

GOVERNING BODY WORKSHOP MINUTES
Roeland Park City Hall
4600 W 51st Street, Roeland Park, KS 66205
Monday, May 1, 2017 6:00 P.M.

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| <ul style="list-style-type: none"> ○ Joel Marquardt, Mayor ○ Becky Fast, Council Member ○ Tim Janssen, Council Member ○ Ryan Kellerman, Council Member | <ul style="list-style-type: none"> ○ Teresa Kelly, Council Member ○ Sheri McNeil, Council Member ○ Michael Poppa, Council Member ○ Michael Rhoades, Council Member ○ Erin Thompson, Council Member | <ul style="list-style-type: none"> ○ Keith Moody, City Administrator ○ Jennifer Jones-Lacy, Asst. Admin. ○ Kelley Bohon, City Clerk ○ John Morris, Police Chief ○ Jose Leon, Public Works Director |
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Admin

Fast
Kelly

Finance

Janssen
Thompson

Safety

Rhoades
Kellerman

Public Works

McNeil
Poppa

CMBR Fast called the meeting to order. CMBR Rhoades was absent

I. APPROVAL OF MINUTES

1. March 6, 2017

2. March 20, 2017

The minutes were approved as submitted.

II. DISCUSSION ITEMS

1. Review Reserves and Outstanding Debt

Ms. Jones-Lacy introduced Khaleen Dwyer from Columbia Capital, the City’s financial advisor, who would make a presentation to provide clarity to the Governing Body when contemplating the 2018 budget and whether or not to issue bonds or use a pay-as-you-go approach to fund capital improvement projects.

Mr. Dwyer had a slide presentation to summarize the City’s Capital Improvement Plan over the next ten years and provided a list of the pros and cons of issuing bonds to fund a portion of the City’s projects.

Roeland Park has about \$26 million of capital improvements planned over the next ten years with a portion of those being candidates for bond financing. Mr. Dwyer created a chart that listed the potential projects over the next ten years as well as their anticipated costs.

The pros of bond funding those projects would enable them to be constructed immediately and it also achieves an intergenerational equity to the citizens paying for the funding. Bonding also mitigates future project costs and maintains a strong cash flow to the City.

The cons of bonding funding are the interest and transaction costs to the City as well as increasing its debt burden. Conversely, if the projects are cash funded the City will avoid paying those interest and transaction costs as well as not increasing the City’s debt burden, but it does sacrifice the intergenerational equity and reduce the City’s cash reserves. It also creates an increased uncertainty in regards to long-term planning. Weakening cash reserves also does not allow for emergency cash-funding for any issues that may arise.

Mr. Dwyer provided an overview of what it would cost the City to bond the \$5 million in projects which would estimate out to a net bonding cost of \$1.27 million. The current average interest is around three percent. He also reviewed the state’s legal bonding limit which is 30 percent (\$23.4 million) of Roeland Park’s total assessed valuation.

The City does have sources of revenue to pay for its debt service in special assessments, property taxes and sales taxes. Mr. Dwyer also factored in whether Walmart remains or leaves the City and to allow the sunset of certain sales taxes.

Mr. Dwyer reviewed the City's capital expenditures over the next ten years in three different states with bonds issued in 2018, 2021 and 2024. He also provided a chart that reflected the City's additional accelerated payback options.

City Administrator Moody said the borrowing is not anticipated to be for items such as dump trucks, a street sweeper, and things the City has borrowed on in the past. These have been incorporated into the CIP as a placeholder of those items in a future year in which the City would use their reserves to pay for them.

Mr. Dwyer recommended if the City would be issuing a multiple series of bonds over a long-term period, then they should get a bond rating.

In looking at the City's CIP as of today, assuming nothing changes, the City would not be increasing its debt in ten years from current levels during this finance plan.

CMBR Fast inquired as to the role of Columbia Capital with relation to their fee in a bond issuance situation. Mr. Dwyer said Columbia Capital is paid during the bond issuance, but they do not underwrite the bond. They are paid for their help in structuring the debt and reviewing the documents. They are part of the working group as part of the City's financial advisor, which includes Gilmore Bell bond attorneys, the rating agency, and the state of Kansas for filing fees.

