

## Minutes

Audio Tape Nos. 647-648

The City Council of the City of Leawood, Kansas, met for a Budget and Finance Committee work session at City Hall, 4800 Town Center Drive, at 6:25 P.M., on Monday, June 13, 2005. Mayor Peggy Dunn presided.

**Councilmembers present:** James E. Taylor, Mike Gill, Scott Gullede, Jim Rawlings, Gary Bussing, Gregory Peppes, and Debra Filla.

**Councilmembers absent:** Louis Rasmussen

**Staff present:**

- Scott Lambers, City Administrator
- Kathy Rogers, Finance Director
- Kathy Byard, Budget Coordinator
- Joe Feierabend, Finance Intern
- Ben Florance, Fire Chief
- Sid Mitchell, Chief of Police
- Joe Johnson, Public Works Director
- Chris Claxton, Parks & Recreation Director
- Deb Harper, City Clerk
- Christy Wise, Deputy City Clerk

**Budget & Finance Committee members present:**

Mark Meierhoffer  
Scott Picker  
Michael Clarke  
Greg Bussing  
Bill Venable

## **Welcome by the Mayor**

Mayor Dunn called the meeting to order at 6:25 P.M. She welcomed Councilmembers, Committee members, and Staff to the Budget Session. Mayor Dunn complimented City Administrator Scott Lambers, Finance Director Kathy Rogers, Budget Coordinator Kathy Byard, and other members of the Finance Department for the diligent efforts put into the 2006 Budget. She remarked that the Budget Book is the most excellent to date. Introductions were made by those present. Mayor Dunn then turned the meeting over to City Administrator Scott Lambers.

## Opening Remarks

Mr. Lambers described the 2006 Budget as a culmination of policy decisions implemented within the last few years. Catch-ups will be finalized in terms of personnel for new facilities and police staffing. The biggest initiative in the 2006 Budget is the \$6.1 million dollar proposed land acquisition for the Justice Center. He reported that the City Council will authorize him to proceed with unilateral acquisition of the approximately 11-acre tract of land on June 20, 2005. In concurrence, 4 acres of City-owned land on Tomahawk Creek Parkway will be put up for sale. The prior owner has been contacted and has no desire to proceed with the right of refusal. Construction of the Justice Center will be a new initiative for future budgets.

An overall reduction is reflected in the 2006 Budget, especially in the area of Public Works, due to the absence of previous stormwater projects. There is also a reduction in street projects. Roe and Nall Avenues are currently undergoing construction and there will be improvements to Tomahawk Creek Parkway. North Leawood is scheduled for major reconstruction with the Residential Street Program over the next 5-10 years.

There are six full time employees [FTEs] recommended as additions to personnel. Mr. Lambers reported no mill level increase for 2006; however, homeowners with increased assessed valuations will likewise have higher property taxes, creating more revenue. An appropriate resolution regarding the increased property taxes will be presented for Council approval.

Regarding personnel, Mr. Lambers stated that the recommended positions in Parks and Recreation will end the catch-up process related to acquisition and development of parkland as well as the Public Works Facility.

Mark Meierhoffer confirmed with Mr. Lambers that potential proceeds from sale of the City-owned property were not included as part of the Budget. Greg Bussing asked the price value of the land. Mr. Lambers answered that an appraisal had not been done but estimates range from \$11-14 per square foot on the land intended for sale. The land that we plan to acquire is \$11-16 per square foot.

Councilmember Bussing asked Mr. Lambers to share his views regarding the legislative sessions to take place later this month in Topeka. Mr. Lambers stated there has been suggestion that if ending cash balances are higher, they can use this to pay the Supreme Court imposed increased funding. However, the ending cash balances can only be raided once and will only defer the problem for another year. Revenue sources such as gambling and tax increase proposals will probably not be passed. Mr. Lambers felt that local governments would not be raided but the State budget may be in jeopardy. A short-term, one time fix will probably take place this year but not solve the dilemma for 2007.

