

Legislation Text

File #: BILL NO. 18-123, **Version:** 1

An Ordinance approving a Memorandum of Understanding by and between the Lee's Summit Parks and Recreation Board and the City of Lee's Summit, Missouri for the Inter-Fund Loan to finance the acquisition of the Longview Recreation Center by the Lee's Summit Parks and Recreation Board and approving Amendment No. 2 to the Budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, and authorizing the City Manager to take such actions as are necessary to implement the inter-fund loan terms approved herein subject to annual appropriations.
(F&BC 8-6-18)

Issue/Request:

An Ordinance approving a Memorandum of Understanding by and between the Lee's Summit Parks and Recreation Board and the City of Lee's Summit, Missouri for the Inter-Fund Loan to finance the acquisition of the Longview Recreation Center by the Lee's Summit Parks and Recreation Board.

Key Issues:

- LSPR is requesting an inter-fund loan from the City of Lee's Summit to finance the purchase of the Longview Recreation Center
- \$4.1 million total loan amount
- Interest will be paid to City in the amount of the foregone interest (currently 1.5-1.6%).
- Payback over 5 years using sales tax revenues.

Proposed Council Motion:

FIRST MOTION: I move for second reading of an ordinance approving a Memorandum of Understanding by and between the Lee's Summit Parks and Recreation Board and the City of Lee's Summit, Missouri for the Inter-Fund Loan to finance the acquisition of the Longview Recreation Center by the Lee's Summit Parks and Recreation Board and approving Amendment No. 2 to the Budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, and authorizing the City Manager to take such actions as are necessary to implement the inter-fund loan terms approved herein subject to annual appropriations.

SECOND MOTION: I move for adoption of an ordinance approving a Memorandum of Understanding by and between the Lee's Summit Parks and Recreation Board and the City of Lee's Summit, Missouri for the Inter-Fund Loan to finance the acquisition of the Longview Recreation Center by the Lee's Summit Parks and Recreation Board and approving Amendment No. 2 to the Budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, and authorizing the City Manager to take such actions as are necessary to implement the inter-fund loan terms approved herein subject to annual appropriations.

Background:

Lee's Summit Parks and Recreation has negotiated the purchase of the Longview Recreation Center from the Junior College District of Metropolitan Kansas City, Missouri (hereinafter "MCC.") LSPR is seeking to finance

the acquisition through the use of an inter-fund loan from the City of Lee's Summit general fund.

The City of Lee's Summit has extended inter-fund loans to LSPR in the past, most recently financing the design and construction of the Gamber Community Center in 2006 with a \$3.25 million inter-fund loan which carried no interest rate and was paid back in four (4) years using parks sales tax revenues.

The proposed inter-fund loan to purchase the Longview Recreation Center will be for the total amount of \$4.1 million with a five year payback schedule. Additionally, LSPR will pay interest to the City of Lee's Summit equal to the foregone interest earned on the amount borrowed. Currently, that amount is between 1.5-1.6%.

The attached Memorandum of Understanding outlines the specific terms and conditions associated with the inter-fund loan.

At its' July 25, 2018 meeting, the Lee's Summit Parks and Recreation Board directed the Administrator of Parks and Recreation to request an inter-fund loan from the City of Lee's Summit in the amount of \$4.1 million to finance the acquisition of the Longview Recreation Center.

Joe Snook, Administrator of Lee's Summit Parks and Recreation

Recommendation: Staff recommends approval of an Ordinance approving a Memorandum of Understanding by and between the Lee's Summit Parks and Recreation Board and the City of Lee's Summit, Missouri for the Inter-Fund Loan to finance the acquisition of the Longview Recreation Center by the Lee's Summit Parks and Recreation Board and approving Amendment No. 11 to the Budget for the Fiscal Year ending June 30, 2019, as adopted by Ordinance No. 8405, and authorizing the City Manager to take such actions as are necessary to implement the inter-fund loan terms approved herein subject to annual appropriations.

Committee Recommendation: Motion by Councilmember Carlyle, seconded by Councilmember Lopez to amend Amendment 2 of this Ordinance to change the funding from the General Fund to Water Utility Fund. The vote was unanimous.

Motion by Councilmember Carlyle, seconded by Councilmember Edson this Ordinance was recommended as amended to full City Council - Regular Session due back on 8-9-18. The vote was unanimous.