

**GOVERNING BODY WORKSHOP MINUTES**  
**Roeland Park City Hall**  
**4600 W 51st Street, Roeland Park, KS 66205**  
**Monday, May 8, 2017 6:00 P.M.**

- Joel Marquardt, Mayor
- Becky Fast, Council Member
- Tim Janssen, Council Member
- Ryan Kellerman, Council Member

- Teresa Kelly, Council Member
- Sheri McNeil, Council Member
- Michael Poppa, Council Member
- Michael Rhoades, Council Member
- Erin Thompson, Council Member

- Keith Moody, City Administrator
- Jennifer Jones-Lacy, Asst. Admin.
- Kelley Bohon, City Clerk
- John Morris, Police Chief
- Jose Leon, Public Works Director

**Admin**  
Fast  
Kelly

**Finance**  
Janssen  
Thompson

**Safety**  
Rhoades  
Kellerman

**Public Works**  
McNeil  
Poppa

CMBR Fast called the meeting to order. CMBR Kelly appeared by phone.

***PUBLIC COMMENT***

**Tom Madigan** (5316 W. 49<sup>th</sup> St.) Mr. Madigan spoke in favor of pay-as-you-go project funding and cautioned the Governing Body on issuing bonds. He also suggested posting public signs advertising the upcoming budget forum.

**I. DISCUSSION ITEMS**

**1. Executive Session – Legal Matters**

**MOTION:** CMBR POPPA MOVED AND CMBR MCNEIL SECONDED THAT THE COMMITTEE RECESS INTO EXECUTIVE SESSION TO DISCUSS LEGAL MATTERS PURSUANT TO THE EXEMPTION OF OPEN MEETINGS WITH THE OPEN MEETING TO RESUME AT 6:17.

CMBR Fast recalled the meeting to order at 6:18 p.m.

**2. Budget Presentation – All Funds**

CMBR Fast inquired about the voting process to pass bond funding.

City Attorney Mauer said the City can issue bonding authority to a certain amount. If they need more authority, then they can ask the voters for that authority. It is all dependent upon the types of bond requests.

Ms. Jones-Lacy has spoken to Gary Anderson who said they must make sure charter ordinances allow them to issue debt service for specific purposes. The ordinance currently on the books states they can issue debt service for anything that is considered a major roadway. They will be amending the ordinance to include all roadways within Roeland Park as most bond projects are for road projects.

City Administrator Moody opened the budget presentation with a Fund Summary that outlines revenues and expenditures.

CMBR McNeil reiterated her desire to lower the mill levy noting that with the property level increases bringing in more funds to the City it would be her desire to lower it even more than the two mills she previously recommended. She further stated that since the City has built up their reserves in anticipation of Walmart leaving, it is wrong to continue with the higher mill levy.

City Administrator Moody said that the General Fund begins with the cash carryforward from the prior year. In 2016, there was a \$2.3 million cash carryforward. Based upon the auditor's work to date the preliminary ending fund balance for the General Fund for 2017 is anticipated to be \$2.696 million. Cash carryforward for '18, '19 and '20 are projected to continue to increase.

Ms. Jones-Lacy stated that Interest on Investments is a difficult one to try to project. Columbia Capital provided them their best estimate and that was then divided out amongst all the funds that have idle cash on hand. It is projected the same for years out, but will likely change. It is based on \$47,000 of revenue from interest earnings on invested dollars, but does not take into account any market gains or losses.

City Administrator Moody pointed to the Total Resources and noted that it includes the Cash Carryforward as well as revenues. They back out the Cash Carryforward so it reflects the total actual revenue for the year.

Ms. Jones-Lacy reviewed the General Overhead which is every general expense the City has and includes information technology, auditors and professional services.

Also included was the trial period of issuing more newsletters and the cost of hiring someone to design a more professional looking newsletter.

CMBR Poppa asked if they were able to see detailed information for each line item. City Administrator Moody said their current software does not allow that. Ms. Jones-Lacy has created a separate tab for those line items. She stated that they do not have in-house accounting and use Miller who will be getting a new system that may have more capabilities available. Ms. Jones-Lacy clarified that the General Fund document does not detail what is included in each heading.

