

## Minutes

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:00 P.M., on Monday, November 15, 2010. Mayor Peggy Dunn presided.

**Councilmembers present:** Julie Cain, Andrew Osman, James Azeltine, Debra Filla, Jim Rawlings, Gary Bussing, Lou Rasmussen, and Carrie Rezac

**Councilmembers absent:** None.

**Staff present:** Scott Lambers, City Administrator  
Patty Bennett, City Attorney  
Joe Johnson, Public Works Director  
Kathy Rogers, Finance Director  
Deb Harper, City Clerk  
Pam Gregory, Assistant City Clerk

**Others Present:** None

## **Discuss Creation of a Stormwater Utility User Fee**

Mayor Dunn called the meeting to order at 6:05 P.M. Introductions were made by those present.

### **Opening Remarks – City Administrator Scott Lambers**

This meeting is a continuation of a brief conversation the Council had regarding the potential creation of a Stormwater Utility User Fee [SUF]. If the Council decides to proceed with this as part of the 2012 Budget, staff will need direction this evening in order to present different options at another work session prior to the budget sessions. Several other cities are already assessing this fee. At the last Stormwater Management Committee meeting, Public Works Director Joe Johnson identified that the City's stormwater system is deteriorating, specifically, the steel pipe portions that were constructed 30-40 years ago. Depending on its quality, some concrete pipe can have a lifespan of 100-150 years. The City needs to aggressively pursue replacing the substantial amount of deteriorating steel pipe in the near future to prevent system failure. The bottom of the pipe is rusting. The system is functioning; however, as the sediment builds, the capacity will decline. As part of the CIP, the City has \$600,000 of Pay-As-You-Go [PAYG] funds from the 1/8 cent sales tax revenue for stormwater improvements. He recommended this money continue to be used independent of a program to deal with the systems failures.

**Presentation – Public Works Director Joe Johnson**

The City has approximately 707,000' feet of storm sewer pipe, of which, 110,000 is steel pipe. The bulk of the steel pipe is located between 119<sup>th</sup> and 135<sup>th</sup> Street. They perform an annual televised survey of 40,000'-50,000' feet of pipe and plan to focus on televising the entire steel pipe system to see how it is deteriorating. They also plan to consider using "Insituform," which is a sewer pipe lining; however, most areas will need to be replaced with concrete pipe. Insituforming is similar in cost; however, the savings are derived from not having a lot of restoration costs. This method could last a lifetime depending upon how well it bonds to the pipe and its structural capacity. Their immediate stormwater need consists of a \$5 Million plan.

Councilmember Rasmussen asked how much money had been allocated in the mill levy for stormwater. Finance Director Kathy Rogers confirmed that the operating budget was approximately \$600,000. Mr. Johnson noted that of this \$600,000, approximately \$100,000 would be used for materials. Ms. Rogers clarified that the 1/8 cent sales tax revenue is \$800,000 per year, which is allocated between stormwater and streets.

Councilmember Osman confirmed with Mr. Johnson that in 1997, the City modified the ordinance to eliminate all use of steel pipe and now uses only concrete.

Pipe replacement averages \$330 per foot, which includes design and restoration costs. The total cost to replace the entire steel pipe system is approximately \$35 Million. When they televise the system, they plan to run a report identifying the conditions of the pipe to prioritize replacement. It's possible to install up to 6,000' feet of pipe per year by using several contractors at different locations to minimize disruption. Areas where the soil is very acidic decreases the lifespan of steel pipe. For economic reasons, some of the pipe will be replaced when the streets are scheduled for reconstruction.

Mayor Dunn asked when they would know the amount of funding needed on an annual basis. Mr. Johnson thought by the end of the year they should be able to prioritize replacement and know the amount of lineal feet.

Mayor Dunn noted there were only five cities in Johnson County that do not have a SUF, which included Leawood. Not knowing the impact on a Leawood resident, they would need to calculate different scenarios in order to consider proceeding. The Council had expressed enough interest at their last discussion to give this further consideration.

Councilmember Rasmussen felt the most efficient way to address this would be to increase the mill levy by a minimum of one mill and stated he would not vote in favor of a SUF.

Councilmember Azeltine asked what the feasibility would be of applying a sales tax, versus the SUF. Mr. Lambers stated typically, they would not apply a sales tax for an extended long period of time. The premise of a SUF would be based upon people who have a generation of stormwater runoff as opposed to a general mill levy. Properties generating the most runoff would pay higher costs, including commercial properties.

Mayor Dunn thought they were limited to .25% by the legislation that was passed for the City to put forth as a referendum. This was presented and approved by the voters twice. They care a great deal about stormwater and streets.

Councilmember Rasmussen noted a reminder that the SUF is not tax deductible for the citizens.

Councilmember Filla thought they needed to continue prioritizing the timeline for funding. She was in favor of the SUF and agreed the fees should be based upon square footage since it is a “usage” fee. Education is the key to help people understand. If they don’t apply the fee, people will not change their behavior.

Councilmember Azeltine confirmed with Mr. Lambers that if this proceeds, they would use PAYG funds. Mr. Azeltine asked if this would be presented on a ballot to the voters. City Attorney Patty Bennett clarified this would normally be done by Charter Ordinance, which gives voters a chance to file a petition against it.

Mayor Dunn agreed there would need to be several educational opportunities. Mr. Azeltine also felt education was key, otherwise, people would not be open to any new type of fee in this current economy. Mayor Dunn agreed it was a horrible time to raise taxes of any kind; however, the City shouldn’t ignore the stormwater issues and needed to address them effectively and proactively. Staff can return with scenarios and options to move forward.

Councilmember Rawlings wanted staff to return with more information; however, he was leaning toward proceeding with the SUF.

Councilmember Bussing felt with this enormous capital expenditure, they should consider possible alternatives and was not in favor of having a SUF. He wanted staff to return with alternatives for funding without raising taxes.

Councilmember Rezac agreed the fees should be based upon use and preferred to see the report on the pipe conditions before making a decision.

Councilmember Cain requested more information before making a decision.

Councilmember Osman wanted staff to return with other recommendations and was not in favor of the SUF.

Councilmember Bussing clarified he would consider increasing the mill levy to obtain funding.

There being no further business, the meeting was recessed at 7:00 P.M.

A motion to recess into Executive Session for a period of 15 minutes to discuss matters related to attorney-client privilege was made by Councilmember Filla; seconded by Councilmember Cain.

The Governing Body recessed into Executive Session at 7:00 P.M.

A motion to extend the Executive Session for a period of 5 minutes was made by Councilmember Filla; seconded by Councilmember Osman.

There being no further business, the Work Session was adjourned at 7:20 P.M.

---

Pam Gregory, Recording Assistant City Clerk