

Minutes

DVD No. 375

The City Council of the City of Leawood, Kansas, met in regular session in the Council Chambers, 4800 Town Center Drive, 7:30 P.M. on Monday, August 1, 2016. Mayor Peggy Dunn presided.

**Councilmembers Present:** Jim Rawlings, Andrew Osman, Chuck Sipple, Julie Cain, Lisa Harrison and James Azeltine

**Councilmembers Absent:** Debra Filla

<b>Staff Present:</b> Scott Lambers, City Administrator	Patty Bennett, City Attorney
Joe Johnson, Public Works Director	Dawn Long, Finance Director
Karl Weinfurter, Info. Services Specialist II	Chief Troy Rettig, Police Department
Debra Harper, City Clerk	Cindy Jacobus, Assistant City Clerk

**Others Present:** Kevin Jeffries, President, Chief Executive Officer and Director of Economic Development, Leawood Chamber of Commerce

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF AGENDA**

Mayor Dunn pointed out the amended agenda for updates of Agenda Items 6.A through 6.D.

**A motion to approve the amended agenda was made by Councilmember Rawlings; seconded by Councilmember Sipple. The motion was approved with a unanimous vote of 6-0.**

3. **CITIZEN COMMENTS**

Members of the public are welcome to use this time to make comments about City matters that do not appear on the agenda, or about items that will be considered as part of the consent agenda. It is not appropriate to comment on pending litigation, municipal court matters or personnel issues. Comments about items that appear on the action agenda will be taken as each item is considered. **CITIZENS ARE REQUESTED TO KEEP THEIR COMMENTS UNDER 5 MINUTES.**

4. **PROCLAMATIONS** – None
5. **PRESENTATIONS/RECOGNITIONS** – None

**6. SPECIAL BUSINESS**

- A. **Ordinance No. 2795**, authorizing and providing for the issuance and delivery of \$34,460,000 General Obligation Temporary Notes of the City of Leawood, Kansas, to provide funds to finance the cost of certain public improvement projects within the city; and making certain covenants with respect thereto [ROLL CALL VOTE]

Ms. Long stated the note and bond sales conducted this morning went well. The City's finance and bond counselors Mr. David Arteberry of George K. Baum Company and Ben Thompson, Esq., of Gilmore & Bell Bond Counsel were present.

Mr. David Arteberry, George K. Baum Company, 4801 Main Street, Kansas City, Missouri, stated he would provide a general update for Agenda Items 6.A. through 6.D., and Mr. Thompson would address questions on specific documents.

In advance of the sale, Moody's confirmed the City maintained its excellent Aaa rating. Last week, offering prospectus preliminary statements were finalized and distributed to dozens of potential investors and bidders around the country. Today, the first sale began at 10:00 A.M. local time for \$34,460,000 of temporary notes for street improvements. Due primarily to anticipation of increased interest rates, the City had not received many bids in the past couple of years. Four bids were received with the lowest interest rate of 0.621798% by bidder J. P. Morgan Securities. Other bidders were Morgan Stanley & Company; Jeffries; and Hutchinson, Shockley, Erley & Company in Chicago. Sale to J. P. Morgan Securities is recommended; bid is mathematically correct, all bid parameters were met and good faith deposit made.

The general obligation refunding sale of 2006, 2007 and 2008 issue bonds to refinance at low interest rates began at 11:00 A.M. local time. A total of seven bids were received for the 12-year bond issue with the true interest cost of 1.038854% by bidder Piper Jaffray. The rate is exceptional and 1/2% lower than rate estimate made two months ago and lower than the average rate on the old bonds of 4.11%, resulting in a savings of over \$1 Million. Sale to Piper Jaffray is recommended; bid is mathematically correct, all bid parameters were met and good faith deposit made.

Mr. Arteberry noted the success of the sales was due to timing and the City's good rating. Mr. Lambers stated it was a reflection of the fiscal management of the Mayor and the Governing Body. Mayor Dunn thanked Mr. Lambers for his leadership of the professional team and she congratulated Ms. Long.

Councilmember Sipple thanked Mr. Arteberry for the opportunity to attend the sale. He found the sale interesting, enlightening and representatives of George K. Baum Company very professional.

Mr. Lambers noted the City's past practice of placing savings in the bond interest fund rather than use for projects. Mayor Dunn agreed the usual practice was appropriate.

