

Minutes

The City Council of the City of Leawood, Kansas, met for a Joint Governing Body/Budget & Finance Committee Work Session at City Hall, 4800 Town Center Drive, at 6:00 P.M., on Monday, June 22, 2009. Mayor Peggy Dunn presided.

Councilmembers present: Debra Filla, Julie Cain, Jim Rawlings, Lou Rasmussen, Gregory Peppes, James Azeltine, and Mike Gill.

Mayor/Councilmembers absent: Gary Bussing

Staff present:

Scott Lambers, City Administrator
Kathy Rogers, Finance Director
Ben Florance, Fire Chief
Joe Johnson, Public Works Director
Mark Andrasik, IS Director
Deb Harper, City Clerk
Pam Gregory, Deputy City Clerk

Patty Bennett, City Attorney
Kathy Byard, Budget Coordinator
John Meier, Police Chief
Chris Claxton, Parks & Recreation Director
Lovina Freeman, Human Resources Director
Richard Coleman, Comm. Dev. Director

Budget & Finance Committee members present:

Bill Ramsey
Greg Bussing
Jim Morris

2010 ANNUAL BUDGET PRESENTATION

Welcome by the Mayor

Mayor Dunn called the meeting to order at 6:10 P.M. She welcomed Councilmembers, committee members, and staff. Introductions were made by those present.

Opening Remarks-City Administrator Scott Lambers

There were no new initiatives as part of this budget; therefore they plan to continue with the majority of what the City did last year. Mr. Lambers noted he and Finance Director Kathy Rogers had been working with department heads on changes in the 2009 anticipated expenditures to reduce the impact of the 2010 budget.

Overview 2010 Annual Budget-Finance Director Kathy Rogers

In order to position the City for 2010, a decision was made to delay long-term debt in order to get an idea of what the market for bonds, interest rates and economics may do locally and globally and how it could affect Leawood. The budget was prepared using the parameters set in March and economic data that was available.

Sales and use tax is the City's second largest source of revenue and the budget reflects a 4.6% increase; however, 0.5% of this is due to the \$.01 general tax and 4.2% is due to the Transportation Development District [TDD] tax being collected at Park Place and One Nineteen. On average, staff thought 0.5% on sales tax was reasonable, given delays from businesses cutting back and shifting expenditures. Staff felt they were being conservative for 2009.

Budget and Finance Committee member Greg Bussing confirmed with Ms. Rogers that the first quarter sales tax of 2009 is 1% lower and staff has projected the year to be 2% lower.

Property tax is the City's largest revenue source. Collections at this time last year were 97.5% and are currently 95%. The last set of collections for this year is received in October; the City will know then where it stands.

Some of the bigger areas of revenue estimates include; franchise fees, which have remained the same, and charges for services. One of the biggest areas of this is the golf course, which is doing well.

Mr. Bussing asked if staff could comment on the assessed value assumption of a 1% growth for 2010. Ms. Rogers noted County officials had suggested there would be some continued reductions in assessed value. Staff reviewed building permits and where they stood as of December, 2008, to determine how much completion was expected for this year in order to work through an assumption. The 2010 figure from the assessor will be finalized June 30th.

Grants have increased due to the \$1.3 Million stimulus Public Works was able to garner for the 103rd Street Project.

Leawood is the third City in Mill Levy comparisons for surrounding communities. On average, a Leawood resident pays approximately \$1,200 per year, or \$107 per month, in property tax. The largest part of the tax bill goes toward the school district, then City, then County. When considering a composite of 10 years, the average citizen has paid an increase of \$65.00 per year, or \$5.42 per month. Leawood tax dollars pay for road maintenance, Police and Fire Department response times, recreation programs, and City-wide events.

Expenditures are similar when comparing 2009 and 2010. The golf course is open the full year; however, doesn't have the amount of capital. Grants have been accounted for in Public Works figures. Police, Fire, and Public Works Department expenditures are primarily from wages.

Mr. Lambers indicated by taking the total expenditure of \$2.6 Million and dividing it in half because of the added stimulus, there is a growth of 2.5%; 1.0% of this from inflation.

There is a 1.0% increase in personnel. Many large projects are expected to be completed in 2009; including Gezer Park. Debt and operating has remained close to the same.

