

MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE

November 6, 2019

The Mission Finance & Administration Committee met at Mission City Hall, Wednesday, November 6, 2019 at 6:30 p.m. The following committee members were present: Pat Quinn, Hillary Thomas, Arcie Rothrock, Nick Schlossmacher, Debbie, Kring, Kristin Inman, and Sollie Flora. Councilmember Davis was absent. Councilmember Flora called the meeting to order at 6:30 p.m.

Also present were City Administrator Laura Smith, Assistant City Administrator Brian Scott, City Clerk Martha Sumrall, Assistant to the City Administrator Emily Randel, Public Works Director Celia Duran, Parks & Recreation Director Penn Almoney, Chief Ben Hadley, and Public Works Superintendent Brent Morton.

Public Comments

There were no public comments.

Presentation from Auditors

Mr. Scott stated that as we near the end of the fiscal year, the audit process will begin after year-end close. Berberich, Trahan & Company (BT&Co) will conduct our audit and their first step is to conduct the pre-audit communications with elected officials and management. Mr. Scott introduced Emily Sheldon with BT&Co.

Ms. Sheldon reviewed the planning letter provided to the Mayor and Council (included in the packet) including:

- Communications - they will be meeting by phone or in person with the Mayor and will communicate in a timely manner any issues that arise in specific areas. They will also provide a letter of any significant deficiencies or material weaknesses in internal controls at the end of the audit.
- Independence - their policies and procedures are designed to provide reasonable assurance that their firm complies with all applicable professional independence standards.
- Audit Planning Process - part of the audit is understanding our internal controls and how we function
- Materiality in planning and executing the audit
- Internal controls relevant to the audit - they strive to understand our internal controls but the audit is not designed to provide assurances on internal controls.
- Timing of the audit - preliminary field work will begin in December 2019 with final field work on site beginning around February 17, 2020.

This item was informational only and no action was taken.

**Acceptance of the October 2, 2019 and October 9, 2019
Finance and Administration Committee Minutes**

Minutes of the October 2 and October 9, 2019 Finance and Committee Meetings were provided to the committee. Councilmember Flora noted a typo on page 6 of the minutes and recommended a correction. The minutes were accepted with the recommended correction.

Resolution Declaring Surplus Property

Mr. Scott stated that a variety of equipment has been identified as surplus, specifically items from the Community Center after their “clean-up” this summer. There is no value to these items, and he listed some of the items included as surplus (Motorola radios, vacuum cleaner, old vinyl and carpet tiles, etc.).

Councilmember Inman recommended that the resolution declaring surplus property for sale or disposal be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Human Service Fund Recommendations

Mr. Scott stated United Community Services of Johnson County (UCS) is an independent, non-profit corporation charged with coordinating and supporting various initiatives and programs that provide for the human service needs of Johnson County residents. One of these programs is the Human Service Fund, which provides a cost-effective and accountable mechanism for local governments in Johnson County to support a number of services that help residents facing difficult circumstances. Mission is a contributor along with 15 other communities. The recommended contribution is \$8,300 for 2020. He stated last year’s funding from Mission was \$7,600. Last year the Human Service Fund allocated \$339,801 to 14 separate agencies and this funding came from 16 participating cities and the County. This year’s amount is an increase of 9% and our portion is included in the 2020 Budget.

Councilmember Rothrock recommended that Mission’s contribution of \$8,300 for the 2020 UCS Human Service Fund be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Property / Casualty / General Liability Insurance Renewals

Mr. Scott stated the City maintains several lines of insurance coverage including property, inland marine, automobile, crime and general liability with the intent of reducing the City’s exposure to risk and protecting assets. He provided information on last year’s coverages through Travelers and their submitted bid for 2020. He provided information on a “typo” that was included with the initial bid and other factors that increased the premium quote provided. The quote has been

re-evaluated and a revised proposal with reduced premium submitted. He also discussed increasing our deductible amount from \$5,000 to 10,000, which if not done this year would be required next year.

Councilmember Inman recommended that coverages for property and liability insurance with Travelers Insurance Company for the policy period of January 1, 2020 through December 31, 2020 at an estimated total annual premium not to exceed \$125,646 (updated amount) and cyber-liability coverage with Axis Insurance Company for an amount not to exceed \$3,150 be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Employee Benefit Renewals

Ms. Randel reported that staff has worked with our benefits broker, Lockton Benefit Company, to find the most effective balance of robust benefits that still allow for a strong fiscal position. She stated the good news is that premiums remain relatively flat with a 2.6% increase resulting from the end of the moratorium of the Affordable Care Act health insurance tax. The majority of coverages for benefits will remain the same, but dental coverage will be expanded with no increase in premiums. Basic life and accidental death and disability coverages were marketed by Lockton, and resulted in a rate reduction of 13% by the current provider. This is allowing us to consider enhancements to this coverage - doubling of the basic life insurance benefit with no additional cost to employees.

