences and bonds payable (net of unamortized discounts), are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the statement of net position.

Compensated absences	(4,359,909)
Bonds payable	(81,570,000)
Unamortized discounts	258,541
Unamortized premiums	(3,312,025)
Deferred amount on refunding	(1,435,834)
Other post employment benefit liability	(4,811,907)

Total Net Position - Governmental Activities \$ 573,043,380

CITY OF LEE'S SUMMIT, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018**

	General Fund	Debt Service	Capital Improve- ment Sales Tax	Blue Parkway And Colbern Road CID	Todd George 50 HWY TIF	Summit Woods East TIF	Other Govern- mental Funds	Total Govern- mental Funds
Revenues								
Taxes								
Property	\$ 21,177,379	\$ 9,251,834	\$ —	\$ —	\$ 1,323,458	\$ 1,496,947	\$ 4,580,658	\$ 37,830,276
Sales	16,402,093	3,923,403	8,199,738	101	435,166	1,299,916	8,232,941	38,493,358
Franchise	13,425,421	—	—	—	—	—	—	13,425,421
License	—	—	—	—	—	—	1,087,048	1,087,048
Bed	—	—	—	—	—	—	533,037	533,037
Motor vehicle	3,704,598	—	—	—	—	—	—	3,704,598
Other tax	319,617	17,889	—	—	—	—	5,984	343,490
Fines and forfeitures	1,201,593	53,803	—	—	3,921	—	20,621	1,279,938
Licenses and permits	2,762,581	—	—	—	—	—	—	2,762,581
Intergovernmental	891,502	—	—	—	167,325	401,738	633,796	2,094,361
Charges for services	7,731,488	—	—	—	1,609	8,261	3,022,794	10,764,152
Investment earnings	98,394	68,803	169,009	826	46	76,652	296,504	710,234
Other	2,140,281	—	2,187	—	—	—	763,449	2,905,917
Total Revenues	69,854,947	13,315,732	8,370,934	927	1,931,525	3,283,514	19,176,832	115,934,411
Expenditures								
Current								
General government	14,590,524	—	—	—	—	—	1,666,542	16,257,066
Public safety	38,300,448	—	—	—	—	—	—	38,300,448
Public works and streets	10,178,521	—	—	—	—	—	—	10,178,521
Community development	3,912,862	—	—	—	—	—	—	3,912,862
Parks and recreation	—	—	—	—	—	—	6,417,411	6,417,411
Debt service								
Principal	—	9,006,500	—	—	—	2,442,156	—	11,448,656
Interest and other charges	—	1,836,320	—	249	—	2,434,866	47,968	4,319,403
Capital outlay	—	—	5,451,384	1,950	1,377,478	2,046,242	17,749,211	26,626,265
Total Expenditures	66,982,355	10,842,820	5,451,384	2,199	1,377,478	6,923,264	25,881,132	117,460,632
Excess (Deficiency) Of								
Revenues Over								
Expenditures	2,872,592	2,472,912	2,919,550	(1,272)	554,047	(3,639,750)	(6,704,300)	(1,526,221)
Other Financing Sources (Uses)								
Issuance of bonds	—	—	—	—	—	33,450,000	14,575,000	48,025,000
Premium on issuance of bonds	—	—	—	—	—	—	803,598	803,598
Discount on issuance of bonds	—	—	—	—	—	(265,375)	—	(265,375)
Payment to fiscal agent	—	—	—	—	—	(14,227,844)	—	(14,227,844)
Transfers in	791,112	—	—	—	—	—	4,701,445	5,492,557
Transfers out	(2,041,527)	(3,800,000)	—	—	—	—	(3,944,154)	(9,785,681)
Total Other Financing Sources (Uses)	(1,250,415)	(3,800,000)	—	—	—	18,956,781	16,135,889	30,042,255
Net Change In Fund Balances	1,622,177	(1,327,088)	2,919,550	(1,272)	554,047	15,317,031	9,431,589	28,516,034
Fund Balances - Beginning	26,759,149	9,636,552	28,579,264	(3,713,110)	(5,402,421)	3,252,973	23,839,985	82,952,392
Fund Balances - Ending	\$ 28,381,326	\$ 8,309,464	\$ 31,498,814	\$ (3,714,382)	\$ (4,848,374)	\$ 18,570,004	\$ 33,271,574	\$ 111,468,426

CITY OF LEE'S SUMMIT, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended June 30, 2018

Net Change In Fund Balances - Total Governmental Funds \$ 28,516,034

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$14,402,648 in the current period was exceeded by capital outlays over the capitalization threshold totaling \$18,092,518. 3,689,870

Contributions of capital assets are recorded as capital contributions in the statement of activities. Contributions primarily represent infrastructure assets. 4,941,773

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. 221,215

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are netted with debt and amortized in the statement of activities. In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the net effect of these differences in the treatment of long-term debt and related items:

Issuance of bonds	(48,025,000)
Repayment of principal	25,676,500
Bond discounts	265,375
Bond discount amortization	(437,729)
Bond premium	(803,598)
Bond premium amortization	544,804
Deferred amount on refunding	(1,523,994)
Accrued interest	52,841

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Other post-employment benefits	(485,587)
Compensated absences	90,904
Pension expense	(485,144)

Internal service funds are used by management to charge the costs of certain activities internally to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 900,569

Change In Net Position Of Governmental Activities \$ 13,138,833

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF NET POSITION - PROPRIETARY FUNDS June 30, 2018

	Enterprise Funds					
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	Internal Service Funds
	System	Landfill	Airport	Center)	Total	Funds
Assets						
Current assets						
Cash and investments	\$ 50,013,505	\$ 4,946,129	\$ 219,605	\$ 404,395	\$ 55,583,634	\$ 10,671,291
Receivables (net of allowance)						
Accounts and other	2,753,950	98,082	102,394	—	2,954,426	20,439
Unbilled accounts	2,655,674	—	—	—	2,655,674	—
Interest	173,633	17,814	8,058	923	200,428	38,091
Due from other funds	5,281,375	509,500	—	—	5,790,875	—
Due from other governments	—	—	1,579,106	—	1,579,106	—
Inventories	383,825	—	52,167	—	435,992	194,211
Prepaid expenses	—	—	2,291	—	2,291	5,779
Other assets	7,086	—	—	—	7,086	—
Total current assets	61,269,048	5,571,525	1,963,621	405,318	69,209,512	10,929,811
Noncurrent assets						
Pension asset	809,792	35,008	60,807	—	905,607	440,238
Capital assets						
Nondepreciable	59,706,700	162,445	51,095,014	—	110,964,159	104,250
Depreciable, net	147,964,185	4,132,515	11,237,384	169,614	163,503,698	10,508,347
Total noncurrent assets	208,480,677	4,329,968	62,393,205	169,614	275,373,464	11,052,835
Total Assets	269,749,725	9,901,493	64,356,826	574,932	344,582,976	21,982,646
Deferred Outflows Of Resources						
Pension	109,660	4,741	8,234	—	122,635	59,617
Other post-employment benefits	56,962	1,139	6,836	—	64,937	44,430
Deferred amount of refunding	94,284	—	—	—	94,284	—
Total Deferred Outflows Of Resources	260,906	5,880	15,070	—	281,856	104,047
Liabilities						
Current liabilities						
Accounts payable	3,075,193	22,647	1,839,004	63,832	5,000,676	1,750,356
Salaries payable	129,598	3,515	20,901	60,974	214,988	533,910
Accrued interest payable	—	—	73,265	—	73,265	—
Due to other funds	—	—	4,503,858	—	4,503,858	—
Unearned revenue	—	—	25,906	—	25,906	—
Compensated absences	43,854	—	1,927	1,482	47,263	11,832
Current portion of long-term debt - bonds	980,000	—	—	—	980,000	—
Payable from restricted assets						
Customer deposit	170,158	—	51,193	—	221,351	—
Total current liabilities	4,398,803	26,162	6,516,054	126,288	11,067,307	2,296,098
Noncurrent liabilities						
Revenue bonds	1,642,245	—	—	—	1,642,245	—
Compensated absences	212,015	9,251	32,922	21,772	275,960	168,550
Closure and post-closure liability	—	10,710,290	—	—	10,710,290	—
Other post-employment benefits	354,749	15,336	26,638	—	396,723	192,857
Total noncurrent liabilities	2,209,009	10,734,877	59,560	21,772	13,025,218	361,407
Total Liabilities	6,607,812	10,761,039	6,575,614	148,060	24,092,525	2,657,505
Deferred Inflows Of Resources -						
Pension	297,396	12,857	22,331	—	332,584	161,678
Net Position						
Net investment in capital assets	205,049,431	4,294,960	62,332,398	169,614	271,846,403	10,612,597
Restricted for debt service	794,000	—	—	—	794,000	—
Restricted for capital projects	37,016,754	—	1,723,029	—	38,739,783	—
Restricted for pension	622,056	26,892	46,710	—	695,658	338,177
Unrestricted	19,623,182	(5,188,375)	(6,328,186)	257,258	8,363,879	8,316,736
Total Net Position	\$ 263,105,423	\$ (866,523)	\$ 57,773,951	\$ 426,872	\$ 320,439,723	\$ 19,267,510

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS For The Year Ended June 30, 2018

	Enterprise Funds					Total	Internal Service Funds
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)			
Operating Revenues							
Charges for services	\$ 39,874,080	\$ —	\$ 672,753	\$ 1,086,484	\$ 41,633,317	\$ 9,675,820	
Material and fuel sales	199,602	—	763,919	—	963,521	—	
Intergovernmental	—	—	—	—	—	—	
Other	143,130	550,830	—	234,418	928,378	2,913,535	
Total Operating Revenues	40,216,812	550,830	1,436,672	1,320,902	43,525,216	12,589,355	
Operating Expenses							
Salaries, wages and employee benefits	3,775,537	195,814	486,931	641,604	5,099,886	3,259,734	
Water purchases	8,705,462	—	—	—	8,705,462	—	
Utilities	628,889	—	71,438	82,561	782,888	303,882	
Repairs and maintenance	471,974	2,497	112,400	41,996	628,867	626,150	
Sewer services	7,791,425	—	—	—	7,791,425	—	
Fuels and lubricants	64,385	538	530,706	—	595,629	3,029	
Depreciation	4,073,931	350,847	628,316	33,914	5,087,008	2,179,664	
Interdepartment charges	683,734	1,523	67,762	24,418	777,437	473,611	
Miscellaneous	2,920,628	1,166,423	317,044	506,826	4,910,921	6,820,754	
Total Operating Expenses	29,115,965	1,717,642	2,214,597	1,331,319	34,379,523	13,666,824	
Operating Income (Loss)	11,100,847	(1,166,812)	(777,925)	(10,417)	9,145,693	(1,077,469)	
Nonoperating Revenues (Expenses)							
Interest income	306,180	30,661	15,861	—	352,702	68,730	
Interest expense	(65,245)	—	(167,120)	(6,120)	(238,485)	—	
Gain on disposal of capital assets	—	—	—	—	—	219,506	
Total Nonoperating Revenues (Expenses)	240,935	30,661	(151,259)	(6,120)	114,217	288,236	
Income Before Contributions And Transfers	11,341,782	(1,136,151)	(929,184)	(16,537)	9,259,910	(789,233)	
Capital Grants And Contributions Transfers In	2,449,608	—	5,627,702	—	8,077,310	—	
Transfers In	26,041	62,555	3,443,696	—	3,532,292	1,715,843	
Transfers Out	(673,755)	(175,000)	(76,696)	(3,519)	(928,970)	(26,041)	
Change In Net Position	13,143,676	(1,248,596)	8,065,518	(20,056)	19,940,542	900,569	
Total Net Position - Beginning, As Previously Stated	250,077,660	360,863	49,723,848	446,928	300,609,299	18,495,624	
Prior Period Adjustment	(115,913)	21,210	(15,415)	—	(110,118)	(128,683)	
Total Net Position - Beginning, As Restated	249,961,747	382,073	49,708,433	446,928	300,499,181	18,366,941	
Total Net Position - Ending	\$ 263,105,423	\$ (866,523)	\$ 57,773,951	\$ 426,872	\$ 320,439,723	\$ 19,267,510	

CITY OF LEE'S SUMMIT, MISSOURI
PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2018

	Enterprise Funds					
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	Internal Service Funds
Cash Flows From Operating Activities						
Cash received from customers	\$ 39,417,534	\$ 621,097	\$ 1,436,056	\$ 1,320,902	\$ 42,795,589	\$ 12,588,633
Cash paid to suppliers	(20,444,980)	(130,868)	(2,376,295)	(605,197)	(23,557,340)	(7,656,693)
Cash paid to employees	(3,596,651)	(102,135)	(469,622)	(633,067)	(4,801,475)	(3,213,504)
Cash received for interdepartment charges	—	—	(6,038,370)	—	(6,038,370)	—
Cash paid for interdepartment charges	(683,734)	(511,023)	—	(24,418)	(1,219,175)	—
Net Cash Provided By (Used In) Operating Activities	14,692,169	(122,929)	(7,448,231)	58,220	7,179,229	1,718,436
Cash Flows From Noncapital Financing Activities						
Transfers in	26,041	62,555	3,443,696	—	3,532,292	1,715,843
Transfers out	(673,755)	(175,000)	(76,696)	(3,519)	(928,970)	(26,041)
Net Cash Provided By (Used In) Noncapital Financing Activities	(647,714)	(112,445)	3,367,000	(3,519)	2,603,322	1,689,802
Cash Flows From Capital And Related Financing Activities						
Principal payments on long-term debt	(950,000)	—	—	—	(950,000)	—
Interest paid on long-term debt obligations	(69,565)	—	(129,844)	(6,319)	(205,728)	—
Additions to capital assets	(9,096,312)	(2,903)	(6,820,570)	(6,120)	(15,925,905)	(2,705,442)
Proceeds from sale of capital assets	—	—	—	—	—	276,925
Net Cash Provided By (Used In) Capital And Related Financing Activities	(10,115,877)	(2,903)	4,260,232	(12,439)	(5,870,987)	(2,428,517)
Cash Flows Provided by Investing Activities						
Interest received	248,172	30,883	13,046	—	292,101	52,094
Net Increase (Decrease) In Cash And Cash Equivalents	4,176,750	(207,394)	192,047	42,262	4,203,665	1,031,815
Cash And Cash Equivalents - Beginning Of Year	45,836,755	5,153,523	27,558	362,133	51,379,969	9,639,476
Cash And Cash Equivalents - End Of Year	\$ 50,013,505	\$ 4,946,129	\$ 219,605	\$ 404,395	\$ 55,583,634	\$ 10,671,291
Operating income (loss)	\$ 11,100,847	\$ (1,166,812)	\$ (777,925)	\$ (10,417)	\$ 9,145,693	\$ (1,077,469)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	4,073,931	350,847	628,316	33,914	5,087,008	2,179,664
Changes in assets and liabilities:						
(Increase) decrease in inventories	37,996	—	(13,144)	—	24,852	(33,646)
(Increase) decrease in accounts receivable	(449,467)	70,267	(1,416)	—	(380,616)	(722)
(Increase) decrease in due from other funds	2,104,940	(509,500)	—	—	1,595,440	—
(Increase) decrease in unbilled revenue	(352,270)	—	—	—	(352,270)	—
Increase in prepaid expenses	—	—	—	—	—	(103)
Increase in other assets	(1,010)	—	—	—	(1,010)	—
Decrease in pension related assets, outflows and inflows	187,051	92,972	18,754	—	298,777	167,166
Increase (decrease) in accounts payable	(2,004,143)	4,600	(1,331,563)	26,186	(3,304,920)	604,482
Increase in salaries and wages payable	9,227	626	7,333	8,137	25,323	18,116
Decrease in due to other funds	—	—	(5,970,608)	—	(5,970,608)	—
Increase in customer deposits	2,459	—	800	—	3,259	—
Increase in accrued landfill closure/postclosure care costs	—	1,033,990	—	—	1,033,990	—
Increase (decrease) in other post employment benefits outflow and liability	(54,565)	380	(14,743)	—	(68,928)	(127,928)
Increase (decrease) in accrued compensated absences	37,173	(299)	5,965	400	43,239	(11,124)
Total adjustments	3,591,322	1,043,883	(6,670,306)	68,637	(1,966,464)	2,795,905
Net Cash Provided (Used In) By Operating Activities	\$ 14,692,169	\$ (122,929)	\$ (7,448,231)	\$ 58,220	\$ 7,179,229	\$ 1,718,436

Supplemental Disclosure Of Cash Flow Information

The City has the following noncash transactions: \$2,449,608 in water and sewer lines were contributed during fiscal year 2018 and \$5,582,943 relates to accounts receivable on capital grants for the Airport.

CITY OF LEE'S SUMMIT, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

1. Summary Of Significant Accounting Policies

The City of Lee's Summit, Missouri (the City) was incorporated in 1868 and covers an area of approximately 64 square miles in Jackson and Cass Counties, Missouri. Lee's Summit is a charter city operating under an elected Mayor-City Council form of government. The City Manager is the chief administrative officer of the City. The City provides services to more than 97,135 residents in many areas, including law enforcement, fire protection, water and sewer services, community enrichment and development and various social services. Educational services are provided by separate governmental entities.

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

Reporting Entity

The City is governed by an elected eight-member council and a mayor. As required by GAAP, these financial statements present the City of Lee's Summit (the primary government). The following component unit is included in the City's reporting entity because of the significance of its operational and financial relationship with the City.

Blended Component Unit

The following legally separate entity is a component unit that is, in substance, a part of the City's general operations. This component unit provides services almost entirely to the primary government and provides services that almost exclusively benefit the primary government. Data from this component unit is combined with data of the primary government for financial reporting purposes.

The Lee's Summit, Missouri Municipal Building Authority (the Authority) is a not-for-profit corporation incorporated under the laws of the State of Missouri on August 13, 1994. The Authority is governed by a three-member board appointed by the City Council. The Authority was established to promote, acquire, develop, construct, own and lease facilities within the City that are approved by the City Council for the purpose of promoting the economic, social, industrial, cultural and commercial growth and for the general benefit of the City and its residents. Administration of its various programs is performed by City employees. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings. Separate financial statements for the Authority are not prepared.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Basis Of Presentation

The City's basic financial statements include both the government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major and, in the aggregate, nonmajor funds).

Government-Wide Financial Statements: The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. As a general rule, interfund activity has been eliminated from these statements to minimize the duplication of internal activities, with the exception of interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services to external parties for support.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Following the government-wide financial statements are separate fund financial statements for the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

Since the accounting differs significantly between the governmental funds and the governmental activities of the government-wide financial statements, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances identifying categories that required conversion from the fund statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are two categories of funds used by the City, governmental and proprietary.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Governmental Funds: Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's major governmental funds:

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

Debt Service - This fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term obligations other than obligations payable from the operations of Proprietary Fund Types.

Capital Improvement Sales Tax - Established to account for construction of road projects related to the renewal of a 1/2 - cent sales tax by the voters in 2007.

Blue Parkway And Colbern Road CID Fund - Capital projects fund established to account for costs associated with construction of infrastructure in the Blue Parkway and Colbern Road Community Improvement District.

Todd George 50 Highway TIF Fund - Capital projects fund established to account for public improvements needed to support development of property in the 50 highway corridor between Blackwell Road and Todd George Road.

Summit Woods East TIF - Capital projects fund established to account for public improvements needed to support new private development in the I-470 and M-350 Highway area.

The other governmental funds of the City are considered nonmajor. They are special revenue and capital project funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus used is the economic resources measurement focus. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major enterprise funds:

Combined Waterworks And Sewerage System - This fund accounts for the provision of water and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing and collection.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Sanitary Landfill - This fund accounts for all assets, liabilities, revenues and expenses relating to the operation of the City-owned sanitary landfill.

Airport - Established to account for all assets, liabilities and revenues and expenses relating to the operation of the City-owned airport.