CMBR McNeil asked about the increase of 5219, Meeting Expense. Ms. Jones-Lacy created a new line item to account for meeting expenses such as an RFP where they are serving lunch to an interview panel, or hosting an event for the chamber. Previously those costs were in Miscellaneous.

CMBR Rhoades also stated it would be nice to have hyperlinks on each individual item as this would be helpful to the Council. Ms. Jones-Lacy said it would require a new software. City Administrator Moody said they are able to provide the Excel spreadsheet that has that information, but it would not be hyperlinked.

CMBR McNeil asked about the increase in 5220, Streetlight Repair and Maintenance. Ms. Jones-Lacy said the savings are in the traffic signal expense. The traffic signal expense is a fee paid to KCP&L for the traffic signals.

Community Events, 5237, CMBR McNeil questioned the \$27,000 expense in 2013. Ms. Jones-Lacy believed this was part of a reimbursement, but would have to look at the details.

CMBR McNeil noted \$4,000 in the 2017 budget and Ms. Jones-Lacy said this was to meet the objective for Christmas lights at \$2,000. The other \$2,000 is for City-funded events.

Ms. Jones-Lacy did want to state that she would be unable to recall every single expense in the past three years and was not anticipating questions for every single line item. She would be happy to share that information outside of the meeting and believed they should focus the time on the actual budget, what they're doing and what is new.

CMBR Fast said in the past they have been able to go through individual line items.

Mayor Marquardt said they should be able to go through the presentation and then get into the big picture of the mill and bonding.

Ms. Jones-Lacy directed everyone to 5249, Branding Implementation. This is a new objective for 2018 and includes the \$24,000 for the branding launch.

Insurance and surety bonds is the property liability insurance, auto insurance, public official liability insurance, et cetera. 2017 includes what the deductible will be for the stolen vehicle. It is expected to be an average 11 percent increase in property liability insurance. They will be receiving the bill next week and will update the current figures.

It was also noted that there will be city elections in 2017 and 2018.

The Public Relations item includes last year's objective for business networking and is an ongoing expense. It also includes when Councilmembers attend chamber events.

Each committee receives \$1,000 in funding.

Property taxes have decreased as they are no longer paying taxes on the Family Conservancy suite.

5266, Computer Software, includes Planet CIP software and anticipated website maintenance.

Pool Operations, in 2018 there is a full year's worth of expenses budgeted. 2019 is when it is anticipated that Johnson County will end their agreement with the City.

With regard to the TIF funds, 5751, the full amount of the ad valorem taxes must be accounted for including the TIF revenues into the revenue projection. If they do not do that, then Johnson County will short the City on revenues. They are shown as an offset as an expenditure to reflect what is being diverted into the TIF funds.

The expenses for the pool increased a bit because it is an aging structure and there were items that needed to be repaired that were not accounted for.

## **POLICE DEPARTMENT**

Police Chief Morris presented his budget to the Council. He thanked City staff for working very hard with him on the Police and Court budgets.

5206, Travel Training Expenses will be reduced by \$1,000. This item includes annual training. Motor fuels and lubricants are also expected to decrease. And increase is reflected in 5308, Uniforms and Duty Gear. One pair of pants and one shirt per officer is \$109 and for the department would be \$8,720 annually. The uniforms do wear out. The price does not include patches, stripes, rain gear, boots, winter jackets, windbreakers, et cetera. Roeland Park Police Department does supply its officers all of their gear and clothing. They do not have any Class A uniforms that are used for special occasions. He noted that the cost of ammunition has decreased some. Chief Morris said he does not have any major requests from the Governing Body in this budget.

It was noted that there is a six percent increase in salaries to employees. The six percent is in keeping with area cities, but City Administrator Moody said they will develop a merit system proposal to the Governing Body. He added that there is a cost associated with turnover and if they can make adjustments to keep people at Roeland Park, then that will save money to the City in return.

