

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 Monday, June 3, 2013. Mayor Peggy Dunn presided.

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

Councilmembers absent: None

Staff present: City Administrator Scott Lambers	City Attorney Patty Bennett
Police Chief John Meier	Public Works Director Joe Johnson
Fire Chief Dave Williams	P&R Director Chris Claxton
Budget Manager Kathy Byard	HR Director Lovina Freeman
Comm. Dev. Director Richard Coleman	City Clerk Deb Harper
Info Systems Director Mark Andrasik	Assistant City Clerk Pam Gregory

Others Present: George Waterman, Ironhorse Golf Advisory Board
Tom Davidson, Ironhorse Golf Advisory Board
Chuck Sipple, Ironhorse Golf Advisory Board
Leo Morton, Ironhorse Golf Advisory Board
Jeff Thomasson, General Manager Ironhorse Golf
Terry Schaefer, Kansas City Star

Discuss Pre-budget; 2014-2018 CIP

Discuss Mayor/Council Salary Survey

Discuss potential expansion of Ironhorse Clubhouse Project

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

Opening Remarks – City Administrator Scott Lambers

Discussion tonight will provide a quick overview of the CIP. The City of Leawood was able to weather the recent recession because its revenues are equally split between sales tax (30%), property tax (35%), and other governmental revenues (35%). Leawood is not over-dependent on sales tax, like some other cities may be. Charts will show Leawood’s performance measures in comparison with other cities in the vicinity. It is important to consider the median number on where these cities stand. City staff would like direction from the Council regarding the expansion of the Ironhorse Clubhouse in order to incorporate this into the budget prior to the budget meeting on June 24th.

Pre-Budget; 2014-2018 CIP Discussion – Budget Manager Kathy Byard

The CIP was originally presented to the Governing Body on February 4, 2013, and was formally approved at the April 1, 2013, Governing Body meeting. The 5-year Debt-Financed Plan includes 7 projects, totaling \$37 Million. 91% of the funding will come from General Obligation Bonds; the remaining 9% will come from CARS funds, impact fees, or other State or County grants. The current plan does not include any projects funded with Special Benefit District (SBD) or Transportation Development District (TDD).

Debt-Financed Capital Improvements – By Type

Funding is broken down with 40% going toward the Curb Program; 35% going toward Street Reconstruction; and 25% going toward Residential Streets.

Debt-Financed Capital Improvements versus Pay-As-You-Go [PAYG]

The 2014 Budget CIP is debt-financed at 45% with 55% in PAYG funding. The PAYG expenses will be cash-funded using several City budgeted funds. The debt-financed projects will be initially supported with temporary note financing, followed by General Obligation Bonds after completion.

Councilmember Filla joined the meeting at 6:15 P.M.

PAYG Capital Budget by Funding Source

Funding by source includes the General Fund, Grants, Gasoline Tax, Sales Tax, Alcohol Tax, and Capital Reserves.

PAYG Capital Budget by Capital Expense Type

Expenses include the Golf Course, Stormwater, Buildings, Vehicles/Equipment, Public Art, Park Maintenance, Streets, and the Justice Center.

City Administrator Scott Lambers noted the Dog Park would be funded for \$220,000 in 2014. Plans are to move forward with the 96th and Lee Project. Phase I of this will include demolition of the structures. The 2013 budget will be amended accordingly.

Capital Budget Assumptions

A 2.5% increase in Gasoline Tax receipts is included for 2014-2018; however, the projections have come in higher, at 3.5%. These funds are used to finance the Annual Mill and Overlay and Slurry Seal Programs. A 3.0% increase in Alcohol Tax revenue is assumed. One-third of this funds the capital spending in the Special Parks & Recreation Fund. Assumptions include the continuation of the 1/8-Cent Sales Tax revenue throughout the planning period. The current authority expires in 2015. In 2014, \$522,000 will provide for slurry seal repairs; and \$860,000 for mill and overlays. These are funded from the Special City Street and Highway Gasoline Tax. Leawood's share of the arterial street repairs is projected to be \$692,000, after funding from partner cities and the CARS Program is received. In 2014, the 1/8-Cent Sales Tax fund will complete the Leawood Heritage Stormwater Project, which is 75% reimbursable from SMAC funds. This is a 2-year project that will begin in 2013. Streetlights will be purchased from KCP&L for \$940,000 in 2013 and \$460,000 in 2014. The Justice Center will be complete by 2014; however, \$200,000 has been included as reserve funds, along with another \$200,000 for renovations to the City Hall building.

The entire Justice Center Project was provided through cash-financing; NO debt will be assumed for any part of this new City facility. A total of \$390,000 in 2014 is included in the Special Parks and Recreation Fund for the City Park-Indian Creek Bank Stabilization Project.