Councilmember Bussing asked if transfer of payments would be in jeopardy for 2006. Mr. Lambers stated that if local budgets were affected, alcohol and park funds could be taken as well as a reduction in general funds. If this were to happen, programs funded through the alcohol and park funds would be eliminated. The DARE program would then have to be funded through the City's ending cash balances. Mayor Dunn stated previous demand transfers were to be temporary, however have not been paid back.

## **General Overview**

Kathy Rogers explained the preparation process of the Budget. It is broken down into four categories: Policy Document, Financial Plan, Operations Guide, and Communications Device.

The Operations Guide demonstrates individual department reports including Administration, Fire, Police, Parks and Recreation, and Public Works. Performance measures, input, and other various information is outlined to quantify efficiencies as well as describe the types and levels of services received by citizens. Organization charts are depicted for the City as a whole in addition to each department. A summary of all positions are listed on pages 106-112, including the additional 6.15 FTEs recommended by the City Administrator.

From a communications standpoint, several things are discussed including Budget Policies, the Capital Improvement Program [C.I.P.], and the Budget Calendar. Charts and graphs depict a five year history as well as five years into the future. Table of Contents, Glossary of Terms, and statistical/supplemental information are included.

The Policy Document includes financial and operational policies that frame the Budget. In January, the Council determined near and long-term goals for the City. The near-term goals have been added into the appropriate departments and long-term goals have been referred to in the C.I.P. Priorities and issues are covered in the City Administrator's letter and include maintaining financial stability, service levels, and providing for efficient delivery of services.

The Financial Plan is primarily covered in the PowerPoint Presentation. Revenues are projected at \$42.5 million dollars with the largest source being property tax, which is projected to increase 7.7% based on assessed valuation information provided by County Appraiser Paul Welcome. One mill is equal to approximately \$640,000 with the 2006 Budget projected at 24.233 mills. Sales and Use Tax is projected to increase 5%. Use taxes have undergone a systems change from point of sale to point of delivery. Charges for services reflects a 12% decrease, largely due to the partial closing of the Golf Course.

Purchase of land for the Justice Center has increased expenditures for the Police department with an increase also seen in the Public Works Department. Administration, Parks and Recreation, and the Fire Department are within 1% of the 2005 Budget. Personnel is down from 2005, however this is reflective of large capital with the Justice Center land and improvements to Gezer Park. The 10-year financial trend monitoring illustrates a favorable position. Debt and Operating are within 1% of the 2005 Budget.

Goals regarding fund balance and financial stability have been met by staying above the 11% minimum in the General Fund and Debt Service Fund. No mill levy increases are projected. The Special Benefit District [SBD] and other financing comes in at 25% of the expenditure threshold. The 3-4 year Financial Summary reveals the future impact of current decisions. Capital expenditures are integrated into the Budget Document.

Mayor Dunn confirmed with Ms. Rogers that Budget & Finance Committee members received a copy of the C.I.P. and were allowed a scheduled time to come in for review and questions.

Councilmember Peppes verified with Mr. Lambers that the Budget assumes closure of the Golf Course from September 15, 2006 with reopening on May 31, 2007 due to stormwater improvements.

Mr. Meierhoffer inquired which components of the expenditure budget were fixed versus variable. Ms. Rogers explained the process of beginning with a base budget, adding routine repair and replacements, and then adding new initiatives. Mr. Lambers added that any necessary cutbacks would be to first put a hold on hiring, followed by a hold on new equipment, and then a hold on scheduled maintenance other than safety issues. This would total approximately \$1.2 million dollars. Other initiatives would have to be rejustified and come out of ending cash balances.

Councilmember Gill asked the outcome of actuals on the current budget in terms of revenue and expenditures. Ms. Rogers stated last year the revenue was 6.5% over and expenditures were 4.5% under. Mr. Lambers stated that the model is installed with a Budget Variance Factor, which will reveal information regarding positive effects over a 5-10 year period providing the monies are not utilized. Ending cash balances per year are put into a Project Capital Fund as a first priority in order to reduce borrowing.

