

BILL NO. _____

RESOLUTION NO. _____

A RESOLUTION DIRECTING THE CITY MANAGER TO EXERCISE THE NECESSARY PROCEDURES TO IMPLEMENT THE PHASE 2 REPORT RECOMMENDATIONS SUBMITTED BY DKMT CONSULTING.

WHEREAS, Section 3.12 of the Independence City Charter establishes the electric utility department, commonly known as Independence Power & Light; and

WHEREAS, Section 3.17 of the Independence City Charter holds that “The municipally owned and operated electric system is a public utility and shall be operated in a businesslike manner”; and

WHEREAS, the City Council and City staff have worked collaboratively in recent years to further this Charter directive, with results including a six percent electric utility rate reduction, the adoption of a five-year rate moratorium, and the reducing the number of full-time positions in the electric utility from 239 in Fiscal Year 2015-16 to 176.77 in Fiscal Year 2020-21

WHEREAS, these efforts have been further guided by multiple reports commissioned by the City Council in order to provide recommendations for the betterment of Independence Power & Light; and

WHEREAS, the City recently contracted with DKMT Consulting, LLC to assist the City with the management of Independence Power & Light for a period of six to 18 months; and

WHEREAS, the first step in this engagement was a Phase I assessment conducted by DKMT to give their team an understanding of how Independence Power & Light performs essential activities and identify those areas that are performing well and those that face challenges and may offer opportunities; and

WHEREAS, after three weeks of in-depth interviews with employees and stakeholders, DKMT prioritized areas needing management attention and recommended future scopes of work to address those challenges; and

WHEREAS, DKMT concluded that compared with other municipal electric utilities, it is not apparent that Independence Power & Light consistently uses data to drive its operations or planning processes; and

WHEREAS, these findings are consistent with the July 2017 Management Partners report on the financial risk assessment, management review and organizational culture analysis of the Independence Power and Light Department, in which a department-wide employee survey found lower levels of trust with Independence Power & Light executive management while only one-third of respondents felt that department morale is good; and

WHEREAS, DKMT further prioritized issues regarding business operations and asset management as being high-risk and needing immediate resolution; and

WHEREAS, DKMT has proposed a Phase 2 engagement aimed at addressing some of the more urgent challenges at Independence Power & Light, including the development of a unified strategic plan, improved FERC accounting and financial management, improved OMS Reliability reporting, and

development of a formal asset management process;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That at the City Manager is directed to take the necessary steps to implement the Phase 2 recommendations of the DKMT report as presented in August 2020.

PASSED THIS ____ DAY OF _____, 2020, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY

City Counselor

REVIEWED BY:

City Manager