The City reports the following nonmajor enterprise and internal service fund types:

Recreation Center - Established to account for all assets, liabilities, revenues and expenses related to the operation of the City-owned recreation center at Harris Park.

Internal Service Funds - These funds account for the costs of the Central Vehicles, Information Technology Services, Self-Insurance Funds and the Building and Equipment Replacement Fund.

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

The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Measurement Focus

Government-Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, certain deferred outflows, current liabilities and certain deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows, and in the presentation of expenses versus expenditures.

Revenues - Exchange And Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales taxes, franchise taxes, interest, grants and rentals.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash, Cash Equivalents And Investments

Investments with an original maturity date of three months or less are considered to be cash equivalents. Interest earned is allocated to individual funds based on their proportionate share of the pool. Missouri state statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of state and local government entities, certificates of deposit and repurchase agreements.

Investments for the City are reported at fair value.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Property Tax Revenue Recognition

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Property tax revenue becomes available within the fiscal year of the levy. Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred inflows within the governmental fund financial statements.

The City's property taxes are levied each November 1 based on the assessed value as of the prior January 1 for all real property and personal property located within the City. Property taxes are billed immediately following the levy date and considered delinquent after December 31 following the levy date. The City does not file liens, as this is performed by the counties. Assessed values are established by county assessors, subject to review by the counties' Boards of Equalization.

The City is permitted by Missouri state statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The tax levy, per \$100 assessed valuation, for the City during the fiscal year was as follows:

General	\$ 0.8860
Park board	0.1567
Debt service	<u>0.4697</u>
Total tax levy	<u><u>\$ 1.5124</u></u>

Inventories And Prepaid Items

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method or market. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid expenses represent the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized over the policy periods.

Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

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

Capital Assets

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

Infrastructure, such as streets, intersections and storm sewers, has been capitalized in the government-wide financial statements. The City elected to depreciate its infrastructure assets. Infrastructure assets not completed by year end have been reported as construction in progress.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. There was no interest capitalized during the year ended June 30, 2018.

Property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated lives:

Primary government:	
Buildings	20 to 40 years
Improvements other than buildings	5 to 50 years
Sewer plant and collection system	35 to 75 years
Machinery and equipment	3 to 25 years
Infrastructure	15 to 50 years

Deferred Outflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Compensated Absences

All accumulated vacation, scheduled holiday leave and accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the government-wide financial statements as a long-term liability as it is expected to be paid from future resources. Upon leaving employment of the City, an employee is entitled to payment for accrued vacation. Only vested employees are paid sick leave upon retirement or resignation. A liability for these amounts is reported in the governmental funds only if the amounts due at year end have matured.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the statement of net position as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

Unbilled Revenue

Both the City's Waterworks and Sewerage System bill their customers on a cyclical basis and, therefore, record estimated unbilled revenues at year end.

Interfund And Related Party Transactions

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts, if applicable.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Net Position

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

Net Investment In Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings, that are attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted Net Position - This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the governmental financial statements, fund balances are displayed in five components as follows:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures and long-term receivables, not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority.

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after non-spendable, restrictions, commitments and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Fund Balance Classification Policies and Procedures

For committed fund balance, the City's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish, modify or rescind a fund balance commitment is through a bill or resolution passed by the City Council. Committed fund balances do not lapse at year end.

For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose through their expressed written intent. This authorization is also delegated by the City Council to the City Manager. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by committed, assigned and lastly unassigned.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Capital Contributions

Capital contributions represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

Pensions

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

Use Of Estimates

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

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

New Accounting Standards

For fiscal year ended June 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The new statement changes the standard for measuring and recognizing liabilities, deferred outflows and inflows of resources and expense related to postemployment benefit plans. Additional information on the impact of implementing GASB 75 can be found in Note 8 and the required supplementary information section. As a result of implementation, net position as of July 1, 2017, was restated as follows:

Net position - Beginning, as previously stated	\$ 862,017,583
Prior period adjustments	
Net OPEB liability (GASB 75) - Beginning of FY 2017-18	(4,380,219)
Net OPEB obligation/asset (GASB 45) - End of FY 2016-17	2,766,364
Total prior period adjustment	<u>(1,613,855)</u>
Net position - Beginning, as restated	<u>\$ 860,403,728</u>

2. Deposits And Investments

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits, repurchase agreements and other investments.

The foremost objective of the investment program is safety of principal. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy states that the City will minimize the risk that the fair value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in short-term fixed securities. Unless matched to a specific cost or a reserve fund, the City will not directly invest in securities maturing more than five years from the date of purchase.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The carrying amounts or fair values and the maturities of the City's investments at June 30, 2018 are as follows:

	Carrying Amount Or Fair Value	Less Than 1 Year	1 To 5 Years
U.S. Treasury securities	\$ 99,422,530	\$ 33,830,644	\$ 65,591,886
U.S. Agency securities	28,687,350	2,973,180	25,714,170
Repurchase agreements	13,072,000	13,072,000	—
Money market funds	3,390,043	3,390,043	—
	<u>144,571,923</u>	<u>\$ 53,265,867</u>	<u>\$ 91,306,056</u>
Unrestricted cash deposits per books	<u>28,348,370</u>		
Cash and investments per statement of net position	<u>\$ 172,920,293</u>		

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2018:

- U.S. Treasury obligations of \$99,422,530 valued using quoted market prices (Level 1 inputs)
- U.S. Agency obligations of \$28,687,350 valued using quoted market prices (Level 1 inputs)
- Repurchase agreements of \$13,072,000 valued using a matrix pricing model (Level 2 inputs)
- Money market funds of \$3,390,043, classified as investments by the City for financial reporting purposes, are valued at amortized cost.

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution or by a single collateral pool established by the financial institution.

The City's policy requires all deposits placed in financial institutions to be at least 105% collateralized with securities that are acceptable to the Finance Director of the City and in accordance with state statutes. As of June 30, 2018, the City's deposits were properly collateralized.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities are perfected in the name, or for the account of the City, and are held by a third-party custodian as evidenced by safekeeping receipts. All of the City's investments in repurchase agreements are held by the investment's counterparty, not in the name of the City.

Credit Risk

Credit risk is the risk that the City will not recover its investment due to the ability of the counterparty to fulfill their obligation. The City minimizes credit risk by prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business.

In addition, the City's investment policy allows for the following investments types: U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations, which have a liquid market with a readily determinable fair value; certificates of deposit and other evidences of deposit at financial institutions; investment-grade obligations of the states of Missouri or Kansas that are "A" rated or better; repurchase agreements whose underlying purchased securities consist of the foregoing; money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

Investment in derivatives of the above instruments or leveraging shall be prohibited per Missouri Revised Statutes.

	Carrying Amount					
	Or Fair Value	AAA/Aaa	AA/Aa	A/A	SP1	Unrated
U.S. Treasury securities*	\$ 99,422,530	\$ 99,422,530	\$ —	\$ —	\$ —	\$ —
U.S. Agency securities	28,687,350	22,713,620	5,973,730	—	—	—
Repurchase agreements	13,072,000	13,072,000	—	—	—	—
Money market funds	3,390,043	—	—	—	—	3,390,043
Total	\$ 144,571,923	\$ 135,208,150	\$ 5,973,730	\$ —	\$ —	\$ 3,390,043

* U.S. Treasury securities are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Concentration Risk

To the extent possible, investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). The investment parameters are as follows:

<u>Investment Type</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
General time deposits	—	30%
U.S. Treasury Securities having principal and interest guaranteed by the U.S. government	15%	100%
U.S. government agencies and governmental sponsored enterprises	—	50%
U.S. government agency callable securities	—	15%

Investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of the total investments of the City are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Repurchase agreements	***	\$ 13,072,000

*** Represents collateralized repurchase agreements that are backed by collateral comprised of U.S. agency securities.

Restricted Cash And Investments

During fiscal year 2012, the City entered into an escrow agreement with the Unity School of Christianity totaling \$3,832,075 to be spent on public improvements within the annexed Unity Village property. As of June 30, 2012, the City deposited \$3,832,075 into the escrow account for the first phase of the construction project. At June 30, 2018, \$117,783 of this amount remained in the escrow account. This amount is restricted and can only be used for construction expenses related to Unity Village property public improvements.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

3. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Governmental Activities			Balance June 30, 2018
	Balance June 30, 2017	Additions	Deductions	
Nondepreciable capital assets:				
Land	\$ 7,857,966	\$ —	\$ —	\$ 7,857,966
Construction in progress	101,467,023	17,788,637	3,068,998	116,186,662
Total nondepreciable capital assets	109,324,989	17,788,637	3,068,998	124,044,628
Depreciable capital assets:				
Buildings	64,703,729	—	—	64,703,729
Improvement other than buildings	48,882,018	3,349,620	—	52,231,638
Furniture, fixtures and equipment	34,106,377	2,713,129	1,305,600	35,513,906
Infrastructure	438,767,425	4,941,773	—	443,709,198
Total depreciable capital assets	586,459,549	11,004,522	1,305,600	596,158,471
Less: Accumulated depreciation				
Buildings	29,934,162	2,479,863	—	32,414,025
Improvement other than buildings	20,867,311	2,765,016	—	23,632,327
Furniture, fixtures and equipment	24,020,901	2,334,238	1,263,753	25,091,386
Infrastructure	102,000,868	9,003,195	—	111,004,063
Total accumulated depreciation	176,823,242	16,582,312	1,263,753	192,141,801
Total depreciable capital assets, net	409,636,307	(5,577,790)	41,847	404,016,670
Total governmental activities capital assets, net	\$ 518,961,296	\$ 12,210,847	\$ 3,110,845	\$ 528,061,298

Depreciation expense was charged to functions as follows:

General government	\$ 866,740
Public safety	1,019,564
Public works and streets	9,271,780
Parks and recreation	3,244,564
Capital assets held by the government's Internal Service	
Funds are charged to the various functions based on their usage of the assets	<u>2,179,664</u>
	<u><u>\$ 16,582,312</u></u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Business-Type Activities				
	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Nondepreciable capital assets:				
Land	\$ 19,625,415	\$ —	\$ —	\$ 19,625,415
Construction in progress	74,706,854	16,631,890	—	91,338,744
Total nondepreciable capital assets	94,332,269	16,631,890	—	110,964,159
Depreciable capital assets:				
Structures and improvements	266,707,212	2,511,204	1,850,700	267,367,716
Furniture, fixtures and equipment	3,501,160	59,007	—	3,560,167
Total depreciable capital assets	270,208,372	2,570,211	1,850,700	270,927,883
Less: Accumulated depreciation				
Structures and improvements	100,188,177	5,055,496	1,024,112	104,219,561
Furniture, fixtures and equipment	3,173,112	31,512	—	3,204,624
Total accumulated depreciation	103,361,289	5,087,008	1,024,112	107,424,185
Total depreciable capital assets, net	166,847,083	(2,516,797)	826,588	163,503,698
Total business-type activities capital assets, net	\$ 261,179,352	\$ 14,115,093	\$ 826,588	\$ 274,467,857

Depreciation expense was charged to functions as follows:

Combined waterworks and sewerage system	\$ 4,073,931
Sanitary landfill	350,847
Airport	628,316
Nonmajor enterprise funds	33,914
	<u>5,087,008</u>
	<u>\$ 5,087,008</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

4. Long-Term Obligations

Debt payable at June 30, 2018 is composed of the following:

	Interest Rates	Maturity Date	Balance
Governmental Activities			
General obligation bonds:			
Improvement bonds - 2013A	2.00 - 3.00	4/1/2028	\$ 18,215,000
Refunding (2003) - 2013	3.00 - 4.00	4/1/2023	7,215,000
Improvement bonds - 2013C	2.00 - 5.00	4/1/2021	2,025,000
Improvement bonds 2015A	2.00 - 5.00	4/1/2019	780,000
Improvement bonds 2016A	1.75 - 5.00	4/1/2029	8,400,000
Improvement bonds 2017A	1.75 - 5.00	4/1/2026	<u>13,425,000</u>
Total general obligation bonds			<u>\$ 50,060,000</u>
TIF bonds:			
Summit fair - 2017	3.50 - 4.875	11/1/2037	<u>\$ 31,510,000</u>
Business-Type Activities			
Combined Waterworks and Sewerage Fund:			
Revenue bonds:			
Waterworks - 2012	1.00 - 2.00	7/1/2021	<u>\$ 2,515,000</u>

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2018:

Governmental Activities	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
General obligation bonds	\$ 41,980,000	\$ 14,575,000	\$ (6,495,000)	\$ 50,060,000	\$ 6,595,000
Add: Bond premium	3,053,231	803,598	(544,804)	3,312,025	—
Total general obligation bonds	<u>45,033,231</u>	<u>15,378,598</u>	<u>(7,039,804)</u>	<u>53,372,025</u>	<u>6,595,000</u>
Lease financing debt	2,511,500	—	(2,511,500)	—	—
TIF bonds	14,730,000	33,450,000	(16,670,000)	31,510,000	—
Less: Bond discount	(430,895)	(265,375)	437,729	(258,541)	—
Total TIF bonds	<u>14,299,105</u>	<u>33,184,625</u>	<u>(16,232,271)</u>	<u>31,251,459</u>	<u>—</u>
Accrued compensated absences	4,642,319	220,488	(322,516)	4,540,291	162,396
Other post employment benefits	2,475,768	2,528,996	—	5,004,764	—
Total governmental activities long-term obligations	<u>\$ 68,961,923</u>	<u>\$ 51,312,707</u>	<u>\$ (26,106,091)</u>	<u>\$ 94,168,539</u>	<u>\$ 6,757,396</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The total long-term liabilities of \$94,168,539 consist of compensated absences and other post-employment benefits of \$180,382 and \$192,857, respectively, related to Internal Service Funds, while the remaining amount of \$93,795,300 is a reconciling item of the Governmental Funds balance sheet to the statement of net position. Compensated absences are primarily liquidated by the General Fund.

Business-Type Activities	Balance June 30, 2017			Balance June 30, 2018		Amounts Due Within One Year
	Additions	Reductions				
Combined waterworks and sewerage system fund						
Revenue bonds	\$ 3,465,000	\$ —	\$ (950,000)	\$ 2,515,000		\$ 980,000
Add: Bond premium	142,993	—	(35,748)	107,245		—
Total revenue bonds	3,607,993	—	(985,748)	2,622,245		980,000
Compensated absences	218,696	48,317	(11,144)	255,869		43,854
Other post employment benefits	236,439	118,310	—	354,749		—
Total waterworks and sewerage fund	4,063,128	166,627	(996,892)	3,232,863		1,023,854
Sanitary landfill fund						
Landfill closure/post closure care	9,676,300	1,033,990	—	10,710,290		—
Compensated absences	9,550	(299)	—	9,251		—
Other post employment benefits	35,027	—	(19,691)	15,336		—
Total sanitary landfill fund	9,720,877	1,033,691	(19,691)	10,734,877		—
Airport fund						
Compensated absences	28,884	7,055	(1,090)	34,849		1,927
Other post employment benefits	19,130	7,508	—	26,638		—
Total airport fund	48,014	14,563	(1,090)	61,487		1,927
Nonmajor enterprise fund:						
Compensated absences	22,854	1,960	(1,560)	23,254		1,482
Total business-type activities long-term obligations	\$ 13,854,873	\$ 1,216,841	\$ (1,019,233)	\$ 14,052,481		\$ 1,027,263

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Debt service requirements on long-term debt at June 30, 2018 are as follows:

Year	Governmental Activities			
	General Obligation Bonds		TIF Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 6,595,000	\$ 1,562,800	\$ —	\$ 1,355,350
2020	5,215,000	1,282,950	—	1,355,350
2021	4,855,000	1,092,350	—	1,355,350
2022	4,380,000	928,700	—	1,355,350
2023	4,945,000	805,750	7,260,000	1,355,350
2024 - 2028	23,200,000	1,848,650	9,250,000	5,136,250
2029 - 2033	870,000	22,500	—	3,656,250
2034 - 2037	—	—	15,000,000	2,925,000
	<u>\$ 50,060,000</u>	<u>\$ 7,543,700</u>	<u>\$ 31,510,000</u>	<u>\$ 18,494,250</u>

Year	Enterprise Funds	
	Combined Waterworks And Sewerage System	
	Revenue Bonds	
	Principal	Interest
2019	\$ 980,000	\$ 50,300
2020	995,000	30,700
2021	540,000	10,800
	<u>\$ 2,515,000</u>	<u>\$ 91,800</u>

Tax Increment Revenue Bonds (TIF) - Series 2011 And 2017

The tax increment revenue bonds were issued to finance the cost of certain public improvements in the Summit Woods Crossing and Summit Fair redevelopment area. The debt service on these issues is paid solely from Payments in Lieu of Taxes (PILOTS), economic activity tax revenues, special assessments and monies on deposit in the Debt Service Reserve Fund.

On December 28, 2017 the City issued the Special Obligation Tax Increment and Special District Refunding and Improvement Bonds, Series 2017 in the amount of \$33,450,000 with interest rates ranging from 3.500% to 4.875%, due in three balloon payments ranging from \$9,200,000 to \$15,000,000 from 2023 to 2037. Interest is payable semiannually. A portion of the Series 2017 Bonds were issued to refund \$14,585,000 of the Tax Increment Revenue Bonds, Series 2011. The City completed the refunding to reduce its total debt service payments by \$4,227,723 over the next nineteen years to obtain a \$4,628,354 economic gain (difference between present values of the old and new debt service payments).

General Obligation Debt Margin

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for “city purposes” not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not exceeding, in the aggregate, an additional 10% of the assessed value of taxable tangible property for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

At January 1, 2018, the constitutionally imposed total general obligation debt limit was \$384,675,374, which after reduction for authorized general obligation bonds net of available resources in the Debt Service Fund, provides a general obligation debt margin of \$339,040,419.

Combined Waterworks And Sewerage Revenue Bonds

The Waterworks and Sewerage Revenue Bond ordinance requires that the Combined Waterworks and Sewerage System Fund be accounted for in a separate Enterprise Fund. It also requires that, after sufficient current assets have been set aside to operate the system, all remaining monies held in the Combined Waterworks and Sewerage System Fund be segregated and restricted in separate special reserves and accounts. In accordance with the bond ordinance, these bonds are serviced by the Combined Waterworks and Sewerage System Fund operations and are included as a liability of that fund.

Restricted assets of the principal and interest account are to be used for payment of current principal and interest on bonds. Restricted assets of the debt service amount are available to pay principal and interest in the event of a deficiency in the principal and interest account. Restricted assets of the depreciation and replacement account are available to operate, maintain or improve the system, call bonds or for payment of debt service in the event of a deficiency in other restricted assets.

All required minimum reserve amounts for each revenue bond series have been properly maintained by the City at June 30, 2018. The City is also in compliance with minimum net revenue covenants (as defined in the indenture) at June 30, 2018.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

5. Construction Commitments

A summary of the City's commitments on uncompleted construction contracts and the amount, which is expected to be funded by federal and state grants, follows:

	Contract Amount	Amount Funded By Grants
Nonmajor governmental	\$ 1,504,685	\$ —
Combined waterworks and sewage system	1,523,512	—
Sanitary landfill	—	—
Airport	815,553	774,776
	<u>\$ 3,843,750</u>	<u>\$ 774,776</u>

6. Interfund Receivables, Payables And Transfers

The composition of interfund balances as of June 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental	\$ 573,000
General fund	Todd George/50 Hwy TIF	1,000,000
General fund	Airport	2,503,858
Capital improvement sales tax	Nonmajor governmental	753,200
Capital improvement sales tax	Todd George/50 Hwy TIF	1,400,000
Capital improvement sales tax	Airport	700,000
Nonmajor governmental	Blue Parkway/Colbern CID	3,340,000
Combined waterworks and sewerage system	Nonmajor governmental	1,264,300
Combined waterworks and sewerage system	Todd George/50 Hwy TIF	2,350,000
Combined waterworks and sewerage system	Blue Parkway/Colbern CID	492,075
Combined waterworks and sewerage system	Airport	1,175,000
Solid Waste	Nonmajor governmental	134,500
Solid Waste	Todd George/50 Hwy TIF	250,000
Solid Waste	Airport	125,000
Total		<u>\$ 16,060,933</u>

The \$2,503,858 payable from the Airport Fund to the General Fund represents funds that were provided to the Airport to decrease borrowings to outside parties and to fund operations. Of this amount, \$80,200 represents a loan that will be repaid in fiscal year 2019 with the remaining amount being repaid over the next 10 years. Other payables from the Airport Fund; \$700,000 to the Capital Improvements Sales Tax Fund, \$1,175,000 to the Combined Water/Sewer Fund and \$125,000 to the Solid Waste Fund represent an interfund loan approved in 2014 to temporarily fund airport capital expansion during the grant reimbursement process.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The \$3,340,000 and \$492,075 payable from Blue Parkway and Colbern Road CID to Nonmajor governmental funds and Combined Water/Sewer Fund, respectively, represents funds that were escrowed to fund infrastructure improvements during a voluntary property annexation into City limits. This liability will be repaid with revenues generated by future development.

