

GOVERNING BODY WORKSHOP MINUTES
Roeland Park City Hall
4600 W 51st Street, Roeland Park, KS 66205
Monday, May 15, 2023, 6:00 P.M.

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|------------------------------------|------------------------------------|---|
| ○ Michael Poppa, Mayor | ○ Tom Madigan, Council Member | ○ Keith Moody, City Administrator |
| ○ Trisha Brauer, Council Member | ○ Castagna-Herrera, Council Member | ○ Micah Rehmert, Asst. Admin. |
| ○ Benjamin Dickens, Council Member | ○ Kate Raglow, Council Member | ○ Kelley Nielsen, City Clerk |
| ○ Jan Faidley, Council Member | ○ Michael Rebne, Council Member | ○ John Morris, Police Chief |
| ○ Jennifer Hill, Council Member | | ○ Donnie Scharff, Public Works Director |

Admin

Raglow
Dickens

Finance

Rebne
Hill

Safety

Castagna-Herrera
Madigan

Public Works

Brauer
Faidley

(Governing Body Workshop Called to Order at 7:16 p.m.)

ROLL CALL

CMBR Hill called the meeting to order. CMBR Brauer was absent; all other Governing Body members were present.

I. MINUTES

1. Governing Body Workshop Meeting Minutes May 1, 2023

The minutes were approved as presented.

II. DISCUSSION ITEMS

1. Review Revenue Trends, Mill Rate, Reserves, Outstanding Debt and Personnel Assumptions

City Administrator Moody provided a high level overview of the City's revenue sources, changes and comparisons in the mill rate, as well as a breakdown of reserves, paying off the debt and salaries. At the next meeting, they will dig deeper into the budget by fund and line item.

The mill levy will be down to 26 mills for 2024 as they continue to incorporate more of the cost of the glass recycling into the solid waste assessment and moving forward with the storm water assessment. There will be a net increase in revenue due to the property taxes collected.

Sales taxes are beginning to trend downward. They continue to take a conservative approach projecting sales tax 10 percent lower than 2020 actuals to insulate against prices that are abnormally high due to higher inflation. Sales tax revenue represent 31 percent of the General Fund with 38 percent being from property taxes. The draft budget projects a \$7 million revenue. The County Courthouse tax they have been receiving has averaged \$200,000 a year and is supporting capital projects. That tax, however, will sunset in 2027.

CMBR Rebne asked if the reduction in sales tax collected in 2018-2019 could be attributed to Aldi being closed for its remodel. City Administrator Moody said that was the case and that there has been a significant increase in sales tax since the reopening.

City Administrator Moody addressed the Menard's that is planned for right outside of the City limits. CMBR Dickens asked if that was still being built. City Administrator Moody said Menard's now owns the property and has approval from the Unified Government. They also have approval from the state for the entrance that will be a break on Roe but is in the jurisdiction of the UG. The state will also have to approve any changes to the signal.

City Administrator Moody went on to discuss the revenue from property taxes and evaluations noting they represent 21 percent of the revenue for 2022.

City Administrator Moody showed a chart comparing the average sale price per square foot compared with the county's appraisal. He noted there is a big gap in 2020 and 2021 but that is starting to narrow. He said it makes him nervous when the gap closes as it signals that home values will increase again.

There was discussion of the revenue neutral rate and City Administrator Moody said that is reviewed every year. He does not recommend they adopt a policy that they will maintain the revenue rate as that is not sustainable especially as the mill continues to decrease.

CMBR Hill asked what the mill rate was in 2013 prior to their anticipation of Walmart leaving. City Administrator Moody said he would have to get that figure.

Mayor Poppa said if they adopt a one year to a revenue neutral rate, they would be setting a precedent and it could be expected that they meet that every year. City Administrator Moody recommended that they provide a clear expression for the reduction of the mill rate and what it is attributed to such as the glass recycling and the storm water assessment. He recommended against the term of trying to achieve a revenue neutral rate.

CMBR Madigan said he has been approached that even though the mill rate is lower, it does not produce a lower bill. City Administrator Moody said that is true. The rate has not been lowered to a greater pace to where someone would see a bill reduction. He said that they have used those additional property tax dollars in a way that residents said they would like to see them used, and that is an investment in their city. He said they have made a huge capital investment in the past eight years that have made the residents happy. He noted that the cost of personnel has gone up, but the number of FTE has not. They have reinvested in their parks, pool, sidewalks, and infrastructure. The residents told them to reinvest in what they are responsible for maintaining.

CMBR Hill asked Mr. Madigan if his question was in reference to the rise in property value. CMBR Madigan said it is just moving dollars from one column to another.

Mayor Poppa added that he believed they do have an actual decrease in the actual mill levy and City Administrator Moody agreed that there is a net savings.

City Administrator Moody went on to review their annual debt service noting that it hit its peak in 2015 and has steadily declined, adding that they have retired a lot of debt.

It was also noted that based on the average home price in Roeland Park, \$967 are paid annual to Roeland Park. That equates to \$81 per month and includes services for police, streets, storm water, sidewalk, streetlights, parks and recreation, planning, codes, and administrative services. He said that

is a lot of services for \$81 a month and is an exceptionally good deal when compared to cable or cell phone service.

