



**TENTATIVE AGENDA
ECONOMIC DEVELOPMENT SUBCOMMITTEE MEETING**

City of Platte City, Missouri
City Hall Boardroom, 400 Main Street
September 19, 2017 at 5:30 p.m.

NOTICE OF MEETING: Public notice is hereby given that a meeting of the Economic Development Sub-Committee of the City of Platte City, Missouri will be held at City Hall in the City of Platte City, Missouri on September 19, 2017 at 5:30 p.m. to consider and act upon the matters on the following agenda and such other matters as may be presented at the meeting and determined to be appropriate for discussion at that time.

Amy Edwards, City Clerk

I. GENERAL

- A. Call to Order
- B. Verification of a Quorum

II. PUBLIC HEARING OR PRESENTATIONS

- A. Public Hearing: None
- B. Presentation: None

III. PUBLIC COMMENT: Please complete a Citizen’s Participation Card and return it to the City Clerk prior to speaking. This is the audience members opportunity to speak directly to the Chair of the Subcommittee. When the Chair asks for public participation you may stand up, approach the podium and ask permission to be heard. When recognized please state your name, address and topic you wish to address. Each speaker shall limit his address to five (5) minutes, unless further time is granted by the Chair.

IV. ITEMS FOR REVIEW AND DISCUSSION

- A. Discussion and Recommendation regarding Audit services for Fiscal Year 2017.
- B. Discussion regarding scope of services with Platte City Chamber

V. OTHER MATTERS BEFORE THE BOARD

- A. General Discussion
- B. Adjournment

Packets available for download at: www.plattecity.org

In accordance with ADA guidelines, if you require accommodations (i.e. qualified interpreter, large print, and/or hearing assistance) please notify the City Clerks office at (816) 858-3716 no later than forty-eight (48) hours prior to the scheduled commencement of the meeting.

Posted Date: _____

Time: _____

Initials: _____

RESOLUTION R2017-52

Staff Report

To: Economic Development Committee
From: D.J. Gehrt, City Administrator
Date: September 26, 2017
Subj: **Resolution Authorizing a Professional Services Agreement with Cudney, Ecord, McEnroe & Mullane, LLC for FY 2016-17 Audit for an amount not to exceed \$13,400.**

Summary: Staff requests that the Economic Development Committee favorably recommend Board approval of the resolution authorizing a professional services agreement with Cudney, Ecord, McEnroe and Mullane, LLC (Cudney) in the amount of \$13,400 to conduct the City's FY 2017 audit and authorizing the City Administrator to execute on behalf of the City.

Background: Missouri state law requires fourth class cities to conduct and submit an independent audit to the State Auditor's Office at the end of each fiscal year. Platte City's fiscal year runs from November 1st to October 31st of each year with the end of Fiscal Year 2017 occurring on October 31, 2017.

Platte City has traditionally contracted with an outside audit firm qualified to conduct business in the State of Missouri and with specialized knowledge, skills and qualifications to perform municipal government audits including Federal single audits as needed.

The professional public accountancy firm of Cudney, Ecord, McEnroe and Mullane, LLC has conducted the City's independent audits under on a year to year contract between 2005 and 2011. In 2012, the City conducted a competitive proposal process for audit services. The City received three responsive proposals of which Cudney received the highest technical rating of the three firms. In addition to receiving the highest of the three technical ratings, Cudney also submitted the lowest professional fee proposal.

In August 2012, the Board approved a one year professional services agreement with Cudney, to conduct the City's FY 2012 audit at a cost of \$11,400. In September 2013, the Board approved an agreement with Cudney to conduct the FY 2013 audit at a base cost of \$11,900 plus the \$1,000 cost to comply with federal single audit requirements. In October 2014, the Board approved an agreement with Cudney to conduct the City's FY 2014 audit at a cost of \$12,300. In October 2015, the Board approved an agreement with Cudney to conduct the FY 2015 audit at a base cost of \$12,600, plus the \$2,000 cost to complete GASB restatements and incorporate the Industrial Development Authority as a component unit of the City. In October 2016, the Board approved an agreement with Cudney to conduct the FY 2016 audit at a cost of \$13,000. The City's audits over this five year period were conducted on time, on budget and were properly submitted to state and federal agencies as required by law and bond covenants.

RESOLUTION R2017-52

Staff Report

Analysis: Cudney, Ecord, McEnroe and Mullane is a professional public accountancy firm that meets all requirements to perform independent audits of Missouri municipal government. The firm has a demonstrated record of providing rigorous, professionally sound independent audits of Platte City and other Missouri municipal governments. The firm has been on time and on budget with all past work for Platte City. The proposed base audit fee of \$13,400 for the FY 2017 audit is consistent with audit costs for municipal governments of similar size and complexity.