Councilmember Schlossmacher recommended that authorization for the Mayor or his designee to execute any and all documents necessary to approve contracts for the City of Mission's 2020 employe health / welfare benefits program be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Ms. Smith stated that annual performance evaluations are wrapping up and employees will see merit increases at the end of the month. She stated we were able to increase the merit matrix this year and with no increases in insurance premiums for employees, they will see a greater impact on their upcoming paychecks. She thanked Council for their support in these efforts.

Metromedia Contract Renewal

Ms. Smith stated Mission has worked with Metromedia on our magazine since 2010. Metromedia works closely with the City and the Mission Magazine Committee to develop story ideas, conduct interviews, prepare editorial content, sell advertising, and design, layout and produce five issues of the magazine annually. The previous agreement has been restructured into a more typical contract format and anticipates a four-year term from 2020 through 2023. The Mission Magazine is funded from transient guest tax revenues. She discussed the magazine's unique 50/50 sharing of editorial and advertising content. She also noted that the four-year term is typical, and includes a termination clause required by our cash-basis

funding/accounting. If no allocation for the magazine is approved in the future, the contract can be terminated.

Councilmember Quinn recommended authorization for the Mayor to execute the contract with Metromedia for publication of five issues of the Mission Magazine annually at a cost per issue of \$6,275 be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Ordinance Dividing Rock Creek Redevelopment District

Ms. Smith stated that Resolution No. 1035 calling a public hearing on the division of the Rock Creek Redevelopment District into five separate districts was approved by Council with the public hearing scheduled for November 18th. Currently, the district is one large district with five redevelopment areas. Increment is computed on a district-wide basis so all must have a positive incremental assessed valuation for disbursement of funds. This is not currently the case and this proposed ordinance separating the district into five districts will clean-up these issues. She stated that all property owners and occupants in the district have been notified of the upcoming public hearing by certified mail. Following the public hearing on November 18th, this ordinance will be considered at the same meeting.

Councilmember Quinn recommended that the ordinance of the City Council of the City of Mission, Kansas making findings and dividing the Rock Creek Redevelopment District into five redevelopment districts pursuant to K.S.A. 12-1770 et seq and amendments thereto be forwarded to Council for approval. All on the committee agreed, but this will not be a consent agenda item.

The Finance & Administration Committee Meeting recessed at 6:52 p.m to allow for the Special City Council Meeting scheduled for 7:00 p.m. The committee meeting reconvened at 7:31 p.m. Councilmember Quinn was not present for the remainder of the meeting.

Issuance of Special Obligation Tax Increment Revenue Bonds (Gateway Project) Series 2019

Ms. Smith stated that during the Special City Council Meeting tonight, Council discussed and approved a resolution authorizing the offering for sale of Special Obligation Tax Increment Revenue Bonds, Series 2019 in connection with The Gateway Project. This proposed ordinance is the next step in that process. Bond pricing is set to occur following approval of the bond ordinance on or about November 18th, assuming all conditions precedent to the pricing set by the underwriter have been met. Closing on these bonds is anticipated for December 12th. Discussion continued on DA Davidson's marketing of the bonds and how the underwriter is compensated. Ms. Smith stated the Preliminary Limited Offering Memorandum (PLOM) should be available next week.

Councilmember Inman recommended that the ordinance authorizing the issuance of Special Obligation Tax Increment Revenue Bonds (Gateway Project), series 2019 for the purpose of paying certain redevelopment project costs in connection with the Fourth Amended Tax Increment Financing Redevelopment Project Plan for the Mission Gateway Project be forwarded to Council for approval. All on the committee agreed, but this will not be a consent agenda item.

2020 Legislative Program

Ms. Smith stated the City prepares a Legislative Program each year, typically in January, but because this is so close to the start of the legislative session we are moving the process up earlier in the year. Information provided at this meeting is a draft of the program, and she provided Council with a redlined handout of the program showing changes and updates from the 2019 program. LKM's Legislative Program was also provided to Council and although not finalized, they do not anticipate adding any priorities.