CMBR Fast requested a list of turnover by department, as well as the bond and interest mill levy by cities.

City Administrator Moody added that included in the Police Department's six percent increase is also to address the objective to have a stronger police present in the areas that see the highest crime in the City.

## **COURT**

Police Chief Morris said there is no significant change in court expenses other than prisoner care. After an analysis over the past several years it's impossible to determine how many people would be incarcerated. The rate is \$35 a day and the department does try to recoup that. They have budgeted \$6,000 for that item.

Chief Morris advised everyone to stay safe and call 911.

### **NEIGHBORHOOD SERVICES**

Ms. Jones-Lacy said there are not a lot of changes. Other Contractual Services (5214) in 2016 is when there was a changeover for the building services and they needed to rely on a contractual services until that position was filled. In future years it consists of mowing that is outsourced. Office Equipment includes laptops for Codes Enforcement staff.

### **ADMINISTRATION**

Ms. Jones-Lacy said this includes three full-time employees and two part-time employees. The administrative intern is also covered under this expense. For computer software that was budgeted, that item was moved to General Overhead (101). Office Equipment (5403), is budgeted at \$1,500 to replace a laptop.

### **PUBLIC WORKS**

Public Works Director Leon reported that most of the budget remains the same. They are budgeting \$300 for printing which would include door hangers to notify residents of upcoming street work. Travel expenses and training reflects a \$5,000 increase. In 2018, Kansas City is holding the Public Works Expo and has asked the cities for a donation to the effort. It includes tickets for the staff to attend. Maintenance and repair of building decreased quite a bit. In anticipation of the new Public Works building they have not budgeted as much as in the past.

CMBR McNeil thought that Maintenance Streets Contract (5221) at one point they had raised that to \$400,000. Public Works Director Leon said there are three different line items for streets. One is for contracted street maintenance, in-house, and then reconstruction of streets.

Ms. Jones-Lacy added two of those are in the Special Infrastructure Fund.

CMBR Rhoades asked for clarification on Grounds Maintenance (5261) such as mowing. Public Works Director Leon said mowing is Other Contracted Services (5214). Mr. Rhoades asked for to see what the numbers were to have property mowed versus mowing it in-house.

Traffic Control Signs dropped \$7,500 in anticipation of purchasing traffic counters and a budgeted amount of \$4,500 is appropriate. Computer software includes the maintenance fees for the GIS program. Ground Maintenance covers all things in parks except mowing or the string trimming. It consists of the fertilizers, mulch, landscaping and materials.

City Administrator Moody said the Parks Committee reviewed the City's parks identifying things to repair or to be maintained and they were prioritized for Mr. Leon. The parks have been inventoried and they use these budget resources to address items as they are able.

Public Works Director Leon is recommending to raise the tree maintenance line item \$10,000 for four years. His department needs to trim the trees that are impacting the street lights. The City Forester has put together an inventory and a schedule over the next four years to trim the trees. Mr. Leon said this would most likely be a contracted service.

Mr. Leon said they are budgeting for new office furniture for the new Public Works building. In the past they have taken whatever the City no longer used. The expense would include new desks, chairs, a conference table, and a break room table.

## **EMPLOYEE BENEFITS**

Ms. Jones-Lacy said the highlighted cells are estimates that they have received from LKM, but the state does not release the percentage increases until next month and they will update them at that time. She also noted that last year the City did not have any work comp claims.

## **SOLID WASTE**

City Administrator Moody reported that the Salaries line item reflects the Public Works employees' salary portion for the leaf program. It also includes the equipment used and the disposal of the leaves. The solid waste contract reflects the lowest proposal price they have received.

After discussion the Council reached a consensus to provide some type of documentation, resolution or otherwise, designated what the reserve funds are intended to be used for.

Ms. Jones-Lacy asked if the Council would want to keep those funds in the General Fund as they are currently split up amongst the General Fund, Special Infrastructure Funds, Special Street Fund and the Community Center Fund.

CMBR Rhoades said he would like to see it in one fund to reflect one total number. Ms. Jones-Lacy also said the funds could also be invested. The City's investments are very conservative and are not placed at a risk.