City Administrator Moody said this plan will help them be proactive and will free up funding for other emergencies, and is a true advantage to having the longer-term pay-as-you-go plans to prevent the City from being reactionary.

(CMBR Kellerman left the meeting.)

2. Review Trends in Primary Revenues

Ms. Ms. Jones-Lacy provided a chart of all revenue sources to the City, the majority of which are sales and property taxes. Sales tax constitutes 36 percent of all revenues and 30 percent of revenues in the General Fund. Since 2009, sales tax rates have increased an average of four percent annually. In 2013, the City received a large back tax distribution after it was discovered that some of their revenues were going to Mission.

Property taxes comprise 18 percent of all revenues and 31 percent to the General Fund. Property taxes go to debt service in the General Fund. Ms. Jones-Lacy noted that assessed property values increased 11 percent. City Administrator Moody added that assessed valuation and sales prices continue to have a wide gap.

The Governing Body opened a discussion of lowering the mill levy and what the effects would be. It was agreed that they need more information to continue the discussion.

CMBR McNeil expressed concerns about the higher mill levy since it was raised in anticipation of Walmart leaving. Now that they are staying, she feels there should be a discussion with regards to lowering the mill levy.

CMBR Thompson said she too would like to see the rate reduced two mills.

Mayor Marquardt said that even though Walmart has committed to staying for five years, they do want to go to a bigger site and are actively looking for that site and cautioned the Council not to be overly aggressive with lowering the rate.

CMBR Kelly wants to make sure the City does not get behind again on taking care of the City in areas such as infrastructure and services.

CMBR McNeil said that the bond financing will take care of bringing Roeland Park back up to the standard they expect in taking care of the infrastructure with bond financing and still allow for lowering the mill levy.

Ms. Jones-Lacy also discussed franchise fees which make up five percent of all revenues and nine percent of General Fund revenues. Since 2009, the franchise revenue stream has remained relatively stable.

Court revenues comprise four percent of the total revenues and eight percent go to the General Fund.

3. Branding Creative Brief Discussion

Mayor Marquardt opened the discussion with the contrasting points made in the branding report. There are words to describe the City as community, friendly, small town, hometown feel, for everyone young and old. Yet in the positioning statement it says Roeland Park is an oasis where neighbors and nature thrive together and is moments from everywhere. Mayor Marquardt felt the “moments from everywhere” and the small houses graphic became the dominant feature which is different than what the research seemed to show and that it was focused more on small houses close to downtown. Mayor Marquardt felt the creative brief needed to be amended.

CMBR Kelly said she did not know how much value she would put into the word “friendly” being the largest word in the word cloud as that type of exercise can easily be skewed and they should look at all of the phrases in the word cloud.

CMBR Poppa asked what part of the report would be included in the RFP. City Administrator Moody recommended making the entire document available and the creation of a design would focus on the positioning statement in the creative brief as the design direction components.

CMBR Poppa recommended not to include the design recommendations as they are departing from those as well as omitting the brand launch plan recommendations. He has spoken with designers and they would use the brief as a guideline.

CMBR Thompson asked, as members of the branding committee, if CMBR Poppa and Mr. Mike Hickey felt the brief accurately represented the information that was gathered. CMBR Poppa said he did.

Mr. Hickey said the word cloud was put together by college students who didn’t necessarily have the experience to reflect all that is there.

CMBR Fast said they should also incorporate the findings of the Strategic Planning Committee.

CMBR McNeil said she agreed with Mayor Marquardt that the design part seemed too focused on housing and proximity to downtown rather than community.

CMBR Poppa said he sees community throughout the report but believes in the hands of a design professional community will shine through with the right guidance from the City in the RFP. CMBR Kelly agreed.

CMBR Kelly said she sees the inference of community in the report, but also recommended leaving in the designs they do not want so that the designer will be aware of that.

CMBR Janssen asked Ms. Jones-Lacy why she personally was moving to Roeland Park. She responded that her family wanted a bigger house and there was new construction in Roeland Park. She also wants to live in northeast Johnson County and enjoys the City’s urban feel, but wants to be close to downtown.