Councilmember Gill confirmed with Mr. Lambers that the County is up for renewal of the 1/4-cent Sales Tax, which expires at the end of the year. Mr. Lambers reviewed that money in a Capital Reserve Fund for the Justice Center at \$2.6-million dollars will be transferred to a Capital Improvement Fund for land acquisition. Mr. Lambers stated that in order to reallocate local money to the County, a change in State Law would be required. Councilmember Gill voiced that the money should not be relied upon as there were too many uncertainties. He also considered public schools to be the most valuable asset of the City and was not opposed to sharing.

Councilmember Gill and Mr. Lambers further discussed the possible reallocation of Sales Tax to the County. Mayor Dunn noted a letter from County Commissioner John Segale, inquiring what was being done with the sales tax money. A response was sent informing that it was in a sinking reserve fund to be used specifically for a Justice Center and if the money became unavailable, other property tax dollars from the City's General Fund would be used to pay for the new structure.

Bill Venable raised a logistics issue concerning the parcel intended for the Justice Center. He stated that retail or commercial purposes may be a better use for the land in order to gain revenue. He suggested having rental spaces within the Justice Center building. Mr. Lambers informed if the City were to have a building used for nonpublic purposes, we would entirely lose our tax exempt status. He stated that if this site were not utilized, the Justice Center would have to be placed south of 135<sup>th</sup> Street. The 117<sup>th</sup> Street area makes more sense as it is the center of the City. He stated that by selling the land on Tomahawk Creek Parkway and buying more on 117<sup>th</sup> Street, we are in essence consolidating one tract of land.

Councilmember Rawlings confirmed with Mr. Lambers that the \$774,000 allocated for the Gezer Park project is for complete construction. The amount is an estimate based on the project cost of I-LAN Park.

Mr. Meierhoffer inquired if property had ever been leased for city purposes. Mr. Lambers stated he would consider a short-term lease if necessary, however long-term leasing was not good business sense. Mr. Meierhoffer asked if the law precluded the City from selling part of the property intended for the Justice Center to a private individual for retail use. Mr. Lambers answered that there would be no legal issue with separate buildings; however, the purpose for buying the entire tract of land is due to unsuccessful negotiations with the current property owners regarding cost-sharing of infrastructure.

Mayor Dunn noted that the Federal Government prohibits leasing, whereas they must own their buildings. Mr. Lambers stated that leasing City-owned property to private sector activities would create a liability.

Michael Clarke confirmed with Mr. Lambers that the City is significantly under the state limitations on debt service. Mr. Lambers explained the C.I.P. process for Mr. Clarke in terms of goal setting and SBD financing. Mr. Clarke also asked if the City had the ability to obtain Industrial Revenue Bonds [IRBs]. Mr. Lambers replied the only tax incentives used by the City is SBD financing. He added that we will be involved in the State provided Transportation Development District [TDD] for improvements to Park Place.

Mr. Bussing reconfirmed with Mr. Lambers that \$6.1 million dollars is budgeted for land acquisition; however, revenue from the future sale of City property is not in the budget. Construction of the Justice Center will take place in 2008-2009. The current location of operations for this facility include the Police Station on Lee Boulevard and Municipal Court, which is now in City Hall. There are no plans to date for utilizing the current Police Station after the Justice Center is complete. Mr. Lambers felt that the City was not large enough to justify a substation, however it may be used to house the communications system. The space left by Municipal Court will be minimal.

## **Ben Florance – Fire Department**

Chief Florance reviewed the PowerPoint Presentation for the Fire Department. He stated that it was planned to discontinue the City's ambulance service at mid-year, however this has been postponed until October due to shortages in MedAct staff. At this time, a MedAct paramedic unit and advanced life support unit will be stationed at Fire Station #2. This location will allow MedAct to meet their response time goals.

Fire code inspections are now performed on all three shifts in conjunction with rapid City growth, which will precipitate the need for a future Inspection Coordinator.

Mr. Clarke asked how the 90% response time compared to other fire departments in the metro area. Chief Florance responded that the size of Leawood, 2 miles wide and 7 miles long, can be challenging. A 20-year study revealed Leawood to be one of two Johnson County fire departments to meet response time goals.

