

GOVERNING BODY WORKSHOP MINUTES
Roeland Park City Hall
4600 W 51st Street, Roeland Park, KS 66205
Monday, June 5, 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 8:11 p.m.)

ROLL CALL

CMBR Hill called the meeting to order. All Governing Body members were present, and the meeting was held virtually.

I. MINUTES

There were no minutes.

II. DISCUSSION ITEMS

1. 2022 Audit Presentation by Auditors

Sean Gordon, Gordon CPA, reviewed the 2022 audit with the Governing Body. He went through the financial statements that are in the agenda packet and provided the independent auditor's report. He said the report reflects well on the financial and internal controls of management of the City. Some highlights noted were that the City's total assets increased \$6.6 million in the past year and the total bottom line also increased about \$5.5 million, which again shows good financial practices and management. Total assets to the General Fund were \$1.7 million in 2022 which reflects a \$445,000 increase from 2021. Also, the City paid down outstanding debt of about \$1.1 million in 2022. Their share to KPERS and KP&F increased by almost \$920,000. Mr. Gordon made no auditor's recommendations, which reflects those internal controls and very good management.

CMBR Faidley asked about the auditor's adjustment. Mr. Gordon said the numbers are adjusted because when the City's accountant prepares their year-end report, they aren't necessarily aware of certain things that the auditors do for their financial statements to the City.

City Administrator Moody added that for most of the funds, the adjustment has to do with the market value adjustment, a journal entry to the investment that a fund holds. He said they are bound by Generally Accepted Accounting Principles (GAAP) to reflect the market value of investments.

2. 2024 Line-Item Budget Presentation - Including Preliminarily Approved Objectives and CIP

City Administrator Moody presented budget figures for the three prior years, the current year projected, as well as a three-year look forward. He gave a summary of revenues and expenses that the City is responsible for. He also noted that TIF 1, TDD-2, TIF 2-D, 2-C, and TIF 3 will be retiring in outlying years as well as they will be closing out the ARPA funds by the end of 2023.

The General Fund is Fund 100 and City Administrator Moody reviewed the income to that fund. He noted that Sale of Assets is updated to reflect a sale of the heater/blower unit from the pool. Those \$50,000 proceeds will be transferred to the Aquatics Center Fund as it is a pool-related asset.

CMBR Faidley asked if they have enough data to evaluate the changes made to reduce court fines. City Administrator Moody said they have been trending lower the past three years. They used to consistently collect \$200,000 in fines and are hoping that the \$148,000 figure will be stable as a result of the change to their fee structure.

Regarding expenses, they largely account for programs that they provide in general overhead. Specifically in Professional Services, \$32,000 is included for the compensation study and \$12,000 for the remote work policy add-on. This was not an anticipated expense but was approved by Council. In 2024, the PIO hourly rate will be increasing and there will be additional hours to help work on different information initiatives. That is reflected by a \$4,000 increase. Also, they are budgeting for a \$6,750 increase for lobbyist services. That will be an upcoming discussion before a service agreement is put in place.

Public Art Purchase reflects \$25,000 each year. The Arts Committee would like \$17,000 of their allotment to be put towards public art purchase with \$3,000 of that put into the Community Foundation to hold for a large art purchase in the future. The committee has a line for art maintenance for 2024, which will be their remaining \$5,000.

Public Relations shows an additional \$15,000 for the budget engagement objective, which received preliminary Council approval.

New accounts have been added based upon the direction of Council to apply for grants. The Bikeshare of \$50,000 represents their 20 percent match and the Electric Vehicle Charging Program of \$28,500 is also a local match. That program does have an ongoing expense of \$5,000 in the out years to reflect that. Mr. Moody also noted that they have not been awarded a grant to date.

CMBR Faidley asked on the Bikeshare program about the ongoing cost being part of the \$50,000 start-up fee. City Administrator Moody said the application they have put together reflects the cost over five years. And the \$50,000 is their 20 percent match. He said there is not an expectation they would pay additional in the out years.

Dues, Subscriptions & Books. Mayor Poppa mentioned that about \$3,600 of additional resources be put into the fund for the KCK Black, Hispanic, and LGBTQ chambers of commerce.

Unallocated resources of the General Fund are assigned to three different funds reflected as transfers to the Special Street and Highway Fund, Special Infrastructure Fund, and Equipment Reserve Fund. Any additional resources will help cover the cost of the Public Works facility.

Transfers made to the Aquatics Center Fund adjust the revenues and expenditures and covers the net operating loss and any capital investment that the Aquatics Fund pays for. The fund keeps an ending balance around \$170,000.

Police Department figures are impacted by the personnel 6 percent pay adjustment beginning August 2023. Those adjustments are carried over to 2024 and includes a 4 percent merit increase. They hope to have data and direction from the compensation study to confirm those numbers before the budget is adopted. The pay adjustments are also reflected for every department.