CMBR McNeil said what bothers her about the descriptions is they seem to say move here, but you can go everywhere else that's cool and exciting because Roeland Park is right in the middle of it. She said they should do more than just try to get people to live in Roeland Park and they should make it worth something and not promoting Mission, the downtown and the Plaza.

CMBR Kelly said it's okay to be the bedroom community and the hub to all the other things. In Roeland Park she can walk to places, knows her neighbors, but still has access to all those other things.

CMBR Poppa said everyone has a lot of good reasons, right reasons for living in Roeland Park and they are all found in the creative brief.

CMBR McNeil added that she really appreciates the neighborhood watch signs designed by the Mayor and thinks that is what needs to happen in Roeland Park as showing they're unique and there should be more of that.

CMBR Poppa asked if it is possible to define in RFP that they want a design to incorporate a more community feel. City Administrator Moody said they could do that.

There was agreement to move forward with the RFP.

4. Update on May Appointments – Committee Liaisons

City Clerk Bohon said she had three openings, one for Community Events, an alternate for Parks and another for MARC First Tier Suburbs.

CMBR Fast volunteered for Parks. CMBR Thompson said she would do First Tier Suburbs. CMBR McNeil wants to be the alternate on 47th and Mission Road and to put CMBR Janssen and CMBR Rhoades as the regulars. CMBR Poppa will do Community Events and will resign if someone else wants to be on it.

5. Rezoning of Old Pool Site (The Rocks) Ordinance

City Administrator Moody presented the rezoning request approved by the Planning Commission and is to be referred to the City Council for rezoning to CP-2 (Planned General Business) as it is currently zoned Single Family Residential (SFR). CP-2 is the same zoning as the northeast and southwest corners. The northwest corner is zoned multi-family.

CMBR Fast recommended it be placed on New Business as two Councilmembers were not present.

6. Preliminary Development Plan (The Rocks)

Mayor Marquardt asked how difficult it would be, once accepted, to move to a different design as it has a specific development indicated on the plan. City Administrator Moody responded that the action to be taken is separate from the Preliminary Development Plan. Staff fully expects that this Preliminary Development Plan will be changed. They are required to present a development plan along with a rezoning request which is why it is in its present form. Changes will be made and presented to the Planning Commission for review and approval, then to Council.

CMBR McNeil asked what the status is for the hotel and the zip line. City Administrator Moody said both feasibility studies have been completed and have come back positive. The motel group said they have other projects they are working on, but continue to express an interest in the site.

CMBR McNeil also asked about the status of the Commerce Bank site, not part of this project. City Administrator Moody said both the bank and hospital have had their building permits issued, made their one percent for art deposit and will soon begin construction.

CMBR Fast asked if they find they are unable to attract a hotel what would be other options. CP-2 zoning does not provide for residential and City Administrator Moody said it would need to be rezoned if they would look to adding multi-family or office and multi-family.

CMBR Thompson said that with the CP-2 zoning it would include office and retail but not apartments.

City Administrator Moody said the motel is a key component and is important to the restaurateur and the challenge course. He said it all works together and is a good mix of uses on the site to create a regional attraction.

Mr. Moody said that the traffic and stormwater analysis are required for the rezoning. There are no recommended off-site improvements by the traffic study. With regard to the stormwater the lots could provide individual detention or Lot Number 4 on the east could serve as a regional detention facility. Currently it is stated that detention is needed, but how it is addressed is dependent upon how each lot is developed.

Ms. Jones-Lacy said they could invite the SKW engineer to speak to the Governing Body at a Council meeting.

There was agreement to place this onto New Business at the next Council meeting and hold off on the engineer.

III. NON-ACTION ITEMS

City Administrator Moody City Administrator Moody said at the next meeting they would be reviewing the budget and three-year projections. They would also be providing numbers for re-estimated 2017 figures. Each department head will also be presenting their budgets.

IV. ADJOURNMENT

CMBR Fast adjourned the meeting.

(Roeland Park Governing Body Workshop Adjourned)