

Performance Review & Department Operational Status

2018-19

Sec. 2-552. - Annual recommendation by City Manager.

A. Beginning in calendar year 2000 and annually thereafter, the City Manager shall prepare and submit to the Council a written recommendation of any matter relative to the City government or any City operation or program that the City Manager deems appropriate for a management/performance review for consideration by the Council for possible funding in the next fiscal year budget. The recommendation will include the estimated cost of the management/performance review or reviews, the proposed source of funding, and other information deemed appropriate by the City Manager or requested by the Council.

As part of this annual reporting process, the City Manager shall also provide the Council with his assessment of the operational status of each City department to assist the Council in evaluating the propriety of budgeting funds for management/performance reviews. B. The annual recommendation shall be submitted to the Council by the last meeting of the City Council in April.

(Ord. No. 4872, § 1, 11-4-1999; Ord. No. 7125, § 1, 12-15-2011)



LEE'S SUMMIT
MISSOURI

Audit Recommendation



Stephen Arbo
City Manager

The city manager has recommended three areas to determine best practices through a performance audit process:

General Administration Charges to Enterprise and Special Revenue Funds (FY19/20)

During the annual budget review and presentations, “General Administration” costs are assigned to certain departments. This is a method used to better account for shared support activities. Typically, these activities listed below, are important resources used by all operational departments. Some of these departments have funding resources, such as user fees, water rates, and designated property or sales taxes. These departments are Water Utilities, Airport Operations, and Parks and Recreation. General administration costs are calculated for these departments to account for the use of resources that should not be the burden of the General Fund revenues. These support functions include:

- Human Resources
- Legal Advisory Services
- Financial / Accounting / Procurement Services
- General Municipal Administration Services/ Legislative Processes / Liability Coverages

The proposed analysis would review the existing formulas and methods of determining general administration charges and recommend any new methodologies that improve the accuracy of this cost allocation program. Based upon this information, the City can determine what modifications, if any, should be made to the general administration cost allocation program.

Replacement Funds

Starting in 1985/86, the City realized that instead of budgeting for “peaks and valleys” regarding the replacement costs of city vehicles, such as fire pumpers, police cruisers, 1-ton trucks, it would be in a better position if a fund was created based upon the annual incremental replacement costs of the vehicle fleet. Over time, this has allowed the City to normalize fleet replacement costs and make business decisions regarding optimum life cycles of city vehicles. This single concept has been expanded to many other critical equipment and structural needs. With humor, these funds are referred to as “erps” or equipment replacement programs (not to be confused with “burps”). Today, the following equipment replacement programs or “erps” are used to provide a stable and predictable approach for almost all major purchases that are critical assets to municipal service delivery:

- VERP - Vehicle Equipment Replacement
- MERP - Management Equipment Replacement (Information Technology)
- BERP - Building Equipment
- PSERP -Public Safety Equipment
- WSERP - Water Sewer Equipment

Internal Services Charges

Internal Services is a cost tracking mechanism that provides an accounting of operational costs for all city departments. The City of Lee’s Summit is a hybrid of “General Fund” and “Enterprise Fund” operations. A General Fund operation is used to fund activities typically considered core, basic municipal services, such as Public Works, Police Services, Fire and Emergency Management Services, Code Administration, etc. Enterprise operations are activities that have specific revenue sources. An example of an Enterprise Fund would be Water Utilities that is primarily funded with revenues from water and sewer rate charges to users. An internal financial mechanism is used to assign costs that are shared with all municipal operations, regardless if the operation falls within the General Fund or is an Enterprise Fund. This mechanism is called “internal services.” Essentially, an operational cost is tracked and assigned for centralized activities such as Technology Services, Building Services and Fleet Services. The goal is to show an accurate financial statement regarding the operations of each department and to be reimbursed for the services provided to the Enterprise Fund departments.

