

Minutes

Audio Tape Nos. 649

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 6:15 P.M., on Tuesday, June 14, 2005. Mayor Peggy Dunn presided.

Councilmembers present: James E. Taylor, Scott Gullledge, Jim Rawlings, Gary Bussing, Gregory Peppes, and Debra Filla.

Councilmembers absent: Louis Rasmussen and Mike Gill.

Staff present:

- Scott Lambers, City Administrator
- Kathy Rogers, Finance Director
- Kathy Byard, Budget Coordinator
- Joe Feierabend, Finance Intern
- 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 6:15 P.M. She welcomed Councilmembers, Committee members, and Staff to the Budget Session.

Joe Johnson – Public Works Department

Mr. Johnson reviewed the Public Works [PW] budget via PowerPoint presentation. He stated that it was fairly consistent with the 2005 Budget.

Mr. Johnson noted that the PW Department is in the process of televising the storm sewer systems in order to be in compliance with GASB-34. The project will be complete at the end of 2006. Mr. Lambers advised that prior wastewater workers, who were transferred to PW in order to perform minor stormwater improvements, were doing the televising project rather than hiring contractors. During this time period, it has been necessary to outsource stormwater maintenance and repairs thus increasing contractual expense amounts.

Upon completion of the project, Mr. Johnson explained that a certain percentage of the storm sewers will be televised on an annual basis to maintain compliance. The contractual expense fund has been very utilitarian as they have identified many major improvement areas in the pipes requiring more than in-house repairs.

Greg Bussing confirmed with Mr. Johnson that major repairs are covered in the Operating Budget.

Mr. Johnson explained the deterioration process of the pipes for Councilmember Filla. He identified an area between 89th and 93rd Streets as a possible project to be funded with the 1/8-cent sales tax revenue. Once televising is complete and the storm sewers are assessed, a maintenance budget will be developed.

Councilmember Bussing discussed the estimated maintenance backlog and repair costs with Mr. Johnson. Mr. Johnson projected a cost of \$500,000. He stated that bids will be taken on grouped projects according to funding for each year and tied-in with the Residential Street Program. Mr. Lambers pointed out that contractors seemed to lose interest when projects were bid out individually.

Mark Meierhoffer arrived at 6:25 P.M.

Councilmember Gulledge asked why the 2005 Budget reflected a significant increase for stormwater expenses [from \$2,794,605 to \$6,527,569]. Mr. Johnson stated that the DB-04-24 project caused the increased expense for 2005. The project is near completion and will only require \$1.4-million in the 2006 Budget. Other large expenditures for 2006 will be the NC-04-001 project and the IRONHORSE Golf Course project.

Councilmember Taylor confirmed with Mr. Johnson that the County SMAC Program will reimburse approximately \$4.5-million for DB-04-24, which is listed as a transfer in the Budget. Mr. Johnson also explained for Councilmember Taylor that fees received for services (inspections and codes) are listed as Revenue by Program on page 63.

The 10% increase under administration is a result of \$40,000 for document scanning. Mr. Lambers noted that the scanning costs are a transfer from the City Clerk's division to PW. Councilmember Taylor, Councilmember Filla, and Mr. Johnson discussed the documents to be scanned.

Mr. Johnson stated the 6% increase in personnel includes the addition of two part-time receptionist positions, one at City Hall and one at the Maintenance Facility. The current full-time administrative clerk will be transferred to the Parks and Recreation Department.

Operations costs have gone up due to increased costs of fuel, salt, and supplies. Mr. Lambers stated that fuel was budgeted at \$2.00 per gallon, however the average cost paid is \$1.55 per gallon.

Mr. Johnson confirmed for Mr. Bussing that City employees perform 100% of snow removal. Councilmember Rawlings and Mr. Johnson discussed yearly salt costs, which overall have been on target.

Mr. Meierhoffer verified with Mr. Johnson that inflation should peak and then decrease upon completion of the residential street reconstruction in north Leawood. Mr. Bussing, Mr. Lambers, and Mr. Johnson discussed the costs of slurry seal versus total reconstruction.

