

MINUTES
CITY OF ROELAND PARK, KANSAS
GOVERNING BODY WORKSHOP MEETING
ROELAND PARK
Roeland Park City Hall - 4600 W 51st Street
July 24, 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	Finance	Safety	Public Works
Poppa	Kelly	Thompson	Kellerman
Fast	Janssen	Rhoades	McNeil

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

CMBR Rhoades suggested discussing the weather, power outages and clean up in Roeland Park first at the meeting.

CONTINUING DISCUSSION ON WEATHER.

City Administrator Moody said that in order to qualify for state or federal emergency assistance there is a dollar value threshold county-wide that must be reached. They are gathering cost estimates and will submit them to the county emergency management agency and once the threshold is reached they will be eligible for reimbursement through FEMA. He also advised if anyone has a concern about residents, family or friends they can contact the Police Department and they will check on them.

I. DISCUSSION ITEMS

1. 2018 Budget Review - Continued

Public Comment:

Shea Geist - Ms. Geist thanked the Council for their work. She strongly opposed, both as a resident and as Chair of the Events Committee, a lowering the mill levy seven points. She could not support a decrease that would be an infringement of the funds that the parks would be receiving. She said the idea of making intense cuts to appease a few residents is not reasonable and would affect the growing, young family community they have now.

Paula Gleason (3606 W. 50th). Ms. Gleason spoke in favor of lowering the mill levy seven points. As a realtor she says lower taxes are something that a prospective buyer will consider.

Gretchen Davis (5206 W. 58th) Ms. Davis said that despite living on a fixed income they are willing to pay the current mill levy so that the City can be maintained and improved to provide a better quality of life for everyone. She thanked the Council for their hard work and making such difficult choices.

Claudia McCormack (5325 Linden) Ms. McCormack spoke to minimally lowering the mill levy. She said that her children love the parks and love the shade. She noted that Ms. Jones-Lacy has made proposals on how to cut the budget without slashing the parks as they are a big piece of their priorities.

Stephen Clancy (5313 W. 57th) Mr. Clancy grew up in Roeland Park and wanted to move back and said the draw is parks, schools and the pool. He asked the Council not to reduce the mill levy as it is the backbone of a steady revenue for the City.

Sarah Coe (5346 Sherwood) Ms. Coe spoke against lowering the mill levy seven points as it is too much too soon and suggested doing it more slowly over time. She uses the parks and the money they put towards the parks works to create a community and brings people here. She also thanked the Council for their hard work.

Judy Hyde (5113 W. 58th). Ms. Hyde thanked the Council for their service and the decisions they have to make. She is not in favor of lowering the mill levy seven points. She added that investing in parks is investing in Roeland Park.

Ardie Davis (5206 W. 58th) Mr. Davis said he has lived in Roeland Park for 40 years and he is pleased to see the re-greening of the City thanks to the Council's leadership.

Erick Hage (5401 Nall) Mr. Hage agreed with the sentiments of those who have spoken and he is hoping and relying on the Council for everyone to be responsible with their decision regarding the mill levy. His family moved to Roeland Park knowing that the costs were high, but they wanted to be in a community that looked out for its blend of families.

City Administrator Moody provided a background on the options staff put together. When trying to achieve a seven mill reduction number, even with the 2.6 mill they had accomplished through discussions up to this point, there is still a substantial amount of tax dollars to decrease it and they need to be offset by ongoing expense reductions. Generally speaking, he would look at operating expenses, but that much of an ongoing expense to offset there is only one place to look and that is staff, which is the largest expense amount that the City has. If the Council is looking to reduce expenses \$300,000, he did not believe the City could sustain a 25 percent decrease in their staffing level. The options then turned to where they have seen an increase in their ongoing annual expenses that are significant enough to offset the reduction in the property tax revenue. That area would be street maintenance. The reduction of street maintenance and street reconstruction dollars is where they focused their attention. Other capital projects or equipment items they could forgo, but something that is not ongoing or a one-time expenditure are not good candidates for an ongoing reduction. He added that for 2017-2019 the City's investment in streets does grow significantly.

CMBR Rhoades thanked Mr. Moody for taking the time to provide them with six different options. He would like to see more of a bullet point list and its cost to allow them to make cuts in different areas not just one area.

CMBR Fast wanted to make it clear that there has been no discussion of reducing the funding of parks when they were discussing the reduction in the mill levy.

Mayor Marquardt said in two years the City raised the mill levy 10 points. He thinks they should hold to a two-point reduction and allow the next Governing Body to be able to digest everything. He also believes in what this Governing Body has already done and is fine with that.

CMBR McNeil expressed a concern when the Roe reconstruction will cut down on a lot of revenue from the businesses because there will be a detour. She said they need to take that into consideration.

Ms. Jones-Lacy said the General Fund reserves remain at 25 percent and are a healthy fund balance for a general unrestricted fund balance.