It is a good practice to periodically conduct a competitive process to ensure the City is receiving high quality professional services at an appropriate rate. However, it is not necessary to conduct a full competition for these services every year. This schedule means that Cudney, Ecord, McEnroe and Mullane will provide audit services for five years; FY 2012 (complete), FY 2013 (complete), FY 2014 (complete), FY 2015 (complete), FY 2016 (complete) and FY 2017 (proposed).

Fiscal Impact: The professional services award in an amount of \$13,400. The City has sufficient funds in the FY 2017 budget for this service.

Legal Impact: The City is required to conduct an annual independent financial audit and submit the audit report to the State Auditor's Office. The City is further required to submit the audit report to bond trustees and the Municipal Securities Rulemaking Board. The proposed agreement satisfies these state and federal legal requirements.

Recommendation: Staff requests that the Economic Development Committee favorably recommend Board approval of the resolution authorizing a professional services agreement with Cudney, Ecord, McEnroe and Mullane, LLC in the amount of \$13,400 and authorizing the City Administrator to execute on behalf of the City.

CUDNEY, ECORD, McENROE & MULLANE L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 7, 2017

The Honorable Mayor, Board of Alderman
and City Administrator
City of Platte City, Missouri
400 Main Street
Platte City, Missouri 64079

We are pleased to confirm our understanding of the services we are to provide for the City of Platte City, Missouri (the City) for the year ended October 31, 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended October 31, 2017.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Major fund budgetary comparisons.
3. LAGERS pension schedules and the schedule of funding progress – other postemployment benefits.

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 State of America, and will provide an opinion on it in relation to the financial statements as a whole:

1. The combining and individual fund statements and schedules.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements, which will be addressed to the Board of Aldermen. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you or the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform you or the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include the direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the City's financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements and grants.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information. With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

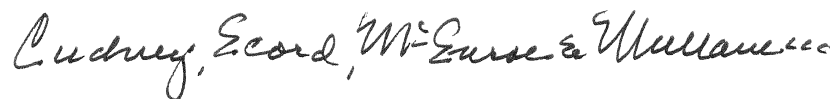
We understand that your employees will prepare all cash, investment, revenue, debt, or other confirmations we request, reconcile the financial statement accounts prior to closing, prepare the necessary audit schedules as detailed on the Audit Schedule list, and locate any invoices and other documents selected by us for testing.

The audit documentation for this engagement is the property of Cudney, Ecord, McEnroe & Mullane L.L.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to grantor agencies or their designee, a federal agency providing direct or indirect funding, or others to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to the aforementioned parties. They may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

Our proposal indicates the basis for our fees, work to be performed and the engagement team members. Our fees for these services will be based on the actual time spent, plus travel and other out-of-pocket costs such as report reproduction, typing and postage. The fee for the audit will not exceed \$13,400 for 2017. For a Single Audit, if required, the fee will not exceed \$1,150. Our rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. These fees are based on the anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We will also utilize City personnel to the greatest extent possible in order to minimize your costs, and will coordinate the nature and timing of the assistance to be provided with you. Our rates for these and any other additional services will be at the hourly billing rates as quoted in our proposal.

We appreciate the opportunity to be of service to the City of Platte City, Missouri and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



RESPONSE:

This letter correctly sets forth the understanding of the City of Platte City, Missouri.

By: _____

Attest: _____

Title: _____

Date: _____

RESOLUTION R2017-52

CITY OF
PLATTE CITY

STATE OF
MISSOURI

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AN AGREEMENT WITH CUDNEY, ECORD, MCENROE & MULLANE LLC FOR FY 2017 AUDIT SERVICES IN THE AMOUNT NOT TO EXCEED \$13,400.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF PLATTE CITY AS FOLLOWS:

SECTION 1. The Board of Aldermen hereby approve a professional services agreement with Cudney, Ecord, McEnroe & Mullane, LLC for FY 2017 audit Services in an amount not to exceed \$13,400 and authorizes the City Administrator to execute the agreement on behalf of the City.

SECTION 2. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED ON THIS _____ DAY OF September 2017.

Frank Offutt, Mayor

ATTEST:

Amy Edwards, City Clerk

Staff Report

To: Economic Development Committee
From: D. J. Gehrt, City Administrator
Date: September 20, 2017
Subj: **Chamber of Commerce Economic Development Agreement**

Summary: No legislative action requested. Discussion and guidance to staff regarding proposed scope of work for the economic development support agreement between the City and the Chamber of Commerce. The Chamber of Commerce staff and Executive Committee have reviewed the proposed draft. Chamber Board review is scheduled for September. City staff anticipate contract approval consideration by Economic Development Committee and Board of Aldermen in October.

Background: Growing the local economy through economic development activity has been one of the City's four major budget objectives for each of the past five years. Significant economic development actions over the past five years include the downtown and residential revitalization programs, the Highway 92/Kentucky intersection improvements, the University of Missouri Photojournalism Workshop, Fourth and Branch intersection clean up, Highway 92 Corridor Study, an increased number of downtown activities, east side master planning and the start of east side development/construction activities.

