

MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE

June 6, 2018

The Mission Finance & Administration Committee met at Mission City Hall, Wednesday, June 6, 2018 at 7:15 p.m. The following committee members were present: Pat Quinn, Hillary Thomas, Arcie Rothrock, Nick Schlossmacher, Kristin Inman, Debbie Kring, Ken Davis and Sollie Flora. Mayor Appletoft was also present. Councilmember Schlossmacher called the meeting to order at 7:15 p.m.

Also present were City Administrator Laura Smith, City Clerk Martha Sumrall, Assistant City Administrator Brian Scott, Public Works Director John Belger, Chief Ben Hadley, Parks & Recreation Director Christy Humerickhouse, and Public Information Officer Emily Randel.

Revisions to Council Policy 104, Guidelines for City Council Committees

Ms. Smith stated that following discussion by the committee last month, staff was directed to move forward to draft more clearly defined rules and parameters for the public comment process at committee meetings. City Council Policy 104 - Guidelines for City Council Committees was revised to help define and clarify expectations regarding public comment and participation. During discussion by the committee at last month's meeting, Councilmember Flora suggested that the words "personal" and "impertinent" be removed from the last bullet point under Section 1.05, and there was general consensus by the committee to make this change. This is reflected in the proposed draft. Councilmember Davis stated that this revised policy is very helpful

Councilmember Quinn recommended that the recommended changes to City Council Policy 104 relating to public comments at Council committee meetings be forwarded to Council for approval. All on the committee agreed, but this will not be a consent agenda item.

Resolution Authorizing Bank Signatory

Mr. Scott stated that with a new employee for the Mission Market, a resolution authorizing her signature on checks is required. The proposed resolution formally authorizes changes to the signatories on the market checking account with Security Bank. He noted that the market account is small but required so that the City can reimburse vendors who accept SNAP tokens. A former employee will be deleted from the account and the new employee added. There was no discussion on this item.

Councilmember Davis recommended that the resolution authorizing signatories for a City of Mission checking account be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Resolution of Intent to Issue Industrial Revenue Bonds (IRBs) - Mission Gateway

Ms. Smith stated that the Redevelopment Agreement for The Gateway, approved in October 2017, contemplated a request from the developer for the City to issue Industrial Revenue bonds (IRBs) for the project. The first step in this process is for the City to consider a resolution which establishes the intent and authority to issue the IRBs. The actual bonds will be issued at a later date and could be resized at that time. The resolution authorizes an issuance not to exceed \$214,258,589. She stated that usually when an issue is resized it is for a lesser amount. These bonds are not a general obligation of the City, and are not backed by the full faith and credit of the City.

Councilmember Kring asked if the valuation on the Gateway property has changed. Ms. Smith stated that the most important year for the property is the base year (2019) when the TIF clock starts for the project. Councilmember Schlossmacher asked if the IRBs would be issued based on the developer being current on their taxes for the property. Mr. Scott stated that a building permit will only be issued when the taxes are paid, and Ms. Smith noted that the developer will want work underway when the bonds are issued. Discussion continued on the process for the project getting underway with Mr. Scott stating that taxes will need to be paid first, then building permits issued, bonds issued, and construction started.

Councilmember Davis recommended that a resolution establishing the intent and authority of the City to issue Industrial Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$214,258,589 to finance the costs of acquiring, constructing, and equipping multiple facilities for the benefit of Aryeh Realty, LLC and its successors and assigns be forwarded to Council for approval. All on the committee agreed, but this will not be a consent agenda item.

Councilmember Schlossmacher requested an update on the status of taxes paid by the developer. Mayor Appletoft and Ms. Smith stated that the developer is still on track to begin construction in late summer early fall and taxes would be paid prior to this. Mr. Scott stated that the architect for the project has submitted a second set of plans that are currently being reviewed.