CMBR Faidley inquired about the Public Works intern line item and whether they would continue that. City Administrator Moody said it is in the budget but not something of focus considering the other two full-time vacancies they have. They do not want to pull it out of the budget at this time.

With the reflected pay increases more will be going towards KPERS, KP&F, and FICA.

City Administrator Moody said the \$5,000 in the Governing Body department is their objective to assess the impact of eliminating sales tax on food.

Solid Waste budget amount reflect GFL, Ripple glass collection, and salaries related to the leaf collection. It also reflects contract rate increases for 2024 from both Ripple and GFL.

CMBR Faidley asked how far out the contract is negotiated for with GFL. City Administrator Moody said the contract goes through 2025. It is not something that they can extend, but can be renegotiated.

The ending balance of the General Fund was down in 2022 because there was more fund balance than was anticipated and so more was transferred to the Special Infrastructure Fund. It does show the numbers increasing a little bit each year noting that operating expenses increase yearly. They reserve 25 percent of those expenses as a reserve benchmark and the other is the reserve target for the loss of Walmart. Any dollar amount over that is transferred to the Capital Improvement funds.

City Administrator Moody also noted the Special Law Enforcement Funds which receive contributions to their K-9 and also for opioid settlement monies that should be finalized soon in 2023.

CMBR Faidley wanted to know if there was a limited use of the opioid settlement funds. City Administrator Moody said they are restricted to crime, drug addiction or prevention programs. He said they could also use the monies towards their co-responder fee.

Mayor Poppa asked about where they could put a placeholder of \$100,000 for the second year of Project RISE. City Administrator Moody said that could be put in Other Contractual Services. He said adding that expense will be reflected in the transfers out of the General Fund.

CMBR Hill asked the Governing Body to show who supported the allocation for Project RISE. She received about half in positive acknowledgement. She personally would like to see how the program goes before committing to add more money from the budget. City Administrator Moody said that they will be adopting the budget in August and would like final direction before that time from the Governing Body.

CMBR Faidley agreed with CMBR Hill that she wanted to see numbers from Ms. Galati. She said that if they set it up for \$100,000 for 2024, then maybe they don't need to do that amount every year. She did say she supports the program, but the dollar number is a question mark for her.

CMBR Rebne said he feels like Project RISE has a good website with resources easy for someone to access, but he is also wanting to see more direction interaction with the community in Ms. Galati's work and is not sure it is worth continuing to invest in only augmenting a website.

Mayor Poppa said he echoed the comments made. He said they had their first year and their agreement is through the end of the year. He said they will need to write a different agreement for 2024 going forward and they can drill down into the scope for year two. He said he does not want to stop funding a project that they piloted in its first year before it even gets off the ground. He said they need to look to build upon the impact they have had.

CMBR Madigan suggested having this discussion at a future Workshop as it is separate from their budget conversation.

CMBR Raglow agreed with CMBR Madigan, but suggested prior to their next Workshop, they look at what has been done with Project RISE. They have shared a lot of information on that website, and she suggested they all look at it and see where they are headed.

City Administrator Moody continued with his presentation and reviewed the Aquatics Center noting they will need to have a discussion on pool fees, something they have not done since 2019 when JCPRD managed the pool.

CMBR Madigan said there is a rumor mill starting that Nall is to be widened and people will lose their front yards. City Administrator Moody said that Nall is on the bicycle plan for bike lanes and it's possible there will be not on-street parking. Those residents will be involved in those discussions, and it could be something similar to what was done on Elledge.

City Administrator Moody also reviewed the different ending fund balances after the capital projects are completed in the upcoming years. There are a lot of street projects coming up, but the ending fund balance is still strong.

CMBR Faidley asked about the \$90,000 on the Mighty Bike. City Administrator Moody said the \$90,000 was approved, but \$70,000 is to be raised in donations.

CMBR Madigan asked about the interest on the CID. City Administrator Moody said the interest number on the fund is for what has been receipted the past three years. When the CID reached \$3 million, they would stop collecting on it, but it does continue to earn interest.

The Property Owners Association reflects expenses going down, but the balance in the fund can be used on common area improvements which is expressed in the condominium covenants.

The City has received about \$1 million in ARPA funds over the past 2 years. They are still updating that number., but if there is any money left over in the fund, they anticipate putting it towards Public Works facility and zeroing that fund out by the end of 2023.

CMBR Hill thanked City Administrator Moody for his thoroughness and diligence in his report.

III. COMMITTEE MINUTES

No items were presented.

IV. ADJOURN

CMBR Hill adjourned the meeting.

(Roeland Park Governing Body Workshop Adjourned at 9:53 p.m.)