Both of these financial tools, Replacement Funds and Internal Services Charges, have served the City very well both in building a stable funding program for large expenditures, and showing a “true cost” accounting of various municipal operations. Over time these tools have been adjusted based upon life cycle experience and cost allocation formulas. The cost assignments for both of these programs are sizable when looking at the non-personnel portions of each department. As the City continues to provide the best work environment for its employees - by providing quality buildings, equipment, and internal services - it finds itself challenged by the growth of personnel costs.

It would be beneficial to the organization to conduct an independent performance audit of each of these three financial programs (General Administration Charges, Replacement Funds and Internal Services Charges) to determine if the best cost-allocation formulas and cost-recovery methods are being used. The targeted outcome is to provide a higher level of assurance to departmental leaders and specialty revenue department managers that these programs are accurately implemented. It is anticipated that all three of these performance areas may be included in a single scope of work for a consulting firm with expertise in these fields.

Although the findings will not be beneficial to the FY 2019-20 Operating Budget, the organization would intend to implement any approved enhancements for the FY 2020-21 Operating Budget.

As previously communicated to City Council, two public safety studies (Police Station Space Needs, Public Safety Dispatching Operations) consumed the 2017-18 performance audit budget. This resulted in assigning last year's recommendations to fiscal year 2019-20.

Department Operational Status

ADMINISTRATION

One of the most impactful areas of responsibility for the City is the relationship with our employees. While the City worked with our represented groups on bargaining agreements and the core general employees on compensation plans, our employees continued to deliver superior programs to the citizens of Lee's Summit.

Successful Conclusion to Collective Bargaining Agreements

Currently, three separate collective bargaining groups that represent approximately 310 employees within the City of Lee's Summit organization. These three groups - the International Association of Fire Fighters (IAFF), Local 2195, International Association of Machinists & Aerospace Workers (IAM), Lodge 778, and Fraternal Order of Police (FOP), Lodge 50 - each provided their team of leaders and representatives to help renew employee agreements with each group. The process was very challenging for everyone involved - the represented groups, the City negotiating team, City staff leadership and our elected body - but we found ways to build a consensus on key issues that allowed us to enter into a two-year agreement, effective March 2019, with the IAFF and FOP, and a three-year agreement with the IAM. The agreements serve as a framework of how the City and employees represented by the collective bargaining units work together to serve our community in the best way possible.

Compensation and Benefit Study and Plan Adoption

The City implemented a new compensation plan for core general employees on January 26, 2019. City leadership and employees invested a tremendous amount of time and effort in delivering a fiscally sustainable plan, fully supported by validated market data. Two employee committees played a pivotal role in the development of the new pay structure and strategy for implementation. They spent countless hours analyzing data and making critical decisions in order to deliver a suitable compensation plan that moves our employees forward.

Construction and Implementation of a New City Website

The City launched a redesigned website on October 31, 2019. The new website features improved search, streamlined service information, intuitive navigation and a modern look that renders properly on all devices. The goal of the new website design is to make information more easily accessible for residents, businesses and visitors. Community input heavily influenced the redesign process through stakeholder surveys and a Community Partner Committee who provided feedback throughout the development and testing phases of the project. The website's overhaul is the first major redesign since June 2009.

AIRPORT, LEE'S SUMMIT MUNICIPAL

There were continued improvements to the Lee's Summit Municipal Airport in 2018, as the taxiway alpha relocation and northwest T-hangar replacement projects were both completed. In order to meet the FAA's requirement for additional separation between extended runway 18-36 and taxiway alpha, seven existing buildings including S, L and open T-hangars had to be removed and a new taxiway alpha had to be constructed. The new T-hangars were completed in August. These two new buildings house 28 units and had a project cost of approximately \$2.6 million. The relocation of taxiway alpha was completed in the fall.

The airport also continued to celebrate improvements to its runways. The American Concrete Paving Association (ACPA) recognized the airport's runway improvements, including the extension of runway 18-36 from 4,014 feet to 5,501 feet, with a silver award for excellence in concrete paving.

