

## 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, February 6, 2012. Mayor Peggy Dunn presided.

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

**Councilmembers absent:** None

<b>Staff present:</b> Scott Lambers, City Administrator	Patty Bennett, City Attorney
John Meier, Police Chief	Chris Claxton, P&R Director
Dawn Long, Finance Director	Lovina Freeman, HR Director
Kathy Byard, Budget Coordinator	Joe Johnson, PW Director
Theresa Lodde, Senior Accountant	Deb Harper, City Clerk
Richard Coleman, Comm. Dev. Director	Pam Gregory, Assistant City Clerk

**Others Present:** None

## **Presentation of 2013-2017 Capital Improvement Projects [CIP]**

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

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

A work session was held last year regarding deterioration of the City's curbs and gutters. The City Council requested that staff program this project into the CIP. As a part of this, Mr. Lambers took the initiative to include a Sidewalk Repair Program. This will be a \$20 Million plus program with the anticipation that the curb and gutter project would be bonded. The sidewalk project would be pay-as-you-go [PAYG]. There is mill levy implication on this because they cannot borrow \$20 Million and use the existing revenues to pay it back. Because of their conservative financial forecasting, they have condensed the mill levy increase to one (1) mill each year over three (3) years, which does not start for some time. He was optimistic that as the City's revenues continue to grow and the expenditures continue to not be at 100% or even less than the model projects, they would be able to push those mill levy increases back and ultimately eliminate them.

### **Presentation – Finance Director Dawn Long**

#### **Financial Assumption Highlights – Page 6**

City sales tax projections are at a 3.9% increase each year for 2013 through 2017. This year, sales tax received through November is 8.5% above last year. The December payment they will receive in February should be a 6.3% increase over their estimated budget.

Some of the new retailers in the City have been contributing factors to these increases. A 0.95 mill levy increase is forecasted in 2017, 2018 and 2019. The financial planning model reflects a 99.5% property tax collection rate. Mr. Lambers commented that delinquent property taxes that go to a tax sale are not included in this. Any non-payments during this past recession will eventually come back to the City; however, they do not budget for this. Ms. Long noted these taxes are paid to the City once a year in January and are typically 3-4 years behind. A total of \$5 Million has been included for the newly initiated Curb Repair and Replacement Program. Mr. Lambers confirmed construction would begin in 2013. Variance assumptions were increased .5% in both revenue and expenses because the 1% was extremely conservative. Of the money budgeted for personnel services, the City is at 92%. This represents a \$1-\$1.5 Million savings in expenditures. On the personnel services savings they are more than making up for the variance by 1.5%. Anything above and beyond operations is additional. The unanticipated cash carryover for 2011 was \$4.8 Million. Budget Coordinator Kathy Byard noted expenses were approximately 10% less than anticipated for 2011 and revenues were 3.5% higher.

### **2013-2017 Program Summary – Pages 20-21**

The 89<sup>th</sup> & Mission Storm Sewer and Curb Repair Project begins in 2013. The 143<sup>rd</sup> Street Project is the only uncommitted project, which begins in 2017. Ms. Byard confirmed there has not been any formal action taken by the Council on this project. Mr. Lambers noted this has been prioritized over the 151<sup>st</sup> Street Project and it is very unlikely it would be done without federal funding.

Councilmember Rasmussen stated there was no mention of including sidewalk repair/replacement in the minutes of the Curb Replacement Work Session discussion. The City ordinance states “it shall be the duty of the owner of the abutting property to keep sidewalks in repair, etc.” The State statute addresses the same issue of the abutting property owner being essentially responsible. This is a bondable item of which they need to be cautious. By including the sidewalk repair issue, they would be running a terrible risk. He felt this is illegal use of bond money of which he would not support. Mayor Dunn replied the sidewalk repairs would be done as PAYG, which was discussed at their goal setting meeting, not during the Curb Replacement Work Session. Mr. Lambers stated they have a long-term goal of having an expanded Sidewalk Repair/Replacement Program. He had suggested at the goal session that in conjunction with the curb and gutter repairs on the same side of the block, there may be sidewalks needing repair. He thought it would be proactive to have monies available to repair them on a PAYG basis.

