

MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE

July 10, 2019

The Mission Finance & Administration Committee met at Mission City Hall, Wednesday, July 10, 2019 at 7:37 p.m. The following committee members were present: Pat Quinn, Hillary Thomas, Arcie Rothrock, Nick Schlossmacher, Debbie Kring, Kristin Inman, Ken Davis and Sollie Flora. Councilmember Flora called the meeting to order at 7:37 p.m.

Also present were City Administrator Laura Smith, Assistant City Administrator Brian Scott, City Clerk Martha Sumrall, Chief Ben Hadley, Assistant to the City Administrator Emily Randel, Public Works Superintendent Brent Morton and Capt. Dan Madden.

Acceptance of the June 5, 2019 Finance & Administration Committee Minutes

The June 5, 2019 Finance & Administration Committee Minutes were provided to the committee in the packet. There being no objections or corrections, the minutes were accepted as presented.

Resolution Designating Sunflower Festival as City Sponsored Festival Event

Ms. Randel reported the City is required to pass a resolution designating City Sponsored Festival Events where alcohol may be consumed. Earlier this year a resolution was passed that included the dates for the market and the Sunflower Festival, but since that time the Sunflower Festival has been moved to Saturday, October 12th.

Councilmember Quinn recommended that the resolution designating an additional City Sponsored Festival Event for 2019 be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Councilmember Kring asked why the date has been changed and Ms. Randel stated that the previous date was in August when the weather is typically much hotter.

Roeland Court Townhomes Development Agreement

Ms. Smith stated the City has been working with the Roeland Court Townhomes property owners to solve the problem of a subsidence in their parking areas. A CID was established earlier this year and task order for the design of the channel improvements has been initiated by staff. This formal development agreement outlines the terms and expectations of the Roeland Court Homes Association and the City regarding the responsibility for work to be completed, contracts, and release of liability. She stated that the improvements will be a City project as we are able to get a better price and control the work to be done.

Councilmember Davis recommended the Development Agreement with the Roeland Court Homes Association be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Mutual Release Agreement Between the City of Mission, Roeland Court Townhomes Association, and Johnson County Wastewater

Ms. Smith stated in 2017 the subsidence of the parking area of the Roeland Court Homes Association caused damage to a sanitary sewer line in the area. Repairs were made by Johnson County Wastewater and they agreed that if the City and Homes Association were willing to participate financially to resolve the issue, they would not seek to recover any costs incurred for replacement and stabilization of the sewer line. This proposed mutual release agreement addresses this, has been reviewed by all parties, and executed by Johnson County Wastewater.

Councilmember Davis recommended the Mutual Release Agreement between the City of Mission, Roeland Court Homes Association, and Johnson County Wastewater be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

2019A General Obligation Bond Sale

Ms. Smith stated the issuance of the 2019A General Obligation Bonds will be on the July 17th City Council Agenda. The sale of the bonds will take place during the morning of July 17th. The documents included in the packet are for review at this time and will be finalized then the bond sale is finalized. These bonds are for repairs to the Rock Creek Channel and the Roeland Court Townhomes parking area. The City's portion of the debt service on these bonds will be paid from special assessments (particularly Gateway), stormwater utility and drainage district revenues. The Roeland Court Townhomes portion will be paid from their CID that was established by Ordinance 1498. The total project cost is approximately \$5 million and the bonds are being issued for \$4.2 million, with the gap being paid from cash reserves. Survey work for the project is now underway. She stated three motions will be required by Council on July 17th and these will include acceptance of the winning bid, an ordinance authorizing the issuance, and a resolution prescribing the form and details of the bonds. Our financial advisor and bond counsel will be at the meeting. She also reported that a ratings call with Standard & Poors was held last week and she hopes to have a report back by Friday, July 12th. She stated the call went well and is hopeful for an upgrade in rating.

No recommendation was needed for this agenda item. It will be on the City Council Agenda under "Issuance of Notes and Bonds."

Ordinance Certifying Roeland Court Townhomes Special Assessments

Ms. Smith stated this ordinance certifying the Roeland Court Townhomes Special Assessment is the next step in the CID process. This ordinance certifies the maximum amounts which match the CID petition. Although the maximum amounts per property are certified with this ordinance, the assessments are not provided to the County Clerk for inclusion on the tax bill until after the project is completed and final costs can be confirmed and allocated. The public hearing for these assessments will be held at the July 17th City Council meeting, and notices of the public hearing were mailed to each property owner.