Chief Florance stated in lieu of the Town Center area becoming quite dense, the addition of a substation will be considered for this location. The substation will enhance response times to north Leawood and State Line/College Boulevard areas. He quoted the expense of the substation at approximately \$500,000.

Mr. Bussing asked how the wages of Leawood firefighters compared to firefighters in other communities. Chief Florance reported turnovers in the last 3-4 years with entry-level firefighters as larger fire departments do pay higher wages. On the higher end, once a firefighter has received stripes, Leawood pays a very competitive salary.

Councilmember Peppes confirmed with Chief Florance that the future substation could be located in the Justice Center area as there are no prohibitions of being in proximity to a police station.

Councilmember Taylor asked how the Fire Department reacted to calls on 435 and K-150 Highways. Chief Florance responded that procedures are in order for various types of calls including vehicle fires and tank spills. For hazardous material spills, mutual aid is immediately called to provide a hazardous material response team. These teams generally come from Overland Park or Kansas City, Missouri, depending on the highway location. Currently there is no Automatic Aid Agreement with the Kansas City, Missouri Fire Department; however, Chief Florance stated that we have good communication and response from their department when mutual aid is needed. There are agreements with Overland Park and Consolidated District #2, who automatically respond on some of our calls.

Councilmember Bussing asked if the delayed response form that was put into effect in 2004 contributed to the almost perfect response time for that year. Chief Florance explained that yearly percentages will increase or decrease depending upon the call load. He confirmed for Councilmember Bussing that Opticom systems will be installed by the end of the week and are expected to further improve response times. Likewise, the mobile data terminals will enhance response times and communications with the Emergency Communications Center. Chief Florance reported that the County is working on a grant which will provide mobile data terminals County-wide. If approved, this will provide 5 more terminals for Leawood.

Councilmember Bussing verified with Chief Florance that the communications device system allows contact with the Police Department and County. Chief Florance stated that Johnson County is very prepared concerning disaster training.

Mr. Bussing suggested increasing the response time goal to 95-98%. Chief Florance confirmed for Mayor Dunn that the current goal of 85% was set by the Council, however the Fire Department set a 90% goal for 2006. Chief Florance predicted that by discontinuing ambulance service, response times may not meet the 90% goal as fire trucks are slower.

Councilmember Bussing, Mayor Dunn, and Mr. Lambers further discussed response time goals for the Fire Department.

Scott Picker confirmed with Mr. Lambers that the 4% personnel budget increase included approximately 2% for salary increases and 2% for health and dental insurance increases. Ms. Rogers and Chief Florance discussed the fact that many senior officers are retiring in 2005.

Mr. Venable confirmed with Chief Florance that fire code inspections are a free service provided by the City.

Councilmember Gill commended the Fire Department for protecting the community and providing excellent response times. He stated that he has received numerous letters of appreciation from citizens but has never heard any criticism concerning the Fire Department. He stated that a 90% response time goal is the right objective as it meets the national standard of excellence.

Chief Florance explained the function of the Opticom system for Councilmember Rawlings. He stated it is designed to change traffic signals from red to green, eliminating the need for emergency vehicles to completely stop while en route.

Councilmember Taylor asked about projected needs for Fire Station #1. Chief Florance replied that door and window replacements are estimated at \$27,000 for 2006. In 2007, the bay floors will need to be redone for \$10-20 thousand dollars. In 2008, a generator replacement will cost \$25,000.

Mr. Meierhoffer questioned the replacement policy of fire hydrants. Chief Florance stated that WaterOne handles inspections, maintenance, and replacements of the fire hydrants.

Chief Florance added that Fire Station #1 also needs a sprinkler system installed, which he would like to see in the C.I.P.

Councilmember Gulledge congratulated Chief Florance for providing excellent emergency services. From a personal standpoint, he was very pleased with their performance.

Mayor Dunn commented that the Fire Department's public relations are equal to their outstanding response times.

Mayor Dunn stated there would be a 10-minute break. The meeting reconvened at 8:10 P.M.

