

Work Session - 2016 Annual Budget Presentation

THE LEAWOOD CITY COUNCIL

June 22, 2015

Minutes

The Budget and Finance Committee 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, June 22, 2015. Mayor Peggy Dunn presided.

Councilmembers Present: Jim Rawlings, Julie Cain, Andrew Osman, Carrie Rezac, Lou Rasmussen, Debra Filla and Chuck Sipple

Councilmembers Absent: James Azeltine

Staff Present: Scott Lambers, City Administrator	Patty Bennett, City Attorney
Dawn Long, Finance Director	Richard Coleman, Comm. Dev. Dir.
Kathy Byard, Budget Manager	Chief Dave Williams, Fire Dept.
Chief John Meier, Police Department	Chris Claxton, Parks & Rec. Director
Major Troy Rettig, Police Department	Mark Andrasik, Info Services Dir.
Joe Johnson, Public Works Director	Nic Sanders, Human Resources Dir.
Debra Harper, City Clerk	Cindy Jacobus, Assistant City Clerk

Budget & Finance Committee Members Present: Jim Morris
Linda Hanson
Anab Abdulahi

Others Present: Kevin Jeffries, Leawood Chamber of Commerce President

2016 ANNUAL BUDGET PRESENTATION

Welcome by the Mayor

Mayor Dunn called the meeting to order and introductions were made by those present, with special recognition of the appointed citizen members of Budget & Finance Committee.

2016 Annual Budget – Finance Director Dawn Long

Ms. Long reviewed the City of Leawood’s vision statement, which when articulated through a comprehensive plan, provides for the City’s continued growth with distinction. She referred to Tab 13 of the 2016 Annual Budget Manual containing overall budget and departmental presentations. It was noted not slides and/or not all items within a slide were discussed. Therefore, these are not reflected in the minutes.

2016 Policy Highlights

- Sustaining financial stability
 - Mill levy of 24.492.
 - Assessed Valuation growth of 5%.
 - Sales Tax growth of 3.90% for all areas.
- Sustaining service levels
- Sustaining efficient delivery of services

2016/2016 Budget Changes

- No mill levy increase.
- Net increase of 0.77 FTE comprised of the addition of full-time 1.00 FTE Police Communication position and a new 0.23 FTE Summer Intern position in Street Maintenance, and the reductions of the 0.23 FTE Finance Intern and the 0.23 FTE Human Resources Intern.
- Debt refunding is anticipated in 2015, with projected total savings of \$150,000 over seven years.
- New bonds will be issued in 2015 for street and curb improvements, and one special benefit district [\$80,000 for traffic-calming].
- Salaries are budgeted to increase 2.4% and benefits 6.3%, for a total increase of approximately \$950,000.
- A total of \$473,900 in departmental Decision Package requests were funded and included in the 2016 Budget.

2016 Decision Packages

- Funding the full-time Police Communications Officer position will save approximately \$10,000 in overtime.
- Continuation packages for fiber technology and paramedic training are included.

2016 Budgeted Revenue

Revenue for all budgeted funds fairly evenly distributed between Property Taxes of 37%, Governmental Revenue of 32% and Sales & Use Taxes of 31%, for total of \$54.9 Million.

Revenue by Source

A comparison of sources of revenue, in millions, between the 2015 Estimated Budget and 2016 Budget.

Revenue Increase (Decrease)

Grants lower due to the County contribution for stormwater improvements projected to be \$1.3 Million lower in 2016.

2014 Mill Levy Comparisons

According to the League of Kansas Municipalities, the City of Leawood has maintained its ranking of the 2nd lowest property tax rate of the 27 cities of the First Class in the State of Kansas. Shawnee is now the 3rd lowest and Olathe is now the 4th lowest. Lenexa recently had a large increase and has the highest mill levy. A number of other area cities have also had increases.

Average Appraised Value

The average appraised home value in 2015 is \$455,172, 5% higher from the 2014 average appraised home value of \$433,496, on an upward trend.

Where Property Tax Dollars Go

The City receives 19% of property tax dollars, or approximately \$1,282 per year [\$107 per month] paid by a resident in the Blue Valley School District.

Average Residential Property Taxes

Property tax amounts received or anticipated to be received by the City per residence between 2007 and 2016. The increased amounts per residence for 2015 and 2016 are not due to a mill levy increase, but due to increased property values.