**A motion to pass the ordinance was made by Councilmember Azeltine; seconded by Councilmember Cain. The motion was approved with a unanimous roll call vote of 6-0.**

- B. **Resolution No. 4663**, authorizing the issuance and delivery of \$34,460,000 General Obligation Temporary Notes of the City of Leawood, Kansas, for the purpose of financing a portion of the costs of certain public improvements in the city; and prescribing the terms and details of said notes and certain covenants and agreements with respect thereto

**A motion to approve Agenda Item 6.B. was made by Councilmember Sipple; seconded by Councilmember Osman. The motion was approved with a unanimous vote of 6-0.**

- C. **Ordinance No. 2796**, authorizing the issuance and delivery of \$9,765,000 General Obligation Refunding Bonds, Series 2016-A of the City of Leawood, Kansas; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on the bonds as they become due; and making certain covenants with respect thereto [ROLL CALL VOTE]

**A motion to pass the ordinance was made by Councilmember Rawlings; seconded by Councilmember Azeltine. The motion was approved with a unanimous roll call vote of 6-0.**

- D. **Resolution No. 4664**, prescribing the form and details of and authorizing the delivery of \$9,765,000 General Obligation Refunding Bonds, Series 2016-A, of the City of Leawood, Kansas, authorized by Ordinance No. 2796 of the City; providing certain covenants and agreements with respect thereto; and providing for execution of certain agreements in connection therewith

**A motion to approve Agenda Item 6.D. was made by Councilmember Harrison; seconded by Councilmember Sipple. The motion was approved with a unanimous vote of 6-0.**

- E. Public Hearing                      Park Place Development Improvement District Assessments  
[Project # 83196]

Mayor Dunn opened the public hearing; no one was seen or heard to speak.

**A motion to close the public hearing was made by Councilmember Azeltine; seconded by Councilmember Harrison. The motion was approved with a unanimous vote of 6-0.**

- F. **Ordinance No. 2797**, levying assessments for tax year 2017 on lots, pieces, and parcels of ground in the City of Leawood, Kansas, for the purpose of paying for construction of improvements to Nall Avenue, 117<sup>th</sup> Street, Town Center Drive and Roe Avenue and construction of storm water improvements within the City of Leawood for establishment of an Improvement District, pursuant to K.S.A. § 12-6a01, et seq., and the City's Home Rule Authority of Article 12, Section 5 of the Kansas Constitution, located in Park Place Development [Project # 83196] [ROLL CALL VOTE]

Ms. Long clarified for Councilmember Sipple the assessments would be paid in full after 15 years in 2026. The amount of the assessment, \$454,882.50, is 1/15<sup>th</sup> of the \$5,155,000 floated in 2011. Mr. Lambers stated the assessments on individual parcels change each year until full build-out, but the total obligation dollar amount does not change. Properties occupied the longest are hit the hardest. Vacant properties and those occupied late in the project pay the least. Park Place requested the assessments and these had not been done before; he would not recommend doing again.

**A motion to pass the ordinance was made by Councilmember Osman; seconded by Councilmember Harrison. The motion was approved with a unanimous roll call vote of 6-0.**

**7. CONSENT AGENDA**

Consent agenda items have been studied by the Governing Body and determined to be routine enough to be acted on in a single motion. If a Councilmember requests a separate discussion on an item, it can be removed from the consent agenda for further consideration.

- A. Accept Appropriation Ordinance Nos. 2016-28 and 2016-29
- B. Accept minutes of the July 18, 2016 Governing Body minutes
- C. Approve issuance of Temporary Alcohol Permit to conduct The Taste of Leawood Fundraising Event on Saturday, September 17, 2016, in accordance with Code § 3-216
- D. **Resolution No. 4665**, waiving the bidding process, in accordance with Charter Ordinance No. 39, for the asphalt overlay located in Steeplechase Subdivision, located at 3300 block of 145<sup>th</sup> Terrace
- E. **Resolution No. 4666**, approving and authorizing the Mayor to execute an Independent Contractor Agreement in the amount of \$68,110.15, between the City and McAnany Construction, Inc., for the asphalt overlay located in Steeplechase Subdivision, at 3300 block of 145<sup>th</sup> Terrace
- F. **Resolution No. 4667**, approving and authorizing the Mayor to execute an Independent Contractor Agreement in the amount of \$27,400.00, between the City and Edwards McDowell, Inc., pertaining to the HVAC Replacement at Public Works Maintenance Facility, located at 14303 Overbrook Road [Project # 74047]
- G. **Resolution No. 4668**, approving and authorizing the Mayor to execute an Independent Contractor Agreement in the amount of \$61,710.00, between the City and Warren Moore Painting, LLC, pertaining to the Painting at Ironwoods Lodge, cabins, and Nature Center, located within Ironwoods Park, 14701 Mission Road

**A motion to approve Consent Agenda was made by Councilmember Rawlings; seconded by Councilmember Osman. The motion was approved with a unanimous vote of 6-0.**