Councilmember Davis asked Sheldon Bucl, president of the Roeland Court Homes Association who was in the audience, if everyone was comfortable with the assessments. He stated that there were three people who did not sign the petition, but there was a majority vote of the membership to move forward.

Councilmember Davis recommended that the ordinance leveying special assessments for the Roeland Court Townhomes Community Improvement District be forwarded to Council for approval. All on the committee agreed, but this will not be a consent agenda item.

Kansas Statewide Housing Assistance Program Resolution and Cooperation Agreement

Ms. Smith shared information on the Kansas Statewide Housing Assistance Program that Mission has participated in previously. Staff was recently contacted through an open records request from Gilmore & Bell asking for copies of a resolution and cooperation agreement authorizing Mission's participation in this program. A resolution passed in 1998 was located, but not the cooperative agreement. This program provides subsidized mortgage loans to low and moderate income homebuyers and because the State does not allow for the issuance of single-family mortgage bonds by a state agency, this program is locally sponsored. The firm previously responsible for maintaining the records of this program has closed and some of the records can not be located. Gilmore & Bell has been working to make sure the program is fully documented and continues. Ms. Smith provided information on the eligibility requirements and stated that most cities in Johnson County participate. There is no cost to the City and in the last four years, eight mortgages in Mission have been through this program. She also noted that the program is promoted by lenders and not the City.

Councilmember Quinn recommended that approval/reaffirmation of the resolution and cooperation agreement authorizing Mission's participation in the Kansas Statewide Housing Assistance Program be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Post Issuance Debt compliance and Continuing Disclosure Policy and Procedures

Mr. Scott provided information on the requirements for bond issuances and Mission's Council Policy 127 which must be updated related to post issuance debt compliance and continuing disclosure policies and procedures. There have been many changes in Federal requirements, particularly after the housing crisis and recession. Staff has updated City Council Policy 127 to reflect the current requirements for continuing disclosure and in doing so has combined what were two separate documents - the policy document and the procedures document. He noted Section 5 which is all new and outlines the specific procedures for continuing disclosure compliance. There is a full list of reporting requirements that must be completed annually by the Finance Director or when any changes occur that would affect investors. Ms. Smith stated that if Mission receives a rating upgrade, this will be reported. Mr. Scott stated that Moody's asks for our audit annually, and we have had ratings calls even when not issuing bonds.

Councilmember Quinn recommended that adoption of the updated Post Issuance Debt Compliance and Continuing Disclosure Policy and Procedures be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Surplus Property Resolution

There was no discussion on this item.

Councilmember Quinn recommended 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.

Police Department Radio Replacement

Chief Hadley reported that the department's radios are approximately 15 years old and Motorola brand, which will not be supported after this year. In order to be eligible for grant or federal funds, the Department of Homeland Security has required new radios by 2020. After evaluating both Harris and Motorola brand, staff is recommending Harris radios through Ka-Comm. Chief Hadley stated that the Motorola brand appeared to be less expensive, but staff has struggled with getting a firm quote from them for a price. The total cost for the radios is \$231,433.30, which is approximately \$6,500 over budget, but this will be taken from the Police Department's "equipment" line item. He stated that these new radios are needed to be able to utilize the encrypted channels required.

Councilmember Flora asked if the cost benefit between grant/federal funds received vs. this mandate for new radios has been considered. Ms. Smith stated that we have worked through MARC on this project and that the new radios are comparable in price to what we paid for radios 15 years ago. She also stated that, most importantly, these new radios will allow us to continue to communicate with other agencies in the metro area.

Councilmember Quinn recommended that the purchase of 40 Harris XL 185P portable radios and 18 Harris 185 mobiles, including all associated equipment for the Police Department in an amount not to exceed \$231,433.30 be forwarded to Council for approval. All on the committee agreed, but this will not be a consent agenda item.