For personnel, there are 274 full-time positions budgeted with 315 FTE's with a decrease of 0.69 positions. One directive of the budget was to not propose any new staff. There have been several soft cuts, which include delays in hiring and freezing.

For Pay-As-You-Go [PAYG] Capital Expenditures by source, the general fund is the largest and funds rolling stock, repairs and improvements, as well as streets and construction. Capital by department is expected to be 55% in Public Works, 26% in Parks and Recreation and 15% in Police. For capital by category, almost half will go toward streets with some allocated for the start of the Justice Center in 2010. These items have all been covered in the Capital Improvement Program [C.I.P.], which was approved by Council in May.

From a policy standpoint, they recommended to increase the reserves in the debt service fund from 20% to a minimum of 25%, with a target of 35%. At the moment, reserves are budgeted at 40% of expenditures. Some equipment was put on hold; therefore, some of the transfers weren't necessary this year and are being housed in the general fund. The goal is to maintain service levels, operating costs and mandates. Staff plans to continue to work on performance measures and link them to other resources.

Given the assumptions, the goal is to have 11% of reserves in all operating funds, with a minimum of 1 month (8.33%) over a 7-year planning period when the 2010 budget is presented. They can maintain 35% in the debt service fund given the current scenario through 2017. Generally, the collection rate in Leawood is over 100% when adding in delinquent taxes.

Mr. Bussing asked for clarification of the goal for reserves in the debt service fund. Ms. Rogers indicated she had previously misspoken and stated it was 20% and had increased to 35%-45%. She referred to Page 149 and noted the policy referred to the standard of 25% with a goal of 35%. The reserves as a percent of expenditures graph reflect 35%-45%. The overall goal has been 35%. The reason for the written policy request was to increase the buffer for property tax revenue to determine if businesses and citizens will be able to pay in the current year.

Councilmember Azeltine referred to the total revenue expected to increase by 6% and asked how much of this was from restricted revenue. Ms. Rogers stated \$1.3 Million was from stimulus funds and \$750,000 was from new taxes related to One Nineteen and Park Place.

Administration-Finance Director Kathy Rogers

The Administration Department consists of 14% of the City's total budget. Total expenditures are \$53.6 Million.

Accomplishments:

- Continuing to work on network security to achieve efficiencies and increase internal controls.
- Human Resources achieved \$6,000 annual cost savings by reducing EAP costs and bringing COBRA and publishing the employee newsletter in-house.

- Coordinated ICMA performance measures in 2009 for streets, facilities maintenance, fleet maintenance, permits, and inspections.
- Organized the back office accounting of inventory and fees for golf course operations.
- Completed successful annual audit with new audit firm.
- Consolidated Planning, Codes Administration and Neighborhood Services into one department.
- Conducted 340 arraignments by video conference, eliminating the cost of transporting prisoners from the County.
- Implemented electronic submissions to the DMV.

Mayor Dunn complimented Human Resources Director Lovina Freeman for the savings in recruitment for vacant employees.

Councilmember Filla asked for clarification of the electronic DMV submissions. Information Systems Director Mark Andrasik stated citations and disposition of cases were electronically transmitted; therefore making it more efficient.

Mr. Lambers stated the IRS had performed and reported a “clean” audit. He noted staff needed to add a statement on the travel form; indicating, “Employees gone for a partial day; one of their meals may or may not be, subject to tax.”

Department Highlights:

- Finance processed 17,000 accounts payable invoices and 9,000 payroll checks
- Human Resources reviewed 3,200 employment applications
- 16,000 cases filed in Municipal Court
- Legal Services prepared more than 250 Ordinances and Resolutions
- Community Development performed 6,000 building code inspections
- Information Services maintains more than 235 PC’s, 33 servers and 8 PBX’s

Administration currently has 49 employees with 61% of the budget for personnel costs, 31% operating and 7% debt. City Hall accounts for most of the debt, which will be paid off in 2013. Mr. Lambers indicated the debt at the golf course would be paid off in 2015, and Ironwoods Park this year.

Mr. Lambers stated there would be an increase in personnel positions from 2009 to 2010 that were approved as part of the 2009 budget but were delayed.

