

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 8, 2020. Mayor Peggy Dunn presided.

Councilmembers Present: Debra Filla, Andrew Osman, Jim Rawlings, Mary Larson, Lisa Harrison, Chuck Sipple, James Azeltine, and Julie Cain.

Councilmembers Absent: None

Staff Present: Scott Lambers, City Administrator
Dawn Long, Finance Director
Troy Rettig, Chief of Police
Chris Claxton, Parks and Rec Director
David Ley, Public Works Director
Kelly Varner, City Clerk
Ashley Frankel, Accounting Manager

Patty Bennett, City Attorney
Ross Kurz, Info. Services Director
Colin Fitzgerald, Fire Chief
Nic Sanders, HR Director
Kathy Byard, Senior Budget Manager
Stacie Stromberg, Assistant City Clerk

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

Others Present: None

2020 ANNUAL BUDGET PRESENTATION

The meeting was called to order at 6:15 p.m.

Kelly Varner, City Clerk, read the City Clerk's Statement into record: To reduce the likelihood of the spread of COVID-19 the meeting of the Leawood Budget and Finance Committee is being conducted remotely using the Zoom media format and some of the members of the Committee may appear remotely. Public comments will not be accepted during this meeting. City Hall is closed to public access during this meeting, however, the meeting will be livestreamed on YouTube and the public can access the livestream by going to www.leawood.org.

Welcome by the Mayor

Mayor Dunn called the meeting to order, thanked attendees and asked for introductions. She expressed appreciation to the staff for their social distancing efforts.

Scott Lambers stated due to COVID-19 he has never prepared a budget proposal with typical data in an atypical time. He stated he expects budget amendment proposals to the city council in order to reduce expenditures for the balance of 2020 and in 2021 once the City starts receiving financial data in August in regards to revenue.

The Mayor thanked Dawn Long and Kathy Byard for their work on the documents.

Dawn Long stated department heads did not meet as normal due to COVID-19. Except for personnel, departments were given the same budget as last year. Capital equipment expenditures were reviewed first and some will be postponed. In the past, the operating budget is normally 12-14% below budget at the end of the year. After a review of the debt, there will be one refund this year of \$2.4 million in order to reduce debt payments over the next 10 years. Most of the budgeting adjustments are for this year. There are many variables affecting next year's model and will be adjusted going forward.

Kathy Byard distributed replacement handouts due to minor typos. She handed out a summary of the sales tax dollars. Ms. Byard explained the categories of the 2020 sales and use tax estimates and their historic data since 2008.

2021 Annual Budget – Budget Manager Kathy Byard

Sustaining Financial Stability

- Reserves for all operating funds are budgeted at 55% of expenditures.
- Debt service levels remain at 35% above the expenditure level.
- The 2021 Budget does not include a mill levy increase. Mill levy will stay the same.
- Assessed Valuation growth of 4.67%. Includes delinquency factor of .5%.
- Sales tax growth of 1.5%.
- Continuation of the City's AAA bond rating.

Other tax changes due to COVID-19:

- Sales tax growth and increased revenue for grocery stores - approximately 32% higher.
- Retail refunds paid in March
- Sales tax growth down 21.9% from March 2019 vs. March 2020 (only 2 weeks data).
- Restaurants, bars, retail, and entertainment sales tax decreased 50.7% vs. March 2019
- Construction, wholesale trade, computer retail lower
- City Use Tax, such as internet shopping, increased 4% compared to March 2019.
- Will assume zero tax growth for remainder of 2020.

Councilmember Sipple made a recommendation that the Council receive a staff report at the first council meeting in July.

Jim Morris asked how the sales tax collection process works. Ms. Byard explained a business can chose to remit monthly or quarterly. Remittance goes directly to the Kansas Department of Revenue, the state then distributes it to a city, so there is at least a 2-month lag.

Sustaining Service Levels

- Maintain equitable and competitive employee compensation.
- Mandate and operating costs of capital are funded.
- Provide 1.7 commissioned officers per 1,000 citizens.

- Coverage of 650 residents per 1 firefighter.
- Maintain city streets at an average Pavement Condition Index [PCI] of 80.3.

Sustaining Efficient Delivery of Services

- Continuation of employee training and certifications and safe environment practices.
- Performance measures are linked to resources needed to meet expected performance levels.
- Improved productivity and service levels with technology, fiber and communications systems.

2020/2021 Budget Changes

- No Mill Levy increase is planned for 2021; remains at 24.548.
- Refund potential in 2021
- No issuance of General Obligation debt in 2020. City will issue General Obligation debt in 2021 of approximately \$20.3 million. First payment due in 2022.
- A total of \$2,515,000 in 2020 for park improvements to complete projects not completed last year and already started this year. In 2021, \$600,000 will provide for improvements to be determined. In previous years, park improvements were funded with \$600,000 in special alcohol receipts within the Special Parks/Rec fund and \$400,000 from General Fund transfers to the Capital Improvements Fund. For 2021 and until 2025, only Special Parks/Rec fund revenue will be used for such improvements.
- The 2021 Budget includes a maximum of 3.9% merit increase for all employees. There are 262 full-time positions. Payment of all wages (FT, PT, CS, OT and other) will increase by 3.4% over the 2020 estimated budget wage base. The health insurance benefit grows by 11.4% from 2020, with the cost of health insurance growing by 10%; and all other benefits by 4.0%. There are no new full-time positions included in the financial planning model.
- Beginning in 2020 and continuing into 2021, capital equipment replacements for Police & Fire will be paid from the Public Safety Fund. The Police total is \$214,500 in 2020 and \$66,000 in 2021 with \$280,000 providing for repairs to the Justice Center parking deck. The Fire total is \$604,000 in 2020 and \$252,000 in 2021. Vehicle replacements will still be expensed from the City Equipment Fund. It will be reduced over the next 3-4 years.
- The 2021 Budget anticipates \$1,068,500 each in County sales tax from the 0.25% Public Safety II collection and the 0.25% Courthouse/Coroner Facility collection. Since the receipt of these collections began, they have been placed into the Public Safety Fund and/or the Economic Development Fund.