Councilmember Filla complimented City Engineer David Ley on his presentation of the street reconstruction plans to the homeowner's association members.

Mr. Johnson and Mr. Lambers discussed the Pavement Condition Index [PCI] and the scheduling of residential improvements. Slurry seal shows an increase of \$50,000 in 2006. Mr. Johnson explained the slurry seal process to Councilmember Gullledge.

Mr. Lambers confirmed for Mr. Bussing that the first two phases of the Accelerated Street Program will be complete in 2014, before moving over to south Leawood. A mill levy increase will be proposed in the future to generate approximately \$3-million per year, which will allow Pay-As-You-Go [PAYG] funding. Mr. Bussing stated that he liked the PAYG concept, however would like to explore options other than a mill levy. Mr. Lambers discussed the advantages of a mill levy versus borrowing the money.

Mayor Dunn verified with Mr. Johnson that Sagamore and Overbrook in south Leawood will not have to be totally reconstructed again. Mr. Johnson stated that the life of a street is 40 years with slurry seal/mill and overlay maintenance.

Mr. Clarke confirmed with Mr. Lambers that the aforementioned future mill levy was included in the long-term strategic plan.

Mr. Johnson confirmed for Councilmember Taylor that all of the streetlights in south Leawood and most in north Leawood are owned by KCPL, who is currently setting up a program to trim the trees away from the lights. Councilmember Bussing noted that Custom Lighting is under contract to provide maintenance of the streetlights.

Mr. Venable inquired if a homeowners association could request additional streetlights. Mr. Johnson affirmed that it could be done through a streetlight petition.

Mayor Dunn verified with Mr. Johnson that monthly night inspections are performed by Custom Lighting. Regarding contractor evaluations, Mr. Johnson confirmed close monitoring with poor performers off the bid list for one year.

Councilmember Peppes confirmed with Mr. Johnson that contracting streetlight maintenance is more beneficial to the City than providing in-house repairs.

Councilmember Taylor asked for an update on the Roe Avenue construction. Mr. Johnson stated that it is on schedule for a November 20th completion date.

Mr. Bussing asked if performance incentive clauses for early completion of projects were included in contracts. Mr. Johnson stated that it has been done, however it is not a standard element for all contracts.

Mr. Johnson explained for Mr. Venable that additional noise barriers on I-435 would provide relief to adjacent residential areas, however would not be effective at further distances. Mr. Venable asked how the infrastructure of Leawood would be impacted if an arena is built in Overland Park. Mr. Lambers stated that it would impose a minimal increase in traffic and should not create an issue.

Mr. Meierhoffer confirmed with Mr. Johnson that there is no need to alter the stormwater system of Tomahawk Creek at this time.

Mayor Dunn verified with Mr. Johnson that the parking lot at City Hall will undergo repairs in 2005 including curb replacements and courtyard improvements. Mayor Dunn discussed with Parks and Recreation Director Chris Claxton that a section of the trail around Tomahawk Creek may be lost due to the new drainage system. Ms. Claxton stated that David Ley is assessing the situation.

Councilmember Filla confirmed with Mr. Johnson that utility tax is based upon surface square footage. Mr. Johnson explained the process of setting the tax in place, which will be collected on wastewater bills.

Mr. Picker asked the justification of adding another FTE while there is a decrease in roadway design for 2006. Mr. Johnson explained that roadway funding fluctuates annually from \$1.5-million to \$2.5-million, creating a see-saw effect in the year-to-year performance measures. The additional personnel will be seasonal to assist with inspections and surveys.

Mr. Meierhoffer asked if the City had a policy for geese. Mr. Lambers responded that geese are protected by Federal law as they are migratory birds, however the geese in this area remain year round. There has been an effort to change the law such that if the birds do not fly north during normal migratory patterns, they would not fall under the jurisdiction of protection. If this were to happen, Mr. Lambers stated that we would contract to have them removed as there is \$10,000 in the Animal Control budget for wildlife eradication.