City Administrator Moody said they expect people to continue to use the stores since they provide basic goods and services more so than a major electronics or a car dealership. He added that the project will be a phased construction so the roadway will be open throughout construction but might not always be four lanes.

CMBR Poppa said that in the last satisfaction survey the top priorities were maintenance of streets, buildings and facilities. He said he couldn't believe he was sitting there and there was consideration of gutting the budget for

maintenance of streets which ranked the highest of importance on the survey and was only at a 75 percent satisfaction for 2016. He said that percentage will go down if they don't maintain their streets and repair them.

CMBR Rhoades directed the conversation to the Aquatic Center noted that it operates at a loss in the winter months of \$221,458 and in the summer months a loss of \$114,395. Roeland Park's share of that loss is about \$168,000. He would like see a scenario of stating they will spend \$168,000 on pool operations in the CIP. Mr. Rhoades wanted to know how it would affect the budget mill-wise if they spent down reserves in the General Fund until 2020 as a decrease in perpetuity.

CMBR McNeil said they definitely need to take the wages out of the leaf pickup assessment as it is proven to not be correct.

CMBR Thompson hears people say they want to lower the mill, keep reserves and not take out bonding. She feels those are admirable goals, but if they take things down too low they will get in trouble. She feels a 2.6 mill reduction is a good start. She would like to see if they could find another half mill to get a round number of three, but beyond that they are just asking for trouble. She said they can look again at the pool in a couple years when they know what is going to happen and it might give them more breathing room. If property values keep going up, then they'll be in a better position to be able to make more incremental steps in the future. She said what they've done so far is pretty good work.

CMBR Kelly agreed with CMBR Thompson's sentiments. She does have concerns when she hears they should spend down the reserves, reduce the mill levy and what to do with money surrounding the pool when they have not even completed their study on that. She also hears the current Council shouldn't tie the hands of future councils. With a two percent mill decrease and no bonding, and added extra funds to capture the leaf program monies into the mill reduction is a great compromise from all perspectives. CMBR Kelly said there are too many variables in cutting out seven mills.

CMBR McNeil said she didn't understand why it's so difficult to lower the mill when it's worth so much more than when it was originally taken out. Even with its current level as a City they still need to be as frugal as possible and try to be fair to the people who live on fixed incomes.

City Administrator Moody also said if they assume no more than \$175,000 being spent on pool operations in 2018 and 2019, and based on what is budgeted for those years, that amounts to a \$142,000 difference in what was budgeted and what their cap is. This equates to roughly a mill. If they lower the mill, in '18 and '19, the extra cost to operate the pool year round that is above \$175,000, which is their limit and would then come out of the reserves over a two-year period. It would only be a \$35,000 difference in 2018, but would become a \$109,000 difference in 2019.

CMBR Fast said earlier that they hadn't discussed reducing park funding, but now they're talking about reducing funding to the aquatic center which is a park and she does not support reducing three mills on these assumptions. She said they still do not know what the other partners will pay on the winter pool and that is a decision for next budget year. CMBR Fast said 20 years ago the residents voted to have a winter pool and the City has since made very few updates. They have done maintenance on the summer pool. They also might want to use that money to update the summer pool. When a public meeting was held people said over and over they want to be a part of the process and want to hear more about the options and they just have not gotten there. Ms. Fast said it is way too premature to go forth to say they may not have a winter pool and pull out of reserves to operate it.

Mayor Marquardt said he feels like they may be lowering the mill when factors could change by the end of the discussion. He feels at this point with this budget they could spend a lot of time on it, but he did not believe there was a lot of support for that part of the discussion right now. He asked to see who is considering a lowering of the mill due to the pool reductions.

CMBR Janssen said in his mind it is worth a serious discussion.

Mayor Marquardt said it is worth a serious discussion, but he does not believe in the next couple of weeks they will have the numbers needed to make that decision.

CMBR McNeil said it's very important to sit down and look at seriously. She said the pool is a real gem in the City and if there is anything they can do to support it and keep it like it is, she's all for that. She also realizes it is a lot of money, but she would really hate to see them lose the pool.

CMBR Poppa said he would like to take a hard look at this issue after the current budget cycle so they can prepare for 2019 when they get all the numbers in from the task force.

CMBR Rhoades said he wants to keep things as they are and add \$50,000 to the pool.

Ms. Jones-Lacy said projected for 2017 is \$210,000 for operations and equipment. Last year pool operations were separated from pool equipment and when combined they budgeted \$177,000 for 2016. They do not get the actual figures from JCPRD until after the 2017 fiscal year ends.

CMBR Fast asked what the rush is to make a decision tonight on the pool as it doesn't have to be done now. CMBR Rhoades said they are discussing lowering it in the mill. Ms. Fast said they can lower it next year if they come to that conclusion. They don't have much more time to approve the budget and the pool discussion will take more than one evening's discussion. It also needs resident input as they have been paying 20 years into the pool and they voted on it and deserve a comprehensive discussion on their pool.