Planning Model Assumptions

The model includes budget projections through 2024. The City is well above its policy guidelines. The proposed Mill Levy increase of 0.95 has been pushed back to begin consecutively in 2020, 2021, and 2022. Assessed valuations increase in 2014 by 1.3%. Revenue assumptions for 2014 include increases to assessed valuations by 1.3%; City sales tax revenue by 4.0%; County sales tax revenue by 2.0%. These assumptions include a budget variance of 1.5%; Revenues (101.50%) and Expenditures (98.5%). Revenues have historically averaged 4.6% higher while expenditures have averaged 3.9% lower.

Mr. Lambers stated the Justice Center operating costs for 2013 and 2014 are estimates. The 2016 Budget should reflect actual numbers.

Mayor and Council Salary Survey

Councilmember Rasmussen referenced a survey showing the salaries of neighboring Mayors and City Councilmembers and felt their salaries were out of line in comparison. The City of Leawood's Mayor and City Councilmembers last reviewed their compensation in 2006. He suggested they receive a salary increase of a 2% inflation rate per year over the last 7 years. The City Council's salary remains roughly 50% of the Mayor's.

Councilmembers Osman, Azeltine, and Rawlings were not in favor of the City Council receiving an increase because they serve as City volunteers for public service; however, they were in favor of the Mayor receiving an increase because of her extended amount of City duties. Mayor Dunn stated she would not consider any increase unless the City Council received an increase as well.

Mr. Lambers suggested they consider future City Councilmembers in an effort to keep salaries current. Typically, salary adjustments should be made every 5 years. He felt Councilmember Rasmussen's suggestion was not unreasonable and would have minimal impact on the budget.

Councilmembers Filla, Rezac, Rasmussen, and Cain were in favor of the Mayor and City Council receiving an increase.

Councilmember Bussing joined the meeting at 6:30 P.M.

Mayor Dunn received consensus to increase the Mayor and City Council salaries in the budget, but that any appropriation of the increase would require a vote in the future.

Potential expansion of Ironhorse Clubhouse Project

Parks and Recreation Director Chris Claxton stated the proposed expansion consists of 3,000 square feet at a cost of \$700,000. This is currently listed as an "unfunded" project; however, it will be discussed during the upcoming budget meeting.

Jeff Thomasson, General Manager Ironhorse Golf, stated the clubhouse currently holds approximately 130 people. The additional space would allow them to hold multiple events at once. The space is needed for volume rather than space for higher revenue per golf round. He was confident they could increase golf rounds and non-golf events by 20%-25%. Non-golf events currently account for 17% of their overall revenue.

Councilmember Bussing was in favor of the expansion in order to drive event traffic.

Mr. Thomasson confirmed there should be adequate parking for the expansion. The facility would be a turn-key operation to provide food, alcohol, catering, etc. Construction of the expansion would not affect the facility and would remain open. In order to begin construction, he requested they acquire half of the funding in the fall of 2014 and the remaining half in 2015. Plans are to open the expansion in late 2015.

Councilmember Bussing suggested they accelerate the timeframe to begin construction in 2013 and open in 2014. Mr. Lambers replied if the Council wants to proceed, they would need to begin immediately with the architectural drawings. The budget would need to be amended to provide half of the funding in 2013 with unanticipated cash revenues and budget the balance in 2014 to open late summer, 2014. Councilmembers Filla, Rawlings, and Azeltine were in favor of accelerating the expansion.

Mr. Thomasson noted some of the events they are trying to attract are booking out seven months in advance.

Mr. Lambers suggested this be a Design-Build Project in order to expedite it.

Mayor Dunn received consensus to accelerate this project to begin construction in the fall, 2013.

Ironhorse Golf Course Improvements

Mr. Thomasson stated they have established a prioritized project list for both aesthetics and requirements for ADA compliance. The ADA updates their requirements every five years. The biggest complaint they receive is in regards to unlevelled Tee-boxes. They would initially begin with improvements to the Tee-boxes, and then work on non-compliant ADA changes. The improvements would total \$440,000, and would take approximately 18 months to complete. Public safety issues need to be addressed this year including the No. 18 Tee-box, which could cost up to a total of \$99,000.

Mr. Lambers stated they could address the No. 18 Tee-box improvements with the ending cash balance this year and split the remaining \$300,000-\$400,000 over 2015-2016. If there is deterioration or funds are available they could amend the budget to address the next priorities in 2014.

There being no further business, the work session was adjourned at 7:25 P.M.

Pam Gregory, Recording Assistant City Clerk