Councilmember Sipple questioned the sales tax collection for the Johnson County Courthouse. Ms. Byard stated the City receives .25% and the County distributes a pro rata share based on population.

Councilmember Azeltine asked about the merit increase. Ms. Byard explained the City does not use COLA (Cost of Living Adjustment) but is based on a performance evaluation process for each employee. Nic Sanders explained the budget allows for a 3.9% increase but not all employees may receive that amount.

Councilmember Azeltine inquired if it is possible to ear-mark funds that are already set aside for capital improvements within Police and Fire. Ms. Byard stated typically the City uses those funds for police and fire expenditures. Once the new fire station is built, the annual principal of the debt payment will be out of that fund.

Mr. Lambers explained the City of Leawood takes that money collected into the general fund and immediately transfers it into the Public Safety Fund.

- As a result of the COVID-19 pandemic, several changes have been made to the financial planning assumptions, revenue estimates and planned expenditures, primarily for the current 2020 year. There is still much unknown about this illness and the effects are continually changing. Staff will continue to analyze, review and change the revenue and expenditure assumptions, as needed.

Assessed Valuation Growth

Based on the appraiser's information in March 2020, the 2021 Budget Assessed Valuation Growth is a 4.67% increase. It was originally projected for the 2020 Budget as 4.00% and the estimated growth at 5.83% increase. Updated data will be available June 15, 2020, and final numbers will be reported in October. In future budgets, the City will try to stay at 3.00% or below.

Property Tax Collection Rate

Leawood has never had many delinquencies. The 2021 Budget was lowered slightly to 99.0%.

Gasoline Tax Revenue

The projections came late to the City but show a reduction due to the COVID-19 pandemic: fewer cars on the road, citizens working from home, and lower gasoline prices at the pump.

Councilmember Sipple asked if the projection was based on the number of gas stations in the City or the number of vehicles. Ms. Byard stated it is based on the amount of gasoline tax paid at the pump and it is set by the State. There is a pro rata formula in which funds are dispersed by the State and County.

Alcohol Tax Revenue

Restaurants and bars are still closed, so there is a reduction for the 2021 Budget. The revenue received is divided by 1/3 and is distributed equally among the Special Alcohol Tax Fund, Special Parks & Recreation Fund, and General Operations Fund.

Councilmember Lisa Harrison asked if the tax collected is strictly drinks served in establishments. Ms. Byard stated that is correct and that the sales tax is collected at retail liquor stores.

Transient Guest Tax Revenue

A reduction of revenue was estimated for the 2021 Budget based on data from last quarter.

All Other Revenue

Occupational Licenses, Liquor Licenses, and Parks and Recreation User Fees collections were dropped for the remainder of 2020. The Golf User Fee is also included. They will return to normal in 2021.

Interest Income is lower based on a lower rate earnings.

Fines and forfeitures, based on what was collected in 2019, were also reduced for the 2021 Budget.

The total of the General Fund change related to COVID-19 is approximately \$2.2 million.

Councilmember Julie Cain asked if the City does not plan to increase the Mill Levy and has no reductions in FTEs or furloughs. Ms. Byard stated that is correct - the Mill Levy increase has been removed in the financial planning model.

Mr. Lambers explained the Mill Levy increase was driven by capital. After the budget review certain projects will be delayed. The situation is similar to the recession of 2008.

Councilmember Azeltine asked about the fines and forfeitures data and if the amounts are too high. Mr. Lambers stated this figure has been reduced every year, most likely because traffic does not generate revenue due to safer driving.

Councilmember Sipple stated he feels the figures are too optimistic. Mr. Lambers reminded the Board that these numbers and trends will be assessed again, but the estimates are for the 2021 budget and will expect some rebounds after the remainder of 2020.

Ms. Byard explained the summary of the 2020/2021 Budget changes for projects planned will be delayed by at least 2 years. The bonding of general operations debt will be delayed until next year. COVID-19 expenses, such as hand sanitizer, wipes, etc. are included in the summary, not going toward any particular department.

Mayor Dunn recommended that staff pay close attention to their budgets for COVID-19 related-expenses.

Councilmember Filla asked about capital replacement for vehicles. Ms. Byard said purchases for this expense are always reviewed accordingly.

Councilmember Larson asked about the 2021 residential streets. Ms. Byard stated the funds are for major street reconstruction. Mayor Dunn stated she understood the City is moving forward with mill and overlay projects.

David Ley stated that mill and overlay projects were approved prior to COVID-19. Councilmember Harrison asked if those reconstruction projects are funded by special assessments. Mr. Lambers stated mill and overlays last for a short duration, so a total street reconstruction allows the City to bond the project.

Councilmember Harrison asked about the items on the summary listed as “Overhead Lines” and “Bury Overhead Lines”. Ms. Byard stated they are both meant as buried lines. The arterial street repairs are being delayed, which affects burying the lines.

Jim Morris asked if the state of affairs were to become worse, will the City reduce the budget or dip into reserves. Ms. Byard replied it could be a combination of both or one or the other. Mr. Morris

stated he thought the 2021 budget data seemed optimistic. Mayor Dunn stated the City has a very diversified tax base, as opposed to other Johnson County cities who rely heavily on sales tax.

Linda Hanson asked why the City was discouraged from refunding this year. Dawn Long responded, after reviewing a possible restructure of all the debt, the City plans to do a small refund of \$2.4 million. Under advice, Ms. Long said in an environment like this, it would be a huge red flag to Moody's on the City's bond rating. Mayor Dunn and Ms. Long stated doing an advance refund would change a bond to taxable.