The \$1,000,000, \$1,400,000, \$2,350,000 and \$250,000 payable from the Todd George/50 Highway TIF represents an interfund loan approved in 2015 to build the Blackwell Road Interchange at US Highway 50. This loan is being repaid with TIF revenues.

Other interfund payables and receivables represent fund overdraws of cash, which are made in the ordinary course of business. Most of these overdraws are temporary until bond proceeds are reimbursed from the bond trustee for projects under construction.

Interfund transfers:

	Transfers To						Total
	General Fund	Nonmajor Governmental	Comined Waterworks And Sewerage System	Airport Fund	Landfill Fund	Internal Service	
Transfers from							
General fund	\$ —	\$ 186,433	\$ —	\$ 76,696	\$ 62,555	\$ 1,715,843	\$ 2,041,527
Debt service fund	—	3,800,000	—	—	—	—	3,800,000
Nonmajor governmental	40,661	536,493	—	3,367,000	—	—	3,944,154
Combined waterworks and sewerage system	673,755	—	—	—	—	—	673,755
Sanitary landfill	—	175,000	—	—	—	—	175,000
Airport	76,696	—	—	—	—	—	76,696
Internal service	—	—	26,041	—	—	—	26,041
Nonmajor enterprise	—	3,519	—	—	—	—	3,519
	\$ 791,112	\$ 4,701,445	\$ 26,041	\$ 3,443,696	\$ 62,555	\$ 1,715,843	\$ 10,740,692

Transfers are used to move revenues from one fund to the other due to budgetary authorizations or by ordinance in the normal course of business. In addition, unrestricted revenues collected in the General Fund are used to finance various programs in other funds and are transferred in accordance with budgetary authorizations.

During the year ended June 30, 2018, \$673,755 was transferred from the Combined Waterworks and Sewer System Fund to the General Fund for general and administrative expenses.

7. Employee Retirement Plan

Plan Description

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

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

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

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	280
Inactive employees entitled to but not yet receiving benefits	246
Active employees	<u>618</u>
	<u><u>1,144</u></u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. Employer contribution rates are 10.8% (general), 13.9% (police) and 10.4% (fire) of annual covered payroll.

Net Pension Liability (Asset)

The employer's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method:	Entry Age Normal and Modified Terminal Funding
Asset Valuation Method:	5 - year smoothed market
Amortization Method:	Level percentage payroll, closed
Inflation:	3.25% wage inflation; 2.5% price inflation
Salary Increase:	3.25% to 6.55% (7.15% fire) including wage inflation
Investment Rate Of Return:	7.25%

Mortality rates were based on the applicable RP-2014 Mortality Tables for both males and females.

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate Of Return
Equity	48.00%	4.81%
Fixed income	28.50%	1.72%
Real assets	23.50%	3.42%

Discount Rate

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

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Changes In The Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances At June 30, 2017	\$ 189,992,658	\$ 200,957,184	\$ (10,964,526)
Changes For The Year:			
Service cost	4,472,193	—	4,472,193
Interest	13,726,033	—	13,726,033
Changes in benefit terms	—	—	—
Difference between expected and actual experience	(421,915)	—	(421,915)
Changes of assumptions	—	—	—
Contributions - employer	—	4,306,689	(4,306,689)
Contributions - employee	—	—	—
Net investment income (loss)	—	24,845,050	(24,845,050)
Benefit payments, including refunds	(5,832,114)	(5,832,114)	—
Administrative expense	—	(90,844)	90,844
Other changes	—	(62,202)	62,202
Net changes	11,944,197	23,166,579	(11,222,382)
Balances At June 30, 2018	\$ 201,936,855	\$ 224,123,763	\$ (22,186,908)

Sensitivity Of The Net Pension Liability (Asset) To Changes In The Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the employer's net pension liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ 9,199,594	\$ (22,186,908)	\$ (47,893,417)

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended June 30, 2018 the City recognized pension expense of \$5,257,776. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences in experience	\$ 2,102,006	\$ (2,590,262)
Changes in assumptions	3,519,508	—
Difference between expected and actual earnings	—	(6,129,798)
Total	\$ 5,621,514	\$ (8,720,060)

Some years may have amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date. Those amounts would be recognized as a reduction in the net pension liability (asset) during the following year.

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

Year Ending June 30,	Net Deferred Inflows Of Resources
2019	\$ 1,416,122
2020	(441,288)
2021	(3,156,306)
2022	(1,845,700)
2023	430,535
Thereafter	498,091
Total	\$ (3,098,546)

8. Other Post-Employment Benefits

Plan Description

In addition to providing the pension benefits described above, the City provides employees that retire under the plan the opportunity for continuation of medical and dental insurance coverage offered through the City's fully insured group insurance plan.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Retirees who elect to continue coverage in the medical and dental plans offered through the City are required to pay the entire premium amount until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The Plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees and/or spouses	23
Active employees	<u>643</u>
	<u><u>666</u></u>

Benefits Provided

Employees must attain a minimum of ten years of service and be less than age 65 to be eligible for retiree coverage. Medical coverage is available to qualifying retirees until Medicare eligibility through the City's group insurance program. Retirees must contribute group plan rates to maintain coverage. Upon retiree death or attainment of age 65, spouses may continue cobra coverage for up to three years not to exceed their own age 65. The required retiree premium rates are based on combined active and retiree experience so retirees are not charged the full age-based projected cost. Effective January 1, 2018 the City switched from Cost-Plus to a Fully Insured plan. Premiums are reviewed and set annually based on projections and claims history provided by the insurance carrier.

Total OPEB Liability And Changes In OPEB Liability

The City's total OPEB liability was based on an actuarial valuation dated July 1, 2017 using a measurement date of June 30, 2018 and the changes in the OPEB liability are as follows:

Net OPEB liability (GASB 45) - Beginning of year	\$ 2,766,364
GASB 75 Implementation Adjustment (Note 1)	<u>1,613,855</u>
Net OPEB liability - Beginning of year (as restated under GASB 75)	4,380,219
Service costs	229,155
Interest	153,982
Changes in assumptions and inputs	799,131
Employer contributions (benefit payments)	<u>(161,000)</u>
Net OPEB liability - end of year	<u><u>\$ 5,401,487</u></u>

The net OPEB liability is included in the other long-term liability within the statement of net position at June 30, 2018.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Changes for the July 1, 2017 actuarial valuation relative to the July 1, 2015 valuation include the following:

1. The retirement, disability and turnover assumptions were updated when applicable based on the latest LAGERs pension valuation.
2. The assumed healthy life mortality was updated to reflect the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MO-2017 Full Generational Improvement. Disabled life mortality was updated in a similar fashion.
3. The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.
4. The actuarial cost method was changed from the Projected Unit Credit Method to Entry Age Normal –Level %-of-Pay Method as mandated by the GASB 75. The assumed salary scale is 3% per year.
5. The discount rate was changed from 3.5% (GASB 45) to 3.4% (beginning-of-year measurement) in accordance with GASB 75.
6. The assumed proportion of future employees retiring at ages 60 to 64 electing coverage with the city was lowered from 50% to 45%. City experience from September 1, 2012 to May 31, 2018 retirements was evaluated.

The net OPEB obligation is reported as a component of other long-term liabilities on the statement of net position.

The actuarial calculations reflect a long-term perspective that involves estimates of reported amounts and assumptions about the probability of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. As allowed by GASB, this reporting requirement is being implemented prospectively. Data is not available for prior years. The actuarial calculations are based on the substantive plan (i.e. benefit terms) and pertinent law as they exist at the measurement date.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age - Level Percent of Pay
Valuation Date:	July 1, 2017
Measurement Date:	June 30, 2018
Salary Scale:	3%
UAAL Amortization Method:	Level dollar amount
UAAL Amortization Period, Closed/Open:	5 years, open
Discount Rate:	3.3% (measurement date); 3.4% (year preceding measurement date)
Mortality:	RPH-2014 Adjusted to 2006 Total Dataset Headcount- weighted mortality with MP- 2017 full generational improvement
Healthcare Cost Trend:	7.5% decreasing to ultimate rate of 4.5%

To the extent Plan (i.e. Trust) assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent a Plan is not projected to be sufficient make future benefit payments the yield or index for 20-yr, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to the City's program. In order to determine the municipal bond rate we took the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 3.4% and 3.3% as of the beginning and end of year measurement dates, respectively. These were used as the discount rates to determine present value costs.

GASB 75 requires full updated valuations every 2 years unless a material change occurs. The next full valuation should be for FY 2019-20. In this context a "full" valuation is meant to entail an updated census and a revised analysis of per capita costs/assumptions/actuarial methods. Though a full valuation is not required for fiscal year 2018-19 (unless a material change occurs) the OPEB expense and Net OPEB Liability will need to be re-measured using a discount rate based on the published bond rates as of the measurement date of June 30, 2019.

Sensitivity Of The Total OPEB Liability To Changes In The Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.3 percent) or 1-percentage point higher (4.3 percent) than the current discount rate:

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
Total OPEB Liability	\$ 5,916,307	\$ 5,401,487	\$ 4,929,843

CITY OF LEE'S SUMMIT, MISSOURINotes To Basic Financial Statements (*Continued*)**Sensitivity Of The Total OPEB Liability To Changes In The Healthcare Trend Rates**

The following presents the total OPEB liability of the City, as well as what the City's liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<u>Current Trend Rate</u>		
	<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,259,839	\$ 5,401,487	\$ 6,372,781

OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$449,731. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ —	\$ —
Changes in assumptions	732,537	—
Contributions subsequent to the measurement date	—	—
Total	\$ 732,537	\$ —

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

<u>Year Ending June 30,</u>	<u>Deferred Outflows Of Resources</u>
2019	\$ 66,594
2020	66,594
2021	66,594
2022	66,594
2023	66,594
Thereafter	399,567
Total	\$ 732,537

9. Litigation And Contingent Liabilities

Legal Matters

The City is a party to a number of other lawsuits as a result of condemnation proceedings, zoning decisions, personal injury and certain law enforcement activities. Although potential claims against the City not covered by insurance, if any, resulting from such litigation are not determinable, it is the opinion of the City's legal counsel and management that the resolution of these matters will not have a materially adverse effect on the financial position of the City.

Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. To protect itself against these risks of loss, the City carries liability and fidelity insurance coverage provided by One Beacon Insurance Group and property coverage is provided by Travelers Property Casualty Company of America.

The City is self-insured with respect to its obligations to provide workers' compensation for its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims is recorded in the government-wide and internal service fund financial statements.

At June 30, 2018, the City's total estimated liability for payment of incurred but unpaid claims for workers' compensation was \$1,534,298 and is included in accounts payable in the Workers' Compensation Self-Insurance Fund.

Changes in self-insured claims liability at June 30, 2018 and 2017 were as follows:

Self Insurance (Workers Comp) Table	
Balance - June 30, 2016	\$ 751,002
Add: Current year claims and change in estimate	440,750
Less: Claim payments	<u>610,585</u>
Balance - June 30, 2017	581,167
Add: Current year claims and change in estimate	1,178,579
Less: Claim payments	<u>225,448</u>
Balance - June 30, 2018	<u><u>\$ 1,534,298</u></u>

Settled claims have not exceeded insurance coverage in any of the past three years.

10. Closure And Postclosure Care Costs

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,710,290 reported as landfill closure and postclosure care liability at June 30, 2018 represents the cumulative estimate of closure and postclosure care costs based on the use of approximately 97.36% of the ultimate capacity of the landfill.

The City will recognize the remaining estimated cost of closure and postclosure care of \$290,419 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care valued in 2018 costs. The City expects to close the landfill in the year 2019. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The City has documented its commitment to pay for closure and postclosure costs through the issuance of contracts of obligation with the Department of Natural Resources. These contracts legally bind the City to pay for closure and postclosure costs. As of June 30, 2018, the City had outstanding contracts of obligation for approximately \$11,000,000 that were approved by the Department of Natural Resources subsequent to year end. The City expects that all closure and postclosure care costs, as well as future inflation costs, will be paid from available operating revenues, reserves and interest earnings on cash and short-term investments held in the Sanitary Landfill Fund. However, if these resources are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be recovered through charges to future landfill users.

11. Deficits

The accumulated deficit in the funds listed below will be eliminated by future revenues or transfers.

Blue Parkway and Colbern Road CID	\$	3,714,382
Todd George and 50 Hwy TIF		4,848,374
Special Revenue Funds - Nonmajor		
Entitlement Fund		153,170
Capital Projects Funds - Nonmajor		
New Longview TIF		440,824
		<hr/>
	\$	<u>9,156,750</u>

12. Municipal Court Traffic Violations Fines And Costs

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendment to the statute now requires municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. Total fines and court cost revenues for the fiscal year, which includes fines and court costs related to traffic violations, summed to \$960,878. This accounts for 1.63% of the City’s total general operating revenues of \$59,092,505 for the year ended June 30, 2018.

13. Tax Abatements

The City of Lee’s Summit can grant tax abatements as outlined below:

Tax Increment Financing - The City of Lee’s Summit grants tax diversion to promote new investment, infrastructure improvements, and job growth by providing financial assistance and incentives to redevelopers. Created pursuant to Section 99.800 of the Revised Statutes of Missouri (RSMo). State statute authorizes the redirection of the incremental increase in property taxes prior to the development. State statute also authorizes the redirection of 50% of the incremental increase in taxes generated by economic activities with the project as well. The maximum term is 23 years. Per City policy, incentives granted shall be capped at an amount not to exceed 25% of the total private development costs. To qualify for site specific incentives over the 25% cap, the project must demonstrate extraordinary qualifications.

Section 353 Tax Abatement - Grants tax abatement to encourage investment and assist in the removal of blight and blighting conditions within urban redevelopment areas. The abatement is calculated on the increase in assessed value of both land and improvements. Per City policy, incentives shall be capped at an abatement of 50% over a 10 year period. To qualify for site specific incentives over the 50% cap and/or beyond the initial 10 years, the project must demonstrate extraordinary qualifications.

Section 100 Projects --The City of Lee’s Summit can issue taxable bonds to assist with the construction or rehabilitation of eligible commercial facilities. The City takes formal ownership of the business assets and therefore provide property (real and personal) abatement for up to 15 years. Created pursuant to Sections 100-010 to 100.200 RSMo. The abatement is calculated based upon city ownership of the real and/or personal property which would render it exempt from taxes. Sales taxes on purchases of materials used in the construction of the facility may be constructed such that the City’s sales tax exemption is used. Per City policy, incentives considered will be at an abatement level of 50% over a 10 year period for new development and redevelopment. Business equipment incentives will be considered at an abatement level of 50% over a 5 year period. To qualify for site specific incentives over these amounts, the project must demonstrate extraordinary qualifications.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

LCRA (Land Clearance Redevelopment Authority) - Grants abatement to encourage investment and assists in the removal of blight and blighting conditions with urban renewal areas. Created pursuant to Sections 99.300 to 99.660 RSMo. The abatement is calculated on the increase in assessed value of both land and improvements. Per City policy, incentives shall be capped at an abatement of 50% over a 10 year period. To qualify for site specific incentives over the 50% cap, the project must demonstrate extraordinary qualifications.

The City provided tax abatements under the four economic development programs noted above. For the fiscal year ended June 30, 2018, the City's tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$5,603,495 under the following programs:

Tax Abatement Program	City Portion Of Taxes Affected	Other Organizations' Portion Of Taxes Affected	Total Taxes Affected By		Net Taxes Affected By		Amount Of Taxes Abated During The Fiscal Year
			Abatements	Less Other Payments	Abatements	Percentage Abatement	
Tax increment financing	\$ 1,139,614	\$ 5,417,429	\$ 6,557,043	\$ —	\$ 6,557,043	58.9%	\$ 3,861,259
Section 353 abatement	26,586	126,420	153,006	76,503	76,503	100.0%	76,503
Section 100 projects	522,186	2,587,163	3,109,349	1,553,613	1,555,736	100.0%	1,555,736
LCRA	16,409	93,588	109,997	—	109,997	100.0%	109,997
							<u>\$ 5,603,495</u>

The following tax abatement agreements each exceeded 10% of the total amount abated and are included in the previous table:

Lee's Summit East TIF - In August 2006, the City approved the tax increment plan for the area commonly known as "Summit Fair." The project area contains approximately 72 acres in an area that is bounded by US Highway 50 on the west, I-470 and Ward Road on the north, Blue Parkway on the east and NW Chipman Road on the south. The estimated value of tax revenue abated during fiscal year 2018 is \$2,773,375 with the City's portion of taxes abated at \$551,754.

I-470 Business and Technology TIF - In July 2006 the City approved the tax increment plan for the area located south of Strother Road, west of I-470 and east of the Lee's Summit Airport. The project is expected to consist of over 500,000 square feet of office and warehouse space, approximately 64,500 square feet of retail space, 13,000 square feet of restaurant space, a 42,000 square foot hotel and a 45,000 square foot retail center. The plan provides for on-site improvements to facilitate storm water runoff near the development, wetland mitigation and public road improvements. The estimated value of tax revenue abated during fiscal year 2018 is \$729,667 with the city's portion of taxes abated at \$183,632.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

KC Summit Technology 1998 – In February 1998 the City approved a Section 100 plan for the industrial development project located in the former Western Electric facility. This former facility was converted to a multi-tenant office complex. The estimated value of tax revenue abated during fiscal year 2018 is \$995,306 with the city's portion of taxes abated at \$192,643.

14. Subsequent Event

In October 2018, the City issued additional general obligation bonds that have a principal amount of \$3,658,000, with interest of 2.740% to be repaid through April 1, 2020.