Budgeted Expenditures

- 2015: \$56.8 Million
- 2016: \$59.2 Million

Expenditures for all budgeted funds in the 2016 Budget are projected to increase 4.3% from the 2015 Estimated Budget. The majority of the additional increase of approximately \$2.5 Million is reflected in Parks & Recreation and is the result of \$1.0 Million in park improvements and \$1.0 Million for the Ironhorse Golf clubhouse expansion.

Expenditures by Department – Increase (Decrease)

Change from 2015 Estimated Budget by department for all funds in the 2016 budget, as follows:

- Administration and General Operations: 18% of all 2016 funds, 2.4% increase.
- Police: 18% of all 2016 funds, 7.4% increase.
- Fire: 13% of all 2016 funds, 3.1% increase.
- Public Works: 32% of all 2016 funds, 2% decrease.
- Parks & Recreation: 19% of all 2016 funds, 17.4% increase.

Expenditure by Function – Increase (Decrease)

Change from 2015 Estimated Budget by function for all funds in the 2016 budget, as follows:

- Personnel: 47% of all 2016 funds, 3.5% increase. A total of two headcount, increasing FTEs by 0.77, will be added in 2016.
- Operating [includes contractual services and commodities]: 21% of all 2016 funds, 1% increase.
- Capital: 18% of all 2016 funds, 10.6% increase due to the inclusion of \$1.0 Million for park improvement projects, \$1.0 Million for the Ironhorse Golf clubhouse expansion, and capital purchases in general.
- Debt: 14% of all 2016 funds, 4.9% increase.

2016 Personnel

The financial planning model adds one position each year, 2017 through 2024.

2016 PAYG [Pay-As-You-Go] Capital Budget

Funds presented by Department, Category, Funding Source and Capital Expense Type. For Funding Sources, the 2016 Budget is less than the 2015 Estimated Budget, which also occurred last year.

Reserves – Operating Funds

- Reserve as a percentage of expenditures.
- Actuals for 2010 through 2014, estimate for 2015, and forecast model for 2016 through 2020.
- Per City policy, minimum reserve is 11% and the forecast through 2020 is well above.
- Projections assume a 0.95 mill levy increase in 2020, 2021 and 2022, and a budget variance of -2.0% for expenditures and +1.0% revenues in 2016.

Reserves – Debt Service Fund

- Reserve as a percentage of expenditures for debt service fund only.
- Per City policy, minimum reserve is 35%, which is forecast through 2020.

2016 Budget Calendar

- July 1, 2015: County Clerk releases valuation information to be used in the calculation of the levy limit.
- July 6, 2015: Resolution calling for a public hearing on August 3, 2015.
- July 14, 2015: Publication of the August 3, 2015, public hearing notice.
- August 3, 2015: Public hearing on the 2016 Budget.
- August 3, 2015: Approval of the 2016 Budget.
- August 25, 2015: Deadline to file the 2016 Budget with the County Clerk.

Mr. Morris inquired if legislation from the recent session would impact the City's budget. Mayo Dunn replied it is a tremendous concern. Legislation changed the local election schedule from the spring of even-number years to the fall of odd-number years, when voters are casting their ballots for city and county officials. There is the potential for some new Councilmembers to work with a budget for which they had no input.

Tax lid legislation for cities and counties that was supposed to go into effect in 2018, but went into effect immediately due to an error. If 63 representatives and 21 senators can convene on "sine die" scheduled for June 26, 2015, they may be able to revoke.

The Johnson County Council of Mayors and the Johnson County Board of County Commissions Chairman Ed Eilert had lobbied against the legislation and felt they were not heard. Due to an amendment that a city can deduct debt-service, Leawood will not be impacted in regard to receiving any appraised value growth that exceeds Consumer Price Index [CPI], which will be required to be placed before the voters at regular scheduled elections. The City is not exceeding CPI due to curb and stormwater improvements. Based on last year's data, Leawood and Shawnee are the only two area cities that will not be impacted.

The recent 113-day legislative session has received national attention and has been perceived as a negative for Kansas.