2021 Budgeted Revenue

Total All Funds: \$63.1 million – Sales & Use Tax is 30%; Property Taxes is 41%; all Other is 29%.

Revenues by Source

There is an increase of 3.1% over the estimated 2020 Budget compared to the 2021 Budget.

Revenue Increase (Decrease)

As mentioned earlier, Ms. Byard stated the main areas expecting increases include: charges for service and licenses & permits with the expectation that revenue will recover from the COVID-19 reductions in 2020; property tax revenue as assessed valuation is projected to increase by 4.67%; and other revenue areas such as interest income and sales tax revenue. Decreases include: special assessment revenue as no new special assessment debt has been assumed for several years; grants due to less county SMAC funded projects and shared costs from other jurisdictions for the Arterial Street Program; and fines/forfeitures in 2020 and 2021 due to lower actual collections in prior years.

2019 Mill Levy Comparisons

The City of Leawood is the third lowest among surrounding Johnson County cities.

Assessed Valuation and Mill Levy

A Governing Body or voter-approved mill levy increase has not occurred in Leawood since 2003. The 3-year average growth is 5.3%; 5-year average growth is 5.0%; and the 10-year average growth is 4.1%.

Average Appraised Value

The average appraised value of a home in Leawood is \$585,574. It is an increase from 2019 of \$557,328.

Where Your Property Tax Dollars Go

The average Leawood resident living in the Blue Valley School District pays \$51 out of \$100 in property tax payments to the USD #229. The City receives \$19 of every \$100. Slightly less is paid by residents living in the Shawnee Mission School District. The highest percentage of a paid tax dollar goes to schools.

Average Residential Property Tax/Monthly Property Tax

The average Leawood resident located in the Blue Valley School District pays approximately \$1,653 per year, in property taxes to the City. Using the average appraised value of a house, the City will receive \$1,653 in ad valorem tax revenue in 2021.

Councilmember Azeltine recommended that the median amounts, as well as the averages, to be included in the budget packet for next year.

Budgeted Expenditures/Expenditures by Department

Comparison of expenditures by department is based on the original budget, as some cities do not have 2020 information available. All of Leawood's expenditures were close to the average by department. It was noted that Olathe manages their own utilities such as water, sewer and trash.

Expenditures Increase/Decrease; Expenditures by Department

The largest decrease is in Parks and Recreation due to the completion of some planned park improvements, the reduction of park improvements from \$1 million to \$600,000/year, and the full payment of the 2000 bonded park improvements.

Budgeted Expenditures/Expenditures by Category

Listed by departments, the largest expenditure is 45% in 2020 and 49% in 2021 for personnel.

Councilmember Sipple stated it appears the expenditure budget is high verses the revenue. Ms. Byard explained it appears higher because the City budgets a 15% reserve, allowed by the State. Since 2000, the City's revenues have exceeded the projection every year by 4.2%. Expenditures have been lower on the projections by 13.3%. Mayor Dunn commented that, historically, the City has been very conservative.

Comparison of expenditures with Overland Park, Shawnee, Lenexa and Olathe in the categories of Personnel, Contractual Services, Commodities, Capital and Debt Service are based the 2020 original budget data. Leawood's values are on track with calculated averages.

2021 Personnel

- There are 262 full-time employees and 295.01 FTEs
- In the 2020 estimated budget, three casual/seasonal positions were added, including a 0.23 FTE intern position to Planning and two 0.25 FTEs to the Cultural Arts & Theatre programs in Parks/Recreation. A 0.31 FTE casual/seasonal position within the Parks/Rec Sports program was eliminated.
- Also in the 2020 estimated budget, the part-time/on-call firefighters, 0.69 FTE positions, were eliminated and a full-time firefighter position was added.
- No future new positions are currently forecasted. The one new position planned for every other year in the financial planning model has been removed.

2021 PAYG Capital Budget

The 2021 Pay-As-You-Go [PAYG] Budget is presented by all funds, by department, by category and funding source. Specific PAYG projects were discussed in the recent Capital Improvement Program Governing Body Work Session. Funding sources for PAYG projects are the General Fund, Grants, Gasoline Tax, Sales Tax, Alcohol Tax, and All Other.

Councilmember Cain asked about the capital expense type under the Public Art 2020 estimate and 2021 Budget. Ms. Byard replied it is due to the projects that are planned and being started and completed in 2020.

Reserves – Debt Service Fund

The City's forecasting policy is to keep 35% reserve in the Debt Service Fund. The amount of debt reserve has always greatly exceeded policy. Any overage above 35% is forced into the General Fund.

2021 Budget Calendar

- June 15, 2020: County Clerk releases valuation information used in the levy limit calculation.
- July 1, 2020: Deadline to notify the County Clerk if an election is desired.
- July 6, 2020: Resolution calling for a public hearing on August 3, 2020.
- July 14, 2020: Publication of the August 3, 2020 public hearing notice.
- August 3, 2020: Public hearing on the 2021 Budget; and 2021 Budget approval.
- August 25, 2020: Deadline to file the 2021 Budget with the County Clerk, if no election is needed.
- September 20, 2020: Date of Mail Ballot Election, if an election is needed.
- October 1, 2020: 2021 Budget due to County Clerk, if an election is needed.

Councilmember Rawlings asked about amendments to the budget after August 25th. Ms. Byard confirmed that once the budget is published in the Legal Record for public notice we can still collect more revenue than projected, but that the City cannot spend more without an amendment to the State of Kansas.

Councilmember Osman inquired if the Budget Committee could be given an amortization schedule of each series of the bonds. Ms. Byard said she will provide that.

Councilmember Filla asked about the funds Johnson County received directly from the Federal Government and when it will be dispersed.

Mr. Lambers explained the County did receive money for COVID-19. The County is arguing that the cities of Johnson County need to complete applications requesting funds. The State told the County that cities do not need to do applications, but also the County is not under any obligation to share it. Mr. Lambers stated that whether the County decides to keep the money, the City of Leawood is still in good shape and can weather the storm.