Councilmember Azeltine confirmed with Mr. Lambers there weren’t any existing positions that had been vacant for more than one year; however, there were a few positions that have remained open for a couple of years in the Police and Fire Departments. There is difficulty keeping 100% employment in these departments. By the end of this quarter, he thought they should have full employment and be able to re-evaluate how many are on duty and to what percentage they achieve these numbers.

Mayor Dunn noted growth in additional staff had decreased over the years and recalled an all-time high of 19 new hires in one year. The decrease has helped with the current economic situation and thanked staff for their efficiency.

Budget and Finance Committee member Bill Ramsey asked if staff had received an update from the State regarding future shared State funds. Mr. Lambers indicated the State hadn't taken the alcohol funds and hadn't received anything further on this. He thought the State wasn't going to be able to restore all the money they had promised and the City would lose some funds within the next two years. The State is going to use stimulus money to balance their budget next year, and thought they would still be \$500 Million short.

Mayor Dunn didn't want to assume this and indicated they had a very strong lobbying effort with Johnson and Wyandotte Counties Council of Mayors and was told by Senate and House leadership that it made a big difference.

Mr. Lambers noted the State had skimmed some of the alcohol monies to fund their general fund. It is vulnerable for the City's 2011 budget year and staff anticipated this and planned to absorb the general fund and D.A.R.E. cuts; then determine what type of mill levy increase would be necessary to fund the alcohol programs.

Councilmember Azeltine confirmed with Mr. Lambers that United Community Services [UCS] funds were secure for this budget and there were enough reserves to keep it going for one year.

Police Department-Chief John Meier

The greatest increase for 2010 is in capital equipment because they hadn't purchased any police cars this year. In addition, there was a significant amount of money set aside to re-roof their building.

Mr. Bussing confirmed with Mr. Lambers that they lease some of their rolling stock; however, most police cars were purchased.

The department is currently operating at full strength with 83 positions. There is a minimum staffing level of seven officers per shift on the street and this was difficult to maintain when they were short staff.

Accomplishments:

- Crime rates reduced
- Traffic crashes reduced
- Citizen complaints reduced
- Improved response time

Department Highlights:

- Receive more than 13,000 emergency 911 calls
- Respond to more than 14,000 service calls
- Reach many students through D.A.R.E. presentations

The majority of department funds go toward personnel. The average patrol response time is 3 minutes and 30 seconds for emergency calls and the department is comfortable with this; however, traffic can sometimes cause delays regardless of sirens.

Councilmember Filla referred to their performance measures and asked how many active cases they have. Chief Meier stated the detectives are assigned to approximately 800 cases per year and clear approximately 25% of them. This is a fairly high percentage because the majority of Leawood's crimes are against properties, opposed to people.

Mayor Dunn referred to the alcohol tax for the D.A.R.E. program and thought they were funding more than 31% for 2010. Ms. Rogers indicated the funding comes from the alcohol tax and there was approximately \$190,000 transferred into the general fund in 2009. The transfer has been reduced to \$150,000 in 2010 to be assured there were enough funds to pay another year if the alcohol program is cut.

Mr. Bussing confirmed with Ms. Rogers that the D.A.R.E. Program is fully funded with less money coming from alcohol tax and more from the general fund.

Mayor Dunn confirmed with Ms. Rogers they were allowed by law to hold 10% of the funds aside and remaining funds would be used for their intended purpose.

Councilmember Filla referred to the Justice Center regarding the design/build process. Chief Meier indicated the figures were \$9.7 Million as of 2008.

Mr. Lambers stated they were planning on using sales tax monies and anticipated achieving the \$10 Million threshold in 2011. The goal of Council was to not borrow money to finance the project and he needed to assure there were enough funds on hand to cash-flow the project. The process will begin this fall with an initial review with staff of Justice Centers recently constructed in the metro to determine their satisfaction. Next, staff will need to locate a Project Manager and anticipated this to be spring, 2010.

Councilmember Filla asked when they would break ground on the project. Mr. Lambers indicated they hadn't established a date and the budget reflects operating costs in 2011. He thought it had been delayed until 2012 because of finances.

Mayor Dunn noted the sales tax ends at 5 years or \$10 Million, whichever comes first.

Mr. Ramsey concurred with Mr. Lambers' proposal of the project.

Ms. Rogers confirmed for Mr. Lambers that operating costs for the Justice Center should begin mid-year, 2012.