Required Supplementary Information



CITY OF LEE'S SUMMIT, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON INFORMATION - GENERAL FUND
For The Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variances With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 53,738,802	\$ 53,738,802	\$ 55,029,108	\$ 1,290,306
Fines and forfeitures	1,405,838	1,405,838	1,201,593	(204,245)
Licenses and permits	2,411,880	2,411,880	2,762,581	350,701
Intergovernmental	1,008,067	1,008,067	891,502	(116,565)
Charges for services	7,570,459	7,570,459	7,731,488	161,029
Investment earnings	56,845	56,845	98,394	41,549
Other	1,759,600	1,759,600	2,140,281	380,681
Total Revenues	67,951,491	67,951,491	69,854,947	1,903,456
Expenditures				
Current:				
General government				
Administrative	3,436,551	3,429,638	2,997,911	431,727
Finance	8,582,255	9,524,972	9,596,720	(71,748)
Municipal court	877,203	882,403	764,682	117,721
Legal	1,398,271	1,412,271	1,231,211	181,060
Public Safety				
Law enforcement	19,892,969	20,042,269	20,330,544	(288,275)
Fire/EMS	17,700,379	17,978,777	17,969,904	8,873
Public works and streets				
Public works/engineering	5,591,202	5,633,602	5,384,195	249,407
Street operations	4,936,362	4,944,562	4,794,326	150,236
Community development	634,248	640,048	513,182	126,866
Development center	3,597,057	3,630,057	3,399,680	230,377
Total Expenditures	66,646,497	68,118,599	66,982,355	1,136,244
Excess Of Revenues Over Expenditures	1,304,994	(167,108)	2,872,592	767,212
Other Financing Sources (Uses)				
Transfers in	1,004,515	1,004,515	791,112	(213,403)
Transfers out	(2,046,894)	(2,046,894)	(2,041,527)	5,367
Total Other Financing Uses	(1,042,379)	(1,042,379)	(1,250,415)	(208,036)
Net Change In Fund Balances	262,615	(1,209,487)	1,622,177	559,176
Fund Balances - Beginning	26,759,149	26,759,149	26,759,149	26,759,149
Fund Balances - Ending	\$ 27,021,764	\$ 25,549,662	\$ 28,381,326	\$ (728,082)

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON INFORMATION For The Year Ended June 30, 2018

Budgets And Budgetary Accounting

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. Amendments to the original budget were not material, and appropriations lapse at yearend. The basis of accounting is the same for both budgeting and GAAP reporting purposes. The City Council utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

- (1) Prior to the beginning of the fiscal year, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget provides a complete financial plan of all funds and activities for the upcoming fiscal year. In no event shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves estimated to be on hand at the beginning of the budget year.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to July 1, the budget is legally enacted through passage of an ordinance.

The appropriated budget is prepared by fund, department and program. Department heads may make transfers of appropriations within their departments. Upon written request by the City Administrator, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another. The legal level of budgetary control is the department level.

Although the City is legally required to prepare budgets for all funds, there is no legal requirement to report on those budgets.

The majority of Special Revenue Funds have annual appropriated budgets; funds that do not are the Entitlement Fund, Landfill Postclosure Fund, Cemetery Trust Fund, Road and Bridge Escrow Fund and the Business and Industry Fund.

Capital projects are budgeted on a project basis rather than on an annual fiscal basis; therefore, a comparison of actual to budget for Capital Project Funds would not be meaningful.

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) SCHEDULES OF SELECTED PENSION INFORMATION - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

For The Year Ended June 30, 2018

Schedule Of Contributions

Fiscal Year	Actuarially Determined Contribution	Contribution In Relation To The Required Contribution	Contribution Deficiency	Covered Payroll	Contribution As A Percentage Of Covered Payroll
2009	\$ 4,463,868	\$ 4,463,868	\$ —	\$ 33,489,930	13.33%
2010	4,347,805	4,347,805	—	34,114,082	12.74%
2011	5,805,293	4,992,660	812,633	36,279,509	13.76%
2012	5,394,938	5,059,758	335,180	34,189,853	14.80%
2013	5,509,368	5,482,466	26,902	34,808,668	15.75%
2014	5,148,222	5,148,222	—	35,306,669	14.58%
2015	4,868,423	4,868,423	—	35,576,862	13.68%
2016	4,146,492	4,146,492	—	35,525,693	11.67%
2017	4,156,827	4,147,466	9,361	37,349,420	11.10%
2018	4,315,843	4,306,689	9,153	37,966,666	11.34%

Schedule Of Changes In Net Pension Liability (Asset) And Related Ratios

Fiscal Year Ending June 30,	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 4,094,113	\$ 4,116,855	\$ 4,304,459	\$ 4,472,193
Interest on total pension liability	10,954,647	11,691,666	12,869,316	13,726,033
Changes of benefit terms	—	—	—	—
Difference between expected and actual experience	318,903	(892,732)	(10,067)	(421,915)
Changes of assumptions	—	6,279,349	—	—
Benefit payments, including refunds	(5,373,300)	(5,047,211)	(5,040,382)	(5,832,114)
Net Change In Total Pension Liability	<u>9,994,363</u>	<u>16,147,927</u>	<u>12,123,326</u>	<u>11,944,197</u>
Total Pension Liability - Beginning	<u>151,727,042</u>	<u>161,721,405</u>	<u>177,869,332</u>	<u>189,992,658</u>
Total Pension Liability - Ending (a)	<u>\$ 161,721,405</u>	<u>\$ 177,869,332</u>	<u>\$ 189,992,658</u>	<u>\$ 201,936,855</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,831,163	\$ 4,153,904	\$ 4,348,764	\$ 4,306,689
Contributions - employee	—	—	90,862	—
Net investment income	3,552,574	(235,139)	21,474,775	24,845,050
Benefit payments, including refunds	(5,373,300)	(5,047,211)	(5,040,382)	(5,832,114)
Pension plan administrative expense	(89,852)	(84,734)	(87,751)	(90,844)
Other (net transfer)	1,714,993	339,826	(157,228)	(62,202)
Net Change In Plan Fiduciary Net Position	<u>4,635,578</u>	<u>(873,354)</u>	<u>20,629,040</u>	<u>23,166,579</u>
Plan Fiduciary Net Position - Beginning	<u>176,565,920</u>	<u>181,201,498</u>	<u>180,328,144</u>	<u>200,957,184</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 181,201,498</u>	<u>\$ 180,328,144</u>	<u>\$ 200,957,184</u>	<u>\$ 224,123,763</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	(19,480,093)	(2,458,812)	(10,964,526)	(22,186,908)
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability	112.05%	101.38%	105.77%	110.99%
Covered Payroll	\$ 34,283,100	\$ 35,017,663	\$ 36,728,368	\$ 37,483,205
Net Pension Liability (Asset) As A Percentage Of Covered Payroll	-56.82%	-7.02%	-29.85%	-59.19%

Note: The above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - OTHER POST EMPLOYMENT BENEFITS For The Year Ended June 30, 2018

<u>Total OPEB Liability</u>	<u>June 30, 2018</u>
Service cost	\$ 229,155
Interest	153,982
Changes in benefit terms	—
Differences between expected and actual experience	—
Changes in assumptions or other inputs	799,131
Benefit payments	<u>(161,000)</u>
Net change in total OPEB liability	1,021,268
Total OPEB liability - beginning	<u>4,380,219</u>
Total OPEB liability - ending	<u>\$ 5,401,487</u>
Covered-employee payroll	\$ 35,567,476
Total OPEB liability as a percentage of covered-employee payroll	15.19%

Note: The above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Changes for the July 1, 2017 actuarial valuation relative to the July 1, 2015 valuation include the following:

1. The retirement, disability and turnover assumptions were updated when applicable based on the latest LAGERS pension valuation.
2. The assumed healthy life mortality was updated to reflect the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality table with MO-2017 Full Generational Improvement. Disabled life mortality was updated in a similar fashion.
3. The per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.
4. The actuarial cost method was changed from the Projected Unit Credit Method to Entry Age Normal - Level %-of-Pay Method as mandated by the GASB 75. The assumed salary scale is 3% per year.
5. The discount rate was changed from 3.5% (GASB 45) to 3.4% (beginning-of-year measurement) in accordance with GASB 75.
6. The assumed proportion of future employees retiring at ages 60 to 64 electing coverage with the city was lowered from 50% to 45%. City experience from September 1, 2012 to May 31, 2018 retirements was evaluated.

Supplementary Information

Combining And Individual Fund Financial
Statements And Schedules

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2018

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Pooled cash and investments	\$ 13,318,177	\$ 19,161,444	\$ 32,479,621
Receivables (net of allowance)			
Taxes	105,052	1,394,805	1,499,857
Accounts and other	56,375	—	56,375
Interest	42,720	17,486	60,206
Due from other funds	—	3,340,000	3,340,000
Due from other governments	148,518	131,846	280,364
Other assets	280	793	1,073
Total Assets	\$ 13,671,122	\$ 24,046,374	\$ 37,717,496
Liabilities And Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 402,632	\$ 351,524	\$ 754,156
Payroll liabilities	159,400	—	159,400
Payable from restricted	587,859	5,000	592,859
Accrued interest payable	—	8,909	8,909
Due to other funds	35,000	2,690,000	2,725,000
Total Liabilities	1,184,891	3,055,433	4,240,324
Deferred Inflows Of Resources			
Property tax	205,598	—	205,598
Fund Balances			
Restricted			
Bridges, streets and signals	—	7,642,721	7,642,721
Economic development	—	303,355	303,355
Other capital projects	—	13,110,860	13,110,860
Committed			
Bridges, streets and signals	188,950	—	188,950
Landfill care	5,392,694	—	5,392,694
Cemetary care	1,303,956	—	1,303,956
Assigned			
Parks and recreation	4,499,726	85,145	4,584,871
Economic development	460,982	—	460,982
Other capital projects	—	289,684	289,684
Other purposes	587,495	—	587,495
Unassigned	(153,170)	(440,824)	(593,994)
Total Fund Balances	12,280,633	20,990,941	33,271,574
Total Liabilities, Deferred Inflows And Fund Balances	\$ 13,671,122	\$ 24,046,374	\$ 37,717,496

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property	\$ 3,416,527	\$ 1,164,131	\$ 4,580,658
Sales	—	8,232,941	8,232,941
License	—	1,087,048	1,087,048
Bed	533,037	—	533,037
Other tax	5,984	—	5,984
Fines and forfeitures	20,261	360	20,621
Intergovernmental	484,029	149,767	633,796
Charges for services	2,998,886	23,908	3,022,794
Investment earnings	68,225	228,279	296,504
Other	414,585	348,864	763,449
Total Revenues	7,941,534	11,235,298	19,176,832
Expenditures			
Current			
General government	804,666	861,876	1,666,542
Parks and recreation	6,417,411	—	6,417,411
Debt service			
Principal	—	—	—
Interest and other charges	—	47,968	47,968
Capital outlay	—	17,749,211	17,749,211
Total Expenditures	7,222,077	18,659,055	25,881,132
Excess (Deficiency) Of Revenues Over Expenditures	719,457	(7,423,757)	(6,704,300)
Other Financing Sources (Uses)			
Issuance of bonds	—	14,575,000	14,575,000
Premium on issuance of bonds	—	803,598	803,598
Discount on issuance of bonds	—	—	—
Transfers in	479,751	4,221,694	4,701,445
Transfers out	(577,154)	(3,367,000)	(3,944,154)
Total Other Financing Sources (Uses)	(97,403)	16,233,292	16,135,889
Net Change In Fund Balances	622,054	8,809,535	9,431,589
Fund Balances - Beginning	11,658,579	12,181,406	23,839,985
Fund Balances - Ending	\$ 12,280,633	\$ 20,990,941	\$ 33,271,574

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital project) requiring separate accounting because of legal or regulatory provisions or administrative action. The City's nonmajor Special Revenue Funds are as follows:

Park Board - Established to account for activities of the Park Board, which administers operations of all City parks.

Violence Against Women Grant - Established to account for the receipt of federal grant monies for the Violence Against Women Grant.

Entitlement Fund - Established to account for federal funding passed through to other agencies.

Landfill Postclosure Fund - Established to account for reserve set up to cover landfill closure costs the City will incur.

Cemetery Trust Fund - Established to account for plot and monument sales for perpetual care funding.

Road And Bridge Escrow - Established to account for deposits made related to road and bridge improvement projects.

Business And Industry Fund - Established to account for and distribute the proceeds from a 5% tax on certain gross receipts of hotels, motels and similar places of business.

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2018**

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Total Nonmajor Special Revenue Funds
Assets								
Pooled cash and investments	\$ 4,979,477	\$ 477,826	\$ 1,700	\$ 5,375,295	\$ 1,305,698	\$ 774,211	\$ 403,970	\$ 13,318,177
Receivables (net of allowance)								
Taxes receivable, net	105,052	—	—	—	—	—	—	105,052
Accounts and other	—	393	—	—	—	—	55,982	56,375
Interest	16,899	519	—	17,399	4,275	2,598	1,030	42,720
Due from other governments	—	122,313	26,205	—	—	—	—	148,518
Other assets	280	—	—	—	—	—	—	280
Total Assets	\$ 5,101,708	\$ 601,051	\$ 27,905	\$ 5,392,694	\$ 1,309,973	\$ 776,809	\$ 460,982	\$ 13,671,122
Liabilities And Fund Balances								
Liabilities								
Accounts payable and accrued liabilities	\$ 238,191	\$ 13,556	\$ 146,075	\$ —	\$ 4,810	\$ —	\$ —	\$ 402,632
Payroll liabilities	158,193	—	—	—	1,207	—	—	159,400
Payable from restricted	—	—	—	—	—	587,859	—	587,859
Due to other funds	—	—	35,000	—	—	—	—	35,000
Total Liabilities	396,384	13,556	181,075	—	6,017	587,859	—	1,184,891
Deferred Inflows Of Resources								
Property tax	205,598	—	—	—	—	—	—	205,598
Fund Balances								
Committed								
Bridges, streets and signals	—	—	—	—	—	188,950	—	188,950
Landfill care	—	—	—	5,392,694	—	—	—	5,392,694
Cemetery care	—	—	—	—	1,303,956	—	—	1,303,956
Assigned								
Parks and recreation	4,499,726	—	—	—	—	—	—	4,499,726
Economic development	—	—	—	—	—	—	460,982	460,982
Other purposes	—	587,495	—	—	—	—	—	587,495
Unassigned	—	—	(153,170)	—	—	—	—	(153,170)
Total Fund Balances	4,499,726	587,495	(153,170)	5,392,694	1,303,956	188,950	460,982	12,280,633
Total Liabilities, Deferred Inflows And Fund Balances	\$ 5,101,708	\$ 601,051	\$ 27,905	\$ 5,392,694	\$ 1,309,973	\$ 776,809	\$ 460,982	\$ 13,671,122

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended June 30, 2018**

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Total Nonmajor Special Revenue Funds
Revenues								
Taxes								
Property	\$ 3,416,527	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,416,527
Bed	—	—	—	—	—	—	533,037	533,037
Other tax	5,984	—	—	—	—	—	—	5,984
Fines and forfeitures	20,261	—	—	—	—	—	—	20,261
Intergovernmental	500	122,313	361,216	—	—	—	—	484,029
Charges for services	2,935,454	—	—	—	63,432	—	—	2,998,886
Investment earnings	20,818	—	—	32,707	8,283	5,232	1,185	68,225
Other	311,382	—	—	—	103,203	—	—	414,585
Total Revenues	6,710,926	122,313	361,216	32,707	174,918	5,232	534,222	7,941,534
Expenditures								
Current:								
General government	—	39,321	369,514	—	—	—	395,831	804,666
Parks and recreation	6,258,041	—	—	—	159,370	—	—	6,417,411
Total Expenditures	6,258,041	39,321	369,514	—	159,370	—	395,831	7,222,077
Excess (Deficiency) Of Revenues Over Expenditures	452,885	82,992	(8,298)	32,707	15,548	5,232	138,391	719,457
Other Financing Sources (Uses)								
Transfers in	304,751	—	—	175,000	—	—	—	479,751
Transfers out	(515,985)	—	(30,000)	—	(20,508)	—	(10,661)	(577,154)
Total Other Financing Sources (Uses)	(211,234)	—	(30,000)	175,000	(20,508)	—	(10,661)	(97,403)
Net Change In Fund Balances	241,651	82,992	(38,298)	207,707	(4,960)	5,232	127,730	622,054
Fund Balances - Beginning	4,258,075	504,503	(114,872)	5,184,987	1,308,916	183,718	333,252	11,658,579
Fund Balances - Ending	\$ 4,499,726	\$ 587,495	\$ (153,170)	\$ 5,392,694	\$ 1,303,956	\$ 188,950	\$ 460,982	\$ 12,280,633

CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE

PARK BOARD

For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 3,211,119	\$ 3,211,119	\$ 3,416,527	\$ 205,408
Other tax	2,500	2,500	5,984	3,484
Fines and forfeitures	20,170	20,170	20,261	91
Intergovernmental	500	500	500	—
Charges for services	2,905,135	2,905,135	2,935,454	30,319
Investment earnings (loss)	12,000	12,000	20,818	8,818
Other	253,214	253,214	311,382	58,169
Total Revenues	6,404,637	6,404,637	6,710,926	306,289
Expenditures				
Current:				
Parks and recreation	6,366,475	6,404,820	6,258,041	(146,779)
Excess Of Revenues Over Expenditures	38,162	(183)	452,885	453,068
Other Financing Sources (Uses)				
Transfers in	310,118	310,118	304,751	(5,367)
Transfers out	(5,985)	(515,985)	(515,985)	—
Total Other Financing Sources	304,133	(205,867)	(211,234)	(5,367)
Net Change In Fund Balances	342,295	(206,050)	241,651	447,701
Fund Balances - Beginning	4,258,075	4,258,075	4,258,075	—
Fund Balances - Ending	\$ 4,600,370	\$ 4,052,025	\$ 4,499,726	\$ 447,701

CITY OF LEE'S SUMMIT, MISSOURI

**BUDGETARY COMPARISON SCHEDULE
VIOLENCE AGAINST WOMEN GRANT
For The Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits				
Intergovernmental	\$ 212,001	\$ 212,001	\$ 122,313	\$ (89,688)
Expenditures				
Current:				
General government	212,000	212,000	39,321	172,679
Net Change In Fund Balances	1	1	82,992	82,991
Fund Balances - Beginning	504,503	504,503	504,503	504,503
Fund Balances - Ending	\$ 504,504	\$ 504,504	\$ 587,495	\$ 587,494

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Enterprise Funds. The City's nonmajor Capital Projects Funds are as follows:

Road And Bridge Improvement - Established to account for road and bridge improvement projects within the City related to a fiscal year 1995 tax levy.

Road And Bridge Excise Tax - Established to account for road and bridge improvement projects within the City related to an excise tax and a ten year capital improvement sales tax that was approved by voters in 1997.

Ritter Plaza Tax Increment Financing - Established to account for public improvements needed to support new private development in M-291 and Swann Road area.

Park Development - Established to account for construction of new parks.

Summit Woods Tax Increment Financing - Established to account for public improvements needed to support new private development in the I-470 and M-350 Highway area.

Chapel Ridge Tax Increment Financing - Capital projects fund established to account for public improvements needed to support new private development in the I-470 and Woods Chapel Road area.

New Longview Tax Increment Financing 2003 - Established to account for public improvements needed to support new private development in the Longview Farm area.

Longview Farm 2016 Tax Increment Financing - Established to account for redevelopment of certain historic structures on the Longview Farm property.

I-470 Business Center Tax Increment Financing - Established to account for public improvements needed to support development of 125 acres in the I-470 corridor.

Public Safety Bonds 2016 - Established to account for public safety improvements including emergency series radio equipment and related infrastructure, Fire Station 3 replacement and acquisition of fire equipment and apparatus.

Storm Water Improvement - Established to account for construction of projects related to a 2007 bond election.

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS (*Continued*)

US 50 Highway & Route 291 South Exchange - Established to account for construction of road improvements and acquire right-of-way to the US Highway 50 and State Route 291 intersection and bridge system related to the 2013 bond election.

ERP System - Established to account for the acquisition, testing and implementation of new Financial, Procurement, Human Resources and Water Utility Billing software.

Cultural Arts 2013 Bonds - Established to account for costs associated with public improvements for cultural arts, including improvements to the Legacy Park Amphitheater, rehabilitating the old downtown post office/city hall building and creating a downtown outdoor performance and festival space.

Road Improvements 2013 - Established to account for costs to construct road improvements, sidewalks, curbs and drainage facilities for Orchard Street and paved shoulders for Pryor Road.

Public Safety Equipment Replacement - Established to account for revenues and expenditures related to equipment used for public safety that is not included in other replacement programs.

Lee's Summit Sports Complex TIF - Established to account for public improvements needed to support new private development of a sports and entertainment complex in the area of I-470 and View High Drive.