Looking ahead in 2019, the airport plans to update its Business and Master Plans.

ANIMAL CONTROL

Animal Control continues to strive to ensure every animal brought into the shelter finds a forever home. In 2018,

Animal Control expanded its outreach program with rescue groups, which help find loving homes for senior dogs, dogs with serious medical conditions, and pit bulls. By utilizing its vast network that spans across the country, Animal Control was able to find families as far away as South Dakota, Minnesota, Colorado and Iowa who wanted to adopt these dogs who tend to have a harder time finding a home. Some dogs even found their forever homes in Canada.

Animal Control also embraced renewable energy in 2018, with the installation of 96 solar panels at the Animal Control facility. The system generates 30 kilowatts of energy, helping power the entire building. Over the course of 25 years, the project will save the City approximately \$136,128 in energy costs.

Several major projects are scheduled for 2019, including the installation of soundproofing materials as well as the installation of a commercial-sized washer and dryer. These projects will provide a more comfortable environment for dogs, improve working conditions for employees and increase efficiency. They are both being funded through generous donations to the shelter.

CENTRAL BUILDING SERVICES

Central Building Services completed 217 work orders in 2018, along with preventive maintenance on City-owned facilities. These necessary repairs and preventive maintenance programs ensure all facilities remain in excellent condition.

Among the significant projects completed in 2018, Central Building Services replaced the roof at the main airport terminal and installed two new heat pumps, replaced the north parking lot at City Hall, the concrete entrance platform at police headquarters, and assisted with improvements to the Maintenance Facility and Fire Station No. 1.

In 2019, Central Building Services is scheduled to replace the roof, generator and main HVAC system at Fire Station No. 1. Fire Station No. 6 will also receive a new roof and the Maintenance Facility will enjoy several enhancements.

COURT, MUNICIPAL

Lee's Summit Municipal Court aims to provide exceptional performance in order to best serve customers. In the past year, the Municipal Court initiated a performance audit to ensure it is utilizing its resources effectively and will use the recommendations from the audit to implement necessary changes.

Municipal Court has also converted to an updated court management system, known as Show Me Courts, which is provided through the Office of State Courts Administrator. In the coming fiscal year, the court will partner with the Jackson County Prosecutor's Office to implement the Prosecuting Attorney Portal (PA Portal), available through Show Me Courts, to streamline case filing. The Municipal Court also plans to collaborate with the Lee's Summit Police

Department as it implements a new fully integrated software solution, known as Zuercher Suite.

DEVELOPMENT SERVICES

Development Services made continued progress on reorganizational efforts in 2018, with the reclassification of an engineering inspections manager and the hiring of an additional building inspector. With continued development activity, these positions allow Development Services to maintain excellent customer service.

The department also took necessary steps to improve communication, consistency and education. The City's redesigned website allows easier access to information and an online project list provides project details.

To improve consistency, Development Services is creating technical guidance documents, such as changes to building codes. In terms of education, the department is focused on developing and identifying internal training programs on a variety of subjects and plans to host community education events in 2019.

The City was recognized as a "Community for All Ages," receiving Gold and Silver level recognition for the work done to become more welcoming of residents of all ages. The City was also designated a SolSmart Gold community for advancing solar energy growth.

Other accomplishments in 2018 included reformatting the Unified Development Ordinance (UDO) to increase searchability and consistency with other City codes and implementation of a new mobile inspection program, allowing inspectors to easily add photographs and notes to inspection reports.

Economic activity remained strong in 2018, with 338 building permits issued for single-family homes. Multi-family housing contributed to additional increases in residential development with 238 apartment units and two duplex units. Commercial development also remained strong in 2018, with an additional 185,733 square feet of space permitted. With activity remaining high and many large projects in the pipeline, 2019 expects to be another busy year.