Fire Department – Chief Ben Florance

The department comprises 12% of the total expenditures, or \$6.3 Million of the budget. There are 55.69 current positions with .69 of this as on-call personnel.

Accomplishments:

- Received Life Safety Achievement Award for 2008
- Zero fire deaths in 2008
- Trained over 4,000 students in Fire Prevention and Life Safety; implemented CERT training for Leawood citizens
- Placed a 2008 Pierce PUC Pumper and a 2008 Pierce Heavy Duty Rescue unit into service
- Participated in numerous charitable events
- Responded to a number of disaster areas
- Participated in the City's 60th Anniversary celebration
- Co-hosted the "Fire & Police Open House" event for citizens

Every pumper truck the department orders in the future will come installed with a compressed air foam system. This minimizes the amount of water used in a fire and is safer for both firefighters and homeowners.

Mayor Dunn noted a Leawood resident and member of the Green Initiative Committee had encountered a fire in her home and was very grateful to the Police and Fire Departments for their efforts in containing the fire to minimal damage.

Department Highlights:

- Respond to 2,500 calls within the response time goal of 5:00 minutes
- Engage in 11,000 hours of training
- Complete 1,200 fire code inspections
- Zero fire deaths
- Conduct fire siren tests on a regular basis

There will be two sirens installed at 143rd and Nall and 143rd and Overbrook at the Public Works facility next year. These sirens will cover the entire build-out of the City. They plan to purchase a 24-hour monitoring system in the future to be alerted of any problems.

Councilmember Azeltine noted concern of continued leadership in the department because of retirements. Chief Florance stated they have a Career Development Program and have well-trained and experienced personnel ready to advance into the vacancies. The department also recently completed a hiring process and interviewed 40 applicants for firefighter positions.

Councilmember Gill confirmed with Chief Florance they had seen a decrease in fires since changing roofs from wood-shake to composite. Mr. Gill asked how fire insurance ratings were for Leawood. Chief Florance indicated this had improved through the Insurance Services Office [ISO] over the last 15-20 years from a 5 rating to a 3. The lower the number indicates lower premiums.

Mr. Ramsey thought an insurance rating below a 5 in residential didn't receive additional savings in premiums.

The 15% decrease in fire prevention from 2009 to 2010 was due to the retirement of a Captain that was temporarily assigned to prevention.

There is debt on the remodel of Station #2 in 2004 and construction of Station #3 in 2002 and on the new fire trucks. Chief Florance confirmed that the trucks are lease-purchased and is considered debt.

Mr. Ramsey stated an ISO of 3 was a very good rating and that very few cities in Kansas achieve this.

Chief Florance confirmed that the department inspects every business in the City.

Mayor Dunn confirmed with Chief Florance that the average training of 15 hours per firefighter per month was not mandated, but was something they do in the department.

Councilmember Gill complimented the Police and Fire Departments for having a combined cost for protection per citizen of approximately \$500 a year.

The department has initiated the Citizen Assist Program [CAP] for referral of elderly citizens in need of assistance with various things. Councilmember Azeltine confirmed with Chief Florance this is a non-profit organization.

Mayor Dunn expressed her appreciation to all departments in the City for continuing to participate in numerous charitable events.

Public Works Department-Director Joe Johnson

Mayor Dunn stated two years ago, Joe Johnson was recognized as one of the top 10 Public Works Directors in the Country.

Public Works comprises 35% of the total budget; this has been fairly consistent over the last few years. There was an increase this year because of the \$1.3 Million in federal aid for 103rd Street and Transportation Development Districts [TDD], Parkway Plaza and Villagio.

Mr. Bussing asked what the \$1.3 Million would be used for on the 103rd Street Project. Mr. Johnson stated they would replace all curbs and sidewalks, overlay the street, and install cameras with an audio component at 103rd and State Line.

There are no new programs or initiatives for 2010 in Public Works. There is \$25,000 funded to inspect bridges, which is required by the State every two years, and \$45,000 to inspect streets. In the past, they hired interns for this; however, are considering contracting it to a company that uses scanners and cameras in order to receive consistent data.

The largest change in the budget is street maintenance at \$4.9 Million, which has increased approximately \$1 Million from last year. Some of this is due to the TDD debt. There has been an increase in KCP&L of 21% and they have approved another 14% increase that goes into effect in July, this year. 2010 reflects a full year of these increases.