In addition to balancing the state budget through reductions in taxpayer personal exemptions for property and mortgages, and sales tax increase, another \$50 Million must be cut from the state budget. Governor Brownback will have discretion as to how to accomplish this cut and can wait until the 2016 legislative session. Gun control legislation was not addressed and was given a three-year reprieve. School funding issue was not resolved.

Councilmember Rasmussen stated that schools would continue to receive \$12,000 per student. He stated ballot issues regarding future City infrastructure needs would be exempt.

Ms. Long stated the City sales tax rate was the only update required.

Councilmember Rezac recalled that expenditure per capita was a negative trend on the year-end financial reports distributed in April and the strategy was to monitor citizen demand for services and privatize if needed. Ms. Long stated there had been no formal privatization of services. Mayor Dunn stated some departments had outsourced, such as median mowing [Parks & Recreation].

Administration – Finance Director Dawn Long

Budgeted Expenditures

General Operations is 8% and Administration is 5% of the 2016 Budgeted Expenditures.

Administration

The Administration Department is comprised of the following programs:

- City Administration: 4.50 FTE positions.
- Finance: 8.00 FTE positions
- Information Services: 4.00 FTE positions
- Human Resources: 3.75 FTE positions
- Legal Services: 3.00 FTE positions
- Municipal Court: 8.43 FTE positions
- Community Development: 14.00 FTE positions.

Program Accomplishments

- GFOA CAFR Award – 2013; GFOA Budget Achievement Award – 2015.
- City Hall technology implementation.
- Body cameras and license plate reader system implementation.
- Added two new health, one dental and one voluntary short-term disability insurance operations.
- Implemented a full-time, in-house Prosecutor.
- Continued progress toward exclusively digital storage of closed files.
- Updated the City's Comprehensive Plan.
- Updated the City's Building Codes.
- Building Inspector achieved International Code Council [ICC] Residential Mechanical Inspector certification.

Council Priority

- 18.2% ratio of administrative employees to direct service employees (overhead).
- Aaa bond rating and GFOA awards.
- \$2.7 Million total revenue from Administration programs.
- 100% of inspections performed on time.
- Approximately 14,000 neighborhood and code inspections per year.

Ratio of Administrative Employees to Direct Service Employees

Ratio has remained relatively flat from 2011 through 2016 Budget, as no new positions were added.

Administration Departments by Program

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Legal Services: 22% change due to full funding for the currently vacant Assistant City Attorney position which occurs in 2016. The position was included in the 2015 Budget, but was not filled and the budget reduced. In the interim, Ms. Bennett and City Prosecutor Marcy Knight have covered this position.
- Finance: 12% change due to restoration of full funding in 2016 for a vacant position.
- Increases in other programs are for planned wage/benefit changes, public defender expense and staff training.

Administration Departments by Function

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Capital: -5.00% decrease due to inclusion of Mid-America Regional Council [MARC] Sustainable Communities Implementation Grant.
- Debt: -6.00% decrease due to the final payment on the 1997 City Hall project to occur in 2016.

Police Department – Chief John Meier**Budgeted Expenditures**

Police is 18% of the 2016 Budgeted Expenditures.

Police

The Police Department has 84 positions, including 61 Officers, up from 57 or 58 officers over the last two or three years. Recruiting has been difficult all across the country as there is no interest in the work, there are certain legislative restrictions, and a candidate's past action may preclude. There are four candidates in training and if all complete, then the department will be fully-staffed. The department does not participate in high school recruitment programs, but does run a police academy to foster those interested in a police service career. Turnover is usually due to retirements and there will be three more retirements in September. Of the three voluntary terminations last year each had five or six years of experience. All had children and found it difficult to rotate shifts. Two went to work for the railroads and one independently employed.

Mayor Dunn stated Leawood has an outstanding Police Department. Chief Meier would be retiring in September and this would be his last budget session.

Councilmember Rasmussen inquired if the department did not need more patrolmen; the number of fines and citations have dropped, and some employees are on military leave and deployed in Afghanistan and Iraq. Chief Meier stated he cannot fill the current open positions, and that the number of citations does not have a direct relation with revenues. Mayor Dunn and Chief Meier noted the electronic ticketing system is more efficient; driver's license is scanned, ticket is printed with accurate information, and the officer downloads data into Police Records and the Court system once back at the station.