## **Sid Mitchell – Police Department**

Chief Mitchell began by stating that the Leawood Fire and Police Departments have a wonderful working relationship, which is hard to find in other cities. He announced that a replacement has been selected to fill Deputy Chief Major Craig Hill's position, who is retiring in September. Captain John Meier will be coming from the Lenexa Police Department with 27 years of experience. Also in the administration area, Captain Scott Barton is leaving. Chief Mitchell stated that he and Major Hill will temporarily split the duties of Captain Barton.

Chief Mitchell reviewed the Police Department budget via PowerPoint and also presented audio tapes of calls dealing with Animal Control issues.

Mayor Dunn confirmed with Chief Mitchell that Captain John Meier's first official day will be August 1<sup>st</sup>.

Councilmember Gulledge verified with Chief Mitchell that Kansas law requires registration of sex offenders. The accuracy of their locations pertaining to the City limits depends on if they properly notify authorities when they have moved. He stated that police officers and communications are aware and alert of these individuals, however there is not a special watch for sex offenders.

Councilmember Gullledge discussed with Chief Mitchell the growing statistics of Internet related crimes. Detectives who are versed in computers are delegated to the cyber-crimes. Assistance has been obtained from the FBI's regional forensics computer lab in the Kansas City area. Chief Mitchell stated that identify theft is currently a big issue. The I-Safe Program was designed to teach children computer safety.

Councilmember Filla verified with Chief Mitchell that truancy issues are dealt with by School Resource Officers (SROs).

Councilmember Filla asked how the 56% reduction in burglary was achieved. Chief Mitchell attributed the decrease to the expertise of the officers as well as from educating homeowners with crime prevention techniques.

Councilmember Taylor discussed the additional Police Captain request with Chief Mitchell. Chief Mitchell stated that Leawood is the only police department in Johnson County to operate within two divisions, Operations and Administration. With growth and new issues such as terrorism, another division captain is needed for investigations and specialty services.

Councilmember Taylor questioned the reasoning of having different time frames for school zone speed limits. Chief Mitchell stated that inconsistencies are caused by different start times of the various schools. He said the time frames are determined by school districts and traffic engineers with the Police Department having minimal input.

Mr. Picker confirmed with Chief Mitchell that there is not a City policy requiring residents to have access to 911 via voice-over IP phones. Mr. Lambers discussed the fact that the Federal Government does not allow tying-in to 911 phone lines.

Mr. Picker complimented the statistics of minor in possession [M.I.P.] charges. Chief Mitchell credited the low number of charges to the District Attorney's Office as well as to the diligent work of patrol officers.

Mr. Meierhoffer and Chief Mitchell discussed response time goals. Non-emergency calls average 5.25 minutes with emergency calls having a 4 minute goal. There was also discussion concerning how much manpower will be needed upon full development of the City. Chief Mitchell stated that the Council governs the officer/pedestrian ratio. Mr. Lambers projected the population to be 45,000 by year 2030.

Mayor Dunn verified with Chief Mitchell that there is an expansion of the DARE Program at the middle school level which also includes violence prevention.

Mr. Venable asked which intersection had proven to be the most dangerous. Chief Mitchell reported the highest accident location to be 435 Highway, between State Line and Mission Road, followed by 103<sup>rd</sup> and State Line. Mr. Lambers explained that future installation of traffic control devices are warranted by traffic engineers based on traffic counts, accidents, and severity of the accidents. Mayor Dunn noted that a new signal will be installed at 92<sup>nd</sup> Street and State Line Road with funding primarily from Kansas City, Missouri.

Regarding other personnel requests for 2006, Mr. Lambers stated that adding a patrol officer is top priority in order to meet staffing goals. The objective is to have 11 officers per shift by year 2007. He reviewed the Staffing Manpower Report.

Mayor Dunn, Chief Mitchell, and Mr. Lambers discussed the Byrne Grant. The grant will provide an instant fingerprinting system for the Court Department. The Police Department currently has the system, which allows for nationwide coverage. There is money in the budget for matching funds if the grant is not approved.

Mayor Dunn adjourned the meeting at 9:20 P.M.

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Christy Wise, Recording Deputy City Clerk