Public Works Director Joe Johnson confirmed for Councilmember Osman that the 89<sup>th</sup> & Mission Road Project would begin at 89<sup>th</sup> Street just east of Mission Road and run almost to 92<sup>nd</sup> Street. This project had increased from \$500,000 to \$1 Million. Mr. Osman recalled the residents around the lake having issues pertaining to stormwater. Mr. Johnson confirmed the lake is the residents' responsibility; however, the City will be replacing the existing failing corrugated metal pipe with concrete pipe. They will not be adding any additional storm sewers. There are no issues with flooding of the homes where they are replacing the pipe. Prairie Village is not involved with this; it is Leawood's storm sewer system. The size of the pipe will be increased to help with drainage in the back yards.

Mayor Dunn assured the City Council that the Sidewalk Repair Program would come before them for vote in a public meeting; however, if there are any legal issues, the City's attorney will advise.

Mr. Rasmussen reiterated concerns that there has been a change in the City's policy that was put into the CIP Program and includes expenditures that were never discussed. Councilmember Azeltine thought this only pertained to bonding. Mr. Rasmussen replied this pertains to general funds. Mr. Lambers clarified the City repairs sidewalks on a regular basis. While the State statute places the responsibility on the property owners, this is a default to protect most of the lower income cities throughout the State that do not have the ability to make these repairs. If there is a liability, property owners are held as the responsible party; however, the State law does not preclude cities from making improvements to sidewalks. Mayor Dunn corrected her comment from the goal setting session that Leawood spends approximately \$50,000 per year on sidewalk repairs and clarified they typically spend \$2,000-\$3,000 per year. Mr. Rasmussen stated he has always supported sidewalk repairs that have integrated structurally into the curb. The problem; however, is that this will change how they handle commercial, residential and City-owned sidewalks. Mr. Lambers confirmed the \$100,000 PAYG for sidewalk repair/replacement is included in the CIP for four (4) years. Mayor Dunn stated if the majority of the City Council feels this is a wise expenditure, they will be advised by the City Attorney and City Administrator and will not do anything illegal.

Ms. Long stated the 143<sup>rd</sup> Street, Nall Avenue to Windsor Project is the only project that has outside funding and will begin in 2015.

#### **Annual Project Summary, 2013 – Page 27**

There are two (2) projects; 2013 Curb Repair/Replacement and the 89<sup>th</sup> Street and Mission Road Storm Sewer, totaling \$6,190,755.

#### **Review Anticipated, Desired/Unfunded and Uncommitted Projects – Pages 43-45**

The anticipated projects are the continuation of the Residential Street Programs for 2018 and 2020. The new desired, but unfunded projects include the Overlay Roadway/Existing Parking Lots for Ironwoods Park and Replacing the Parking Lot at Fire Station #3.

Councilmember Rezac referred to a previous work session discussion regarding expanding the parking lot for the lodge at Ironwoods Park and asked if this should be included in the desired, but unfunded project list. Mr. Lambers confirmed they could include this as an uncommitted, unfunded project. Councilmember Azeltine wanted to ensure the restroom project was included as well. Mr. Lambers clarified they had already taken formal action and included the restrooms as a previously committed bond funded project. Currently, this money is in the Capital Projects Fund and can be spent for either of these two (2) projects with continued discussion to take place in September, 2012. They wanted to evaluate the new tract of land first to determine whether there may be a new location for the amphitheatre. Ms. Rezac reiterated regardless of whether the restrooms move ahead, they also need additional parking and thought this would be the time to include it to this list of uncommitted projects. Councilmember Azeltine thought both projects were linked and eligible for leftover bond proceeds. Mayor Dunn reiterated comments from a previous work session that it would be difficult for her to justify spending this leftover 1998 Bond Issue money in the new park land. The majority initially agreed to construct the restrooms; however, the leftover bond money could instead be used for the parking expansion. They had decided to place the restrooms on hold for continued discussion in September, 2012.

Mayor Dunn received majority consensus with six (6) in favor of including the parking expansion for the lodge on the desired, but unfunded project list.