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 1 Of 2
June 30, 2018**

	Road And Bridge Improve- ment	Road And Bridge Excise Tax	Ritter Plaza TIF	Park Develop- ment	Summit Woods TIF	Chapel Ridge TIF	New Longview TIF	Longview Farm 2016 TIF	I-470 Business Center TIF	Public Safety Bonds 2016
Assets										
Pooled cash and investments	\$ 101,158	\$ 4,616,928	\$ 79,320	\$ 204,386	\$ 66,063	\$ —	\$ 236,016	\$ 39,825	\$ 73,754	\$ 10,122,511
Receivables (net of allowance)										
Taxes	1,348,388	—	6,964	—	—	—	7,255	5,001	27,197	—
Interest	585	13,812	284	367	326	—	702	—	415	—
Due from other funds	3,340,000	—	—	—	—	—	—	—	—	—
Due from other governments	—	—	27,925	—	—	—	14,938	—	88,983	—
Other assets	—	—	—	—	—	—	—	—	—	—
Total Assets	\$ 4,790,131	\$ 4,630,740	\$ 114,493	\$ 204,753	\$ 66,389	\$ —	\$ 258,911	\$ 44,826	\$ 190,349	\$ 10,122,511
Liabilities And Fund Balances										
Liabilities										
Accounts payable and accrued liabilities	\$ 22,244	\$ 1,088	\$ 30,301	\$ 112,667	\$ 63,055	\$ —	\$ 3,063	\$ —	\$ 19,095	\$ 90,377
Payable from restricted	—	—	—	—	—	—	5,000	—	—	—
Accrued interest payable	45	—	—	6,941	—	—	1,672	251	—	—
Due to other funds	2,000,000	—	—	—	—	—	690,000	—	—	—
Total Liabilities	2,022,289	1,088	30,301	119,608	63,055	—	699,735	251	19,095	90,377
Fund Balances										
Restricted										
Bridges, streets and signals	2,767,842	4,629,652	—	—	—	—	—	—	—	—
Economic development	—	—	84,192	—	3,334	—	—	44,575	171,254	—
Other capital projects	—	—	—	—	—	—	—	—	—	10,032,134
Assigned										
Parks and recreation	—	—	—	85,145	—	—	—	—	—	—
Other capital projects	—	—	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	(440,824)	—	—	—
Total Fund Balances	2,767,842	4,629,652	84,192	85,145	3,334	—	(440,824)	44,575	171,254	10,032,134
Total Liabilities, Deferred Inflows And Fund Balances	\$ 4,790,131	\$ 4,630,740	\$ 114,493	\$ 204,753	\$ 66,389	\$ —	\$ 258,911	\$ 44,826	\$ 190,349	\$ 10,122,511

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 2 Of 2
June 30, 2018**

	Storm Water Improvement	US 50 Hwy & Rte 291 South Interchange	ERP System	Cultural Arts 2013 Bonds	Road Improvements 2013	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Total Nonmajor Capital Projects Funds
Assets								
Pooled cash and investments	\$ 2,999,913	\$ 244,539	\$ 13,430	\$ 88,447	\$ 688	\$ 273,006	\$ 1,460	\$ 19,161,444
Receivables (net of allowance)								
Taxes	—	—	—	—	—	—	—	1,394,805
Interest	—	—	44	—	—	951	—	17,486
Due from other funds	—	—	—	—	—	—	—	3,340,000
Due from other governments	—	—	—	—	—	—	—	131,846
Other assets	—	—	793	—	—	—	—	793
Total Assets	\$ 2,999,913	\$ 244,539	\$ 14,267	\$ 88,447	\$ 688	\$ 273,957	\$ 1,460	\$ 24,046,374
Liabilities And Fund Balances								
Liabilities								
Accounts payable and accrued liabilities	\$ 9,634	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 351,524
Payable from restricted	—	—	—	—	—	—	—	5,000
Accrued interest payable	—	—	—	—	—	—	—	8,909
Due to other funds	—	—	—	—	—	—	—	2,690,000
Total Liabilities	9,634	—	—	—	—	—	—	3,055,433
Fund Balances								
Restricted								
Bridges, streets and signals	—	244,539	—	—	688	—	—	7,642,721
Economic development	—	—	—	—	—	—	—	303,355
Other capital projects	2,990,279	—	—	88,447	—	—	—	13,110,860
Assigned								
Parks and recreation	—	—	—	—	—	—	—	85,145
Other capital projects	—	—	14,267	—	—	273,957	1,460	289,684
Unassigned	—	—	—	—	—	—	—	(440,824)
Total Fund Balances	2,990,279	244,539	14,267	88,447	688	273,957	1,460	20,990,941
Total Liabilities, Deferred Inflows And Fund Balances	\$ 2,999,913	\$ 244,539	\$ 14,267	\$ 88,447	\$ 688	\$ 273,957	\$ 1,460	\$ 24,046,374

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

Page 1 Of 2

For The Year Ended June 30, 2018

	Road And Bridge Improvement	Road And Bridge Excise Tax	Ritter Plaza TIF	Park Develop- ment	Summit Woods TIF	Chapel Ridge TIF	New Longview TIF	Longview Farm 2016 TIF	I-470 Business Center TIF	Public Safety Bonds 2016
Revenues										
Taxes										
Property	\$ —	\$ —	\$ 60,569	\$ —	\$ —	\$ 8,552	\$ 262,818	\$ 47,066	\$ 783,642	\$ —
Sales	7,848,034	—	52,901	—	—	—	105,338	5,799	220,869	—
License	—	1,087,048	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	11	—	—	349	—
Intergovernmental	29,196	—	9,109	—	—	8,315	38,545	—	64,602	—
Charges for services	—	—	463	—	21,238	—	794	—	1,413	—
Investment earnings/(loss)	(4,590)	19,712	880	3,414	23	—	1,723	(342)	897	154,839
Other	28,250	—	—	—	—	—	—	295,266	—	—
Total Revenues	7,900,890	1,106,760	123,922	3,414	21,261	16,878	409,218	347,789	1,071,772	154,839
Expenditures										
General government	—	—	48,150	586	—	73,530	—	—	248,960	103,721
Debt service										
Principal	—	—	—	—	—	—	—	—	—	—
Interest and other charges	—	—	—	19,393	21,238	—	4,877	2,460	—	—
Capital outlay	6,251,035	—	88,006	4,602,811	—	30,902	1,155,487	754	791,747	4,702,499
Total Expenditures	6,251,035	—	136,156	4,622,790	21,238	104,432	1,160,364	3,214	1,040,707	4,806,220
Excess (Deficiency) Of Revenues Over Expenditures	1,649,855	1,106,760	(12,234)	(4,619,376)	23	(87,554)	(751,146)	344,575	31,065	(4,651,381)
Other Financing Sources										
Issuance of bonds	—	—	—	—	—	—	—	—	—	14,575,000
Premium on issuance of bonds	—	—	—	—	—	—	—	—	—	803,598
Discount on issuance of bonds	—	—	—	—	—	—	—	—	—	—
Transfers in	—	—	—	4,135,000	—	—	—	—	—	—
Transfers out	(3,367,000)	—	—	—	—	—	—	—	—	—
Total Other Financing Sources	(3,367,000)	—	—	4,135,000	—	—	—	—	—	15,378,598
Net Change In Fund Balances	(1,717,145)	1,106,760	(12,234)	(484,376)	23	(87,554)	(751,146)	344,575	31,065	10,727,217
Fund Balances - Beginning	4,484,987	3,522,892	96,426	569,521	3,311	87,554	310,322	(300,000)	140,189	(695,083)
Fund Balances - Ending	\$ 2,767,842	\$ 4,629,652	\$ 84,192	\$ 85,145	\$ 3,334	\$ —	\$ (440,824)	\$ 44,575	\$ 171,254	\$ 10,032,134

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

Page 2 Of 2

For The Year Ended June 30, 2018

	Storm Water Improvement	US 50 Hwy & Rte 291 South Interchange	ERP System	Cultural Arts 2013 Bonds	Road Improvements 2013	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Total Nonmajor Capital Projects Funds
Revenues								
Taxes								
Property	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,484	\$ 1,164,131
Sales	—	—	—	—	—	—	—	8,232,941
License	—	—	—	—	—	—	—	1,087,048
Fines and forfeitures	—	—	—	—	—	—	—	360
Intergovernmental	—	—	—	—	—	—	—	149,767
Charges for services	—	—	—	—	—	—	—	23,908
Investment earnings/(loss)	39,052	3,480	83	7,122	9	1,977	—	228,279
Other	348	—	—	25,000	—	—	—	348,864
Total Revenues	39,400	3,480	83	32,122	9	1,977	1,484	11,235,298
Expenditures								
General government	—	245	—	374,487	—	12,197	—	861,876
Debt service								
Principal	—	—	—	—	—	—	—	—
Interest and other charges	—	—	—	—	—	—	—	47,968
Capital outlay	57,640	24,730	—	—	—	43,576	24	17,749,211
Total Expenditures	57,640	24,975	—	374,487	—	55,773	24	18,659,055
Excess (Deficiency) Of Revenues Over Expenditures	(18,240)	(21,495)	83	(342,365)	9	(53,796)	1,460	(7,423,757)
Other Financing Sources (Uses)								
Issuance of bonds	—	—	—	—	—	—	—	14,575,000
Premium on issuance of bonds	—	—	—	—	—	—	—	803,598
Other source	—	—	—	—	—	—	—	—
Transfers in	—	—	—	—	—	86,694	—	4,221,694
Transfers out	—	—	—	—	—	—	—	(3,367,000)
Total Other Financing Sources	—	—	—	—	—	86,694	—	16,233,292
Net Change In Fund Balances	(18,240)	(21,495)	83	(342,365)	9	32,898	1,460	8,809,535
Fund Balances - Beginning	3,008,519	266,034	14,184	430,812	679	241,059	—	12,181,406
Fund Balances - Ending	\$ 2,990,279	\$ 244,539	\$ 14,267	\$ 88,447	\$ 688	\$ 273,957	\$ 1,460	\$ 20,990,941

CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE

For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variances</u> <u>With Final</u> <u>Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ —	\$ 8,071,441	\$ 9,251,834	\$ 1,180,393
Sales	4,171,200	4,171,200	3,923,403	(247,797)
Other tax	—	—	17,889	17,889
Fines and forfeitures	45,160	45,160	53,803	8,643
Investment earnings	39,000	39,000	68,803	29,803
Total Revenues	4,255,360	12,326,801	13,315,732	988,931
Expenditures				
Debt Service:				
Principal	9,611,500	9,611,500	9,006,500	605,000
Interest and other charges	1,457,505	1,457,505	1,836,320	(378,815)
Total Expenditures	11,069,005	11,069,005	10,842,820	226,185
Excess Of Revenues Over				
Expenditures	(6,813,645)	1,257,796	2,472,912	762,746
Other Financing Sources (Uses)				
Premium on issuance of bonds	(60,000)	(60,000)	—	60,000
Transfers out	(175,000)	(4,200,000)	(3,800,000)	400,000
Total Other Financing Sources (Uses)	(235,000)	(4,260,000)	(3,800,000)	460,000
Net Change In Fund Balances	(7,048,645)	(3,002,204)	(1,327,088)	1,222,746
Fund Balances - Beginning	9,636,552	9,636,552	9,636,552	9,636,552
Fund Balances - Ending	\$ 2,587,907	\$ 6,634,348	\$ 8,309,464	\$ (728,082)

CITY OF LEE'S SUMMIT, MISSOURI

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City's Internal Service Funds are as follows:

Central Vehicle Services - Established to account for operating a central maintenance facility for the City's vehicles and equipment.

Unemployment Insurance - Established to account for self-insurance funding for any unemployment claims filed by terminated City employees.

Insurance Claims And Damages Reserve Fund - Established to account for premium refunds and special assessment charges for self-insurance funding for health and dental liability claims.

Health Insurance Reserve Fund - Established to account for the City's comprehensive self insured health insurance program.

Information Technology Services (ITS) - Established to account for the City's electronic data processing systems and information services provided for City departments.

Short-term Disability Fund - Established to provide compensation for City employees who are ill and who have exhausted all sick time but are not yet eligible for long-term disability (90 days).

Workers' Compensation Self-Insurance Fund - Established to account for self-insurance funding for any workers' compensation claims filed by City employees.

Central Building Services (CBS) - Established to centralize services related to operations and maintenance of city owned buildings and to account for funding of capital maintenance projects related to the replacement of major building components.

CITY OF LEE'S SUMMIT, MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	Health Insurance Reserve Fund	I.T. Services	Short- Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Assets									
Current assets									
Cash and investments	\$ 822,773	\$ 109,311	\$ 506,098	\$ 2,148,210	\$ 2,951,474	\$ 153,966	\$ 2,763,209	\$ 1,216,250	\$ 10,671,291
Receivables (net of allowance) accounts and other	—	—	—	—	—	—	20,439	—	20,439
Interest receivable	2,453	351	2,184	8,577	9,325	431	9,965	4,805	38,091
Inventories	194,169	42	—	—	—	—	—	—	194,211
Prepaid expenses	—	—	—	—	5,779	—	—	—	5,779
Total current assets	1,019,395	109,704	508,282	2,156,787	2,966,578	154,397	2,793,613	1,221,055	10,929,811
Noncurrent assets									
Pension asset	139,942	—	—	—	210,731	—	—	89,565	440,238
Capital assets									
Nondepreciable	104,250	—	—	—	—	—	—	—	104,250
Depreciable, net	9,206,700	—	—	—	81,984	—	—	1,219,663	10,508,347
Total noncurrent assets	9,450,892	—	—	—	292,715	—	—	1,309,228	11,052,835
Total Assets	10,470,287	109,704	508,282	2,156,787	3,259,293	154,397	2,793,613	2,530,283	21,982,646
Deferred outflows of resources									
Pension	18,951	—	—	—	28,537	—	—	12,129	59,617
Other post employment benefits	10,253	—	—	—	27,342	—	—	6,835	44,430
Total deferred outflows of resources	29,204	—	—	—	55,879	—	—	18,964	104,047
Liabilities									
Current liabilities									
Accounts payable	88,992	—	15,688	—	5,956	—	1,540,737	98,983	1,750,356
Salaries payable	18,898	—	—	421,177	79,135	1,202	—	13,498	533,910
Compensated absences	4,653	—	—	—	5,888	—	—	1,291	11,832
Total current liabilities	112,543	—	15,688	421,177	90,979	1,202	1,540,737	113,772	2,296,098
Noncurrent liabilities									
Compensated absences	25,365	—	—	—	117,482	—	—	25,703	168,550
Other post employment benefits	61,305	—	—	—	92,316	—	—	39,236	192,857
Total noncurrent liabilities	86,670	—	—	—	209,798	—	—	64,939	361,407
Total Liabilities	199,213	—	15,688	421,177	300,777	1,202	1,540,737	178,711	2,657,505
Deferred Inflows Of Resources - Pension	51,394	—	—	—	77,391	—	—	32,893	161,678
Net Position									
Net investment in capital assets	9,310,950	—	—	—	81,984	—	—	1,219,663	10,612,597
Restricted for pension	107,499	—	—	—	161,877	—	—	68,801	338,177
Unrestricted	830,435	109,704	492,594	1,735,610	2,693,143	153,195	1,252,876	1,049,179	8,316,736
Total Net Position	\$ 10,248,884	\$ 109,704	\$ 492,594	\$ 1,735,610	\$ 2,937,004	\$ 153,195	\$ 1,252,876	\$ 2,337,643	\$ 19,267,510

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For The Year Ended June 30, 2018

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	Health Insurance Reserve Fund	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Operating Revenues									
Charges for services	\$ 2,687,887	\$ 60,720	\$ 1,057,183	\$ —	\$ 3,634,274	\$ 31,723	\$ 1,023,692	\$ 1,180,341	\$ 9,675,820
Other	2,428,352	—	220,270	245,724	689	—	16,591	1,909	2,913,535
Total Operating Revenues	5,116,239	60,720	1,277,453	245,724	3,634,963	31,723	1,040,283	1,182,250	12,589,355
Operating Expenses									
Salaries, wages and employee benefits	675,135	—	—	—	2,131,494	39,560	—	413,545	3,259,734
Utilities	66,423	—	—	—	—	—	—	237,459	303,882
Repairs and maintenance	23,989	—	—	—	504,500	—	—	97,661	626,150
Fuels and lubricants	1,685	—	—	—	185	—	—	1,159	3,029
Depreciation	1,988,454	—	—	—	69,222	—	—	121,988	2,179,664
Interdepartment charges	105,839	—	—	—	323,199	—	—	44,573	473,611
Miscellaneous	2,563,899	14,505	978,406	687,472	639,139	—	1,786,683	150,650	6,820,754
Total Operating Expenses	5,425,424	14,505	978,406	687,472	3,667,739	39,560	1,786,683	1,067,035	13,666,824
Operating Income (Loss)	(309,185)	46,215	299,047	(441,748)	(32,776)	(7,837)	(746,400)	115,215	(1,077,469)
Nonoperating Revenue									
Interest income	5,705	615	5,494	12,454	15,439	942	21,847	6,234	68,730
Gain on disposal of capital assets	219,506	—	—	—	—	—	—	—	219,506
Total Nonoperating Revenue	225,211	615	5,494	12,454	15,439	942	21,847	6,234	288,236
Income (Loss) Before Transfers	(83,974)	46,830	304,541	(429,294)	(17,337)	(6,895)	(724,553)	121,449	(789,233)
Transfers in	—	—	—	1,410,378	305,465	—	—	—	1,715,843
Transfers out	—	—	—	—	(26,041)	—	—	—	(26,041)
Change In Net Position	(83,974)	46,830	304,541	981,084	262,087	(6,895)	(724,553)	121,449	900,569
Total Net Position - Beginning,									
As Previously Stated	10,354,177	62,874	188,053	754,526	2,755,971	160,090	1,977,429	2,242,504	18,495,624
Prior Period Adjustment	(21,319)	—	—	—	(81,054)	—	—	(26,310)	(128,683)
Total Net Position - Beginning,									
As Restated	10,332,858	62,874	188,053	754,526	2,674,917	160,090	1,977,429	2,216,194	18,366,941
Total Net Position - Ending	\$ 10,248,884	\$ 109,704	\$ 492,594	\$ 1,735,610	\$ 2,937,004	\$ 153,195	\$ 1,252,876	\$ 2,337,643	\$ 19,267,510