CMBR Madigan complimented Mr. Moody on that comparison and said he will be using that. City Administrator Moody told them to feel free to use any of the information in the report.

CMBR Hill said most people do not realize only a percentage of their property taxes go the City and the rest goes elsewhere. City Administrator Moody said 23 percent come to the City.

CMBR Madigan asked what the outcome was on the Dark Store theory. City Administrator Moody said they settled with Johnson County. They are going to change the method of how box stores are appraised, but he is not sure what that will look like.

City Administrator Moody also noted that the continued lowering of the mill levy does help commercial property as they are taxed at a higher rate than residential.

The report continued with information on the City's TIFs two of which will expire in 2025 and 2026. He noted that they do hold \$1.4 million in reserves in anticipation of a sales tax loss, and they also hold a 25 percent in revenue. Capital projects are funded with excess reserves.

City Administrator Moody reviewed various funds noting that the Special Infrastructure Fund has seen a lot of activity and projects. The Equipment and Building Reserve Fund also reflects the sales of the Northeast RJ property and the upcoming sale of The Rocks.

CMBR Faidley asked if the income from The Rocks is reflected in the graph. City Administrator Moody said the figure shown reflects the sale coming in and the expenses going out for 2023. The graph shows the projected ending balance for 2023 and not the income and expenses to get to that amount.

City Administrator Moody reviewed the personnel cost indexes and noted that they do have a compensation study in the work, but is currently recommending creating resources to make an inflation adjustment of \$1.75/hour.

CMBR Faidley asked when they would get the study recommendations. City Administrator Moody said it depends on how quickly the communities respond to their information request. They have provided the needed contact information and hopefully it will be ready for July. They will roll that information into their discussion as they work on the budget. He said he feels this is the time to be aggressive with adjustments to pay scale, but he will wait to see what the compensation study has to say.

CMBR Faidley also asked if it would be possible when negotiating the new solid waste rate if they would be able to use the data from their glass recycling as leverage in their reduction of solid waste collected. City Administrator Moody said they have discussed some of that, but whether it will affect the rate remains to be seen. He did say that they do have one of the lowest rates charged. There are two years remaining on their current agreement.

CMBR Hill thanked Mr. Moody for his presentation.

2. Discuss Carbon Reduction Grant Application Options

City Administrator Moody said staff is looking for direction from Council on whether they would like to partner with Mission in applying for the grants. Looking for direction from Council on whether they want to partner in the grant. The deadlines are on the 19th.

CMBR Faidley felt they should apply for both, but was uncertain whether to do it for this cycle or not. She said each application targets a different demographic. The bike share program works through an app and can be paid for annually or by the minute. The annual membership allow for up to 80 minutes a day of usage. Payments can be made through debit, credit, or prepaid cards.

CMBR Hill asked if there was an age limit for users so that children could ride with families. CMBR Faidley said she will look into that.

Mayor Poppa said he would be interested in knowing whether there was an age limit on the bikes. CMBR Raglow asked how that could be enforced.

CMBR Hill also said she was not opposed to the EV charging stations.

Mayor Poppa asked who was writing the application on E-bikes City Administrator Moody said the City of Mission is taking the lead and invited other Northeast Johnson County cities to partner with them on the application.

CMBR Rebne said these are two good ideas, but asked if other ideas are possible. He wanted to know if there was a way to partner with regional transit, specifically by bus, something that is more robust and encourages the use of public transportation.

CMBR Dickens said he would be concerned about the bikes becoming clutter and being left randomly around the City.

CMBR Castagna-Herrera said the E-bikes have to be clipped into a station or the rider will continue to be charged for them. City Administrator Moody said these bikes would just need to be locked. They do have to remain in the geofence, or the charges continue to increase. He said it is a benefit to add members as it will increase the geofence and allow for more mobility.

CMBR Madigan said he favors the bike program more than the charging station at the Community Center. He said that parking there is already at a premium and these sites seem to be more for a top-off than a full charge. He said the closest one they have from their station is at Hy-Vee in Mission.

Mayor Poppa said if they do put them at the Community Center, he would like to see them offered for free. He said he is intrigued by the bikes though. He has questions about whether they would be locked, if they are being ridden, and are they used year-round. He added that he has spoken with City Administrator Moody about subsidizing the purchase of bikes and scooters for people and being able to give them something of substance rather than making them pay for a service.

CMBR Hill asked if they did get the information to help purchase bikes. City Administrator Moody said the grant administrator was supportive, but did not know if they could get through the certification process in less than eight months to meet the buy American requirement.

CMBR Hill said she would like to do the electric vehicles but they're not available. She said it will take a while before the supply meets the demand. These dollars are available now and she would like to see them jump in and take advantage of it.

There was majority consensus to apply for both grants.

III. COMMITTEE MINUTES

No items were presented.

IV. ADJOURN

CMBR Hill adjourned the meeting.

(Roeland Park Governing Body Workshop Adjourned at 8:47 p.m.)