FINANCE

In 2018, The Finance Department facilitated the sale of \$3.6 million in General Obligation debt for public improvements. It was a year of transition for the department. Bette Wordelman was named the City's director of finance, replacing Conrad Lamb who retired following a distinguished 36-year career with the City. Lamb left a tremendous legacy of innovative leadership, wise financial stewardship and heartfelt dedication to the City. Finance continued its tradition of excellence in 2018, receiving the Government Finance Officers Association Certificate of Achievement in Financial Reporting for the 40th consecutive year.

The City also implemented changes to provide a more satisfying customer experience. Treasury added a credit/debit card payment option for Jackson County residents who choose to pay property taxes at City Hall. The new payment option passed card fees along to customers to avoid increasing City costs while improving convenience.

FIRE

It was a momentous year for the Fire Department as it broke ground on a new Fire Station No. 3, retained its Accredited Agency status with the Commission on Fire Accreditation International, and used public input to update its Strategic Plan, laying the framework for future improvement.

Construction is currently underway on Fire Station No. 3, located near Northwest Pryor Road and Shamrock Avenue, and is expected to be completed in early 2020. The new station was approved by voters as part of a 2016 “no-tax-increase” general obligation bond. In 2019, another voter-approved project will improve the service the Fire Department is able to offer. Lee’s Summit Fire will join other regional public service agencies on the Metropolitan Area Regional Radio System. This will have a significant impact on day-to-day operations, improving communication within Lee’s Summit as well as with neighboring communities.

The Fire Department collaborated with Development Services and external stakeholders to review and adopt the 2018 International Building Code and 2018 International Fire Code. The updated codes are adopted on a six-year cycle to address changes in technology, building practices and processes.

In 2018, the Fire Department saw an increase in demand on services, responding to 10,691 incidents. The department is constantly working to improve existing services and exploring innovative ways to deliver high-quality emergency services. In 2019, the Fire Department will institute a new 48/96 hour work schedule, meaning 48 hours on-duty followed by 96 hours off-duty for all Operations Division personnel. This new schedule was adopted as part of a new labor agreement, which also included an improved compensation package. The Fire Department hopes these changes will help recruit and retain quality personnel.

FLEET SERVICES DIVISION

Fleet is building on its significant achievements in 2018 to make the division more efficient and offer improved services. During 2018, Fleet oversaw the design and bidding process for a central fuel site, which is expected to be completed by early June. As construction work begins on the new fuel site, Fleet will work with Public Works to ensure a seamless transition to serve all City vehicles. A seamless transition will require employee training, removal of the existing central fuel site at Fire Station No. 1, and coordination with the Missouri Department of Natural Resources to ensure all rules and regulations are followed.

Fleet continues to improve staff training to strengthen the skills of its technicians. In 2019, Fleet will employ time and productivity reports to detect weak areas in order to enhance proficiencies. Fleet also plans to utilize industry training and promote industry certifications to improve the level of service the division offers.

HUMAN RESOURCES

Human Resources played an integral role in the creation and implementation of a new employee compensation plan in 2018. As part of this plan, a compensation and classification specialist was hired, who will review market data and provide recommendations with respect to pay structures. This will ensure the City continues to offer competitive pay in order to retain top talent within the organization. Human Resources has also made it a priority to increase communication to City staff. The Core General Communication Committee was formed in 2018. Each department has at least one delegate who attends regular meetings and provides recommendations to Human Resources.

Human Resources is in the process of creating a new employee policy handbook. The handbook establishes guidelines and procedures for City employees. The current handbook was last updated in 2014. As part of an effort to create an exceptional workplace environment, Human Resources has offered training to management and supervisors about how to handle specific situations and address certain topics.

INFORMATION TECHNOLOGY

Information Technology Services (ITS) was once again recognized as a leader in digital technology, receiving the 2018 Digital Cities Survey award from the Center for Digital Government. ITS completed many significant projects in 2018, designed to improve access to information and streamline how the City conducts business.