Authorization for Contract with SFS Architecture for Phase II Space Needs Analysis

Ms. Smith stated in February 2019, Mission put out an RFQ seeking proposals for a Facility Space Needs Assessment for City Hall and the Police Department. The City is working to see if the current building can be renovated to fit our needs, or if a new building is needed. Current issues with the building include ADA compliance, locker room space, work space, record storage, and the aging building and infrastructure. She stated many of the issues are related to public safety. In April, SFS Architecture was selected to complete the space needs analysis in two phases. Phase I included surveying departments to see what their current and future needs are, adjacency issues, etc. This phase has been completed and the report has noted that our current square footage is 22,000 sq. ft. when approximately 43,000 sq. ft. is needed. She stated that it does not appear that the current building can be renovated to keep both departments, but a more in depth analysis in Phase II will provide a total picture of what operations could remain in a renovated City Hall and options for expansion at this site or elsewhere. She noted that building code requirements have changed, particularly related to “hardening” of the Police Department.

Councilmember Inman asked if there is an idea of what the costs might be and Ms. Smith stated Phase II will provide options for possible renovations, new construction, or a combination of these. She anticipates having Phase II completed this fall with associated costs. Councilmember Davis asked if other sites have been considered. Ms. Smith stated Phase I does include estimated acreage needed, but we do not yet have a square foot cost for new construction.

Councilmember Davis recommended that authorization of a contract with SFS Architecture for the Phase II Space Needs Assessment of the City Hall / Police Department facility in an amount not to exceed \$18,350 be forwarded to Council for approval. All on the committee agreed. This will be a consent agenda item.

Change in Date for Swearing-in of Newly elected Officials

Ms. Smith stated SB 105 became effective July 1 and allows cities to set the date when newly elected officials take office. Currently, this occurs on the second Monday in January. This legislation allows cities to select a date between December 1 and the second Monday in January. To make a change in Mission would require a charter ordinance. She noted the infographic provided by the League of Kansas Municipalities outlining the process to change the date, and discussed some of the challenges with choosing various dates. She stated selection

of the first regularly scheduled City Council meeting in December as a possible date as it would eliminate conflicts that could arise if a specific date is selected and it occurs on a weekend, etc. Councilmember Flora noted that Section 6 of our current charter ordinance regarding elections may not be consistent with the Election Office's required signatures to file for election by petition, and asked that this be reviewed.

All on the committee agreed to direct staff to move forward in preparing an action item on this issue for the August Finance & Administration Committee meeting.

Recommended 2020 Budget

Ms. Smith provided an overview of the Recommended 2020 Budget, which includes 16 funds and total estimated revenues of \$21.84 million. The General Fund is the largest fund and covers all operating costs. Total estimated revenues in the General Fund are \$13.5 million, which is an increase of approximately 2% over 2019. She noted that sales taxes, franchise fees and fine revenues are relatively flat, but revenues at the Community Center are expected to increase. She stated the largest change in revenues for 2020 is in plan review fees as these were previously very high due to development projects. She also provided information on total assessed valuation of \$160 million, which is an overall increase of 2.2%. The City will be able to maintain the current mill levy of 17.878 with 7 mills for street maintenance and the balance to the General Fund.

Information on General Fund expenses was provided, with a variety of policy goals included (solid waste utility rate, franchise fee and mill rebate program, building/equipment reserves, personnel merit pool increase, health and welfare benefits, Business Improvement Grant, park maintenance budget, Community Center budget, and funding for the highest priority capital equipment and technology). The total expenditures in the General Fund, including transfers, total \$13.59 million which is a 1% decrease.

Ms. Smith provided information on various technology and capital equipment items that are recommended for funding either this year or in the 2020 budget. Technology items include Wi-fi access points, technology replacement program, Microsoft 365 licensing, Laserfiche upgrade, and new building permitting and code enforcement software. Capital equipment includes a single-axle dump truck, ¾ ton pick-up truck, skid steer and attachments, tube gas heaters at Public Works facility, and replacement of lighted arrow board at Public Works. In the Police Department capital expenses include patrol fleet replacement, in-car camera and body camera replacement, and computer replacements. Councilmember Rothrock requested additional information on the Wi-fi access point hubs that are recommended as she is concerned that they may not provide upgraded service. The committee discussed spotty service in various locations and whether these will resolve the problems, and how our network works. Councilmember Kring asked that the personnel budget for Neighborhood Services and Community Development be clarified to show the shift in and new positions.