Councilmember Rasmussen inquired if the \$40,000 annual expenditure for officer training should be increased, as it equates to only \$1,000 per Officer and there are additional court-mandated procedures required of the officers. Chief Meier agreed, but noted the department has a number of certified instructors, and when they are trained, they in-turn provide training to other staff. Each week in February, a different shift undergoes 20 to 25 hours of training, while the remaining staff provide coverage. Chief Meier stated it is planned for department to host training at the Justice Center and staff attendance would be at no-cost.

Councilmember Filla commented the value of in-house training is not reflected in the budget.

Program Accomplishments

- Realized a significant decrease in the crime rate.
- Chief Meier received the Clarence Kelly Award for Excellence in Criminal Justice Administration.
- Maintenance of the AAA Traffic Safety Platinum Award; realized a 7% drop in reported crashes from the previous year.
- Upgraded the License Plate Recognition [LPR] software to refresh the Regional Justice Information Service [REJIS] system daily.
- Participated in a multi-agency investigation which led to the identification and subsequent charge of the I-435 shooter.
- Initiated Automated Fingerprint Identification System [AFIS] fingerprinting of citizens.
- All notifications for Patrol Officers are now paperless.

Mayor Dunn inquired about the status of legislation that provides for action across state lines, as the City would want to be covered for liability. Major Rettig replied the mutual aid bill was passed by Missouri, but Kansas must also pass and has not. He stated Governor Brownback has entertained passing the legislation by Executive Order.

Council Priority

- 95% of respondents feel safe in their neighborhood.
- 87% of respondents are satisfied with police service.
- 98% of respondents rating dispatch services as good or better.
- 62% of DARE [Drug Abuse Resistance Education] funded by the Alcohol Tax.
- Overtime is 9% of salaries.
- 20% cost recovery on boarding stray animals.

Chief Meier stated he was pleased that 95% of respondents feel safe in neighborhood, regardless of crime rate, and was also pleased with the 87% respondent satisfaction rating, given the current climate in the country regarding police service. He stated the overtime percentage had remained about the same, as the City is required to pay 15 minutes of overtime for roll-call attendance.

Councilmember Cain asked how respondent statistics were obtained. Chief Meier replied surveys are given to those that call for service and also provided with citations. Surveys can also be completed ad-hoc/on-line.

Mayor Dunn questioned if the DARE funding could be increased. Ms. Byard stated a realistic increase of 4% to 5% per year had been made. Mr. Lambers added the City cannot provide 100% funding of DARE by the Alcohol Tax as the City's DARE Officers are not exclusively assigned to the program. During the summer when schools are not in session, the DARE Officers have other responsibilities.

Councilmember Sipple asked why the stray animal boarding fee could not be increased to 50%. Chief Meier replied a balance is needed, as some pet owners would not retrieve their animal if the fee was prohibitive.

Average Response Time

- Average response time for emergency calls has remained consistent from 2005 through 2015.
- The City dispatches an officer for non-emergency calls, such as car burglary.
- Olathe and Overland Park do not send officers to all calls, asking for walk-in report, which reduces their overall average response time.

Police Department

2016 Budgeted Funds by Program and Function; personnel cost of 79% is the largest expenditure.

Police Department by Program

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Administration: 14% increase due to electronic ticketing system and security cameras, waterproofing of the parking deck, and replacement of the garage doors at the Justice Center. Body cameras for officers were included in the 2015 Budget.
- Patrol & Traffic: 8% increased due to increased capital costs in 2016 to replace patrol vehicles. Purchase was bid out, but delivery date is not determined by the City and after delivery, Public Works Maintenance requires time to equip the vehicles. Therefore, a vehicle purchased in March may not be available for use until October.
- Communications: A new full-time Communications position has been added to reduce overtime and provide minimal staffing of at least two. This is a stressful, demanding job.
- DARE: -23% decrease due to the retirement of a School Resource Officer [SRO] with 32-year service salary. The position remains in the budget and will be filled.

Police Department by Function

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Capital: 192% increase to provide for the purchase of the electronic ticketing system, security cameras at the Justice Center, and replacement vehicles.

Councilmember Rawlings inquired about staff experience with the smaller Police Interceptor vehicle model. Chief Meier replied the patrolmen like the model, but the trunk is too small for the equipment required by supervisors, so supervisors now drive Explorers.