Councilmember Filla asked Mr. Lambers about the next wave of unemployment. Mr. Lambers said he believes the states and counties are hurting because of the costs of rising health care and how they have decided to make expenditures adjustments. Labor is usually the biggest part of a budget, followed by capital projects, which in turn can hurt a recovery effort.

Mayor Dunn clarified the money Mr. Lambers is referring to is going to cities. The billion dollars Councilmember Sipple referred to would be going to businesses, etc.

Mayor Dunn thanked Ms. Byard for her presentation.

General Operations and Administration Departments – Finance Director Dawn Long

Ms. Long began her presentation by stating departments were not given any latitude to increase their budgets.

2021 Budgeted Expenditures

General Operations is 8% and Administration is 10% of the total 2021 budgeted expenditures.

General Operations

Operations is 88% of the General Operations by fund and Citywide Grants/Services is 13% of General Operations by Function.

Administration

Programs within the Administration Department are City Administration, Finance, Information Services, Human Resources, Legal Services, Court, and Community Development. The largest function, 77% of the Administration Department, is Personnel. The total of all funds is \$6.7 million. Mayor Dunn acknowledged her appreciation to all the Department heads and their attendance at this meeting. Ms. Long stated within the Administration Department there are 43.41 full time positions.

Program Accomplishments

Highlights of accomplishments include:

- GFOA CAFR Award – 2018; GFOA Budget Achievement Award – 2020.
- Implementation of GASB84 (Fiduciary activities) and GASB88 (Debt disclosures).
- Continuation and implementation of several employee wellness programs including the Garmin challenge; on-site Weight Watchers; and virtual reality demos for employee emotional health & well-being.
- City-wide mental health/suicide prevention and Stop the Bleed/Active Shooter training.
- Implementation of Fortinet IOC, web and mail firewall, JAMF mobile device management software; and the replacement of Cisco network infrastructure.
- Legal support to update Massage Therapy regulations; and ordinance updates adopting new building codes.
- Continuation of efforts in Court to streamline the court session process.
- Update of 2019 Comprehensive Plan; adoption of 2018 ICC and 2018 IEC.

Council Priorities

- 17.2% ratio of administrative employees to direct service employees (overhead).
- AAA bond rating and GFOA awards.
- \$2.5 million total revenue from administration programs.
- 100% of inspections performed on time.
- Approximately 13,700 neighborhood and code inspections per year.

Ms. Long stated all priorities are ranked green for continued positive movement. Councilmember Harrison asked Ms. Long to clarify the code inspections figure. Ms. Long stated the number is for all the inspections done through Neighborhood Services and the Codes Department and not through the Action Center.

Ratio of Administrative Employees to Direct Service Employees

Over the last 10 years, the ratio of administrative employees to direct service employees at its highest was 18.5% and currently it is 17.3%. The City has maintained its same quality of service consistently.

Ratio of Administrative Employees to Direct Service Employees – Comparison to Other Cities

It was noted that some cities do not include Community Development positions in their Administration for the ratio of administrative employees to direct service employees.

Administration Departments by Program, All Funds

Decreases were seen in Information Services and Municipal Court with a slight increase in other Departments for an overall increase of \$89,400 or 1% change.

Administration Departments by Function, All Funds

Changes from the 2020 estimate to the 2021 Budget include Personnel, 4% increase; Operating, 3% increase; and Capital, 43% decrease.

Administration Departments by Function, Change from 2020 Estimated (\$89,400)

An increase in Personnel is due to planned wage and benefit changes. A decrease in Capital is due to the planned completion of the final phase of the fiber connectivity project in 2020 and less capital replacements.

Councilmember Sipple asked about the change in Municipal Court. Patty Bennett explained their department is purchasing replacement fingerprint scanner software. The staff is scanning much more than they used to in the past.

Police Department – Chief Troy Rettig

2021 Budgeted Expenditures

Police is 17% of the 2021 Budget. There are 84.23 positions; 46 of those positions are patrol and traffic.

Program Accomplishments

- Hired a total of 11 new employees during 2019; Police Training officers worked over 680 shifts training new recruits.
- Received the Safest City in Kansas recognition from Background Checks.org and Alarms.org. Also named the safest city by the National Council for Home Safety.
- Transitioned to having the City's alarm program managed by CryWolf.
- Transitioned to a new records management system, NICHE.
- Received the AAA Platinum Traffic Safety Award for the 6th year.
- Collected over 600 lbs. of unwanted pharmaceuticals through DEA takeback.
- Realized a 25% decrease in reported burglaries; a 46% decrease in auto burglaries; and a 22% increase in DUI arrests.
- Installed 3 stationary license plate reader cameras.
- Implemented the ETAC (Coplink) data collection programs (CLEAR, Accurint, Vigilant.)
- Detectives cleared 100% of robberies; and 75% of aggravated assault and battery cases.
- Detectives participated in 2 metro squads, ending in arrests in Belton and NKC; and participated in 3 Johnson County involved shooting cases.
- The department re-started the Community Fishing Derby; attended by 70+ children and their families.

- Assisted with Prairie Star Middle School's "Seatbelts are for Everyone" SAFE campaign.
- Hosted a high school intern - part of the SMSD's Blue Eagle program.
- Continued the "Coffee with a Cop" community interaction events.
- Animal Control officers were involved in a successful multi-jurisdictional effort to contain a loose dog from Egypt with potential rabies.
- Animal Control offices participated with the Kansas State Animal Response Team with the flood emergency in Elwood, KS.

Chief Rettig pointed out there is a high number of new hires due to a large number of retirements. The department could use more recruits but the retirements are not happening as often at the same time. The crime rate remains remarkably low for a city this size. The license plate readers will be added throughout the city. The fishing derby is on hold for now.