The City has accomplished its economic development activities to date with existing staff and limited consulting assistance. The City Administrator and the Assistant City Administrator have provided the bulk of the staff resources devoted to economic development planning and implementation.

Over the same five year period, the Platte City Area Chamber of Commerce has significantly grown its outreach, web and social media presence. The Chamber has also added staff resources with marketing, communication and outreach skills and knowledge.

Analysis: The City's economic development activities have focused largely on either long range planning activities or tangible infrastructure improvements which support or encourage economic growth. Current City staff have extensive experience and success with these "hard infrastructure" components of an overall economic development program. However, the City does not have the additional staff resources or capacity needed to develop and grow the marketing and outreach components of an integrated economic development program.

The City is not seeking to contract out its economic development program. The overall direction, guidance, administration and implementation will remain with the City's Governing Body and appointed staff. However, the City is seeking to grow the marketing and outreach component of its economic development program without adding additional staff.

The marketing and outreach component not currently provided by City staff include but is not limited to economic data maintenance and reporting, local business information collection and

maintenance, business property information, area marketing, general communication, economic development outreach and positive social media presence.

Options available to the City to identify and implement a more comprehensive economic development program include:

- a. Increase city staffing levels by creating internal economic development positions.
- b. Contract with one or more individual economic development consultants
- c. Contract with private sector economic development consulting firm
- d. Contract with not for profit or quasi governmental entity for economic development support.

The City is generally reluctant to add additional staff positions unless other options have been exhausted, although it may be necessary to recruit for communications, marketing and outreach staff in the future.

The City does not have the available financial resources for a significant general economic development private sector consulting agreement, although it may be necessary to enter into small scale private sector agreements for very specific economic development support.

The Chamber's existing relationship with the City, its extensive local contacts and staff capacity make it a natural fit to serve as the foundation of the marketing, outreach and social media components of the City's economic development program.

The Chamber of Commerce has the staff resources and capacity to provide the marketing and outreach components not currently available with existing city staffing levels.

The draft scope of work proposed with the Chamber of Commerce is focused on the marketing and outreach components of economic development.

The following is the City's proposed term and scope of service for professional services agreement for economic development support between the City and the Chamber.

Term of agreement:	One year agreement with two, one year extensions upon mutual agreement
Annual Appropriation:	All professional services agreements subject to annual Appropriation. Initial appropriations for FY 17-18: \$15,000
Renewal:	Automatic renewal upon approval of annual budget appropriation unless voided by consultant.
Insurance	Auto liability at minimum required by state law with City as additional insured
Scope of Service:	

- **Community Outreach/Information**

- Maintain list of available commercial/retail spaces (existing buildings/suites,) for sale or lease. Maintenance of available green space Information not required. Post and disseminate as applicable. Disseminate list as appropriate; conduct review/edit as needed but not less than one time in each calendar month. In year one this does not need to be level one level detail.
- Conduct a minimum of six business site visits per fiscal year. Provide responses and reports to City (with the exception of confidential business information). In year one this does not need to be Synchronicity level detail.
- Based on site visits, Chamber member input and other contractor information sources, provide city written recommendations for municipal actions to improve community economic activity including but not limited to marketing, events, web/social media, traffic improvements or other public infrastructure.
- Provide phone and email response coverage from Monday-Friday 9 am to 430 pm (excluding holidays and other days off as agreed with City) to respond to economic development information requests.
- Establish and maintain economic development social media presence as mutually agreed upon by City and Chamber.
- Develop written/visual/online and social media ED material for community.
- Develop and upon City approval implement dissemination/marketing plan for ED material.
- Research and document City and community demographic, workforce and economic information useful to businesses seeking to grow or develop in Platte City.

- **City Representation:** Represent City at various economic development activities and entities including but not limited to:

- Attend a minimum of 7 PCEDC ED Pro monthly meetings annually
- Attend and provide City ED information at Ft. Leavenworth Pair Day
- Attend and provide City ED information to PCEDC Developer events

- Attend and represent City at other local, northland and regional ED entities or events as mutually agreed by City and Chamber.

Community Event Coordination and Participation

- Continue to organize and provide lead sponsorship for Holiday Lighting
- Participate and assist in National Night Out event
- Participate, assist and co sponsor a minimum of three additional community events as may be mutually agreed by Chamber and City such as Pedal for Platte, Downtown Block Party (s), Sample of the City, etc
- Participate in and promote attendance at City economic development planning and marketing events.

Additional items and specific deliverables to be negotiated and revised by Chamber and City at the end of year one for transition during year two and for inclusion in revised year three scope of work.

Fiscal Impact: \$15,000 has been appropriated in City budget for initial year of the agreement. This amount will remain unchanged unless there is a significant changes in the scope of service (in year three)

Legal Impact: No significant legal impact.

Recommendation: No legislative action required. Staff requests Committee comment and guidance. A final contract document will be presented at the October meetings based on committee scope of service comments.