Street improvements are budgeted at \$9 Million, which includes all of the arterial, residential, Accelerated Street Program, and debt. The remaining budget is similar to 2009.

Accomplishments:

- Completed DB-24, a Stormwater Improvement Project and NC-01 SMAC projects

This stormwater project (between 83rd and 86th Street) took approximately 8 years from design to completion. There has been positive feedback indicating with all of the heavy rains this year, there hasn't been any flooding on either project. The DB-24 project included widening the channel and building a berm to restrict flooding.

- Completed the National Pollution Elimination Discharge System [NPDES] to be in compliance with the State
- Updated GBA storm sewer database to represent the current infrastructure inventory
- Fleet Maintenance Division Manager Howard Mann attained APWA Professional Certification
- Reduced street improvement costs by bidding all contracted overlay, reconstruction, and the Slurry Seal Program in the first quarter of the year

Howard Mann was contacted by APWA to help oversee the development of the Certification Program.

Councilmember Cain asked for further clarification of the NPDES System. Mr. Johnson stated this is a 5-year federal program mandated by the Environmental Protection Agency [EPA]. The focus is to review how cities can improve and not pollute water quality.

Mr. Ramsey noted, currently, there are no "end of pipe" numbers and the water quality is done by best management practices; in the future the EPA could require this, which would be similar to a sewer treatment plant and would need to be treated to a certain level before it could be discharged.

Mayor Dunn confirmed with Mr. Johnson that the City of Leawood is in Phase II and in the future, the EPA may have measurement requirements on Phase II cities.

Councilmember Rasmussen thought the stormwater inlets were budgeted for \$150,000 and asked if this had been reduced. Mr. Johnson confirmed the budget hadn't been reduced and funds for inlet cleaning were reflected under general maintenance. There is also \$50,000 allotted for cleaning culverts.

Department Highlights:

- Maintain 470 lane miles of roadway
- Service more than 250 vehicles and pieces of equipment
- Maintain 220,000 square feet of public facilities
- Issue 300 Right of Way permits
- Inspect 400 storm inlets

Mr. Morris asked if Leawood planned to underground more electrical lines. Mr. Johnson thought this was the responsibility of KCP&L.

Mayor Dunn stated the undergrounding was being funded by the developers on 135th Street. There are stipulations and conditions in development that everything (existing and new) is required to be underground; however, there are several overhead lines still existing. Once the City completes the streets and stormwater, the goal is to underground the remaining lines.

Councilmember Azeltine confirmed with Mr. Lambers they weren't issuing any new long-term debt for street reconstruction and was extending the temporary financing from 2009 to 2010.

Street maintenance has increased, partially due to the two new TDD projects and burying the power lines. Street improvements have also increased and include federal stimulus funds. Stormwater has decreased because of completion of SMAC projects. The increase in facilities maintenance is due to capital projects, which includes several at City Hall.

Councilmember Cain asked for clarification of the \$5,000 for "Operation Greenlight." Mr. Johnson stated in the past this had been covered by federal funds and ends this year. The amount is based upon the number of traffic signals in the program. They have stopped funding the operations; however, are still funding new capital expenses.

Mayor Dunn confirmed with Mr. Johnson there wasn't a specific amount funded for sidewalks. The Maintenance Department prioritizes all sidewalk replacements and is reflected under street improvements.

Councilmember Rasmussen confirmed with Mr. Johnson that funds for repairing islands in Ward 1 were budgeted under the street program. Mr. Johnson indicated they were currently finalizing the stone and cap for the islands.

There is an increase in the personnel budget because they plan to hire for two vacant positions. The increase in operation is from electricity costs; \$25,000 for bridge inspection and \$45,000 for street inspection. The largest increase in debt is from the two new TDD Projects.

The department maintains 470 lane miles at an average of 91 Pavement Condition Index [PCI] rating and cost of \$7,593 per mile. The minimum PCI rating was set by Council at 70.

Councilmember Gill confirmed with Mr. Johnson he was comfortable with the overall planned maintenance program. Mr. Johnson indicated they would need to review mill and overlay when they complete the Accelerated Street Reconstruction Program.

Mr. Morris asked if the City could be held liable if property damage or injury resulted from a pothole. Mr. Johnson thought there could be liability if they didn't respond to the reports quickly enough. Generally, if someone reports a pothole, within 24-48 hours it is repaired.