Councilmember Harrison asked if many people with warrants or stolen cars are being caught due to the license plate readers. Chief Rettig confirmed yes, but it is not a revenue generator.

Council Priority

- 3:48 minute average response times for emergency calls.
- Crime rate – 27.0 (per 1,000 residents).
- 78% of survey respondents feel safe in their neighborhood.
- 9,906 traffic citations issued.
- 84% of survey respondents rating dispatch services good or better.
- 225 active cases cleared.
- 80% of respondents satisfied with police service.
- 71% of DARE [Drug Abuse Resistance Education] funded by the Alcohol Tax.
- 1,777 children benefited from the DARE program; 326 children completed the program in 2019.
- Total department overtime usage is 9% of salaries.
- 11,348 case management entries processed.
- 1,162 Animal Control calls.

Chief Rettig cautioned the numbers reported in the citizen surveys in that not many people participate in it, although it is open to the public. Councilmember Azeltine stated he saw many positive comments for the Leawood Police on the City's website.

Chief Rettig stated that traffic citations are down, due to better driving and less traffic with people working from home during COVID-19 shut downs.

Councilmember Cain commended Chief Rettig on his responses to the public regarding the environment of today, and of all the positive work and information coming from the department and City, in general.

Councilmember Harrison asked about the overtime usage. Chief Rettig stated it is a very consistent number. Officers and staff have the ability to use comp time and more often use their overtime as time off, rather than pay.

Councilmember Larson stated she would love to see the Police Department expand more on social media. Mayor Dunn explained more dialog needs to continue on that subject with the City's Attorney in using those means of communication.

Councilmember Filla asked about the tactical equipment as compared to other cities. Chief Rettig stated the City of Leawood does not have a SWAT or tactical team or such equipment.

Mr. Morris asked if the City's police officers wear body cameras and what was the cost. Chief Rettig responded the officers do wear cameras and that a body camera is approximately \$600-\$800 each. Mr. Morris asked about the storage of the camera files, of which Chief Rettig stated our Information Technology Department stores the files in-house at a great savings to the City.

Councilmember Osman asked about possible funding to help officers in cases of large events/crowds or civil unrest in the City of Leawood or surrounding cities. Chief Rettig stated in his experience there is no other region in the country whose law enforcement works as closely together as the Kansas City Metro Area. He stated if the City of Leawood presented a bill to a neighboring city for services, it would damage good will. Chief Rettig stated there are incident procedures in place.

Councilmember Osman asked what budgetary plan is in place if COVID-19 hits the department with illness to its officers. Chief Rettig stated cooperative agreements with other cities to assist and fill in as needed was discussed this spring but the budgetary aspect would need to be discussed per incident. Councilmember Cain asked if Leawood Police were already assisting other cities. Chief Rettig said not at this time.

Councilmember Cain asked about the Ring Doorbell initiative, in which Chief Rettig apologized that it was missed in the budget report.

Average Response Time Comparison – Emergency Calls

Chief Rettig stated there was a change this year in reporting emergency response times. In the comparison data other cities started their response time from when a phone call is received until the officer arrives. Leawood was reporting their start time from when the officer was dispatched.

Police

Patrol & Traffic employs the greatest number of people in the department and accounts for the largest portion of departmental expenditures. Expenditures are highly-driven by personnel costs [82%].

Police Department by Program/Police Department by Function – All Funds

There was a decrease in Administration [-5%] due to capital changes, and no new vehicles to be purchased.

Councilmember Harrison asked if the DARE officer did any contact virtually with the schools. Chief Rettig stated the officer went back on patrol and awaits for communication from the schools on plans for the fall.

Police Department by Function

There is a large decrease in the capital.

Councilmember Sipple asked if there are plans to have Bicycle Officers return to the trails. Chief Rettig stated when scheduling allows, they are currently on the trails, but the department is not fully staffed as of yet.

Mayor Dunn thanked Chief Rettig for his leadership.

Fire Department – Chief Colin Fitzgerald

2021 Budgeted Expenditures

The Fire Department comprises 14% of the 2021 Budget.

Fire

The department has a budget of \$9.0 million and 54.80 positions, covering Administration, Operations and Prevention & Investigation.

Program Accomplishments

- Completed the annual reporting requirement to the Commission on Fire Accreditation International.
- Maintained ISO Class 1 rating from the Insurance Services Office.
- Conducted live burn training at the Southern Platte Fire Protection district training center.
- Hosted the 9th annual international French intern from the University of Bordeaux.
- Participated in the annual HOA Sustainability Summit.
- A total of 380 students received CPR or CPR/AED/First Aid training.
- Certified department technicians installed 112 child/infant car seats.
- Upgraded all City facilities to new ZOLL AEDs including 2 new locations.
- Upgraded the storm warning siren at 3800 College Blvd.
- Continued coordination of City projects for FEMA reimbursement from 2017 floods.
- Citywide participation in Johnson County “Games of Drone” full-scale exercise.
- Hosted 1st LFD Family Night to help first responder family members.
- Updated 5-year LFD Strategic Plan for 2019-2024 with public and private input.
- Tested/certified fire hose, ladders and equipment to industry standards.
- Designed and ordered the replacement apparatus for Station #3’s Quint 33.
- Conducted 259 public events (tours, visits, education, block parties, etc.)
- Performed 1,123 building inspections and completed 56 residential smoke alarm assists.
- Reviewed 163 construction plans and issued 13 special permits.

Chief Fitzgerald stated they are disappointed that an international intern will not be able to come for a 10th year due to COVID-19. Some of the department’s accomplishments Chief Fitzgerald highlighted were updated AEDs in City facilities; the department’s first LFD Family Night set up to help first responders and their families with guest speaker Jenny Prohaska; and updates to their 5-yr. Strategic Plan.

