

Minutes

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:00 P.M., on Tuesday, January 18, 2011. Mayor Peggy Dunn presided.

Councilmembers present: Julie Cain, Andrew Osman, James Azeltine, Debra Filla, Jim Rawlings, Gary Bussing, Lou Rasmussen, and Carrie Rezac

Councilmembers absent: None.

Staff present: City Administrator Scott Lambers	City Attorney Patty Bennett
Police Chief John Meier	Interim Finance Director Dawn Long
Info Systems Director Mark Andrasik	Budget Coordinator Kathy Byard
Comm. Dev. Director Richard Coleman	HR Director Loving Freeman
P&R Director Chris Claxton	Assistant City Clerk Pam Gregory
City Clerk Deb Harper	

Others Present: None.

**Presentation of 2012-2016 Capital Improvement Program
[C.I.P.]**

Mayor Dunn called the meeting to order at 6:05 P.M. Introductions were made by those present.

C.I.P. Presentation – City Administrator Scott Lambers

Review Financial Model No. 2

The 2011-2019 Model assumes no mill levy increase and no new Capital Projects. The City is meeting all of the financial perimeters and as a result, the projected Mill Levy increases are no longer needed.

Review Financial Model No. 1

The 2011-2019 Model assumes a one-mill levy increase in 2015, 2017, 2019 and committed capital projects. The reason is due to borrowing money for projects at a faster rate than retiring and using Pay-As-You-Go [PAYG] money.

Review Existing Debt Schedule

The City has been borrowing money at a fairly steady rate over the past several years and is peaking and gradually coming down. In 2021 and beyond, the City will be retiring a significant amount of debt.

Mayor Dunn commented that the most recent projected mill levy increases in 2011, 2013 and 2015 had been pushed back to 2015. Mr. Lambers replied since more revenue had come in than anticipated and they had spent less, it allowed them to push the projected mill levy increase to 2015. There is sufficient revenue to cover operating costs; however, the C.I.P. is the driving factor for the mill levy increases.

Councilmember Bussing commented since Financial Model No. 2 assumed no new capital projects or mill levies, the graph still showed the City's operating costs increasing at a rapid rate. Mr. Lambers noted that with long-term financial forecasting, they under estimate revenues and over estimate expenses.

Debt Policies

Mr. Lambers requested that the Council direct staff to expand the language on Page 15; section 11, to do PAYG only, with the exception of burying or relocating utility lines and to avoid any confusion that the 22-year clock would start with the imposition of the tax. The exception for the utility lines is due to an upfront expense that has to be paid by the developer. If a developer does not want to do PAYG, it would require a change in the financial policy and not likely to occur; however, if there is a specific exception similar to the nature of undergrounding utilities, it can be considered.

Mayor Dunn confirmed with Mr. Lambers this change would be effective moving forward and any existing development agreements would be honored. If the consensus is to proceed, the language will be incorporated into the document.

2012-2016 Program Summary

Pages 20-21 lists the City's projects and costs. The City's major project is 143rd Street for \$8.5 Million.

Public Works Director Joe Johnson confirmed that the City does not have maintenance agreements for traffic signals; they are maintained by the City. Councilmember Rasmussen had concerns with replacement costs.

Mr. Lambers commented that if the Public Works Committee determines a traffic signal needs to be replaced, they should be pro-active and have money set aside to replace them on a PAYG basis.

Annual Projects

2012 Residential Street Reconstruction Program

Traffic Signal, 133rd & Roe Avenue – Council authorized and has been expedited

The two 135th Street Projects and Park Place Parking Structure No. 2 Project are shown as placeholders; however, they may be pushed back. There is a work session scheduled in June regarding the Village of Seville Project. These last four projects have no impact on City finances and are 100% development paid improvements.

Councilmember Rasmussen thought they should consider not doing street reconstruction if the pavement condition index [PCI] is 70% or higher. Mr. Johnson indicated they just finished inspecting the streets and would receive the new PCI ratings soon. These particular streets do not have adequate thickness for a mill and overlay; however, once they receive the PCI ratings, they can have the Public Works Committee review them again.

Arterial Street Program

Councilmember Azeltine confirmed with Mr. Lambers that the CARS Program funding is generated through allocated sales tax from the county.

Councilmember Rezac confirmed with Mr. Lambers that the 1/8 cent sales tax had been extended through 2015. Mayor Dunn noted they had received close to 80% voter approval on this extension.

Pay-As-You-Go [PAYG] Residential Street Program

This program is primarily funded with Gasoline Tax revenue from the Special Highway Fund. The legislature is considering capturing this fund. If this money is eliminated, these projects will not move forward.

1/8 Cent Sales Tax - Stormwater Projects

Currently, there are no projects planned for 2016. Once the tax is renewed, they will begin planning for the next 5-year cycle with the Stormwater Management Committee. Mr. Johnson commented that both SMAC were anticipated to be approved. The first one has already been submitted to the county and will be coordinated with the 2012 Residential Street Reconstruction Program.

Other Projects

There are a few PAYG projects included in the C.I.P for the next couple of years. The Justice Center should be completed in 2013.

Councilmember Rasmussen thought they should consider closing the 123rd and Tomahawk Creek trail due to improvement costs. Mr. Lambers indicated they would schedule a work session for discussion of this trail.

The projects identified on Page 70 are not funded. As finances change, they anticipate including them as PAYG items in a future C.I.P.

Councilmember Rasmussen commented that Hallbrook is considering a development to the south of I-435 for the Off-Leash Dog Park. The City's trail essentially follows along their property line. The area east of the trail is located in a floodplain. In order to have a dog park in this area, they would need a minimum of two acres. The Parks and Recreation Advisory Board is negotiating with Hallbrook to determine whether this would become available to the City. The total cost of the dog park is \$300,000, which consists of fencing, power and water. The Parks Board is discussing possible funding by increasing the cost of the dog licensing.

Councilmember Bussing felt if negotiations were in progress, the City Council should be involved.

Mayor Dunn indicated there would be a work session scheduled regarding the dog park and confirmed that the Parks Board had only discussed gifting the land.

Councilmember Bussing thought the City Council should be made aware of these things prior to the committees.

Art Projects

The original intent was to re-locate the "Sentinel" art piece to the Justice Center; however, this has not been formally presented to the City Council. They plan to provide landscaping in and around the temporary art piece that is located to the west side of City Hall. Currently, this land is not irrigated and goes dormant during the summer months. The intent is to keep this as a temporary art piece site so the pieces can easily be removed. Mr. Lambers recommended they not re-locate the "Sentinel" piece due to the costs involved.

C.I.P. Schedule

A work session will be set aside for review if there are any changes to the C.I.P. in terms of costs between now and June for the operating budget.

Mayor Dunn noted that the Planning Commission would review the C.I.P. and return with a recommendation. Mr. Lambers commented that it is required by state law to go through the Planning Commission in order to provide advice to the City Council to ensure they are extending their infrastructure appropriately for orderly growth of the City.

Mayor Dunn confirmed there would be a separate resolution on the Debt Policy change and they could then approve the C.I.P. with the change.

There being no further business, the work session was adjourned at 7:20 P.M.

Pam Gregory, Recording Assistant City Clerk