Quarterly Police Department Update

Chief Hadley provided an updated on Police activity from January 1 through March 31. Statistics on calls for service included building checks, alarms, assistance to other agencies, fire/rescue, residence checks, car checks, disturbances, suspicious persons, prowlers, suicide, death investigations, drug activity, auto burglary, auto theft, home burglary, robbery, shoplifting, sex related crimes, and arrests. He noted that the department is starting to use a new software from the County that tracks each call, and the next update will provide a better comparison between quarters. He stated that nothing jumps out in the statistics, that there are fewer fights reported, car checks and traffic stops are up, and to date no suicides.

Discussion by the committee continued on how suicides are reported in the statistics provided (a subset of death investigations), the number of mental health calls and the possibility of tracking the number of calls the mental health co-responder participates on in Mission, how fire and rescue calls are recorded with the Chief noting that each time there is an EMS call a fire truck leaves the station, and the difference between a suspicious person and a prowler. Chief Hadley stated that of the “car check” statistics approximately 1 in 3 receive a citation. He also noted that all personnel receive training in dealing with people with mental health issues. Discussion continued on statistics showing an increase in drug activity in 2017 with Chief Hadley stating that based on personnel working the night shift this can vary. Chief Hadley also stated that the department tracks both race and sex of those who come into contact with the department to ensure there is no profiling.

Councilmember Davis asked if a written report will be a part of the quarterly updates going forward. Ms. Smith stated that it would and she appreciated the feedback from Council on what additional information to provide and how to improve the report. The committee also discussed Investigations Activity with Chief Hadley providing information on how cases are assigned or put on hold depending on the information/evidence available. He stated that they want to focus on those cases where there is information available to follow-up on. Councilmember Kring requested information on a “picture” of the average time it takes an officer for each stop. Chief Hadley provided the example of a DUI stop that takes approximately two hours to process, followed by approximately three hours of paperwork, then trials. Ms. Smith stated that we will work to get data from Johnson County on the average time per call and hope to be able to map calls by ward. Councilmember Thomas stated that she is receiving calls from residents concerned with crime in Ward I. Councilmember Schlossmacher asked if there is additional software needed to help expedite paperwork. Chief Hadley stated that NICHE will assist with this.

Chief Hadley provided an update on traffic accidents and stops, noting that the highest number of accidents occur on Wednesdays between 2:00-3:00 p.m. with the top two locations being 58th and Metcalf and Shawnee Mission Parkway and Lamar.

Councilmember Inman reported that Shawnee Mission Parkway is scheduled to be resurfaced this summer from Metcalf to Roe. Chief Hadley stated that reduced speeds will be posted, traffic will be reduced to one lane, and a motorcycle officer will be posted in the area.

This item was informational only and no action was taken.

Review of General Fund Budget and Supplemental Requests

Ms. Smith provided the committee with several handouts related to the General Fund and Supplemental Requests and Local Sales and Consumption Tax Collections Last 10 Years. The City’s General Fund is the starting point for the budget discussion as it is the largest fund. The

General Fund supports the basic operations of the City including police, municipal court, public works, parks and recreation, community development, neighborhood services, administration, and legislative services and program. She stated that most Johnson County cities are looking at holding their current mill levy constant or a slight roll-back.

Revenue highlights included:

- Total anticipated revenues for 2019 of \$13.08 million which is an increase of 4% over 2018 estimated.
- 2018 revenues have been updated from budgeted figures to reflect collections and trends captured during the first four months of the year.
- We anticipate seeing an increase in plan review and inspection fees with the Mission Trails and Gateway projects getting underway.
- With the property tax lid, we are showing no growth. Final valuations will be provided to the City at the end of June.
- Sales and Use Tax has been budgeted on the conservative side. Our sales tax base is balanced.
- It is anticipated that 1 mill will generate \$150,000 in revenue. Information on mill levies in other cities is included in the packet. She noted that some cities include fire services.
- 2019 estimated revenues by category (pie chart) were discussed including fines and fees, franchise fees, intergovernmental revenue, parks and recreation, property tax, sales and use tax, and “other” revenue. Intergovernmental revenue is primarily sales tax and she noted that we are somewhat “heavy” on the sales tax side when considering diversification. Property taxes includes 7 mills that are dedicated to street maintenance. Parks and Recreation is anticipating a decrease due to continued declines in annual memberships and classes. Fines and Fees are estimated at \$1.3 million, which is down from 10 years ago when it was nearly \$2 million.
- No new revenue sources are considered in the budget. Mission Trails project will provide us with \$250,000 and this allocation will be discussed when it is fully received.
- We continue to make progress in rebuilding the uncommitted portion of the General Fund fund balance, ending the 2017 fiscal year with approximately 1.2 million in funds over the Council’s 25% Fund Balance Policy goal. ADA funds are at approximately \$135,000.