ITS oversaw a complete redesign of the City’s website. ITS also played a critical role in the rollout of LS Connect, a platform that provides a quick and easy way for residents to report common non-emergency concerns as well as receive City news and information.

ITS continues to update its network, funded through a “no-tax-increase” general obligation bond approved by voters in 2016. These improvements increase system reliability and reduce outages. Other improvements scheduled for 2019 include the implementation of a new enterprise content management system, implementation of new budgeting software, and the completion of a mobile device management solution to actively manage city-owned mobile devices.

LAW

The Law Department continually strives to provide increased, top-quality services to City Council, City staff and citizens with minimal additional cost. The department is now able to provide services related to economic development, without the use of outside counsel. The department was able to add this service without substantial additional cost to the City and residents.

Law will continue to work hard to remain an agile component of City government by maintaining flexibility related to job assignments. We routinely reallocate employees to accurately reflect job requirements and the needs of the City.

Currently the department is utilizing significant internal resources to research, draft and implement ordinances, rules and regulations related to the approved medical marijuana ballot initiative approved statewide.

POLICE

The Police Department maintained one of the lowest per capita violent crime rates in the Kansas City metro area in 2018, and more enhancements are coming in 2019 to provide the department with additional resources to ensure the safety of residents. The department will implement a new records management system, which provides enhanced intelligence data to improve policing effectiveness. The department also made significant progress in joining the Metropolitan Area Regional Radio System. The \$8 million project is expected to be completed in late 2019. It will improve communication between public safety agencies in the region in the event of a significant emergency.

The Police Department plans to transition to the National Incident Based Reporting System (NIBRS) in 2019. This new system of reporting crimes to the Federal Bureau of Investigation provides greater detail about crime, allowing the department to better deploy resources to keep the City safe. A building study will be completed in 2019 to review the status of department facilities and develop a plan to meet future needs.

PUBLIC WORKS

In 2018, Public Works celebrated the completion of an innovative interchange at U.S. 50 and Route 291. The project resulted in one of Missouri's first divergabouts and was recognized by the American Council of Engineering Companies for engineering excellence. In addition to improving traffic flow and providing public safety, the new interchange is expected to increase economic growth and expansion south of U.S. 50.

Public Works has a full slate of projects scheduled for 2019, designed to improve safety and the flow of traffic. Third Street will be widened east of Pryor Road to Murray Road. This section will also see the addition of dedicated left turn lanes, street lights, a new traffic signal at Third Street and Murray Road and sidewalks on both sides of Third Street. Jefferson Street is scheduled to be widened with new street lighting and sidewalks from Persels Road to Oldham Parkway. Chipman Road will receive improvements, including road reconstruction from Bent Tree to View High Drive, the addition of a multi-use trail, street lighting, curb and gutter and the removal of the existing railroad tunnel.

The City's landfill reached its permitted capacity and the closure process began. The City is exploring a variety of opportunities to continue offering solid waste and recycling services.

WATER UTILITIES

In 2018, Water Utilities continued to reinvest in the City's water infrastructure, through repairs, replacements, and strategic planning. More than 37,000 feet of sewer mains were repaired in 2018, helping prevent potential backups and reduce inflow and infiltration into the sanitary sewer system. Water Utilities replaced 14,144 feet of water main throughout the City, reducing service interruptions for customers and lowering the costs for maintenance and repair of the aging water infrastructure. Several water mains were upgraded along U.S. 50 west of Smart Road and from Smart Road east to Harris Road. These improvements increased capacity and aim to enhance economic development in the area.

The efficient and reliable operation of pump stations, lift stations, water towers and other facilities are essential to water and sanitary sewer systems. In 2018, Water Utilities reviewed current practices and standard operating procedures to ensure industry best practices were adhered to by staff. A plan was created to make sure the current equipment replacement program was accurately administered. In 2019, staff will begin implementing aspects of the plan in the City's asset management software program to integrate preventive maintenance activities.