Ms. Smith discussed the proposed 2020 program and changes from the 2019 program, including:

- Our primary issue is maintaining and restoring local control as we are best able to understand our citizens' needs.
- Finance and Taxation - shortened our policy on the "Dark Store Theory," stating that we support proven techniques to value commercial properties. The wording regarding fair-market value was updated to remove "as currently defined in Kansas statute."
- Internet Sales Tax Collections - continue to support this legislation and added collection to include short-term rental companies (AirBnB, etc.)
- Repeal of the Property Tax Lid and maintain local control over revenue and spending - we continue to oppose the property tax lid, and would like to see this at least modified to eliminate the elections process and replace it with a protest petition.
- Tax Policy - continue to encourage maintaining stability in revenues and support reductions in sales tax on food and pharmaceuticals.
- Retain the Local Government Sales tax exemption - we support the current law that exempts local government and public construction projects from sales tax.
- Support Maintenance of State Funding - we support the preservation of local government revenues which pass through the State, particularly alcoholic liquor tax and motor fuel tax.
- Constitutional Home Rule - this section was updated to be consistent with other Johnson County cities wording.
- Open Records and Meetings - this section remains basically the same, but was shortened (balanced approach).
- Preserve the Ability to Advocate and Educate - no changes. Supports local officials authority to make decisions regarding membership in organizations and to participate in the legislative process without cumbersome reporting requirements.

- Maintain non-partisan local elections - no changes.
- Restore local control of right-of-way - we support local governments making decisions about the location, placement, size and appearance of poles, towers and other wireless facilities within the community and public right-of-way.
- Restore local gun control - we support the ability of local governments to set policies regarding the carrying of weapons and firearms by employees while at work, and supports concealed carry training, permitting and background checks.
- Education - this section was originally removed as it was absent from other cities policies, but we did not want to drop it entirely so it is included and focuses on opposing any amendment to the Kansas constitution that would remove the State's obligation to adequately and equitably fund Kansas public schools and requests the state to fund special education at the required statutory levels.
- Support full funding of KPERS
- Environment and Energy - title changed from Environment Infrastructure. This focuses on support for alternative and renewable energy sources, and the City supports policies that allow and encourage homeowners and businesses to utilize and invest in alternative energy.
- Statewide energy policy - support of the establishment of a statewide Energy Office to support the development and implementation of statewide energy policies.
- Innovative Green Technologies - this section was added to encourage the state to investigate and adopt innovative green technologies.
- Infrastructure - heading added and the section supports the comprehensive transportation plan that encourages the state to invest more heavily in public transportation that specifically demonstrates regional coordination in both rural and urban areas.
- Infrastructure funding - this was simplified to eliminate the terms "wastewater" and "levee and dam." We support funding to assist local communities with security needs, but Mission does not have all of this infrastructure. Terms "water" and "stormwater" remain.
- Human Services - added a section on Mental Health as this is a critical component of the public safety and health for all residents. We support increased funding for these services, including co-responder program, and services to youth.
- Medicaid expansion - continued support but an old statistic was removed from this section.
- Housing Needs - this section was renamed ("moderate income" removed). Repeal of 2016 legislation curtailing local control over inclusionary zoning policies and rental property licensing programs regulating interior inspections. Give back local control for safe and sustainable housing.
- Substance abuse prevention and treatment - remains the same and we support increased funding for programs.
- Promotion of Equality - this section was renamed and Mission supports comprehensive anti-discrimination legislation and expanding the protections of the Kansas Act Against Discrimination to protect against discrimination on the basis of sexual orientation or gender identity.

- Increase the minimum age for sale and purchase of tobacco products - we support increasing the minimum age of sale and purchase of these products and encourage the state to prohibit or restrict the sale and distribution of flavored vaping products.
- Tobacco sales tax - remains the same
- Legalization of Marijuana - remains the same
- Safe use of bicycles and scooters on public streets - this section is added.

Councilmember Schlossmacher asked if we receive feedback from our legislators on how impactful our priorities are. He feels we spend a good deal of time on preparing these and is unsure of the impact they have in Topeka. Councilmember Thomas stated that she and Councilmember Flora met with our legislative delegation last year to talk about our priorities. Legislators encouraged them to bring these to them earlier and in person if possible. They feel these priorities “give them a leg to stand on” when they are advocating for specific legislation. Councilmember Flora stated the consensus from the legislators they spoke with was that these do have value and weight as they represent/come from the city and not just individual constituents. Councilmember Schlossmacher also asked if we receive any feedback from legislators showing they have reviewed these. Ms. Smith that we have not received feedback from legislators and she recognizes the time required to prepare these, but they do generate good conversations with other cities and there is value in that and the process. In the past we have mailed these priorities to legislators and they are available on our website. Councilmember Flora stated all three legislators that cover our area would like to meet with us. She also asked that any additional items for the legislative priorities be sent to Ms. Smith and this will be considered as an action item at the December committee meeting.

This item was for discussion only and no action was taken.

Other
Department Updates

There were no Department Updates

Meeting Close

There being no further business to come before the Committee, the meeting of the Finance and Administration Committee adjourned at 7:56 p.m.

Respectfully submitted,

Martha Sumrall
City Clerk