Expenditure highlights included:

- Each line item in the budget is reviewed and evaluated annually.
- We are required to submit a balanced budget and over the years we have looked at a variety of ways to do this.
- The 2018 budget anticipates an 11% increase in expenses driven by increased plan review and inspection fees. She also noted that in 2018 the budget was light in capital purchases (more in 2019), a Public Works position was inadvertently dropped and has been added back into the budget, a 3% merit pool has been included (other cities anticipate merit pools between 2.5-5%), and a 20% increase in health insurance costs

has been built into the budget as a conservative estimate. (Staff will be meeting with our broker in the next few weeks to get information on health insurance trends.)

- 2019 Base Expenses by Function were discussed including public safety, public works, parks and recreation, and administration. Specific lines items for each budget are included the the packet.

Capital Equipment:

- The 2019 Draft General Fund Budget included the highest priority capital equipment ro each of the City's operating departments with a total outlay amount of \$684,000.
- Administration - \$2,500 for one laptop replacement.
- Public Works - three truck replacements, a leaf vacuum, new portable message boards and a walking saw for cutting pavement and curbs. This request includes \$330,000 in vehicles and \$55,000 in equipment. Estimated trade-in/resale values of existing vehicles and equipment was also discussed.
- Community Development Department - \$2,500 for one laptop replacement.
- Sylvester Powell, Jr. Community Center - Capital equipment for the Community Center is budgeted and funded from the Parks & Recreation Sales Tax Fund managed outside the City's General Fund.
- Police Department - radio system replacement due to Federal mandates, computer replacement (20% are replaced annually), new investigations vehicle, replacement of one radar unit. This request includes \$41,152 for vehicles and \$252,700 in equipment. Councilmember Davis asked if grants are available for the radio system. Ms. Smith stated that this will be looked at, but most grants for this equipment have "dried up."

Supplemental Requests:

Supplemental requests have been submitted for consideration for inclusion in the 2018 and 2019 budgets and include:

- Vehicle for building official at \$30,000 in 2018. The Community Development Department is currently recruiting for a full-time building official and a vehicle (recommended Ford Escape SUV similar to Code Enforcement) will be needed for traveling to inspections and being able to visit construction sites. Mayor Appletoft asked if this position will eliminate all outsourcing of building inspections. Mr. Scott stated that it will eliminate most, but not all and the committee discussed the impact of two large development projects getting underway along with increasing residential permits.
- ADA/Space Needs Analysis at \$30,000 in 2018. The previous analysis completed in 2009 was driven by the large number of people visiting court and ADA concerns. The estimated cost at that time to accomplish the recommended improvements was approximately \$400,000. None of the recommendations from the previous study were implemented. The cost for this study will be less as we have most of the data. There are still ADA accessibility concerns, and with a shift in diversity in the Police Department and possible increased staffing needs in coming years due to development, additional space and locker room space is needed. The study will look at workflows and

efficiencies, how to improve customer service, and whether we should continue to work within the current building or not. ADA fees will be used for this study.