CITY OF LEE'S SUMMIT, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2018

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	Health Insurance Reserve Fund	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Cash Flows From Operating Activities									
Cash received from customers	\$ 5,116,239	\$ 60,720	\$ 1,277,453	\$ 245,724	\$ 3,634,963	\$ 31,723	\$ 1,039,561	\$ 1,182,250	\$ 12,588,633
Cash paid to suppliers	(2,730,736)	(22,768)	(981,717)	(687,472)	(1,928,350)	—	(844,140)	(461,510)	(7,656,693)
Cash paid to employees	(664,233)	—	—	—	(2,109,702)	(39,579)	—	(399,990)	(3,213,504)
Net Cash Provided By (Used In) Operating Activities	1,721,270	37,952	295,736	(441,748)	(403,089)	(7,856)	195,421	320,750	1,718,436
Cash Flows From Noncapital Financing Activities									
Transfers in	—	—	—	1,410,378	305,465	—	—	—	1,715,843
Transfers out	—	—	—	—	(26,041)	—	—	—	(26,041)
Net Cash Provided By Noncapital Financing Activities	—	—	—	1,410,378	279,424	—	—	—	1,689,802
Cash Flows From Capital And Related Financing Activities									
Additions to capital assets	(2,427,029)	—	—	—	—	—	—	(278,413)	(2,705,442)
Proceeds from sale of capital assets	276,925	—	—	—	—	—	—	—	276,925
Net Cash Used In Capital And Related Financing Activities	(2,150,104)	—	—	—	—	—	—	(278,413)	(2,428,517)
Cash Flows Provided By Investing Activities									
Interest received	5,262	424	4,447	6,996	12,370	798	17,558	4,239	52,094
Net Increase (Decrease) In Cash And Cash Equivalents	(423,572)	38,376	300,183	975,626	(111,295)	(7,058)	212,979	46,576	1,031,815
Cash And Cash Equivalents - Beginning Of Year	1,246,345	70,935	205,915	1,172,584	3,062,769	161,024	2,550,230	1,169,674	9,639,476
Cash And Cash Equivalents - End Of Year	\$ 822,773	\$ 109,311	\$ 506,098	\$ 2,148,210	\$ 2,951,474	\$ 153,966	\$ 2,763,209	\$ 1,216,250	\$ 10,671,291
Operating income (loss)	\$ (309,185)	\$ 46,215	\$ 299,047	\$ (441,748)	\$ (32,776)	\$ (7,837)	\$ (746,400)	\$ 115,215	\$ (1,077,469)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation and amortization	1,988,454	—	—	—	69,222	—	—	121,988	2,179,664
Changes in assets and liabilities:									
Increase in inventories	(33,646)	—	—	—	—	—	—	—	(33,646)
Increase in accounts receivable	—	—	—	—	—	—	(722)	—	(722)
Decrease in pension related assets, outflow and inflows	32,330	—	—	—	80,887	—	—	53,949	167,166
Increase (decrease) in accounts payable	64,745	(8,263)	(3,311)	—	(461,224)	—	942,543	69,992	604,482
Decrease in prepaid expenses	—	—	—	—	(103)	—	—	—	(103)
Increase (decrease) in salaries and wages payable	706	—	—	—	17,765	(19)	—	(336)	18,116
Decrease in other post employment benefits outflow and liability	(11,128)	—	—	—	(87,021)	—	—	(29,779)	(127,928)
Increase (decrease) in accrued compensated absences	(11,006)	—	—	—	10,161	—	—	(10,279)	(11,124)
Total adjustments	2,030,455	(8,263)	(3,311)	—	(370,313)	(19)	941,821	205,535	2,795,905
Net Cash Provided By (Used In) Operating Activities	\$ 1,721,270	\$ 37,952	\$ 295,736	\$ (441,748)	\$ (403,089)	\$ (7,856)	\$ 195,421	\$ 320,750	\$ 1,718,436

**Statistical Section
(Unaudited)**

Lee's Summit, Missouri

Statistical Section

This part of the City of Lee's Summit's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	78
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	84
These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.	
Debt Capacity	90
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	94
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	97
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	

CITY OF LEE'S SUMMIT, MISSOURI

NET POSITION BY COMPONENT Last Ten Fiscal Years (Accrual Basis Of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 347,357,418	\$ 367,750,571	\$ 388,840,510	\$ 395,912,631	\$ 403,957,177	\$ 414,531,277	\$ 428,390,412	\$ 444,601,373	\$ 475,492,143	\$ 487,120,128
Restricted	24,641,173	16,223,089	47,738,657	39,690,100	68,519,039	85,003,546	85,935,329	83,352,650	72,865,528	97,827,922
Unrestricted	25,320,421	33,900,453	(17,532,497)	(1,778,161)	(30,132,403)	(17,684,391)	(10,048,065)	1,012,936	13,050,613	(11,904,670)
Total governmental activities net position	\$ 397,319,012	\$ 417,874,113	\$ 419,046,670	\$ 433,824,570	\$ 442,343,813	\$ 481,850,432	\$ 504,277,676	\$ 528,966,959	\$ 561,408,284	\$ 573,043,380
Business-type activities										
Net investment in capital assets	\$ 189,410,131	\$ 200,815,159	\$ 208,202,388	\$ 211,065,125	\$ 212,923,508	\$ 220,630,436	\$ 225,267,223	\$ 237,193,092	\$ 257,714,352	\$ 271,846,403
Restricted	33,179,870	32,355,420	26,915,369	29,539,755	33,282,263	33,273,761	34,005,871	38,792,349	37,222,417	40,229,441
Unrestricted	4,939,002	(225,754)	15,830	(2,277,021)	(2,281,926)	1,060,383	5,262,208	2,922,466	5,672,530	8,363,879
Total business-type activities net position	\$ 227,529,003	\$ 232,944,825	\$ 235,133,587	\$ 238,327,859	\$ 243,923,845	\$ 254,964,580	\$ 264,535,302	\$ 278,907,907	\$ 300,609,299	\$ 320,439,723
Primary government										
Net investment in capital assets	\$ 536,767,549	\$ 568,565,730	\$ 597,042,898	\$ 606,977,756	\$ 616,880,685	\$ 635,161,713	\$ 653,657,635	\$ 681,794,465	\$ 733,206,495	\$ 758,966,531
Restricted	57,821,043	48,578,509	74,654,026	69,229,855	101,801,302	118,277,307	119,941,200	122,144,999	110,087,945	138,057,363
Unrestricted	30,259,423	33,674,699	(17,516,667)	(4,055,182)	(32,414,329)	(16,624,008)	(4,785,857)	3,935,402	18,723,143	(3,540,791)
Total primary government net position	\$ 624,848,015	\$ 650,818,938	\$ 654,180,257	\$ 672,152,429	\$ 686,267,658	\$ 736,815,012	\$ 768,812,978	\$ 807,874,866	\$ 862,017,583	\$ 893,483,103

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN NET POSITION Last Ten Fiscal Years (Accrual Basis Of Accounting)

Page 1 Of 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Public works and streets	\$ 17,096,253	\$ 18,589,088	\$ 36,254,828	\$ 18,286,042	\$ 23,836,549	\$ 16,429,506	\$ 14,428,155	\$ 15,206,748	\$ 14,759,666	\$ 22,878,176
Public safety	32,784,126	33,569,829	36,379,439	39,839,950	40,435,341	40,972,082	40,950,832	37,568,011	40,634,376	39,613,387
Parks and recreation	7,182,799	7,027,799	7,491,321	7,927,148	7,761,931	7,897,133	8,150,227	8,797,105	9,674,365	9,292,458
Planning and development	1,055,523	957,816	948,798	940,979	904,265	894,521	1,548,183	3,212,299	3,479,519	3,912,862
General government	16,362,262	16,352,917	18,438,529	16,992,428	16,793,993	18,346,278	14,959,896	27,934,309	32,139,295	24,263,116
Interest on long-term debt	3,093,910	2,857,436	4,604,626	3,745,099	4,287,131	3,171,310	2,729,500	2,450,327	2,517,687	5,683,481
Total governmental activities expenses	77,574,873	79,354,885	104,117,541	79,354,885	94,019,210	87,710,830	82,766,793	95,168,799	103,204,908	105,643,480
Business-type activities										
Waterworks and sewerage system	22,439,078	21,439,285	22,341,294	24,556,071	25,063,889	25,871,350	26,385,019	28,211,165	29,061,497	29,115,965
Sanitary landfill	2,260,489	2,451,476	4,108,646	3,205,632	2,867,606	2,873,343	2,744,683	2,611,974	343,754	1,717,642
Airport	1,744,777	1,489,979	2,121,901	2,146,464	2,052,157	2,012,142	1,890,626	2,837,042	1,856,761	2,214,597
Recreation center	1,127,142	1,234,450	1,295,805	1,268,716	1,186,856	1,041,426	1,119,107	1,214,241	1,317,821	1,331,319
Total business-type activities expenses	27,571,486	26,615,190	29,867,646	26,615,190	31,170,508	31,798,261	32,139,435	34,874,422	32,579,833	34,379,523
Total primary government expenses	105,146,359	105,970,075	133,985,187	105,970,075	125,189,718	119,509,091	114,906,228	130,043,221	135,784,741	140,023,003
Program Revenues										
Governmental activities										
Charges for services										
Public works and streets	229,237	122,053	124,975	141,277	358,852	600,144	667,442	868,734	886,840	1,135,555
Public safety	4,064,716	4,351,615	4,237,673	4,572,306	4,667,249	4,502,832	4,971,094	5,573,365	7,065,941	8,309,713
Parks and recreation	1,908,112	2,039,612	2,184,127	2,409,223	2,381,440	2,825,122	2,961,600	3,029,143	3,057,449	3,019,147
Planning and development	119,625	103,360	122,371	153,963	130,251	124,325	138,886	177,298	198,508	183,522
General government	1,946,117	1,929,236	1,562,856	1,827,798	1,790,781	1,817,541	2,188,631	2,100,980	2,179,233	2,158,734
Operating grants and contributions	2,843,958	2,608,621	5,664,487	3,046,594	1,400,858	1,169,331	800,689	1,552,368	1,570,982	1,375,031
Capital grants and contributions	6,432,484	2,857,211	1,725,891	4,322,416	1,921,135	3,188,981	4,696,959	13,083,572	24,491,263	5,661,103
Total governmental activities program revenues	17,544,249	14,011,708	15,622,380	14,011,708	12,650,566	14,228,276	16,425,301	26,385,460	39,450,216	21,842,805
Business-type activities										
Charges for services										
Waterworks and sewerage system	25,978,839	25,472,281	26,474,620	28,899,909	31,413,865	33,357,588	33,507,201	37,155,220	38,972,386	40,216,812
Sanitary landfill	2,531,502	2,071,725	2,881,382	2,583,031	2,346,247	2,942,970	3,049,357	3,289,579	716,764	550,830
Airport	1,118,415	1,048,659	1,217,812	1,454,730	1,456,710	1,403,945	1,320,935	4,336,197	7,871,625	1,436,672
Recreation center	849,238	970,765	1,082,156	1,114,367	1,208,496	1,046,554	1,127,448	1,232,906	1,287,043	1,320,902
Capital grants and contributions	5,587,682	2,221,289	1,134,261	1,200,056	1,191,530	4,345,037	2,013,286	4,017,045	5,644,782	8,077,310
Total business type activities program revenues	36,065,676	31,784,719	32,790,231	35,252,093	37,616,848	43,096,094	41,018,227	50,030,947	54,492,600	51,602,526
Total primary government revenues	53,609,925	45,796,427	48,412,611	49,263,801	50,267,414	57,324,370	57,443,528	76,416,407	93,942,816	73,445,331

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN NET POSITION Last Ten Fiscal Years (Accrual Basis Of Accounting) Page 2 Of 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense) Revenue										
Governmental activities	\$ (60,030,624)	\$ (65,343,177)	\$ (88,495,161)	\$ (65,343,177)	\$ (71,258,069)	\$ (73,482,554)	\$ (66,341,492)	\$ (68,783,339)	\$ (63,754,692)	\$ (83,800,675)
Business-type activities	8,494,190	5,169,529	2,922,585	8,636,903	4,075,210	11,297,833	8,878,792	15,156,525	21,912,767	17,223,003
Total primary government net expense	(51,536,434)	(60,173,648)	(85,572,576)	(56,706,274)	(67,182,859)	(62,184,721)	(57,462,700)	(53,626,814)	(41,841,925)	(66,577,672)
General Revenues And Other Changes In Net Position										
Governmental activities										
General revenues										
Property taxes	36,978,616	38,276,295	38,698,817	36,430,730	35,456,745	33,714,179	33,891,923	35,178,239	36,718,136	38,051,491
Sales and use taxes	27,235,214	26,566,723	28,720,660	29,762,456	32,191,356	32,220,496	33,898,956	36,576,616	37,662,496	39,369,885
Franchise fees	12,736,943	14,825,593	16,249,638	13,743,797	14,080,374	14,083,783	13,870,764	13,068,478	12,941,800	13,425,421
License taxes	—	—	458,972	613,669	552,206	600,233	827,620	647,812	1,436,321	1,087,048
Motor vehicle taxes	—	—	—	—	3,262,217	3,397,313	3,514,204	3,616,455	3,663,028	3,704,598
License, permits, fines and forfeitures	6,522,094	2,797,132	3,290,249	2,853,482	2,206,013	2,548,479	2,494,438	2,354,766	2,463,264	2,905,917
Revenues from use of money and property	2,184,572	370,871	681,673	606,847	372,899	314,089	423,184	1,005,443	417,669	778,964
Other revenue	94,938	301,952	243,073	258,110	705,780	304,521	216,470	(259,296)	265,364	219,506
Transfers	1,682,948	2,128,600	1,324,636	1,766,878	1,060,297	440,422	843,076	1,284,109	627,939	(2,603,322)
Total governmental activities	87,435,325	85,267,166	89,667,718	86,035,969	89,887,887	87,623,515	89,980,635	93,472,622	96,196,017	96,939,508
Business-type activities										
General revenues										
Revenues from use of money and property	1,401,400	400	325,226	236,172	209,943	183,324	323,107	449,089	42,972	114,217
Other revenue	1,061,955	1,951,491	265,587	649,768	—	—	—	51,100	373,592	-
Transfers	(1,682,948)	(2,128,600)	(1,324,636)	(1,766,878)	(1,060,297)	(440,422)	(843,076)	(1,284,109)	(627,939)	2,603,322
Total business-type activities	780,407	(176,709)	(733,823)	(880,938)	(850,354)	(257,098)	(519,969)	(783,920)	(211,375)	2,717,539
Total primary government	88,215,732	85,090,457	88,933,895	85,155,031	89,037,533	87,366,417	89,460,666	92,688,702	95,984,642	99,657,047
Change In Net Position										
Governmental activities	27,404,701	19,923,989	1,172,557	20,692,792	14,777,900	14,140,961	23,639,143	24,689,283	32,441,325	13,138,833
Business-type activities	9,274,597	4,992,820	2,188,762	7,755,965	3,194,272	11,040,735	8,358,823	14,372,605	21,701,392	19,940,542
Total city	\$ 36,679,298	\$ 24,916,809	\$ 3,361,319	\$ 28,448,757	\$ 17,972,172	\$ 25,181,696	\$ 31,997,966	\$ 39,061,888	\$ 54,142,717	\$ 33,079,375

CITY OF LEE'S SUMMIT, MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved	23,217,065	27,326,459	—	—	—	—	—	—	—	—
Nonspendable	—	—	7,109,433	2,838,778	2,368,183	1,926,540	3,451,583	4,837,886	5,167,826	2,082,174
Unassigned	—	—	5,062,318	10,068,387	12,485,754	15,393,241	16,740,463	20,601,442	21,591,323	26,299,152
Total general fund	\$ 23,217,065	\$ 27,326,459	\$ 12,171,751	\$ 12,907,165	\$ 14,853,937	\$ 17,319,781	\$ 20,192,046	\$ 25,439,328	\$ 26,759,149	\$ 28,381,326
All other governmental funds										
Unreserved, designated										
Debt service	\$ 9,335,782	\$ 7,612,321	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved, reported in										
Special revenue funds	5,822,482	6,185,228	—	—	—	—	—	—	—	—
Capital project funds	37,229,807	27,331,585	—	—	—	—	—	—	—	18,570,004
Restricted/committed										
Assigned										
Debt service	—	—	6,680,546	6,927,878	8,954,615	9,147,092	9,049,545	8,172,352	9,636,552	8,309,464
Special revenue funds	—	—	6,558,759	7,119,249	8,271,128	8,810,480	9,582,955	10,849,941	11,773,451	12,433,803
Capital project funds	—	—	52,917,276	45,457,890	60,847,069	51,186,715	51,334,081	54,011,582	45,008,726	52,930,579
Unassigned										
Special revenue funds	—	—	(105,171)	(173,475)	(45,880)	259,998	(22,441)	(6,468)	(114,872)	(153,170)
Capital project funds	—	—	(5,650,774)	(6,160,575)	(3,248,190)	(2,252,156)	(11,165,894)	(9,747,785)	(10,110,614)	(9,003,580)
Total all other governmental funds	\$ 52,388,071	\$ 41,129,134	\$ 60,400,636	\$ 53,170,967	\$ 74,778,742	\$ 67,152,129	\$ 58,778,246	\$ 63,279,622	\$ 56,193,243	\$ 83,087,100

(1) GASB 54 was implemented during fiscal year 2011. The City did not restate fund balance in prior years to comply with the new presentation format.

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis Of Accounting)

Page 1 Of 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes:										
Property	\$ 36,025,629	\$ 37,424,151	\$ 38,520,943	\$ 36,807,871	\$ 35,371,737	\$ 33,631,009	\$ 34,018,964	\$ 34,946,488	\$ 36,720,460	\$ 37,830,276
Sales	27,235,214	26,566,723	28,720,660	29,762,456	31,537,249	31,506,326	33,131,893	35,786,096	36,867,671	38,493,358
Franchise	12,736,943	14,825,593	16,249,638	13,743,797	14,080,374	14,083,783	13,870,764	13,068,478	12,941,800	13,425,421
License	320,284	666,550	458,972	613,669	830,823	593,724	830,167	650,360	1,441,417	1,087,048
Bed	351,854	311,027	334,472	297,045	310,884	342,603	401,460	440,886	443,399	533,037
Motor vehicle	—	—	—	—	3,262,217	3,397,313	3,514,204	3,616,455	3,663,028	3,704,598
Other tax	—	—	—	—	343,223	371,567	365,603	349,634	351,426	343,490
Intergovernmental	1,601,620	2,720,659	5,768,509	3,270,638	2,397,443	1,429,137	1,893,124	5,318,300	7,329,575	2,094,361
Charges for services	3,048,308	3,536,567	3,443,051	3,767,188	3,844,620	1,757,827	7,039,230	7,618,039	9,315,916	10,764,152
Licenses and permits	3,561,666	3,172,705	3,312,931	3,552,866	3,831,801	1,898,261	2,226,752	2,546,789	2,691,658	2,762,581
Fines and forfeitures	3,214,037	1,525,577	1,476,020	1,487,468	1,652,152	6,683,000	1,661,671	1,584,692	1,380,397	1,279,938
Interest	1,887,689	355,711	624,550	558,840	324,724	276,277	374,618	886,902	374,176	710,234
Other	11,925,934	2,653,906	2,790,229	2,853,482	2,206,013	2,548,479	2,494,438	2,354,766	2,463,264	2,905,917
Total Revenues	101,909,178	93,759,169	101,699,975	96,715,320	99,993,260	98,519,306	101,822,888	109,167,885	115,984,187	115,934,411
Expenditures										
Current										
General government	9,960,732	9,903,683	28,034,317	12,248,109	11,930,212	11,728,975	12,191,505	12,672,598	15,262,654	16,170,372
Public works and streets	31,748,561	10,630,529	10,477,224	10,103,785	10,927,267	10,761,292	35,133,894	9,352,070	10,192,055	10,178,521
Public safety	10,620,789	32,544,577	33,179,819	33,423,433	34,131,490	34,361,768	10,115,557	34,588,767	37,477,223	38,387,142
Community development	1,055,523	957,816	948,798	940,979	904,265	894,521	1,548,183	3,212,299	3,479,519	3,912,862
Parks and recreation	5,753,927	5,367,440	5,743,896	6,038,617	5,612,207	5,880,029	6,590,327	6,027,253	6,589,288	6,417,411
Debt service										
Principal retirements	9,025,000	10,520,000	9,255,000	12,510,000	27,195,000	8,745,000	17,787,500	10,357,000	11,321,500	11,448,656
Interest and fiscal charges	3,072,474	2,721,034	4,592,654	3,577,259	3,521,740	3,506,820	3,180,934	3,005,042	2,997,278	4,319,403
Capital outlay										
General government	—	—	1,205,332	1,153,562	1,027,783	12,947	17,021	12,164,120	15,060,543	7,127,032
Public works and streets	42,098,875	33,899,215	43,249,279	22,292,216	20,493,282	26,655,680	31,726,375	22,196,327	19,010,345	10,150,347
Public safety	371,660	193,224	2,183,247	1,532,546	2,278,350	7,085,710	102,545	322,249	—	4,746,075
Parks and recreation	5,085,195	1,023,734	594,310	565,270	631,283	1,883,720	1,285,671	1,117,965	488,888	4,602,811
Total Expenditures	118,792,736	107,761,252	139,463,876	104,385,776	118,652,879	111,516,462	119,679,512	115,015,690	121,879,293	117,460,632