Council Priority

- Each firefighter protects an average of 647 residents.
- Realized a turnout time on all calls [90th%] of 1:11 minutes.
- First unit on scene travel time [90th%] of 5:48 minutes.
- Effective response force time [90th%] of 11:06 minutes.

- 100% of the City sirens tests are in working condition.
- The 2021 budget expenditure per citizen for Fire/EMS protection is \$234.
- An average of 27 hours of training per firefighter, per month, occurred in 2019.
- 3% overtime as a percent of regular salaries.

Chief Fitzgerald stated the turnout time went down and scene travel time and effective response times went up slightly. He stated this can be due to construction on Mission Rd. but the area with highest call volume also has the highest travel time, which can cause a disproportionate effort to the overall data.

Councilmember Sipple asked to define effective response force time. Chief Fitzgerald explained it is when there are enough units on scene, and although it can vary depending on the emergency, it is measured by a complex matrix.

Training hours continued as usual but tracking has been better. The overtime percentage improved due to being fully staffed and taking advantage of on-the-job training.

Councilmember Cain asked about firefighters wearing masks and if that should be a requirement in public as a courtesy. Chief Fitzgerald stated it is not a policy but all firefighters are asked to use social distancing and were provided disposable masks. Masks and/or gloves and safety equipment are mandatory in certain situations. Mayor Dunn stated encouraging face masks in public would be better than requiring them.

Travel Time [90th%], 1st Unit on Scene – Emergency Incidents

The average travel time was 5:31 minutes. Work on Mission Road impacted response times for Fire Station No. 2. Travel time is also impacted by time of day and traffic and can fluctuate from year to year.

Average Travel Time Comparison

The comparisons are between Leawood, Lenexa, Olathe, Overland Park and Shawnee. Leawood's average travel time is on par with surrounding cities. Mayor Dunn stated she admired Leawood's response times.

Fire Department Funds, by Program

The largest program within the Fire Department is Personnel at 83%, followed by Operations at 81%, and Capital at 2%.

Fire Department by Function

Change from the 2020 estimate to the 2021 Budget of 6% included a decrease in Prevention due to a one-time purchase last year. Operations and Administration went up slightly due to being fully staffed and new garage doors.

Councilmember Rawlings asked about calls to 9-1-1. Chief Fitzgerald stated those calls fall to the Police Department because they are the answering point for the City. If the call needs to go to Fire, the County will dispatch it accordingly.

Mayor Dunn thanked Chief Fitzgerald for an outstanding job.

Public Works Department – Director David Ley
2021 Budgeted Expenditures

Public Works comprises 35% of the 2021 Budget.

Public Works

The department consists of 49.71 positions, with 4 open positions seeking to fill.

Program Accomplishments

Highlights of accomplishments include:

- Hosted 6 PW Committee and 6 Stormwater Management Committee meetings.
- Provided oversight of 81 contracts and processed 573 right-of-way permits.
- Coordination of the City's surplus vehicles/equipment.
- Continued coordination with Fire Department to manage the 2017 flood.
- Produced over 40 news releases and construction updates for social media postings and road construction updates.
- Performed over 3,500 hours completing milling repairs; close to 1,000 hours filling potholes; and 782 hours filling curbs and cracks.
- Asphalt overlay on 133rd Street trail, between Roe Ave. and Canterbury Rd.
- Replacement of 2,100 linear feet of curbing and 216 linear feet of sidewalk.
- Mill/Overlay of approximately 12 miles of residential streets.
- Widened Lee Blvd. for bike lanes, resurfaced the roadway, and updated several roadside safety elements including drainage system, guardrails, streetlights and signage.
- Reconstruction of over 7,000 feet of residential neighborhood roadways.
- Completed over 4,000 vehicles and equipment repair work orders.
- Several city building improvements: FS #3 Admin overhead insulation, new flooring in Justice Center report writing area, install badge readers in FS #2 and #3, install 9 AED cabinets, and LED lighting at Lodge.
- Completed CMP replacement Phase 1 program and Patrician Woods SMAC project.
- Replace culvert crossing at Tomahawk Creek Park Entrance, south of 119th.
- Replaced 135 traditional streetlight fixtures with LED lighting.
- Replaced curbs, ADA ramps, and sidewalks along Mission Rd – 92nd to Cure of Ars.
- Utility undergrounding: (Mission, 92-Cure), Mission (119-127), 143rd (Windsor-Overbook).
- Replaced over 400 storm lids, televised over 22,000 feet of storm sewer, performed 1,056 inspections, and over 1,100 utility locates.

Mr. David Ley reported the right-of-way (ROW) permits will drop significantly this year from last year. The department completed about 10% of total mileage of residential streets with a 1" mill & overlay and expect every 10-12 years to mill/overlay every street. Mr. Ley stated they have some issues with it cracking more than a 2" overlay, but it is still a much better process than the slurry.

Mission Rd. at 119th to 127th Street will be open later this week to 2-way traffic, so it is not listed on the program accomplishments. Completions were: 2019 metal pipe replacement project, streetlight fixture replacement, and utility underground projects.

Councilmember Sipple asked why so many storm lids were replaced. Mr. Ley stated the new City logo and “Do Not Throw Trash. Storm Sewer Drains to Streams” added to the lids were the reason for the replacements. The old lids were sold through Purple Wave Auction for some money back.

Council Priority

- \$8,400 annual maintenance expenditures per mile.
- 6.0 average annual street sweepings per street.
- Potholes repaired on average within one day of request.
- 452 lane miles rated at an average of 80.3 PCI [Pavement Condition Index].
- 98.0% street light outages with 48-hour response.
- Zero illicit discharges.
- Average age of vehicles is 5.2 years.
- \$4,339 maintenance expense, per vehicle.
- Responded to 625 requests for service, per Facility Worker.
- 63% of eligible Public Works employees maintain professional certifications.
- \$0.38 utility cost per square foot of buildings.