Mayor Dunn stated there would be a 5-minute break. The meeting reconvened at 7:35 P.M.

Chris Claxton – Parks & Recreation Department

Ms. Claxton reviewed the Parks and Recreation Department [P&R] budget via PowerPoint presentation. She discussed additional personnel positions including the transfer of the current PW administrative clerk to the P&R Department. There are funds in the P&R Budget allocated for graphic design services, which will now be performed by this position.

Mr. Venable asked if the summer camps had been filled. Ms. Claxton stated all of the outdoor camps spots were full, however there were a few empty spaces in teen camp. Mr. Venable, Mr. Lambers, and Ms. Claxton discussed various reasons that would cause vacancies.

Councilmember Taylor, Mr. Bussing, and Ms. Claxton discussed the screening process for selecting programs. Surveys are used as well as coordinating with other recreational departments in deciding which programs/classes to support.

Mr. Bussing confirmed with Ms. Claxton that the expenditures by fund listed on page 74 include debt service. They discussed the expenditure/revenue ratios of the programs, specifically the Golf Course. Ms. Claxton noted estimates to collect \$95 per citizen in user fees to offset the large 2006 budgeted expenditures of \$293 per citizen, due to closure of the Golf Course. An additional expense for 2006 will be \$38,000 to perform extensive background checks for child related activity positions.

Mr. Bussing discussed program cost recovery with Ms. Claxton and Mr. Lambers. Ms. Claxton voiced that residents should not have to pay a significant cost for classes when they have already paid taxes in support of recreational programs. Mr. Lambers stated that a 50% benchmark would be a good starting point with the objective of making the programs affordable to Leawood citizens, excluding events where there is no recovery such as the 4th of July Celebration.

Mayor Dunn confirmed with Ms. Claxton and Ms. Rogers that the \$95 user fee will apply to Leawood citizens only.

Referring to page 85, Mr. Meierhoffer noted a decrease in the number of paid rounds from the 2005 Budget to the 2005 Estimate while the General Fund subsidy remained unchanged. Mr. Lambers explained that the General Fund subsidy is not known until year's end and will be higher than the estimate. The goal for the Golf Course will be to make it a break-even operation.

Mr. Meierhoffer confirmed with Mr. Lambers that Orion, the current management company of the Golf Course, is under contract until the end of 2006. Mr. Lambers stated that the IRONHORSE Advisory Board is in favor of extending the contract for an additional year, however he felt that proposals should be made during closure of the Golf Course. In the event of management transition, the current software used at IRONHORSE will remain.

Mr. Venable, Mr. Lambers, and Ms. Claxton discussed the concept of budgeting for more senior programs in order to address the increased aging population. Mr. Lambers anticipated a higher level of seniors, however felt that many would relocate given the housing situations in Leawood. There is a Community Center scheduled to be built in 2012, which could facilitate senior programs upon an interest survey. Ms. Claxton noted challenges associated with developing senior programming such as meeting the various interests.

Councilmember Gulledge voiced uncertainty in changing management of the Golf Course during the construction period as there should be someone familiar with the operational dynamics upon reopening.

Councilmember Bussing verified with Ms. Claxton that the park maintenance budget allows for median improvements, specifically for 135th Street.

Councilmember Bussing, Ms. Rogers, and Ms. Claxton discussed the current \$430,000 balance for Cultural Arts with Ms. Rogers (page 6). There is also \$52,000 budgeted for capital art. Councilmember Bussing clarified with Ms. Claxton that the Public Art Policy considers enhancements to the amphitheater as public art.

Councilmember Filla stated that consultants should be brought in during closure of the Golf Course to assess the need for reconfiguration. Councilmember Taylor and Mr. Meierhoffer discussed the pros and cons of a 9-hole course.

Councilmember Peppes suggested keeping 9-holes open during the construction phase. Mr. Lambers responded this would be physically impossible as material and equipment will be covering the entire course. Mr. Meierhoffer felt that a marketing consultant could reinvigorate the Golf Course during the shut-down period.