CMBR Kelly said she believed there was a majority consensus to postpone further discussion and continuing to discuss it is going against that consensus.

CMBR Janssen said the mill was raised for a reason. They have met that objective and should now reduce it back down. They also have the new monies coming in from the courthouse tax.

CMBR Poppa said they need to continue to be fiscally responsible and to lower the mill if they can while not gutting their infrastructure and the citizens' quality of life. When they don't address the issues, then it puts the City back in the same place and then they have to stack debt again.

CMBR Rhoades said they are looking at ways that they can more evenly compare to other communities in northeast Johnson County.

CMBR Poppa said a seven mill decrease will be a gut and when it compounds over the years, and looking ten years into the future, which is what they should be doing, they will see what they won't be able to achieve and what they won't be able to provide for the citizens.

CMBR Janssen said Walmart leaving should not have been used as a guise to raise the levy seven mills for four years.

CMBR Poppa said he didn't believe anyone used that as a guise and it was raised for the purposes of Walmart leaving and they did raise the money.

CMBR Janssen said Walmart was the reason used for raising it seven mills. He asked now what the new reason for not lowering it is.

CMBR Rhoades said he is not proposing a seven mill reduction, but is proposing multiple options and multiple levels.

Mayor Marquardt said they have discussed that the City met the goal decided on three years ago with the budget, and part of it is when Walmart is expected to be dark for two years. They have set that money aside. They are also setting money aside for salaries and benefits that were much reduced, which was 5.33 mills. There is still the possibility of Walmart leaving and to say they can lower the mill the same rate as they raised it the Mayor can't agree with due to the salary and benefits and the Walmart loss. He said they have done something with that money and is happy they are dedicating it for the dark times or other issues. He also does not like inflammatory language when talking about the mill. Everybody has their thought process and they should be respectful of each other's ideas. He is concerned about being responsible to all of Roeland Park's citizens. He added no one wants to see wasteful government spending. Conversely, there are so many people that want real things added to their parks and they want improvements to their streets. Setting those things aside, they still have the Walmart issue to deal with, and Walmart does have the desire to leave. Lowering the mill any more is not the most responsible way to go from his perspective.

CMBR Fast would like to keep the four percent merit increase so they can retain good employees. She also said that raising taxes is never fun, but the future is so unknown and they can revisit some of these things next year. This is why as a small city she supports a five-year CIP because they don't know what's going to happen. She echoed CMBR McNeil's comments about Roe and the loss of revenue during the construction. She would like to have a seven mill reduction, but believes they should do it incrementally year by year starting with a three mill reduction.

CMBR Thompson said if they want to do the seven mills and Workshop it, then Councilmembers should put their proposals forth. Otherwise, where they are is a good start and if they could find another half mill, then so be it.

There was consensus to adopt a five-year CIP for the budget.

LOWERING THE MILL LEVY

CMBR Thompson broke down the mill levy reduction as 2.6 being included in the budget submission and the 0.6 is taking out the wage expenses in the leaf pickup assessment.

CMBR Fast wanted a four percent for merit increase.

CMBR Poppa said he would be fine with a 3.1 effective decrease in the mill levy with a five-year CIP. The decrease includes the 2 mills originally included in the budget submission, 0.6 mills is excluding the wages in the leaf assessment, and 0.25 from the General Fund, and then a three percent increase in merit raises, down from four percent, for City employees.

CMBR Janssen would like to have Option 4 as outlined in the packet.

There was a consensus that the budget draft they will be working on is with a 3.1 mill levy decrease. This budget draft will go on the Council agenda. At that time Councilmembers will be able to make amendments and the items will be voted on at that time and they will determine what they have consensus on.

CMBR Fast stated they were not continuing the discussing, but that there was consensus to move this to Council.

CMBR Poppa asked for further clarification on the consensus of a 3.1 mill levy decrease with a five-year CIP to New Business at the next Council agenda. He said that there will be an opportunity for more discussion then.

CMBR Thompson said that there were five Councilmembers who indicated they were in support of moving the budget proposal to New Business at the next Council meeting. She said that she agreed with Mayor Marquardt to

make the August 7th Workshop a Council meeting so that they could take action on the budget earlier than two or three days prior to when it is due.

There was a consensus to have a Special Call Council meeting August 7th at 6:00 p.m. and no Workshop.

III. NON-ACTION ITEMS

CMBR Fast said next Monday is the Aquatic Task Force meeting and everyone is welcome to the meeting at 7:00 p.m. There will also be a time for public comment.

IV. ADJOURN

CMBR Fast adjourned the meeting.

(Roeland Park Governing Body Workshop Adjourned at 8:06 p.m.)