**8. MAYOR'S REPORT**

- A. On behalf of the City of Leawood, once again we extend our sincere sympathies to families and friends of victims of tragedies throughout the world within the past two weeks. We specifically honor Kansas City, Kansas, Police Captain Robert "Dave" Melton who was killed in the line of duty. Leawood residents, Kaitlin and Laurin Stotts, seven and five years old, daughters of Tracy and Jared Stotts, held a fundraiser for the Melton family and other fallen police officers over the weekend with a lemonade stand. The girls were extremely successful and raised \$756.60 over two days. Jared Stotts was a Kansas City, Missouri, Police Officer for 15 years and retired in 2015. We are grateful for their kindness and the numerous other displays of generosity shown toward our fine men and women in the Leawood Police Department. Our officers were invited, and Police Chief Troy Rettig and other officers attended throughout the fundraiser, which was covered by the media.
- B. Attended the Leawood Chamber of Commerce ribbon cutting for Kincaid Antiques and Interiors located in Mission Farms. Councilmember James Azeltine was also in attendance. We wish them much success in their beautiful new location after being in the 45<sup>th</sup> and State Line antique district for 15 years.

- C. Attended the “Christmas in July” fundraiser in support of Wreaths Across America at Fort Leavenworth. Leawood resident and sophomore at Blue Valley North High School, Brooke Werp, is the Kansas Society State President of the National Society of the Children of the American Revolution, who hosted the event. The event supports the sponsorship of wreaths for every gravesite at the Fort Leavenworth National Cemetery. Kansas Lt. Governor Jeff Colyer also joined me at this event.
- D. Attended two separate events where Senator Jerry Moran was the keynote speaker. The first was sponsored by the Elephant Club at Leawood’s Hereford House restaurant. Congressman Kevin Yoder was also present. The second was at the Ritz Charles and sponsored by the United States of America Chamber of Commerce. They also endorsed Senator Moran due to his record of support on pro-business issues.
- E. Congratulations to Director of Finance Dawn Long and City Administrator Scott Lambers regarding Moody’s reaffirmation of an Aaa rating for the City of Leawood. The Aaa rating reflects the City’s large and wealthy tax base, strong financial operations supported by robust reserves and alternative liquidity, and a manageable debt burden and modest pension exposure. The rating outlook is stable and reflects expectation that the City will continue to benefit from the affluent tax base, access to employment and strong financial operations over the medium term.
- F. Reminder of the Sundays in the Park Concert Series beginning August 14, 2016 for four consecutive Sundays. The free concerts will be held at the Ironwoods Amphitheater in Ironwoods Park starting at 6:00 P.M. Additional information is posted on the City’s website.
- G. Tomorrow, August 2, 2016, is the Primary Election Day in Kansas. Voting is our responsibility and one of our greatest privileges. Take the opportunity to vote.

**9. COUNCILMEMBERS’ REPORT – None**

**10. STAFF REPORT**

Mr. Lambers stated there would be a report in the Kansas City Star newspaper tomorrow regarding shortfall Kansas tax collections for July. Councilmember Rawlings stated there was a shortfall from expectations of about \$13 Million.

***COMMITTEE RECOMMENDATIONS***

**11. PLANNING COMMISSION – None**

**12. OLD BUSINESS – None**

**13. OTHER BUSINESS – None**

**14. NEW BUSINESS**

Potential sale of City-owned real property to MD Management for construction of parking spaces located at Camelot Court

Mr. Lambers stated that through the development process of Camelot Court, the developer and City staff have expressed concern for the lack of adequate parking, which he shares. Hen House is encouraging visitors to stay and consume food on-site, resulting in longer parking times. Potential customers may just drive by or drive through the development and leave without available parking spaces. About 45 to 60 parking spaces intended for internal use such as deliveries and employee parking could be constructed behind the development. The project would include landscaping.

Mr. Lambers requested authorization for purchase negotiation to proceed. He would lead the negotiations and suggested a 1.5% increase in value over the initial paid price of \$11 per sq. ft.; under \$250,000 for a ¼ acre. The project would need to follow the City’s contracting and planning process, so completion would take some time. There may be the opportunity to work out some type of temporary parking at the Justice Center or use a gravel surface for temporary parking. Initially, the developer had wanted an at-risk permit to construct the parking, which would put the Planning Commission and the City Council at risk. If authorization to proceed was given, options would be discussed.

Mayor Dunn noted landscaping that had been installed and did not survive had been replaced at Camelot Court in time for the opening and ribbon cutting for Hen House.

**A motion to authorize purchase negotiations lead by the City Administrator was made by Councilmember Rawlings; seconded by Councilmember Azeltine. The motion was approved with a unanimous vote of 6-0.**

Mayor Dunn reminded that the Governing Body Work Session scheduled for August 15, 2016 at 6:00 P.M. would be an executive session for the City Administrator’s mid-year review. There would be no advance paperwork distributed. A light supper would be provided.

**ADJOURN**

There being no further business, the meeting was adjourned at 8:00 P.M.

---

Debra Harper, CMC, City Clerk

---

Cindy Jacobus, Assistant City Clerk