The Committee discussed various supplemental request that have been made for a total of \$368,000. With the exception of the Greenhouse Gas Emissions Inventory Update, all supplemental requests have on-going budgetary impacts. Supplemental budget requests in the Legislative Budget include increased funding for tree maintenance on public property, increased budget for Council constituent communications, and the Greenhouse Gas inventory Update. Community Development is requesting to re-establish the City Planner position. This would be an entry level position. Councilmember Flora suggested building in green credentials to this position and Ms. Smith noted that our building inspector is LEED certified. Mr. Scott stated this could be a preferred qualification and if lacking then we could provide the necessary training.

Parks and Recreation is requesting an upgrade to the entry desk, lifeguard and day care positions to ensure adequate staffing. This will help to provide more consistency and better customer service to patrons.

The Police Department is requesting the establishment of a Directed Patrol Unit by converting the two positions previously authorized as “over-hires” to become permanent positions in a Directed Patrol Unit. Information was provided on staffing levels in the Police Department, which is now fully staffed at 31 positions. Capt. Madden provided information on how a Directed Patrol Unit would work and the benefits it would provide. He discussed crime in Mission in general, current statistics, and noted that officers are now “reactive” to situations but with a Directed Patrol Unit we would be proactive throughout the City (businesses, apartments, single family neighborhoods). He also stated that having this unit helps us build trust with other agencies. The committee also discussed other cities that currently have Directed Patrol Units and/or Drug Units, and the level of staffing for these. Capt. Madden discussed the need to have more than one officer providing these services to be most effective. He also stated that officers in the Directed Patrol Unit would function as ‘hybrid’ officers needing both patrol and detective skills.

Councilmember Quinn asked if we will still need an additional two over-hire positions once the Directed Patrol Unit is established, and Councilmember Flora requested information on training costs for this unit and whether this unit would be more beneficial than increased code enforcement. Chief Hadley stated there are certain situations best handled by Code Enforcement, and also discussed the benefits of being able to provide surveillance in certain areas/situations. He discussed current staffing, noting that he has three certified officers that are interested in Mission, but that additional positions can be added at a later time if needed. He also stated that training for the Directed Patrol Unit officers will come from the departments training budget and there are a variety of free training opportunities through the Federal Government. Ms. Smith provided information on previous work with apartment managers by not only the Police Department, but also Code Enforcement and Parks and Recreation staff working as a team. This unit will assist in again reaching out to apartment managers. The committee discussed all staff to being tuned into what is happening in the community, and encouraged to observe and report to the Directed Patrol Unit for follow-up. The committee also discussed the unit maintaining priority on crime in Mission and private security at various apartments.

Ms. Smith commended the Police Department for their work on this request, and noted that they have reached out to other communities with Cinergy (Gateway) locations to see how these types of entertainment venues have affected their communities.

Ms. Smith stated there are several other supplemental requests that will be evaluated in the coming months, including paid family leave time for full-time staff, staff support for public information / constituent communications / public relations, and staff support and reserve funds for sustainability projects. The 2020 Recommended Budget achieves the Council's 25% fund balance goal for the General Fund and includes excess fund balance that can be used for a variety of issues/opportunities.

Ms. Smith reported that there are no changes to the CIP Program that was previously discussed by the committee. Various other program were discussed, including the Stormwater Program and revenues that come from the stormwater utility fee, drainage districts and Gateway special assessments. All are recommended to remain constant for the 2020 budget. Special Alcohol Funds are anticipated to increase, and the Solid Waste Utility Fund will be certified at the 2019 rates, but this could change as a new contract will need to be negotiated prior to the end of the year. The MCVB Fund receives funding from the 9% Transient Guest Tax. These fund the Mission Magazine and serve as a pass-through for the Holiday Adoption Program and the Mission Business Partnership. The 2020 budget for the MCVB Fund includes \$10,000 for the purchase of banners (2 styles) for the entire length of Johnson Drive. Ms. Smith also stated there are several TIF and CID funds that are legally required, including the Mission Crossing TIF/CID Fund and the Cornerstone Commons CID Fund.

The next steps in the budget process will be the Community Dialogue at the July 17th City Council Meeting. Revisions to the budget can be made following that if necessary, and Council will approve the budget at the August 21st City Council 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 9:35 p.m.

Respectfully submitted,

Martha Sumrall
City Clerk