Councilmember Cain noted \$32,000 was budgeted for liability insurance and questioned if this would increase based on recent events in the country regarding police action. Chief Meier stated his belief that insurance cost is based on claims and liability is combined with other insurance types; Ms. Bennett confirmed.

Mr. Morris asked if benchmark investment data, as compared other communities, was available. Chief Meier stated in Johnson County, 1.7 to 2.0 per thousand was invested, and the City is at 1.9. The City has better equipment and facilities than some area departments, but others may spend more on specialized training they need.

Councilmember Cain commented the Justice Center had been opened since the fall of 2013 and asked about any positive or negative impact noted. Chief Meier replied when officers are hired from the central, south or west of the country, they are in awe of the facility and equipment, and this may be a benefit when recruiting. The City does not have a residency requirement as does Kansas City, Missouri and Kansas City, Kansas. The only City position with a residency requirement is the City Administrator, who must reside in Johnson County, but not necessarily in Leawood. Mr. Lambers commented this requirement needs to be revised in the future to allow sufficient time for possible relocation, six to nine months versus 30 days.

**Fire Department – Chief Dave Williams
Budgeted Expenditures**

The Fire Department comprises 13% of the 2016 budgeted expenditures.

Fire

There are 47.69 FTE positions in Operations, out of 53.69 FTE positions total.

Program Accomplishments

- Mayor Dunn expressed appreciation for the community outreach effort of the department, including school presentations and station tours. Chief Williams stated his team is attempting to find a better message and method to engage elementary students, who may see the same information throughout their school career.
- The department was instrumental in the no-cost replacement by the manufacturer of all [160] room heaters at the Leawood Aloft hotel, after fire investigation determined the cause to be related to unit insulation.

Council Priority

- In the future, average response time will be determined using accreditation process tracking. Response time will be based on a grid of the community and specifically within sections of the grid. By using a grid methodology, performance metrics and historic data will be available, and areas of slow and fast response times can be determined. As baby-boomers age, an increase in emergency service calls is expected.
- The City's 25 fire sirens are tested monthly. Based on recommendation of the siren maintenance company, the 2016 Budget allows for replacement of one siren.
- Overtime of 8% of regular salaries is to maintain minimal staffing coverage during training.

Councilmember Sipple asked if the Fire Department had the same recruitment difficulties as the Police Department. Chief Williams replied the department did not. He stated the department is ready to advertise again and expect to have three or four well-qualified applicants, usually with a military background.

Fire Department

2016 Budgeted Funds by Program and Function; personnel cost of 81% is the largest expenditure.

Councilmember Filla suggested adding Community Outreach as a program.

Fire Department by Program

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Administration: 5% increase due to higher capital and building maintenance and repair costs of rotted wood at Fire Station #2, as well as replacement of fume exhaust systems at Fire Stations #2 and #3.
- No expenditures are needed for Fire Station #1 at this time.

Councilmember Rasmussen inquired if the \$12,800 [5%] increase in Prevention expenditures, is keeping up with citizen need for carbon monoxide and smoke alarm assistance. Chief Williams stated he was happy with the increase and although the Fire Marshal and Inspector are responsible for this assistance, all of the firefighters participate in prevention as well.

In regard to Fire Station #1, Councilmember Rasmussen questioned if the department could manage emergency maintenance and repairs between now and 2018 with just \$100,000. Chief Williams replied that as equipment malfunctions, it will be repaired and the department will make every effort to suffice.

Fire Department by Function

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Capital: 56% increase due to major asset repairs and capital equipment replacements such as of one-third of the department radios.

Councilmember Osman questioned if additional firefighters would be hired when a new fire station is built in Ward 1. Chief Williams anticipated there would be no need to hire for the new three-bay station.

Ms. Hanson noted that WaterOne fire hydrants had been painted gray and inquired if they would remain that color. Chief Williams stated the hydrants are being repainted and the gray was just primer.

Councilmember Osman inquired if the department had received benefit from hosting foreign student firefighters and if there was an annual commitment to do so. Chief Williams replied the student receives the most benefit and the City is under no contract. The recent visiting student has returned home to France after spending 10 weeks with the department. Before leaving the student had said he had learned a great deal about fire service.