Streets are swept an average of 7 times per year, which is in compliance with NPDES. Approximately 146 tons of debris is collected and this is critical for managing stormwater by keeping it out of the streams.

There are almost 350 fleet maintenance services and 44,000 square feet of buildings maintained per employee. The average cost per citizen for Public Works operations is \$578.00

Mayor Dunn noted in 2008 the overall PCI average rating was 87 and asked if they had increased this to 91. Mr. Johnson indicated the average PCI for all streets is 87. Of the three classifications; arterial, collector, and residential, it reflects the percentage of those streets that meet the minimum requirements. The Governing Body goal is to have a street rating no less than 70. A rating of 91 is a target the department aims for.

The large increase in expenditures per lane mile from 2007 to 2008 is due to higher construction costs, fuel, material and salt. There have been modest increases since that time. The increase in debt from 2008 to 2010 reflects the accelerated street rehabilitation efforts and federal stimulus funds.

Mayor Dunn asked how much more expensive a major reconstruction was, versus a mill and overlay. Mr. Johnson stated asphalt costs approximately \$2.27 per square yard; mill and overlay \$9-\$10 per square yard; reconstruction \$60-\$90 per square yard.

Parks & Recreation-Director Chris Claxton

The Parks Department comprises 20% of the total budget, which \$3.1 Million represents golf course operations and maintenance programs.

Seasonal and full-time positions have stayed consistent. Most increases are reflected from utilities and Gezer Park.

Accomplishments:

- Completed a Master Plan for a proposed amphitheater at Ironwoods Park
- Maintained sponsorship monies/in-kind services of over \$15,000 department-wide
- Installed and modified the pool grates for approximately \$8,000 to be in compliance with the Virginia Graeme Baker Pool and Spa Safety Act
- Increased Summer Camp enrollment by 10% in 2008 with staff efficiency
- Assisted with construction of Phases I and II of Gezer Park
- Re-opened the golf course in July, 2008, after 18 months of closure for projects
- Implemented monthly events for children, adults and families, bringing over 650 visitors to the Oxford Schoolhouse
- Increased Outdoor Programming revenue by more than 20% in 2008
- Completed the installation of three new pieces of public art, bringing the total number of permanent pieces to 10
- Partnered with Johnson County Parks & Recreation for National Trails Day

Businesses from the community, as well as contractors, have given sponsorship monies.

Councilmember Rawlings asked for clarification of compliance with the Pool and Spa Safety Act. Ms. Claxton stated indoor facilities had to be in compliance by December, 2008. Their department ordered grates for the pool and will be installed soon; however, because of high supply and demand, manufacturers have had trouble producing them.

Mr. Bussing asked about the sponsorship from contractors for programs. Ms. Claxton stated as an example, they receive money from Dick's Sporting Goods and Pepsi/Coke contracts. This is included in the cost of the product; however, when they consider a contractor, their greatest concern is service and overall cost. The department doesn't receive funds from construction projects and there is no conflict of interest involved.

Mayor Dunn noted Commerce and Town and Country Bank were sponsors for a number of Parks and Recreation programs and M&I Bank was a co-host for studio art shows.

The economy hasn't impacted enrollment or programs within the department and pool pass sales have increased 12% over last year.

Councilmember Gill noted there had been a lot of community interest in Gezer Park and they had been trying to raise private funds to help with some of the improvements.

Visitors have increased at the Oxford Schoolhouse and there were almost 600 who attended the "Party in the Park" event.

Department Highlights:

- Maintain 436 acres of parkland, 414 in medium/high use classification
- Offer recreation classes to 5,000 participants
- Administer sports leagues for 300 teams
- Operate Ironhorse Golf Course; 30,000 paid rounds are projected to be played annually
- Operate the Aquatic Center with an annual attendance of 60,000
- Draw over 30,000 participants to special City-wide events
- Offer 75 programs at the Nature Center
- Organize 30 cultural and public arts events and programs

They will be retiring the debt on Ironwoods Park, f/n/a South Park, and improvements at the Aquatics Center should be paid off in 2012 or 2013.

Councilmember Peppes thought 37% budgeted for parks maintenance was high and asked if this would remain steady or increase with the completion of Gezer Park. Ms. Claxton stated they wouldn't be hiring additional staff; however, additional costs would be involved.