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis Of Accounting)

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	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Deficiency Of Revenues										
Over Expenditures	\$ (16,883,558)	\$ (14,002,083)	\$ (37,763,901)	\$ (7,670,456)	\$ (18,659,619)	\$ (12,997,156)	\$ (17,856,624)	\$ (5,847,805)	\$ (5,895,106)	\$ (1,526,221)
Other Financing Sources (Uses)										
Proceeds from bonds	—	5,000,000	39,300,000	—	38,100,000	6,840,000	11,402,500	14,075,000	—	48,025,000
Premium on issuance of bonds	—	98,075	510,796	—	3,338,722	654,643	308,185	551,757	—	803,598
Discount on issuance of bonds	—	—	(628,000)	—	—	—	—	—	—	(265,375)
	—	—	—	—	—	—	—	—	—	(14,227,844)
Transfers in	14,820,477	5,802,385	7,213,175	4,493,756	4,738,640	3,674,877	2,348,128	4,941,508	1,527,606	5,492,557
Transfers out	(13,502,101)	(4,047,920)	(4,515,276)	(3,317,555)	(3,963,196)	(3,333,133)	(1,703,807)	(3,971,802)	(1,399,058)	(9,785,681)
Total Other Financing Sources	1,318,376	6,852,540	41,880,695	1,176,201	42,214,166	7,836,387	12,355,006	15,596,463	128,548	30,042,255
Net change in fund balances	\$ (15,565,182)	\$ (7,149,543)	\$ 4,116,794	\$ (6,494,255)	\$ 23,554,547	\$ (5,160,769)	\$ (5,501,618)	\$ 9,748,658	\$ (5,766,558)	\$ 28,516,034
Debt service as a percentage of noncapital expenditures	15.90%	16.80%	11.80%	18.20%	28.40%	14.50%	22.60%	15.00%	14.80%	15.87%

CITY OF LEE'S SUMMIT, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Accrual Basis Of Accounting)

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Public works	\$ 6,661,721	\$ 2,979,264	\$ 1,850,866	\$ 4,463,693	\$ 2,262,038	\$ 3,789,125	\$ 5,289,401	\$ 13,732,317	\$ 25,378,103	\$ 6,796,658
Public safety	4,933,305	5,032,806	5,252,875	5,604,458	5,609,585	5,294,681	5,414,371	6,565,119	8,229,622	9,201,215
Parks and recreation	1,926,112	2,126,592	2,345,650	2,409,223	2,381,440	2,825,937	3,036,600	3,249,143	3,057,449	3,019,147
Planning and development	119,625	103,360	122,371	153,963	140,779	124,325	138,961	177,298	198,508	183,522
General government	3,903,486	3,769,686	6,050,618	3,842,240	2,256,724	2,194,208	2,545,968	2,661,583	2,586,534	2,642,263
Subtotal governmental activities	17,544,249	14,011,708	15,622,380	16,473,577	12,650,566	14,228,276	16,425,301	26,385,460	39,450,216	21,842,805
Business-type activities										
Waterworks and sewerage system	27,213,137	25,711,528	27,226,409	29,686,664	31,841,944	34,172,355	34,802,086	38,757,768	40,608,722	42,666,420
Sanitary landfill	2,531,502	2,071,725	2,881,382	2,583,031	2,346,247	2,942,970	3,049,357	3,289,579	716,764	550,830
Airport	5,471,799	3,030,701	1,600,284	1,868,031	2,220,161	4,934,215	2,039,336	6,750,694	11,880,071	7,064,374
Recreation center	849,238	970,765	1,082,156	1,114,367	1,208,496	1,046,554	1,127,448	1,232,906	1,287,043	1,320,902
Subtotal business-type activities	36,065,676	31,784,719	32,790,231	35,252,093	37,616,848	43,096,094	41,018,227	50,030,947	54,492,600	51,602,526
Total primary government	\$ 53,609,925	\$ 45,796,427	\$ 48,412,611	\$ 51,725,670	\$ 50,267,414	\$ 57,324,370	\$ 57,443,528	\$ 76,416,407	\$ 93,942,816	\$ 73,445,331

CITY OF LEE'S SUMMIT, MISSOURI

**ALL GOVERNMENTAL FUNDS REVENUES BY SOURCE
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)**

Fiscal Year	Property Taxes	Sales And Use Taxes	Motor Vehicle Taxes	Franchise Fees	Other Taxes	Licenses, Permits, Fines And Forfeitures	Revenues From Use Of Money And Property	Other Revenue	Total Revenues
2009	\$ 36,025,629	\$ 27,235,214	\$ —	\$ 12,736,943	\$ —	\$ 4,970,212	\$ 1,887,689	\$ 19,053,491	\$ 101,909,178
2010	37,424,151	26,566,723	—	14,825,593	—	4,698,282	355,711	9,933,860	93,804,320
2011	38,520,943	28,720,660	—	16,249,638	—	4,788,951	624,550	12,795,233	101,699,975
2012	36,807,871	29,762,456	—	13,743,797	—	5,040,334	558,840	10,802,022	96,715,320
2013	35,371,737	31,537,249	3,262,217	14,080,374	1,484,930	5,483,953	324,724	8,448,076	99,993,260
2014	33,631,009	31,506,326	3,397,313	14,083,783	1,307,894	3,186,964	276,277	11,129,740	98,519,306
2015	34,018,964	33,131,893	3,514,204	13,870,764	1,597,230	3,888,423	374,618	11,426,792	101,822,888
2016	34,946,488	35,786,096	3,616,455	13,068,478	1,440,880	4,131,481	886,902	15,291,105	109,167,885
2017	36,720,460	36,867,671	3,663,028	12,941,800	2,236,242	4,072,055	374,176	19,108,755	115,984,187
2018	37,830,276	38,493,358	3,704,598	13,425,421	1,963,575	4,042,519	710,234	15,764,430	115,934,411

Note:

As set out in Section 32.057 of the Missouri Revised State Statues, it is a violation to make known in any manner the tax returns or departmental records derived from the Missouri Department of Revenue, including sales taxes, franchise fees, and other tax sources. Due to the confidentiality of earnings information, the above alternative information is provided to assist the users in understanding these revenue sources, including sales taxes, the City's largest own-source revenue.

CITY OF LEE'S SUMMIT, MISSOURI

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years

Fiscal Year	Real Property				Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value As A Percentage Of Actual Value
	Residential Property	Agricultural Property	Commercial Property	Total	Personal Property	Railroads And Utilities				
2009	\$ 1,086,693,800	\$ 1,130,329	\$ 258,032,434	\$ 1,345,856,563	\$ 308,454,126	\$ 16,778,622	\$ 1,671,089,311	1.4926	\$ 7,522,354,484	22.21%
2010	1,081,547,156	1,348,931	243,812,712	1,326,708,799	314,215,650	14,108,195	1,655,032,644	1.4926	7,461,957,208	22.18%
2011	1,090,366,221	1,826,726	233,119,537	1,325,312,484	303,852,879	24,844,210	1,654,009,573	1.5258	7,480,895,310	22.11%
2012	1,085,944,781	1,736,470	207,576,049	1,295,257,300	299,370,428	26,221,756	1,620,849,484	1.5258	7,367,770,686	22.00%
2013	1,096,348,979	1,432,067	212,077,219	1,309,858,265	298,510,960	30,316,580	1,638,685,805	1.5540	7,444,250,964	22.01%
2014	1,108,746,200	1,451,583	230,459,773	1,340,657,556	313,377,047	38,140,767	1,692,175,370	1.5540	7,636,606,943	22.16%
2015	1,124,495,638	1,423,206	231,295,077	1,357,213,921	288,455,371	40,474,902	1,686,144,194	1.5700	7,653,646,514	22.03%
2016	1,201,757,935	1,310,788	245,083,004	1,448,151,727	299,295,035	44,890,274	1,792,337,036	1.5363	8,149,086,142	21.99%
2017	1,220,068,318	1,223,048	254,082,649	1,475,374,015	328,954,444	46,341,994	1,850,670,453	1.5398	8,367,262,925	22.12%
2018	1,331,898,111	1,292,357	254,082,649	1,628,446,668	354,372,470	47,226,981	2,030,046,119	1.5154	9,164,875,610	22.15%

Source: Jackson County and Cass County

Note: The Cass County Assessor's Office does not break out the real property into residential, agricultural and commercial. Thus all real property associated with Cass County is shown as residential.

Note: Assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated market value.

Note: Assessed value does not include Abatement and/or TIF (Tax Increment Financing) values.

CITY OF LEE'S SUMMIT, MISSOURI

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Rate Per \$100 Of Assessed Value) Last Ten Fiscal Years

Fiscal Year	City Of Lee's Summit				Overlapping Rates (See Notes)				Total Direct And Overlapping Tax Rate
	General Fund	Park Board	Debt Service	Total Direct	Lee's Summit R-7 School District	Jackson County	State	Other	
	2009	0.8690	0.1539	0.4697	1.4926	5.8359	0.5430	0.0300	
2010	0.8690	0.1539	0.4697	1.4926	5.9347	0.5430	0.0300	0.7432	8.7435
2011	0.8966	0.1595	0.4697	1.5258	6.0548	0.5430	0.0300	0.7495	8.9031
2012	0.8966	0.1595	0.4697	1.5258	6.1050	0.5298	0.0300	0.7501	8.9407
2013	0.9213	0.1630	0.4697	1.5540	6.0579	0.5298	0.0300	0.7515	8.9232
2014	0.9213	0.1630	0.4697	1.5540	6.0627	0.5298	0.0300	0.7535	8.9300
2015	0.9349	0.1654	0.4697	1.5700	6.1192	0.5141	0.0300	0.7550	8.9883
2016	0.9063	0.1603	0.4697	1.5363	5.9813	0.4956	0.0300	0.7425	8.7857
2017	0.9093	0.1608	0.4697	1.5398	5.9957	0.5025	0.0300	0.7431	8.8111
2018	0.8886	0.1571	0.4697	1.5154	5.8777	0.4849	0.0300	0.8133	8.7213

Note (1): Five other school districts are in the City of Lee's Summit. Tax rates in these districts are:

Blue Springs	5.7286
Independence	5.8010
Hickman Mills	6.2232
Grandview	5.6094
Raymore-Peculiar	4.9122

Note (2): Cass County is located in the southern portion of the city (approximately 2 square miles). The Cass County tax rate is \$0.2287

Note (3): Other breakdown for current year:

Junior College	0.2297
Mental Health	0.1160
Handicap Workshop	0.0713
Library	0.3963
	0.8133

Note (4): Commercial real property is also assessed an additional "replacement tax" of \$1.437 per \$100 assessed value.

CITY OF LEE'S SUMMIT, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS Current Year And Nine Years Ago

	2018			2009		
	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value
Kansas City Power & Light-GMOC (formerly Aquila)	\$ 35,765,198	1	1.76%	\$ 10,149,599	3	0.61%
Google Fiber	19,231,500	2	0.95%			0.00%
Summit Wood SPE LLC	15,283,808	3	0.75%			0.00%
Sprint	14,559,636	4	0.72%			0.00%
John Knox Village	11,208,643	5	0.55%	6,847,013	4	0.41%
Southern Union dba Mo Gas Energy	8,218,646	6	0.40%			0.00%
Wal-Mart	7,512,578	7	0.37%	5,056,023	7	0.30%
MREI III Summit Ridge LLC	5,601,452	8	0.28%			0.00%
St Lukes East Hospital	4,319,326	9	0.21%			0.00%
Toys R Us	3,808,305	10	0.19%	5,729,801	6	0.34%
Sprint Spectrum				48,136,242	1	2.88%
Cerner				16,672,051	2	1.00%
AT&T and Southwestern Bell				6,277,432	5	0.38%
Lee's Summit Hopsital				4,511,486	8	0.27%
Grand Street Company LLC				4,446,848	9	0.27%
Total	\$ 125,509,092		6.18%	\$ 107,826,495		6.46%

Source: Jackson County Tax Department

CITY OF LEE'S SUMMIT, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy For Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2009	\$ 24,703,017	\$ 23,359,076	94.6%	\$ 1,240,498	\$ 24,599,574	99.6%
2010	24,406,228	23,601,764	96.7%	708,136	24,309,900	99.6%
2011	24,874,955	24,200,420	97.3%	551,417	24,751,837	99.5%
2012	24,465,967	23,723,403	97.0%	433,332	24,156,735	98.7%
2013	25,046,007	24,273,164	96.9%	727,310	25,000,474	99.8%
2014	25,707,026	24,968,147	97.1%	713,685	25,681,832	99.9%
2015	25,852,261	25,249,083	97.7%	538,937	25,788,020	99.8%
2016	26,744,543	25,996,349	97.2%	702,274	26,698,623	99.8%
2017	27,771,086	27,099,938	97.6%	622,888	27,722,826	99.8%
2018	29,004,228	28,190,476	97.2%	—	28,190,476	97.2%

Note: Collections may exceed the levy due to adjustments made by the county subsequent to the initial levy.

Source: Jackson and Cass County

CITY OF LEE'S SUMMIT, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Population	Per Capita
	General Obligation Bonds	Certificates Of Participation	Lease Financing Debt	TIF Bonds	Certificates Of Participation	Revenue Bonds				
2009	\$ 26,607,748	\$ 15,822,228	\$ —	\$ 9,550,000	\$ 673,554	\$ 23,238,870	\$ 75,892,400	97,927	\$ 775	
2010	23,605,000	14,445,000	—	8,625,000	629,127	19,925,314	67,229,441	93,163	722	
2011	34,656,369	12,726,732	—	29,080,521	584,700	13,256,183	90,304,505	91,364	988	
2012	27,675,436	11,686,486	—	24,254,454	540,273	8,718,881	72,875,530	91,569	796	
2013	47,380,186	10,306,239	—	20,379,800	490,846	7,109,562	85,666,633	92,292	928	
2014	48,242,310	8,945,991	—	19,238,377	—	6,420,237	82,846,915	93,092	890	
2015	45,825,462	—	6,410,000	17,701,953	—	5,504,489	75,441,904	93,888	804	
2016	52,160,284	—	4,913,000	16,615,529	—	4,568,741	78,257,554	95,430	820	
2017	45,033,231	—	2,511,500	14,299,105	—	3,607,993	65,451,829	95,973	682	
2018	53,372,025	—	—	31,251,459	—	2,622,245	87,245,729	97,135	898	

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

CITY OF LEE'S SUMMIT, MISSOURI

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Net General Bonded Debt Outstanding	Percentage Of Actual Taxable Value ^a Of Property	Per Capita ^b
2009	26,607,748	6,548,980	20,186,020	1.21%	206
2010	23,605,000	5,113,390	18,491,610	1.12%	198
2011	34,656,369	6,000,984	28,655,385	1.73%	314
2012	27,675,436	5,922,455	21,452,545	1.32%	238
2013	47,380,186	6,778,725	40,601,461	2.48%	440
2014	48,242,310	7,007,192	41,235,118	2.44%	443
2015	45,825,462	7,345,112	38,480,350	2.28%	410
2016	52,160,284	6,442,226	45,718,058	2.55%	479
2017	45,033,231	6,911,888	38,121,343	2.06%	397
2018	53,372,025	8,083,046	45,288,979	2.23%	466

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
a Taxable Assessed Values provided by Cass and Jackson County Assessors' Offices.
b Population figures provided by Lee's Summit Planning and Development Department.

CITY OF LEE'S SUMMIT, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As Of June 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share Of Overlapping Debt
Debt repaid with property taxes			
Lee's Summit R-7 School District	\$ 107,019,429	88.28%	\$ 94,476,752
Blue Springs R-4 School District	83,117,368	20.17%	16,764,773
Raymore-Peculiar School District	44,945,764	8.00%	3,595,661
Grandview School District	14,537,618	0.41%	59,604
Hickman Mills School District	39,494,826	0.12%	<u>47,394</u>
Subtotal, overlapping debt			114,944,184
City Direct Debt			<u>84,623,484</u>
Total direct and overlapping debt			<u><u>\$ 199,567,668</u></u>

Note: (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

CITY OF LEE'S SUMMIT, MISSOURI

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Legal debt limit (1)	\$ 331,406,460	\$ 328,184,891	\$ 327,131,701	\$ 319,634,286	\$ 322,343,269	\$ 331,688,357	\$ 329,896,834	\$ 358,467,408	\$ 361,635,661	\$ 384,675,374
Total net debt applicable to limit	40,261,020	33,566,610	27,974,016	56,932,545	55,654,245	59,225,808	52,677,888	45,840,774	53,301,112	45,634,954
Legal debt margin	\$ 291,145,440	\$ 294,618,281	\$ 299,157,685	\$ 262,701,741	\$ 266,689,024	\$ 272,462,549	\$ 277,218,946	\$ 312,626,634	\$ 308,334,549	\$ 339,040,420
Total net debt applicable to the limit as a percentage of debt limit	12.15	10.23	8.55	17.81	17.27	17.86	15.97	12.79	14.74	11.86

(1) Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. State statutes also provide that the City may become indebted not exceeding the aggregate an additional 10% for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm systems and purchasing or constructing waterworks, electric or other light plants, provide that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuations.