Ms. Abdulahi requested additional information about the foreign exchange firefighter program. Chief Williams stated all are college students, who apply and are selected by a rigorous interview process. Host cities were Shawnee, Olathe, Overland Park and Leawood. The students are required to study and complete a project, as well as provide their host department with suggestions for improvements. While here, the student attended French classes in local schools and attended local events, including a Governing Body meeting.

Accreditation

Chief Williams provided an update on the accreditation process, which was approved and included in last year's budget.

A 500 page report was prepared and submitted that included Standard of Coverage [SOC] for response to fire by City section, strategic plan, and methodologies for water system, dispatch, maintenance, equipment training and prevention. On May 1, 2015, four peer assessors visited and performed a detailed on-site inspection. The department passed the inspection, with seven recommendations including one for child outreach. Department staff will be required to testify before the Accreditation Commission in August.

Out of 3,200 fire departments in the United States, if accreditation is received in August, Leawood would become the 215th recipient. Accreditation must be maintained and after five years documentation of growth and progress on items must be provided, another on-site inspection conducted and testimony given to the Accreditation Commission.

Chief Williams stated the accreditation process has already improved the department since it required an in-depth internal review and that it will continue to do so. Mayor Dunn thanked Chief Williams for his accreditation initiative.

Public Works Department – Director Joe Johnson

There has been little change in budgeted expenditures over the last couple of years. Public Works expenditures are 32% of total funds in the 2016 Budget, 31% in the 2015 Budget and 34% in the 2014 Budget.

Divisions include Administration, Street Maintenance, Street Improvements, Fleet Maintenance, Facilities Maintenance, Engineering, and Stormwater Management, providing mill and overlay, arterial and curbs, and debt-financed programs such as 143rd Street. Administration portion of the budget has increased slightly, while Stormwater Management is down, but overall consistent with recent years.

Program Accomplishments

- Completed the Stormwater Plan to meet State compliance for the City's National Pollutant Discharge Elimination System [NPDES] permit. For Phase 2, the City had to resubmit permits; the City is in good-standing.
- Replaced 1,402 ft. of concrete sidewalk.
- Replaced 3,533 ft. of curbing.
- Replaced/installed 1,284 traffic/street signs.
- Swept 2,974 curb-line miles of street.
- Completed the \$5.0 Million 2014 Curb Replacement Program.
- Completed the \$2.5 Million 2014 Residential Reconstruction Project.
- Televised 56,889 ft. of storm pipe. The City has approximately 750,000 ft. of pipe. The corrugated pipe is approximately 20 to 25 years old and these are priority.

Councilmember Filla pointed out that the Complete Street Pilot was a Program Accomplishment that just did not make the presentation listing.

Council Priority

- \$9,590 annual maintenance expenditures per mile.
- Seven average annual street sweepings per street, collecting and keeping 1,300 to 1,400 tons of debris out of the storm sewers.
- 37% of streets slurry-sealed within seven years.
- Potholes repaired on average within one day of request.
- 452 lane miles rated at an average of 77.4 Pavement Condition Index [PCI]. This is up slightly from 76 PCI last year.
- 98.6% street light outages with 48-hour response.
- Two illicit discharges. One was during the summer when an unknown vehicle traveled 135th, north on Roe and stopped on 133rd Street, with a busted diesel tank. Mr. Johnson noticed the spill and odor on 135th Street. Haz-Mat authorities were alerted, but the City provided clean-up. The County does not perform clean-up, but for a very large spill Federal authorities provide the service and also may provide funding. The second was when a resident noticed a painting contractor disposing of material in the stormwater system. Overall, the City does not have major issues.
- Average age of vehicles is 5.5 years; City policy in this regard has been followed for more than 16 years.
- \$0.40 utility cost per sq. ft. of buildings.

Councilmember Filla suggested that utility costs for electricity and water be expressed in other units such as kilowatt hours, so that energy savings reductions would not be off-set in the cost amounts by rising provider rates. Mr. Johnson will work with Ms. Byard in this regard.