- Community Service Officers/Animal Control Services at \$217,785 in 2018/2019. After much discussion with the Northeast Animal Control Commission, Mission residents would be best served by the City withdrawing from NEACC effective January 1, 2019 and hiring Community Service Officers who could provide both animal control services and a number of other peripheral functions. Mission hosts NEACC operations and administration so we would offer services to other cities contractually. This would be based on a calls for service model and not the current per capita cost. We anticipate receiving approximately \$28,000 from other cities contractually (with the exception of Roeland Park that has not expressed an interest). If NEACC is dissolved, the assets would be sold off. Discussion by the committee included the cost breakdown to other cities for animal control services, and how animal control citations will be handled (CSO vs. police officer from another city writing the ticket).
- DirectionFinder Survey at \$16,000 in 2019. The survey was completed in 2007, 2011, 2015 and is due for an update in 2019. This is a statistically valid survey that has proven valuable in assisting Council with setting priorities.
- Update of the Comprehensive Plan at \$110,000 for the plan update, and \$30,000 for an additional market study in 2019. The current Comprehensive Plan was prepared in 2006/2007, yearly reviews have been conducted with minor revisions in 2011, and an update is now needed. Staff began an update process in 2015 but it died due to lack of staffing resources. It is anticipated that this process will take 12 months and include public meetings. The committee discussed how the advisory committee for this project will be created. Ms. Smith stated there are several options including the Planning Commission shepherding the process or the establishment of a steering committee that includes members from boards and commissions, businesses, etc (all sectors of the community).
- Parks and Recreation Marketing Services at \$30,000 in 2019. The Center continues to see declining revenues as the facility ages and newer facilities come on line. An RFQ for marketing services has been issued to explore how best to secure marketing services - a staff person or contractually.
- Part-time Fitness Coordinator - Community Center at \$25,000 in 2019. With competition from other facilities increasing, a part-time fitness coordinator would allow for the opportunity to build on and expand wellness and fitness programs at the Center. Class revenues could increase by \$45,000-\$50,000 annually with specific attention dedicated to this function. Ms. Smith also noted that Planet Fitness does not offer classes.

Ms. Smith provided additional information on the General Fund Summary with All Supplemental Requests (handout) which would result with an unrestricted fund balance of approximately \$1 million. She stated that of these supplemental requests, \$186,000 would be one-time expenses, but that the addition of the CSO positions would be permanent and an ongoing expense.

Councilmember Davis requested information on the street maintenance program. Ms. Smith stated that this will be reviewed at the June 13th work session where the CIP will be discussed. The recommended CIP budget was scheduled to go before the CIP Commission, but due to the lack of a quorum, this will be coming to Council directly from staff. She stated that streets are still a priority for residents.

Threats and challenges to the budget were discussed include the TUF repayment (initial award can be made with cash on hand) and sales tax renewals that will be coming up within the 5-year CIP timeline. Ms. Smith provided information on assumptions for the 2019 budget which include:

- Continued subsidizing of a portion of the Solid Waste Utility Rate for single-family property owners. The rate increase in 2019 is 3.6% and Council will need to decide if some of this increase is passed on to residents.
- Maintaining the Franchise and Mill Rate Rebate program at the current rates. Council will need to decide if the adjusted income requirements should be increased or additional funds dedicated to this program. Councilmember Kring asked if the number of people wanting to participate in this program is increasing. Ms. Smith stated that it remains fairly steady, but if we see an increase in requests the budget for this program can be adjusted mid-year.
- Continuing to build a building/equipment reserve fund.
- Personnel costs reflect a 3% merit pool.
- Maintaining funding for the Building Improvement Grant (BIG) program.
- Continuing to increase the Park Maintenance budget in Public Works as recommended by the Parks and Recreation Master Plan.
- The Community Center currently achieves a cost recovery of approximately 70%. Council will need to decide what is the appropriate balance. Councilmember Schlossmacher asked if energy efficiency audits for this building or the Community Center are scheduled. Ms. Smith stated that staff is working on this issue.
- Funding for the highest priority capital equipment purchases for each department.

The next budget work session is scheduled for Wednesday, June 13th to discuss the CIP. Councilmembers were encouraged to contact Ms. Smith or Mr. Scott with questions on the budget.

Other - Department Updates

Ms. Smith provided a handout of upcoming meeting dates and asked for input on several changes/conflicts and for dates that Councilmembers know they will not be in attendance. The schedule was updated and will be updated on the website.

Ms. Smith also stated that with several development projects moving forward, it is important for staff to know when Councilmembers will be absent to ensure we have a quorum at meetings.

Meeting Close

There being no further business to come before the Committee, the meeting of the Finance and Administration Committee adjourned at 9:05 p.m.

Respectfully submitted,

Martha Sumrall
City Clerk