CITY OF LEE'S SUMMIT, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population	Median Household Income	Per Capita Personal Income	Median Age	Education Level			School Enrollment	Unemployment Rate
					High School Graduate Percentage	Some College Or Associate's Degree or Higher Percentage	Bachelor's Degree Or Higher Percentage		
2009	92,927							16,986	7.60%
2010	93,163							17,120	6.70%
2011	91,364	\$ 71,772	\$ 31,266	38.8	16.4%	29.9%	50.1%	17,287	6.70%
2012	91,767							17,524	5.30%
2013	92,292							17,559	5.10%
2014	93,092							17,615	4.70%
2015	93,888							17,610	4.20%
2016	95,430							17,747	3.50%
2017	95,973							17,927	2.80%
2018	97,135							18,157	2.70%

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, City of Lee's Summit Planning Department and Lee's Summit R-7 School District

(1) City specific Data for off census year is not readily available

CITY OF LEE'S SUMMIT, MISSOURI

PRINCIPAL EMPLOYERS Current Year And Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
Lee's Summit R-7 School	2,692	1	5.27%	2,581	1	6.52%
National Benefits Center	2,300	2	4.50%	—	—	0.00%
University of Central Missouri	2,000	3	3.92%	—	—	0.00%
City of Lee's Summit	1,380	4	2.70%	659	7	1.67%
Saint Luke's East - Lee's Summit	1,350	5	2.64%	608	8	1.54%
Truman Medical Center-Lakewood	1,200	6	2.35%	1,128	3	2.85%
John Knox Village	1,000	7	1.96%	1,050	4	2.65%
Lee's Summit Medical Center	650	8	1.27%	550	10	1.39%
Aspen Contracting Inc	550	9	1.08%	—	—	0.00%
GEHA Holdings Inc	511	10	1.00%	—	—	0.00%
Metropolitian Community College-Longview				1,000	5	2.53%
CVS Caremark Inc				559	9	1.41%
AT&T				1,200	2	3.03%
Immigration & Naturalization Service				900	6	2.27%
	13,633		26.69%	10,235		25.86%

Source: Lee's Summit Economic Development Council: *Workforce, Major Employer*

CITY OF LEE'S SUMMIT, MISSOURI

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Administration	32.50	32.50	31.00	32.00	27.00	27.00	26.31	27.39	26.99	27.98
Public Works-Engineering	39.27	39.27	37.60	38.95	41.80	38.70	38.90	33.80	41.10	42.25
Police	188.70	196.70	205.20	209.70	208.70	204.00	204.00	202.00	202.00	205.50
Fire	146.00	146.00	146.00	146.00	146.00	146.00	144.00	144.00	153.00	154.00
Finance	18.00	18.00	18.00	18.00	22.50	21.00	21.00	22.00	22.00	22.00
Planning and development	11.00	11.00	9.00	9.00	9.00	9.90	8.37	9.70	4.01	4.00
Court	12.00	12.75	12.75	12.75	12.75	11.50	12.50	11.29	11.87	11.38
Codes administration	18.00	18.00	17.00	17.00	17.00	16.00	13.35	—	—	—
Law	9.50	9.50	9.50	9.50	10.50	10.50	11.50	10.25	10.50	10.51
Public Works-Operations	48.75	48.75	47.00	50.24	49.21	46.70	41.34	38.00	34.20	33.80
Development Center	—	—	—	—	—	—	7.47	27.68	33.86	36.68
Parks and recreation										
Community center	6.80	6.70	6.70	6.75	7.15	39.26	37.16	37.32	36.99	37.18
Parks and recreation	30.00	29.00	24.50	24.95	23.95	26.15	26.16	26.06	26.23	26.30
Pool	0.30	0.95	0.95	1.05	1.60	17.73	17.44	14.96	14.47	14.61
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation center	2.15	5.30	5.85	6.15	6.15	21.99	22.78	24.23	24.34	25.07
Senior center	2.05	2.05	2.05	2.10	2.15	10.05	9.41	7.95	7.86	7.38
Airport	7.60	7.60	7.60	7.60	7.04	6.30	6.22	6.26	7.46	9.16
Water utilities	58.50	58.50	58.50	59.50	59.50	60.00	59.50	60.50	60.50	62.50
Solid waste	14.80	14.80	14.80	14.80	15.00	14.80	14.80	14.80	1.00	1.00
Central building services	11.00	10.00	9.50	8.50	8.75	8.80	8.62	10.62	10.62	8.62
Fleet	8.00	8.00	9.00	9.00	9.00	9.00	9.12	9.12	9.12	9.12
Information technology services	19.00	20.00	20.00	20.00	22.00	26.20	25.89	24.71	27.76	28.06
Total	684.92	696.37	693.5	704.54	707.75	772.58	766.84	763.64	766.88	778.10

Source: City of Lee's Summit Finance Department

CITY OF LEE'S SUMMIT, MISSOURI

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Building Permits Issued (1)										
Residential/single family	129	110	170	166	270	319	319	310	324	391
Residential/multi family	8	1	—	—	2	6	7	7	27	52
Commercial/industrial	23	19	13	10	14	9	15	16	32	20
Additions	1,245	1,082	1,302	*5,229	1,588	1,404	1,943	1,548	1,572	2,047
Police protection (1)										
Part I crimes	2,378	2,290	2,232	1,854	1,700	1,749	1,628	1,542	1,842	1,674
Notable part II crimes	2,222	2,295	2,385	2,268	2,378	1,972	2,015	2,104	2,271	1,999
Traffic crashes	2,083	1,912	2,047	1,906	1,753	1,821	1,750	1,800	1,885	2,030
Calls for service	76,322	85,255	91,037	88,846	77,008	75,325	73,244	67,451	65,235	71,459
Number of officers	129	136	136	143	142	142	142	143	143	146
Animal control calls for service	8,161	8,857	8,737	8,474	8,960	9,358	9,848	10,518	8,905	10,034
Fire protection										
Fire personnel	146	146	146	146	146	146	144	144	153	154
Calls answered	8,401	8,015	9,144	9,147	9,027	8,917	9,073	10,000	9,811	10,388
Water source										
Kansas City Water Co.	33.94%	12.00%	19.40%	34.30%	27.90%	27.60%	23.20%	28.60%	25.90%	27.30%
Independence Water Co.	66.06%	88.00%	80.60%	65.70%	72.10%	72.40%	76.80%	71.40%	74.10%	72.70%
Water										
Number of service connections	33,735	33,800	34,260	34,242	34,538	34,774	35,160	35,379	35,816	36,322
Number of fire hydrants	4,871	4,887	4,922	4,940	4,940	5,006	5,021	5,076	5,188	5,226
Average daily consumption (gallons)	9,540,000	8,960,000	9,650,000	11,603,000	10,790,000	10,390,000	9,270,000	10,150,000	9,950,000	9,944
Maximum contract amount	21,500,000	21,500,000	21,500,000	21,500,000	27,500,000	27,500,000	27,500,000	32,500,000	32,500	32,500
Maximum daily demand	15,000,000	16,500,000	20,400,000	22,810,000	25,500,000	19,000,000	19,000,000	21,300,000	18,800,000	1,800,000
Storage capacity (gallons)	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000

(1) Statistics based on calendar year

* This includes re-roof permits. In April 2011 a significant hail storm hit the area.

Source: City records

CITY OF LEE'S SUMMIT, MISSOURI

CAPITAL STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Protection										
Stations	7	7	7	7	7	7	7	7	7	7
Public Works										
Residential centerline miles	327	327	337	308	271	309	309	306	309	311
Collector centerline miles	102	102	83	88	90	92	92	94	95	95
Arterial centerline miles	91	91	103	83	91	81	81	83	84	84
Parks and Recreation										
Parks	27	27	28	28	28	29	29	29	30	30
Swimming pools	1	1	1	1	1	1	1	1	1	1
Indoor aquatic center	1	1	1	1	1	1	1	1	1	1
Tennis courts	15	15	15	15	15	15	15	15	15	15
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Miles of water mains	637	604	607	604	604	607	607	611	617	620

Source: City records

CITY OF LEE'S SUMMIT, MISSOURI
UNIFORM GUIDANCE
SINGLE AUDIT REPORT
JUNE 30, 2018

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**Independent Auditors' Report On Internal
Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit
Of Financial Statements Performed In Accordance
With *Government Auditing Standards***

The Honorable Mayor and Members
of the City Council
City of Lee's Summit, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lee's Summit, Missouri (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 that we consider to be a significant deficiency.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Responses To Findings

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

December 20, 2018



RubinBrown LLP
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& Business Consultants

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**Independent Auditors' Report On Compliance For
Each Major Federal Program; Report On Internal Control
Over Compliance; And Report On Schedule
Of Expenditures Of Federal Awards
Required By The Uniform Guidance**

The Honorable Mayor and Members
of the City Council
City of Lee's Summit, Missouri

Report On Compliance For Each Major Federal Program

We have audited the City of Lee's Summit, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion On Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-002 and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plans. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report On Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questions Costs as items 2018-002 and 2018-003 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plans. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report On Schedule Of Expenditures Of Federal Awards Required By The
Uniform Guidance**

We have audited the financial statements of the City as of and for the year ended June 30, 2018, and have issued our report thereon dated December 20, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RubinBrown LLP

January 15, 2019, (except for our report on the
Schedule of Expenditures of Federal Awards,
which is dated December 20, 2018)

CITY OF LEE'S SUMMIT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying/Grant Number	Federal Expenditures	Passed Through To Subrecipients
U.S. Department Of Housing And Urban Development				
Direct:				
Community Development Block Grant - entitlement program	14.218	B-14-MC-29-0010	\$ 9,000	\$ —
Community Development Block Grant - entitlement program	14.218	B-15-MC-29-0010	30,578	—
Community Development Block Grant - entitlement program	14.218	B-16-MC-29-0010	222,197	135,711
Community Development Block Grant - entitlement program	14.218	B-17-MC-29-0010	99,441	45,071
			<u>361,216</u>	<u>180,782</u>
U.S. Department Of Justice				
Office of Justice Programs:				
Direct:				
Bulletproof Vest Program	16.607		5,261	—
Violence Against Women Grant Office:				
Violence Against Women Grant	16.590	2015-WE-AX-0038	122,314	29,195
Total US Department Of Justice			<u>127,575</u>	<u>29,195</u>
U.S. Office Of National Drug Control Policy				
Passed through the Kansas Bureau of Investigation				
Midwest HIDTA Program	95.001	G15MW0003A	70,909	—
Midwest HIDTA Program	95.001	G16MW0003A	62,501	—
Total US Office Of National Drug Control Policy			<u>133,410</u>	<u>—</u>
U.S. Department Of Transportation				
Passed through Missouri Department of Transportation				
Airport Improvement Program	20.106	AIR 11-109A-2	337,673	—
Airport Improvement Program	20.106	AIR 15-109A-1	128,285	—
Airport Improvement Program	20.106	AIR 15-109A-3	3,824,923	—
Airport Improvement Program	20.106	AIR 16-109A-1	2,052,617	—
			<u>6,343,498</u>	<u>—</u>
Passed through Missouri Department of Public Safety				
Federal 402 project	20.600	17-PT-02-071	9,930	—
Federal 402 project	20.600	17-MSHVE-03-017	5,916	—
Federal 402 project	20.600	18-PT-02-018	27,407	—
Federal 402 project	20.600	18-M5VE-03-019	10,628	—
			<u>53,881</u>	<u>—</u>
Federal Highway Administration through the Missouri Department of Transportation				
Work Zone Safety Grant	20.205	CWZEE07Z	15,477	—
Total U.S. Department Of Transportation			<u>6,412,856</u>	<u>—</u>
Total Expenditures Of Federal Awards			<u>\$ 7,035,057</u>	<u>\$ 209,977</u>

CITY OF LEE'S SUMMIT, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2018

1. **Organization**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of City of Lee's Summit, Missouri (the City) for the year ended June 30, 2018. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. **Basis Of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. **Local Government Contributions**

Local cost sharing, as defined by the Uniform Guidance, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. **Additional Audits**

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results which may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at June 30, 2018.

5. **Indirect Cost Rate**

The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF LEE'S SUMMIT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2018

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major programs:

<u>Name Of Federal Program Or Cluster</u>	<u>CFDA Number</u>
U.S. Department Of Transportation Airport Improvement Program	20.106
U.S. Department Of Housing And Urban Development Community Development Block Grant - Entitlement Program	14.218

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

CITY OF LEE'S SUMMIT, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

June 30, 2018

Section II - Financial Statement Findings

Finding 2018-001 – Significant Deficiency

Criteria: The City is required to maintain a system of internal controls related to financial reporting.

Condition/Cause: During fiscal year 2018, the City refinanced a portion of its debt. The internal controls specific to debt and capital assets did not reflect current guidance for the financial reporting of debt refundings.

Effect: A misstatement in the City's financial reporting and related disclosures was not detected in a timely manner. The City had to make an adjustment to its financial statements and the related disclosures to properly report its refunding of certain bonds.

Recommendation: We recommend that management implement formal review procedures over all aspects of financial reporting and the related disclosures.

Views Of Responsible Officials: The City has implemented an additional review step by the Finance Director for journal entries that are not repetitive in nature.

CITY OF LEE'S SUMMIT, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

June 30, 2018

Section III - Federal Award Findings And Questioned Costs

Finding 2018-002 – Significant Deficiency

**CFDA: 14.218 – Community Development Block Grants: Entitlement Program
Federal Award No. B-14-MC-29-0010, B-15-MC-29-0010, B-16-MC-29-0010, and
B-17-MC-29-0010**

**U.S. Department Of Housing and Urban Development
Award Years 2014-2017**

Criteria: The Uniform Grant Guidance states that “a non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.” According to CFR §200.62, internal control over compliance requirements for Federal awards means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives: (1) transactions are properly recorded and accounted for, (2) transactions are executed in compliance with Federal statutes and regulations and (3) funds, property and other assets are safeguarded against loss from unauthorized use or disposition.

Condition: In two instances, subrecipient monitoring forms could not be observed. The City could not demonstrate internal controls over subrecipient monitoring.

Questioned Costs: None.

Effect: The City cannot effectively monitor all of its subrecipients.

Context/Cause: During our audit procedures, we noted that the City is lacking formalized controls over subrecipient monitoring.

Recommendation: The City should formalize review procedures over subrecipient monitoring and should retain copies of all completed subrecipient monitoring forms.

Views Of Responsible Officials: Staff will login prior to submission deadline to make sure login is still active.

CITY OF LEE'S SUMMIT, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

June 30, 2018

Section III - Federal Award Findings And Questioned Costs

Finding 2018-003 – Significant Deficiency

**CFDA: 14.218 – Community Development Block Grants: Entitlement Program
Federal Award No. B-14-MC-29-0010, B-15-MC-29-0010, B-16-MC-29-0010, and
B-17-MC-29-0010**

**U.S. Department Of Housing and Urban Development
Award Years 2014-2017**

Criteria: HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons, (OMB No. 2529-0043)* – Each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002 information using the automated Section 3 Performance Evaluation and Registry System.

Condition: During our audit procedures, we noted one instance where the City did not submit the HUD 60002 report by the required deadline. The City did not properly implement internal controls over the reporting compliance requirements to ensure that HUD 60002 was filed timely.

Questioned Costs: None.

Effect: The City failed to meet the required deadline for a report submission.

Context/Cause: The City attempted to file through the online filing system prior to the deadline but did not have the proper log in information due to employee turnover. The log-in was not reset by technical support until after the deadline had passed.

Recommendation: The City should implement review procedures over reporting and formalize the report submission process to ensure compliance even in the event of employee turnover.

Views Of Responsible Officials: Staff will begin to review required submissions in a more timely fashion.



LEE'S SUMMIT MISSOURI

CORRECTIVE ACTION PLAN For The Year Ended June 30, 2018

Finding 2018-001

Personnel Responsible For Corrective Action: Assistant Finance Director-Controller, City of Lee's Summit, Missouri

Anticipated Completion Date: June 30, 2019

Corrective Action Plan: Staff has built in an additional review step by the Finance Director for journal entries that are not repetitive in nature such as debt issues, debt refunding, new accounting standard implementation, and other entries determined by the Assistant Finance Director-Controller to be significant or complex enough to warrant higher level review.

Finding 2018-002

Personnel Responsible For Corrective Action: Assistant Finance Director-Controller, City of Lee's Summit, Missouri

Anticipated Completion Date: June 30, 2019

Corrective Action Plan: Staff will check login three months before the submission deadline to make sure login is still active. The filing process will start at least one week before the deadline, to avoid any technical issue delay. This reminder will be built into the City's CDBG management system.

Finding 2018-003

Personnel Responsible For Corrective Action: Assistant Finance Director-Controller, City of Lee's Summit, Missouri

Anticipated Completion Date: June 30, 2019

Corrective Action Plan: Grant sub recipients are required to submit Uniform Guidance Compliance Monitoring forms with their most recent audit report at the time of the grant agreement. Staff will review the form and audit report within a week of receipt in addition to strengthening their records management system for better tracking.



LEE'S SUMMIT MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For The Year Ended June 30, 2018

Finding No.	CFDA No.	Program	Condition	Current Year Status
NA	NA	NA	NA	NA

Packet Information

File #: TMP-1122, **Version:** 1

An Ordinance approving Amendment No. 7 to the budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, by revising the Authorized Expenditures to Projected Year End Amounts for the City of Lee's Summit.

Issue/Request:

An Ordinance approving Amendment No. 7 to the budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, by revising the Authorized Expenditures to Projected Year End Amounts for the City of Lee's Summit.

Key Issues:

In conjunction with the year end projection process, the accompanying amendment has been prepared to authorize additional expenditures. For the General Fund, the major changes include the following:

- Personnel Services: It is expected that collective bargaining negotiations will end soon. As part of the negotiations wage, increases have been tentatively identified for each of the bargaining units. The FY19 projection includes the additional expense which is tentatively planned to start in March.
- Other Services, Supplies, and Charges: Additional maintenance costs for sidewalks and stormwater infrastructure have occurred. To date, staff anticipates being able to complete an additional \$46,000 of maintenance work. Funding has also been included for closed captioning service at a cost of \$18,000 and continued court security at a cost of \$30,000. A large portion of the increase can be attributed to an increase in bad debt (uncollected ambulance fees) and unbudgeted development reimbursement expenses (\$355,000) that should have been included in the original adopted budget.

The following outlines the major changes for other City funds:

F200 Parks and Recreation

Total expenditures for the Parks and Recreation Fund are \$649,604 over budget due to a transfer of \$650,000 from Fund 200 reserves to Fund 327 to be used for renovations of the Longview Community Center. The Parks and Recreation Board approved the transfer at a special meeting held on August 15, 2018.

F202 Legacy Park Community Center

Total expenditures for the Legacy Park Community Center Fund are \$190,551 over budget due to a transfer of \$200,000 from Fund 202 reserves to Fund 327 to be used for renovations of the Longview Community Center. The Parks and Recreation Board approved the transfer at a special meeting held on August 15, 2018.

Fund 203 Aquatics Center

Total expenditures for the Aquatics Center (Summit Waves) are \$19,138 over budget due to variances in part-time staffing costs and repair and maintenance-buildings. The variance in part-time staffing costs is related to the increase in minimum wage beginning January 1, 2019. Unanticipated expenditures for painting, a replacement garage door motor, and stair tape also contributed to the variance. The Parks and Recreation

Board approved a revised LSPR Part-time Pay Plan at the December 5, 2018 meeting.

F204 Cemetery Trust Fund

Total expenditures for the Cemetery Trust are \$748 over budget due to additional personnel costs related to the implementation of the Compensation Study. The Parks and Recreation Board approved the LSPR Compensation and Classification Plan at the December 5, 2018 meeting.

F220 Business and Industry Fund

During FY19, the City Council approved a public service agreement (PSA) with Velocity LS that included funding in the amount of \$75,000. This has been included in the amendment to update the authorized expenditures following that action.

F520 Solid Waste Management

The City has incurred additional expenses as part of the transition from landfill operations to a private operator.

Proposed Committee Motion:

I move to recommend to City Council approval of An Ordinance approving Amendment No. 7 to the budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, by revising the Authorized Expenditures to Projected Year End Amounts for the City of Lee's Summit.

Background:

N/A

Nick Edwards | Assistant City Manager

Recommendation: Staff Recommends Approval

Committee Recommendation:

BILL NO.

AN ORDINANCE APPROVING AMENDMENT NO. 7 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2019, AS ADOPTED BY ORDINANCE NO. 8405, BY REVISING THE AUTHORIZED EXPENDITURES TO PROJECTED YEAR END AMOUNTS FOR THE CITY OF LEE'S SUMMIT

WHEREAS, Ordinance No. 8405, passed by the City Council on June 28, 2018, adopted the City's Budget for the Fiscal Year ending June 30, 2019; and,

WHEREAS, the annual budget planning process includes a period for reviewing and revising anticipated expenditures for the current fiscal year; and,

WHEREAS, new revenue trends and expenditures have been identified since the original budget was approved; and,

WHEREAS, it is necessary for the delivery of municipal services to increase funding for certain budget funds for the remainder of this fiscal year.

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

SECTION 1. That the authorized expenditures for the Fiscal Year 2018-2019 of the City of Lee's Summit, Missouri, are amended in the manner shown in the following table:

BILL NO.

Amended Fund	Amended Department	Added/ (Reduced)	New Amended budget
F100 General Fund	Police Department	\$515,509	\$21,528,868
F100 General Fund	Fire Department	\$539,615	\$19,549,196
F100 General Fund	Finance	\$262,753	\$11,013,647
F100 General Fund	Legal Services	\$78,204	\$1,542,316
F100 General Fund	Public Works Operations	\$54,429	\$4,876,734
F200 Parks and Recreation		\$649,605	\$4,094,998
F202 Legacy Park Community Center		\$190,551	\$2,117,905
F203 Summit Waves		\$19,138	\$644,971
F204 Cemetery Trust Fund		\$748	\$203,967
F220 Business Fund		\$75,000	\$649,044
F520 Solid Waste Management		\$301,884	\$2,859,479

SECTION 2. All other provisions of Ordinance No. 8405 shall remain in full force and effect, subject to Amendment No. 1 (Ordinance No. 8457), Amendment No. 2 (Ordinance No. 8435), Amendment No. 3 (Ordinance No. 8488), Amendment No. 4 (Ordinance No. 8489), Amendment No. 5 (Ordinance No. 8510), Amendment No. 6 (Ordinance No. _____).

BILL NO.

SECTION 3. 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 4. 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.

Mayor *William A. Baird*

ATTEST:

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:

Chief Counsel of Management and Operations
Daniel R. White