Councilmember Bussing asked for an update on the pond at Ironwoods Park. Ms. Claxton reported that it will be reconstructed this year with design consultations now in progress.

Mr. Bussing asked for details of the Gezer Park improvements. Mr. Lambers listed that installation of a parking lot, playground, monument feature, bridge feature, and restrooms will take place. He also stated that a subcommittee including members of the Arts Council, Public Arts Committee, and Gezer Region Sister City Committee are working on a preliminary design. The Gezer Region is donating an 8-foot high stone tablet, a replica of the first harvest record. Pictures of the park will be taken to Israel this Fall to decide placement of monuments and features. Collaborations are underway with Kansas State University for plantings of native Israel vegetation.

Ms. Claxton discussed a request for adding restrooms/bathhouses near the cabins at Ironwoods Park. She displayed schematics of the park layout and distributed architectural estimates for building the structure. She stated there is also a need for restrooms by the playground area and amphitheater. Mr. Lambers agreed that the park facilities need permanent restrooms versus porta-potties.

Ms. Claxton reported there is a task force of various committee members who discuss the needs of the amphitheater and are seeking private funding. In addition, sponsors have donated \$44,000 this year which was not included as revenue. The donations are generally used to offset program costs.

Councilmember Peppes and Mr. Lambers discussed prioritization of the Ironwoods Park improvements. The restroom/bathhouse near the cabins would be first, followed by the amphitheater restrooms, and then the playground area restrooms. Mr. Lambers stated that the improvements will be worked into the Budget if the projects meet the Council's interest.

Ms. Rogers noted the projects would normally be in the C.I.P. Mr. Lambers listed options for funding the restrooms as reducing the money set aside for the Justice Center land acquisition, dipping into ending cash balances, or replacing another item in the Budget with this project.

Mayor Dunn noted that \$500,000 left over from the bond issue has already been voted on by the public. Councilmember Bussing commented that the restroom additions would be a consistent use of the money.

Councilmember Peppes inquired about a master plan for future program facilities. Ms. Claxton stated that the P&R Advisory Board felt that consultants should be obtained for this initiative, which would be a 10-year plan. Mr. Lambers stated that the information will be needed prior to the future Community Center, however is not urgent at this point.

Councilmember Taylor voiced his support for the restroom request. He discussed placement of the sewer lines with Ms. Claxton and Mr. Lambers.

Councilmember Filla reviewed with Mr. Lambers that the \$500,000 left in the bond issue could be applied to the improvements, which would take place in 2006.

Councilmember Rawlings considered the restrooms to be a critical need and voiced his support for the funding.

Mr. Venable, Mayor Dunn, and Ms. Claxton discussed outside sources of funding. Ms. Claxton mentioned that P&R is currently working with the Leawood Foundation in putting together a gift catalogue, which will allow citizens to actually purchase items for the parks.

Mr. Lambers reviewed the Budget process for the Committee members. Increases cannot occur after publication of the Budget, only decreases. He confirmed for Mr. Meierhoffer that changes can be made at this point, which is the draft phase.

Mr. Johnson and Councilmember Taylor discussed the flow lines of the sewer system at Ironwoods Park.

Mr. Lambers recommended that the restroom improvements be funded through the final authority that remains (\$500,000) with the balance of funds needed coming out of the Capital Project Fund for the Justice Center.

Councilmember Taylor confirmed with Mr. Lambers that funds for the Justice Center could be replaced with sale of the Tomahawk Creek Parkway land.

Ms. Rogers suggested to budget the design fees in 2005 and construction costs in 2006. Mayor Dunn confirmed agreement with this plan by show of hands.

Closing Remarks

Mr. Lambers reviewed that all new initiatives had been discussed with the exception of the part-time receptionist position.

He stated that any questions concerning personnel or other issues could be discussed at the next Budget meeting.

Mayor Dunn adjourned the meeting at 9:15 P.M.

Christy Wise, Recording Deputy City Clerk