Mr. Ley stated the annual maintenance expenditures per mile increased due to some projects getting delayed from one year to the next, and mentioned it should be reviewed as a 3-year average. The maintenance expense per vehicle includes fuel, which he stated should be deducted from the report. The service request per facility worker changed from last year due to reporting software updates.

Overall Pavement Condition Index

The index decreased slightly.

Councilmember Azeltine asked if the delays the City is planning will cause an effect on the PCI Index, in which Mr. Ley stated it will be temporary. Councilmember Azeltine asked if the pavement project is bonded. Mr. Lambers responded it is bonded and the reason for the delay is due to the streets already being in good shape. The PCI average is still high above the standard. Mr. Ley stated the inspection of the roadway by computer modeling was going to be done in 2021, but the cost is approximately \$50,000. The decision was made to do the measuring project in 2023 because the 1” mill/overlay is still new, and they would prefer a few more years to show an accurate measurement.

Public Works Department Total All Funds, By Program, By Function

Of the \$23.3 million Public Works budget, 20% goes towards street maintenance and 55% goes towards street rehabilitation, a total of 75%. Capital accounts for 36% of the department’s budget by function.

Public Works Department by Program, All Funds

Street Improvements increased by 20% due to the construction on Kenneth and Mission Roads. There was a decrease in facilities maintenance due to a boiler replacement at City Hall and the completion of the Public Works building 2-bay addition. Stormwater decreased due to project completion at Patrician Woods.

Councilmember Cain asked about the change in stormwater funds for 2021 and the street projects the City is postponing. Mr. Ley explained it is due to a project’s length of time and easement rights, which can sometimes take 3-5 years to complete. Mayor Dunn mentioned Leawood South will be

postponed. Mr. Ley stated that will be a bonded project with the metal pipe replacement project and is delayed for about 1.5 years.

Linda Hanson asked how a project is chosen to be postponed, specifically Mission Rd. at 135th to 143rd Street. Mr. Ley stated they review traffic counts, but they are currently under design for that project for 2022.

Councilmember Sipple asked if there is any incentive to rent large equipment. Mr. Ley stated they did comparisons of street sweepers – cost and maintenance, but there was no cost benefit over a 5-year period. There is approximately a 6-yr replacement cycle.

Mayor Dunn stated she receives lots of compliments about the Public Works Department, and thanked Mr. Ley for his leadership.

Parks, Recreation & Cultural Arts Department – Director Chris Claxton

2021 Budgeted Expenditures

Department budget comprises 16% of the 2021 Budget, which is fairly consistent from last year.

Parks and Recreation

The Parks, Recreation & Cultural Arts budget is \$10.2 million and there are 62.87 positions. Internship positions in sports and programming were underutilized, so with a heavy load for the Cultural Arts Department, they decided to move the positions there. It was also a small savings on the FTE.

Mayor Dunn asked if these are part-time permanent positions or assistants. Ms. Claxton stated they are seasonal student interns.

Councilmember Sipple asked about the annual sponsorship from Commerce Bank. Ms. Claxton stated the bank usually gives the City a donation of \$1,000 and normally it is used for the lighting of City Hall. Mayor Dunn thanked Ms. Claxton for cultivating a relationship with Commerce Bank's leadership group.

Program Accomplishments

Highlights of accomplishments include the following:

- Completed verbal agreement with Leawood Foundation for funding new restroom at the North Lake.
- Coordinated a revised strategy with Troon Golf to improve the inventory process for the Golf Shop.
- Secured an annual sponsorship with Commerce Bank.
- Worked with Leawood Arts Council to secure At on Load piece, “Skywriting”.
- Swim/Dive team participation increased 6% and 5-visit pool punch card sales increased 25% over last year.
- Leawood hosted the Johnson County Swim & Dive League Dive championships.
- Modified the hiring age of lifeguards from 16 to 15 years old.
- Ironwoods Lodge revenue increased 6%; Nature Center by 45% over last year.
- Hosted the Girls Scout Twilight camp for 3rd year and American Heritage Girls summer camps.

- Challenge Course hosted close to 1,000 participants in 2019.
- Over 3,400 children participants in Soccer league; 200+ in First Tee Golf program; and 450 in T-ball/Coach Pitch Baseball league.
- Tennis courts were resurfaced and 8 pickle ball courts were marked.
- Added a reindeer to the Breakfast with Santa event and participation increased 10%.
- Increased the fireworks budget to \$30,000 for the July 4th celebration.
- Hosted 120 dads/daughters at the Daddy-Daughter Date Night.
- Received the Tree City USA award for the 24th year and the Tree City USA Growth award.
- Added a new pump station to Gezer Park irrigation system to improve efficiency and added playground fall protection surface improvements.
- Oversight of the planning and design of the new Park Maintenance Facility.
- Increased acreage in the City's park system with donated greenspace from Village of Leawood development.
- Started a bush honeysuckle removal program to improve native forested areas.
- Moved lake water management to in-house to improve the fishery.
- Ironhorse Golf realized a cost recovery of 86% for 2019; 5% higher than budget; and realized total gross revenue of \$1.85 million.
- Overall assessment of the Golf facility remained 2 points ahead of Troon benchmark.
- Triple Crown passes reached capacity for the first time since the course opened.
- Vista154 hosted over 5,200 guests across nearly 50 events for the year.
- Group golf rounds reached 4, 1256 in 2019; up 25% total group spending up by 21.5%.

Council Priority

- 18.4 acres per each Park Maintenance employee
- 7 days between park mowings
- 98% customer satisfaction rating – Classes
- 98% customer satisfaction rate – Aquatic Center
- 95% program attendance rate – Sports
- 98% customer satisfaction rating – Golf Course
- 70% of classes *offered* meet minimum participation requirements
- 19% - 85% Facility utilization in 2019
- 47% Golf Course utilization ratio in 2019
- Sports cost recovery, operating costs 2019 Actual 89% (2018=101%)
- Aquatic Center cost recovery, operating costs 2019 Actual 78% (2018=85%)
- Programming cost recovery, operating costs 2019 Actual 65% (2018=67%)
- Golf cost recovery, operating costs 2019 Actual 82% (2018=88%)
- Combined cost recovery for all 88%

Ms. Claxton warned that sometimes the numbers can be skewed on the facility usage data because it is meant to cover every opportunity of every hour of every day.