Mayor Dunn asked what the percentage was for park maintenance in 2009. Ms. Claxton indicated it was 36% because of less capital in 2010 compared to 2009. The department is trying to use lower maintenance plants and keep maintenance in-house rather than contracted out.

The decrease in Administration is the result of the final balloon payment of approximately \$508,000 due on Ironwoods Park. No capital equipment or repairs are planned for the Aquatic Center in 2010, compared to the \$131,000 in 2009. The purchase of 4 new shade structures is planned for the baseball bleachers from the Special Parks and Recreation fund. Cultural Arts has decreased due to the scheduling of art purchases from year to year. There is one final payment on the Porchlights Project.

Councilmember Rasmussen asked the total cost of this project. Mayor Dunn thought it was budgeted for \$100,000; however, cost a little over \$80,000. Mr. Rasmussen asked if most of the funds between Community Theatre and Cultural Arts were carried-over.

Mayor Dunn confirmed with staff that this was for all expenditures and was not carried-over.

Ms. Claxton confirmed the total cost of the Porchlights Project was \$115,000.

They expect to spend approximately \$240,000 less capital for the golf course.

Mr. Morris asked if the golf course budget was meant to be profitable. Mayor Dunn indicated once the debt was paid off, it should break even. Mr. Morris confirmed that the expected revenue for 2010 was less than \$2 Million. Ms. Claxton confirmed that the budgeted \$3 Million covered maintenance, operations, debt service and capital equipment.

Mayor Dunn noted when the public voted and approved this, it was anticipated that user fees would pay for everything, including the debt service.

The department had an arborist position budgeted; however, this was delayed until the beginning of 2010. Trimming and maintenance of trees is a big issue because of storms. Increases are anticipated in utilities, goods sold, expendable equipment, and materials and supplies. There are 16.4 total park acres per worker; of this, 15.5 are high/medium maintenance mode (developed areas).

Lifeguard safety audits of the Aquatic Center are conducted by an outside service and they perform audits three times per year. Their overall safety rating runs close to 100%. Sports programs achieve a 95% attendance rate and Community Theatre continues to grow.

The City anticipates \$98 in user fees and the 2010 budgeted expenditures per citizen (for both user fee programs and non-user fee programs) is \$327.

Mr. Morris asked if the Aquatic Center was profitable. Ms. Claxton indicated most municipalities recover approximately 40%-50% and once they retire the debt they could better determine this.

Buildings and grounds labor is allocated at 41%; this includes trail and turf maintenance and working with Public Works in snow removal.

Mr. Ramsey referred to the 15.5 high/medium maintenance park acres and asked what the benchmark number was that National Parks used. Ms. Claxton thought it was 12% and felt Leawood's was higher because they maintain facilities at a higher mode than most municipalities.

Mr. Lambers indicated the City doesn't have as much land they can allow to go to a lesser extent.

Mayor Dunn asked why they dropped the percentage of performance measures and cost recovery for 2008 for recreation programming and sports. Ms. Claxton indicated it was a little higher than expected and they budget expenses at a maximum in order to break even in cost recovery.

Mayor Dunn referred to the Tomahawk Creek bank erosion repairs budgeted for \$1 Million and asked if they would still need to repair the erosion if the trail could be relocated to the east. Mr. Johnson stated it was a vertical bank with rich soil and would continue to erode. This project is planned for three locations; one on the south and north side of College and one at City Park.

Mr. Bussing noted the sports and recreation programs for 2008 compared to 2010 had decreased and asked if it was because of a shortfall in revenue or increase in cost. Ms. Claxton indicated the budget remains the same and doesn't fluctuate between years; it was meant to be conservative.

Councilmember Gill expressed his appreciation to staff for providing weekly financial reports on trends within the City and maintaining diligence.

Mr. Bussing felt the Governing Body and staff should be proud of their accomplishments, professionalism and financial discipline.

Mayor Dunn thanked the Governing Body, staff and citizen volunteers for their involvement in the budget process. Keeping Leawood the premiere community it is with the expenditures elected will enable them to meet the demands of the citizenry.

There being no further business, Mayor Dunn adjourned the meeting at 9:20 P.M.

Pam Gregory, Recording Deputy City Clerk