## **SPECIAL LAW ENFORCEMENT**

These funds are based off drug forfeitures and the budget is not complete for this item.

## **BOND AND INTEREST FUND**

This reflects the 4.978 portion of the mill levy for the ad valorem tax. It includes the RV, heavy truck, motor vehicles, and personal property taxes from residents. It also includes special assessments from the drainage districts.

## **SPECIAL STREET FUND - 27A**

This fund includes the sidewalk objectives and the CARS project designed by the resolution recently passed by Council. Professional Services are for general consultation or assistance Public Works would need. An increase in 2019 is anticipated ahead of the 2020 Roe project.

CMBR Fast asked to see a list of the goals that the City has completed and the status of those remaining.

CMBR Rhoades suggested a discussion with regard to adding funds to Sidewalk Project (5454) in 2019 and 2020. Public Works Director Leon said they will be adding sidewalks as part of the reconstruction of streets. They will focus on poor streets that need to be reconstructed, but also streets where they can add sidewalks. Public Works Director Leon will have a presentation coming up on this.

## **COMMUNITY CENTER FUND - 27C**

Mr. Moody said this fund currently has about a \$350,000 balance and is expected to grow through 2020. A portion of the City sales tax goes directly into this fund. Ms. Jones-Lacy said beginning in 2018 for over a period of five years they will start replacing all the T-12 lights in the Community Center. They will also be replacing condenser units.

## **SPECIAL INFRASTRUCTURE FUND - 27D**

This fund reflects the street re-pavement option (4155). The Grants/Donations - Private is for the shade structures in 2018. In 2020, it will be for a shelter. Professional Services (5209) include street work and stormwater maintenance work. Ms. Jones-Lacy added that in 2018 there is \$20,000 for the R Park Master Plan which is an objective. City Administrator Moody said there are a lot of CIP projects paid for out of this fund and reflects \$1 million in bond proceeds coming into it in 2018.

## **EQUIPMENT & BUILDING RESERVE FUND**

Ms. Jones-Lacy said this fund does not have any specific revenue source and monies are transferred in from General Fund and the Special Highway Fund and accounts for all equipment and vehicle purchases. In 2018, the Building Expense increases to account for the new Public Works building. Non-appropriation Expenditures (5707) accounts for savings for reserves for major aquatic center or City Hall repairs or replacement.

**TIF 1A/B - BELLA ROE/WALMART**

In 2020, there is an expense under 5454 for CARS projects. The plan is to use some proceeds from this fund to cover the 2020 Roe Boulevard project. Staff will be submitting a new project that would allow them to use these funds for that project. The Bond Interest increases substantially in 2017 as the debt will retire early.

**TDD #1 FUND - PRICE CHOPPER**

**TDD #2 FUND - LOWE'S**

All of the revenue from the TDD goes to pay off debt service. Both of them are currently in default, but it does not have a financial impact on the City directly.

**CID #1 FUND - ROELAND PARK SHOPPING CENTER**

This fund was created in 2012 and only \$86 has been spent this year for the city attorney to review documents. This fund continues to increase and will reach a maximum of \$3 million at which point the tax collection will cease. City Administrator Moody said the fund is on track to meet the \$3 million threshold in 2020.

**TIF 2A/D - MCDONALD'S/CITY HALL**

McDonald's is no longer a part of this TIF. This fund does service debt which is expected to retire in 2019. After redoing the project plan in 2015 funds have been used for some sewer projects. Several CARS projects are scheduled for 2018 and 2019. It also includes ADA improvements to City Hall in 2020. There is a loan from the General Fund in order to do the CARS projects in 2018-2019. In 2020, the General Fund will be repaid that amount. This TIF is set to retire in 2021.

**TIF 2C FUND - VALLEY STATE BANK**

This fund is only to service debt with the revenues it receives.

**TIF 3C - OLD POOL FUND**

This TIF will end in 2018, but will receive half of a year of revenue in 2018. In 2017, they are projecting an expense of \$649,000 to the general contractor and engineering. It will also receive a loan from the General Fund, which will be repaid next year.