### **Debt Schedule of Planned Projects – Pages 26, 47**

There are no general obligation bonded projects for 2013. David Arteberry, George K. Baum and Company had proposed by refunding the 2003A and 2004B bond issues that total approximately \$4 Million, they would have a net present value savings of 7.6%, or \$314,000. This will be done in 2012 as a part of the bonding. The committed projects are listed showing the year the temp-notes will be issued, the finish date and the bond date.

### **Arterial Street Program – Page 58**

Mr. Johnson confirmed for Councilmember Rasmussen they would not be replacing the concrete section from the bridge to Mission Road on the Mill/Overlay 119<sup>th</sup> Street Project.

### **Residential Street Program – Page 60**

Mr. Johnson confirmed that the 1.5% inflation was for material costs. They will continue to do spot curb repairs during the Curb Repair Program if the areas are in poor condition.

### **1/8 Cent Sales Tax Stormwater Projects – Page 61**

This five-year tax became effective July 1, 2000. In August, 2004, voters approved to extend this tax for another five years until June 30, 2010. Then in August, 2008, the tax was extended for an additional five years until 2015.

### **Other Projects – Page 62-63**

Mr. Lambers confirmed for Councilmember Cain they would discuss how they would spend the \$38,000 for Gezer Park prior to doing so. She felt the educational signage was important. Mr. Lambers noted their first priority was for a water feature around the tablet. Mayor Dunn noted the Leawood Foundation was currently working on privately funding the signage.

Councilmember Cain referred to Page 63 stating she couldn't recall they had ever discussed a \$400,000 per year expenditure for Ironwoods Park improvements in addition to the \$345,000 to overlay the existing parking lots. Mr. Lambers clarified staff had proposed this expenditure based on the model and the monies anticipated to come in from the alcohol funds for the base infrastructure of roads, utilities, trails, berms, etc., on a PAYG basis. They needed to program the money as a placeholder in the model.

Parks and Recreation Director Chris Claxton clarified for Councilmember Filla that the Brook Beatty Park Project was currently going through the Parks and Recreation Advisory Board. This will be a PAYG project for \$100,000 or less and will be submitted as a 2013 decision package.

Ms. Byard clarified for Councilmember Bussing that the list on Page 62 were for projects that are typically not street projects or any type of other infrastructure type improvements and are funded from either the Special Parks and Recreation Fund or the Capital Improvements Fund. They are distinguished by their funding source and are PAYG. Councilmember Bussing asked why the \$800,000 expenditure for telecommunications equipment was not included in the overall package for the Justice Center.

Mr. Lambers replied these expenses are outside those costs and they are installing a fiber-optic loop around the facility. This is much more than providing communications for the interior of the building. These costs were a part of the 2012 budget and will occur over 2 years. Police Chief John Meier stated \$800,000 of this is for the new radio system they are switching to this year as opposed to waiting until they move in to the Justice Center.

Mr. Lambers assured the Council that the projects listed under the desired and anticipated projects on Page 62 would come before them for discussion prior to moving forward.

#### **Art Projects – Page 64**

Ms. Claxton confirmed for Mayor Dunn that the Sculpture Garden Addition, “A1” is unknown at this time; however, it is intended for site three (3) for 2012.

Councilmember Azeltine asked how much of the \$153,000 being proposed for 2012 projects is coming from the Public Art Impact Fund. Mayor Dunn stated \$5 per person goes into cultural art funding in the budget with carryover from year-to-year. The cultural arts budget is divided by thirds; one-third for the Stage Company, one-third for public art and one-third for other cultural art activities. Ms. Byard confirmed there is currently \$232,000 in the Public Art Impact Fund. Mr. Lambers clarified the Capital Art Funds and Public Art Impact Funds are not tracked separately.

Ms. Claxton confirmed they are adequately handling the maintenance on all of the art pieces. Ms. Byard stated maintenance equals 10% of the art value and there is currently \$97,000 allocated for this.

#### **Capital Leases – Page 66**

There were two (2) new leases last year for golf carts and fire pumper trucks. There are no new leases anticipated until 2015 when they renew the golf carts. The pumper trucks are leased for ten (10) years and the golf carts for four (4) years.

There being no further business, the work session was adjourned at 7:25 P.M.

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Pam Gregory, Recording Assistant City Clerk