Overall Pavement Condition Index

PCI ratings for 2005 through 2009 increased due to street maintenance and new infrastructure growth. Ratings after 2009 declined as only improvements such as mill and overlay and widening 143rd Street were undertaken. At this time the PCI rating reflects just annual maintenance and is within a desirable range of 70 to 80 PCI, similar to that of nearby cities. PCI rating is determined by an outside contractor who travels City streets. Overland Park hires four or five additional staff to make visual assessments for their PCI rating.

Councilmembers Rezac and Filla inquired if Mr. Johnson had any concerns in regard to PCI or budget. Mr. Johnson replied that PCI is moving in a positive direction and hopefully in the next two or three years will improve with focus on street work versus curbs.

Mr. Morris stated he was frequently asked by residents why curbs are replaced when they do not appear to be in disrepair. Mr. Johnson replied that the material of curbs installed prior to 2000 is more susceptible to winter freeze-thaw cycles. Deterioration starts with small white cracks where water penetrates, expands and contracts. Curbing in this condition is already beginning to fail and the process quickly accelerates. In 2000, the City began using a better "Johnson County" aggregate mix for curbs, which has a life expectancy of more than 75 years. After the initial identification and replacement of curbs in the worst condition, the City now replaces curbs as part of street improvements.

Public Works Department

Consistent with recent years, Street Maintenance and Street Rehab comprise the largest portion of funds by Programs, and Debt and Capital comprise the largest portion of funds by Function.

Public Works Department by Program

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Administration: 71% increase due to principal payments versus only interest payments made on Public Works Facility building.
- Facilities: -22% change due to less planned routine and major repairs to City facilities.
- Stormwater: -31% change due to completion of the Leawood Heritage SMAC [Stormwater Management Advisory Commission] Project. The project went very well and expect that 89th Street at Mission will be open within the month. Cherokee Lane will be next and should be complete by mid-August.

Public Works Department by Function

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Personnel: 3% increase due to the addition of a summer intern to assist the City Engineer. The City currently employs a returning 3rd year intern in Public Works Maintenance. Interns are required to be a resident, have varied engineering disciplines, and attend the University of Kansas University or the University of Missouri. Interns are paid by the City.
- Capital: -18% change due to the completion of the Leawood Heritage Stormwater project in 2015.
- Debt: 12% increase mainly due to principal versus interest-only payments for the Public Works Facility building.

Parks and Recreation Department – Director Chris Claxton

Like Public Works, there has been little change in budget due to redundancy in larger projects. Weather remains a major impact. Of the \$10.9 Million, \$7 Million in expenditures are almost equally split between Park Maintenance at \$3.7 Million and Golf Course at \$3.2 Million.

Parks and Recreation

As approved by the Council, three 9-month park maintenance positions were combined to become one full-time position.

Program Accomplishments

- Completed construction of the Leawoof Dog Park. Leawoof Dog has over 500 visitors per day. The park was closed during flooding on Lee Boulevard.
- Completed Self-Propelled Leawood, a bicycle and pedestrian master plan. Although complete, Self-Propelled Leawood is a dynamic plan. With lessons learned, the City will once again apply for bike-friendly status; Leawood received honorable mention after prior application.
- Corrected Americans with Disabilities Act [ADA] issues of concession counter and exterior bathrooms. Exterior bathrooms at the Aquatic Center were corrected and better access to City Park athletic fields, without diminishing green space, will be implemented.

Mayor Dunn complimented the department in regard to a family birthday party held at the Nature Center. There were many animals to pet and learn about from two knowledgeable staff members. Councilmember Filla suggested initiating additional press or generating an article on the Nature Center.

Councilmember Filla asked for clarification of “Year 3 Implementation” in regard to Emerald Ash Borer [EAB]. Ms. Claxton stated Year 1 was identification of infested trees and formulating an action plan, Year 2 was plan implementation/treatment and Year 3 is continuing treatment. Councilmember Filla inquired if the City or Home Owners Associations [HOAs] could offer a treatment discount through volume pricing to individuals for privately-owned ash trees. Ms. Claxton stated that although Park staff treats City trees only, if an individual or HOA notes a large discrepancy in treatment bids, they should not hesitate to contact Superintendent of Parks Brian Anderson or Horticulture/Forest Supervisor Dustin Branick; both are arborists.