Cost Recovery, Fee-Based Programs

Ms. Claxton mentioned in terms of the combined cost recovery, the national average is approximately 69%, unless it is an agency like Johnson County who is completely enterprise funded. She stated she feels the City can always do better, but is very happy with the current cost recovery.

Ms. Claxton stated according to the data on the pricing policy that was presented to the Governing Body several years ago, it shows a hierarchy of how the department pricing is figured. When reviewing the cost recovery, it is up approximately 16.5% in 2018 and 2019, yet the total amount has remained consistent on the averages throughout the years. Ms. Claxton stated there are always fluctuations with different programs, some needing subsidies and others not. Ms. Claxton mentioned if anyone on the Budget and Finance Committee wished to review the pricing policy, she will make it available to them.

Parks, Recreation and Cultural Arts Department All Funds, By Program, By Function

Personnel is the department's greatest cost, as in other departments. The total, all funds, is \$10.2 million. The department name was changed to Parks, Recreation and Cultural Arts Department to identify agencies with the arts programs under their purview. Overall, due to paying off bonds and some of the projects that were mentioned earlier by Ms. Byard, the budget is down approximately 18% across all funds.

Councilmember Osman asked where the City stands on the number of events for Vista 154. Ms. Claxton stated she will have that information re-evaluated. Councilmember Osman asked if kitchen equipment has been finished or if it is slated for next year. Ms. Claxton explained there has been an architect on site to view the space. Councilmember Osman referenced Sykes/Lady Overland Park Golf Course as a comparison event facility and asked how to get more community to come to Vista 154. Ms. Claxton stated Sykes/Lady was built at a cost of approximately \$6.3 million as a full-service restaurant with a culinary team and chef. She stated that even if the kitchen at Vista 154 is expanded, it would not be able to provide the same type of service as the facility in Overland Park. Ms. Claxton stated they have received a lot of good feedback but they can do better. Mayor Dunn asked if there has been any feedback from caterers on equipment. Ms. Claxton said the issue is needing more prep space.

Councilmember Larson commented that Ironhorse's new general manager seems to have momentum and doing a good job in communication with the advisory board.

Jim Morris commented that the decision of opening the pool for children and families of Leawood was a good decision. Mayor Dunn stated it took a lot of work and planning by Ms. Claxton to make it happen.

Mr. Morris asked to help define the data regarding the 2020 estimated revenue per golf round. Ms. Claxton stated part of the reason is due to being shut down for 2.5 months due to COVID-19. Mr. Morris asked if the revenue is only greens fees or included food, beverage, etc. Ms. Claxton replied it is for everything. He also asked why the capital expenditures increased in the 2021 Budget, to which Ms. Claxton replied it was due to the cost of repairing the parking lot.

Ms. Hanson asked if the Challenge Course at Ironwoods Park can be modified without a fence since she does not see anyone using it. Ms. Claxton stated it is used quite a bit for corporate businesses, but everything there requires supervision by staff. She did add that it is not open for those sessions due to COVID-19 and having so many touch points. Mayor Dunn stated the City's insurance company requires a fence around the course.

Mayor Dunn mentioned the photos in the presentation binder came from Parks, Recreation and Cultural Arts staff, and thanked her and her staff for all their hard work.

Several Councilmembers asked about the pool and when it will open. Ms. Claxton replied the pool opened today and the sessions are starting to fill up. She mentioned having sent an email to the Governing Body with a link to share with their constituents on how to sign up, but some Councilmembers stated they did not receive it. She stated she will check on why they did not receive the information. Mayor Dunn mentioned The Shawnee Mission Post has done several articles on the pool opening. She is working on a data report through the rest of the summer. Ms. Claxton stated the busiest day, so far, is scheduled for Saturday, June 20th.

Committee/Other Discussion

Mayor Dunn stated she appreciated all the discussion and questions throughout the night.

Councilmember Osman stated that even though the Information Technology Department does not present to the Board, he feels it is an area that is woefully under budgeted. He stated in light of the recent pandemic, more people are working remotely and the City's website needs to be updated in order for residents to file permits, pay with credit cards, have licenses process online. He also stated he spoke to Ms. Claxton about an app for pool reservations. Councilmember Osman would like to fund some of the costs to move some services online to save time and money.

Mayor Dunn stated it would be good for a 2021 goal.

Councilmember Harrison stated she would like the Zoom capability to continue.

Dawn Long responded to Councilmember Osman stating Richard Coleman and Ross Kurz had been reviewing software providers prior to COVID-19 for the Planning Department for the purpose of permitting and licensing. The City would be moving from an in-house server to a Cloud-based system, but it is a 2021 goal.

Councilmember Osman asked about the City's computer systems when staff needs to work from home. He asked if the monitors are big enough to view blueprints. Ross Kurz stated his department looked into that issue and purchased large, 32" monitors. He stated as far as Zoom goes, he does not see it going away and the City has its upgraded systems inside City Hall to accommodate for its continued use.

Mayor Dunn thanked Ross for helping some staff members to be able to work from home.

Mayor Dunn thanked the Budget and Finance Committee members for another year of service, especially the citizen volunteers. She thanked Scott Lambers and all the Department heads for their presentations and attendance. She stated the budget meeting scheduled for tomorrow night was not needed.

There being no further business, the Work Session was adjourned at 9:38 p.m.

Kelly L. Varner, City Clerk

Stacie Stromberg, Assistant City Clerk