**II. NON-ACTION ITEMS**

The discussion moved to a bond and mill levy discussion.

CMBR Poppa said he supported issuing the bond, but would like to discuss lowering the mill levy.

CMBR Thompson said that she did not believe that they could reduce the mill levy, not take out bonds and sufficiently maintain the City to a level that residents would want to live in it. She would be in favor of looking at reducing the mill levy and taking out bonds, all while maintaining the amount in the General Fund that was set aside in anticipation that Walmart might leave the City.

CMBR Kellerman said they compromised on \$2 million of bonds and issuing no more at that point. He would continue with his same answer as last year of only issuing bonds the one time. With regards to lowering the mill levy he said all they hear from residents is to lower the mill levy and he would be in favor of that.

Mayor Marquardt said his feeling is that courthouse money is new money and why not use that to its fullest extent on the next bond and take the first bond down to \$600,000 instead of \$2 million and maybe lower the mill 1.5.

CMBR Rhoades would like to see \$1.4 million put into the Walmart fund. He would like to see the numbers of what the budget would look like in 2018 and what percentage will be left after expenses. He also would like for them to attempt to not do a bond issuance and lower the mill levy two mills.

CMBR Janssen said he would support looking at lowering the mill levy. He believes the City has funded the account and it's time to look at lowering it. He would also like a presentation from a local municipality that does a pay-as-you-go versus bonding just to hear what their challenges might be and what they feel their advantages are.

CMBR McNeil said she is in favoring of lowering the mill levy as much as possible without pulling away from what needs to be done for the City. The most she could see doing with bonds is borrowing less than the \$2 million if possible and from that point on do pay-as-you-go. She does not want to see the City saddled with \$2 million of debt every three years.

CMBR Fast said she is not for taking out bonds. She felt the situation is too tenuous with Walmart and Roe. She would like to see a two mill reduction in the mill levy.

CMBR Poppa, CMBR Thompson and Mayor Marquardt were in support of the bond issuance with the remaining Governing Body not in support of bonds.

CMBR Rhoades said there are a lot of unknown factors such as what they will be doing with the current Public Works property. He felt that if the land is sold, then it could be put towards the construction of a new Public Works building. He did not want to take out a bond and pay the issuance fee when the money is sitting in the General Fund. He asked if they could borrow from the General Fund and pay themselves back versus issuing a bond. City Administrator Moody responded that there are two types of reserves. The 25 percent reserve is a cash flow fluctuation. The other is the special reserve identified in the event of a loss of a major retailer. It then becomes a question with how comfortable the Governing Body is with using the reserve as a loan.

CMBR Rhoades asked what the projections would look like for 2017. Ms. Jones-Lacy said the actual end funding balance for 2016 is \$2.7 million. Currently it is \$2.696 million. In 2018, it increases to \$2.71 million with an estimate for 2019 at \$2.9 million. This balance would fluctuate based on if there are changes in expenditures.

City Administrator Moody added if the mill levy were lowered two mills it would more than consume the projected increase in the General Fund balance that is currently reflected. The money helps to get some of the capital projects completed to prevent having to borrow more.

CMBR Fast said they would like to see the scenario if they were to lower the mill and what it looks like not take out the bonds.

CMBR Rhoades also wants to see a scenario of taking out less of a bond.

City Administrator Moody questioned the borrowing of less than a million dollars in bonds as it raises issuance expenses.

CMBR Fast said she believed looking at the issue in 2019 or 2020 when they are looking at building a new Public Works site. She has heard from constituents that they feel like the City should have enough in reserves from the anticipation of Walmart leaving. She said it's difficult to communicate to the public that Roeland Park has one of the highest mill levies and then asking the citizens to take out more debt.

CMBR Rhoades said one option is to put the issue out to the public and let them vote on it.

### III. ADJOURNMENT

CMBR Fast adjourned the meeting.

**(Roeland Park Governing Body Workshop Adjourned at 9:45 p.m.)**