Council Priority

Good steady numbers in all areas and improvements seen in utilization rates and cost recovery, though weather dependent. The Aquatic Center has the most business from Memorial Day to the middle of July; June has been rainy. As per Master Plan, goal is to maintain infrastructure and facilities, several of which have been open many years.

Cost Recovery

Cost recovery decreased to 0.54 from prior 0.74. Every year is different and weather dependent, and the department attempts to manage.

Parks and Recreation Department

- Administration: No major changes.
- Aquatic Center: Working with Information Services on TW Telecom broadband internet connectivity. This will allow pool pass pictures to be taken on-site rather than City Hall. Water slide top deck will be replaced.
- Programming: Several structures at Ironwoods Park will be painted.
- Park Maintenance: New spending includes \$1 Million for park improvements as identified in the Park Master Plan and \$50,000 for bike thoroughfare and trail signage.
- Cultural Activities/Special Events: Increase represents the available funds for art purchases from the City Capital Art fund and the Public Art fund, although no specific purchases are planned at this time.

Parks and Recreation by Program

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Capital: Large increases of \$1.0 Million for Park projects, \$1.0 Million for one-half of the Ironhorse Golf clubhouse expansion and \$400,000 for Cultural Activities/Art.

Parks and Recreation by Function

Change from 2015 Estimated Budget to the 2016 Budget, as follows:

- Debt: Decrease is a result of the final payment on the golf course debt occurring in September 2015. To celebrate 20 years, the golf course will be offering \$20 rounds on Wednesday, July 1, 2015. Initial debt was \$500,000 per year and the final debt refunding payment will be \$300,000.

Discussion

Councilmembers Osman and Cain inquired about the Ironwoods cabins and access to the park with road closures due to street construction. Ms. Claxton stated the cabins offer a unique experience in an exclusive area and are consistently booked. Road closures have marked detours and these have not impacted previous bookings, but may in the future. Several recent children events had between 300 and 450 in attendance.

Ms. Claxton stated her desire to pursue Parks & Recreation National Accreditation, now that the Park Master Plan has been completed. In the area, only Johnson County and Lawrence agencies have been accredited, and submission and maintenance of accreditation should make for better parks. It was pointed out Ms. Claxton has a three-year appointment as Vice Chair of the local American Planning Association [APA] branch.

Councilmember Rasmussen alerted attendees that in December the Parks & Recreation Committee may recommend a usage fee for the Leawoof Dog Park. Dog park expenses are being tracked and stabilization of soil costs approximately \$300 per treatment.

Mr. Morris asked for additional details of the Ironhorse Golf clubhouse expansion. Ms. Claxton stated the addition of 5,300 sq. ft. over the park barn built on concrete is proposed. The space would seat 200 to 225 and have a separate entrance that could be combined with the grill. The expanded space could garner additional and larger events, such as golf tournaments and when the Lodge is booked. Although a lower construction cost might be possible, \$1.0 Million in 2016 and \$1.0 Million in 2017 has been budgeted for the expansion. The City possesses the necessary drawings for bids to be sent out in June or July of 2016, with construction planned to start in October, 2016, and finish in spring 2017.

Based on his experience, Mr. Morris expressed concern about the feasibility of the expansion and questioned the role of the City to provide such a venue. Mr. Lambers stated Troon had optimistically estimated payback of expansion cost in seven to eight years, but return on investment in 10 to 15 years would not be an issue. The number of events that were turned away at both the clubhouse and the Lodge would be identified, being cognizant that event inquiries could be only screening of a large number potential event sites.

Ms. Hanson stated that seating for 300 in the expansion would be preferable as there are few venues in the area that can accommodate 250 to 300 persons. Ms. Claxton added that several area facilities are closing and not expected to be replaced, such as Meadowbrook.

Mr. Hanson inquired about improvements planned for the areas around Gates Barbeque and USToy, as well as at 123rd and State Line. Mr. Coleman stated the City is working with interested parties on redevelopment and repurposing.

Mayor Dunn thanked the Budget and Finance Committee members, City Administrator, Department Heads and Finance staff for all of their hard work during the budget process and throughout the year. She stated there would be no need to meet as tentatively planned tomorrow, Tuesday, June 23, 2015.

There being no further business, the meeting was adjourned at 8:50 P.M.

Debra Harper, CMC, City Clerk

Cindy Jacobus, Assistant City Clerk