

June 20, 2011
6:00 p.m.
Council Chambers

AGENDA

DALE BECKERMAN, COUNCIL PRESIDENT

AGENDA ITEMS FOR DISCUSSION

***COU2011-29 Consider approval of a resolution providing for a substitute improvement to be financed with the proceeds of the General Obligation refunding series 2009-A. (The resolution reallocates unused drainage funds to street improvement projects)
Quinn Bennion**

***COU2011-30 Consider approval of a resolution authorizing certain main trafficway improvements and providing for the manner of paying for the same.
Quinn Bennion**

**Discussion regarding 2012 Operating Budget (follow-up from June 13th meeting)
Quinn Bennion/Chris Engel**

**Discussion regarding Capital Improvement Budget (follow-up from May 23rd meeting)
Quinn Bennion/Chris Engel**

***Council Action Requested the same night**

COUNCIL COMMITTEE OF THE WHOLE
June 20, 2011

The Council Committee of the Whole met on Monday, June 20, 2011 at 6:30 p.m. The meeting was called to order by Council President Dale Beckerman with the following members present: Al Herrera, Steve Noll, Michael Kelly, Andrew Wang, Laura Wassmer, Charles Clark, David Morrison, Diana Ewy Sharp and David Belz. Mayor Shaffer arrived late. Staff Members present: Wes Jordan, Chief of Police; Captain Tim Schwartzkopf; Bruce McNabb, Director of Public Works; Katie Logan, City Attorney; Quinn Bennion, City Administrator; Dennis Enslinger, Assistant City Administrator; Chris Engel, Assistant to the City Administrator; Lisa Santa Maria, Finance Director and Joyce Hagen Mundy, City Clerk.

COU2011-29 Consider Approval of a resolution providing for a Substitute Improvement to be financed with the proceeds of the General Obligation Refunding Series 2009-A

On November 19, 2009, the City issued general obligation bonds to refinance existing debt and provide immediate funding of capital improvement projects. The proceeds of the bonds were to finance the cost of designated improvements. The identified storm drainage projects have all been completed or determined to not be necessary at this time.

At the budget worksession on May 23, 2011, the City Council discussed the options available for the uses of the funds. The Finance Committee has recommended the funds be reallocated to other eligible street projects identified in the bond resolution. The Council approved that recommendation.

Quinn Bennion noted two resolutions need to be approved to enable the reallocation of bond funds. The resolutions are similar to those approved in 2009 and would reallocate \$350,000 from storm drainage projects to street projects identified as part of the bond issue. With the approval of the resolutions, the 2009 bond proceeds will be used as follows:

Various public building projects	K.S.A. 12-1736 et seq.	\$ 370,000
Various street projects	K.S.A. 12-685 et seq.	\$ 6,350,000
Various storm drainage projects	K.S.A. 12-631r & s	\$ 2,700,000
Total Cost		\$ 9,420,000

It is anticipated the funds will be spent for street construction projects in the 2011 construction season.

Diana Ewy Sharp asked if the funds could be used for the public buildings. Mr. Bennion responded that would have a different authorizing statute. He noted the city attorney is reviewing the statutes. Mrs. Ewy Sharp suggested that the funds be used for the geothermal project. Mr. Bennion noted the City Attorney could research if that would be possible and report back on July 5th. Dale Beckerman doubted the description of public buildings is broad enough to allow that interpretation. He asked if the Council wanted to move forward as presented or wait until July 5th for further information.

Charles Clark stated that would take more money from the streets. He noted the geothermal project has a payoff option through energy savings. There are not other means to finance streets. David Belz agreed noting the Council is looking for money for CIP and felt that the Council should move forward with the resolutions as presented.

Diana Ewy Sharp stated she did not want the City to go into another debt situation.

Charles Clark made the following motion, which was seconded by David Belz and passed by a vote of 9 to 1 with Diana Ewy Sharp voting in opposition:

**MOVE THE GOVERNING BODY APPROVE RESOLUTION 2011-11
PROVIDING FOR A SUBSTITUTE IMPROVEMENT TO BE
FINANCED WITH THE PROCEEDS OF THE CITY OF PRAIRIE
VILLAGE, KANSAS GENERAL OBLIGATION REFUNDING AND
IMPROVEMENT BONDS, SERIES 2009-A
COUNCIL ACTION TAKEN
06/20/2011**

COU2011-30 Consider approval of a resolution authorizing certain main trafficway improvements and providing for the manner of paying for the same.

Quinn Bennion in Sections 3 and 4 of this resolution the amount needs to be changed from \$6,250,000 to \$6,350,000.

Charles Clark made the following motion, which was seconded by David Belz and passed by a vote of 9 to 1 with Diana Ewy Sharp voting in opposition:

**MOVE THE GOVERNING BODY APPROVE RESOLUTION 2011-12
AUTHORIZING CERTAIN MAIN TRAFFIC WAY IMPROVEMENTS
AND PROVIDING FOR THE MANNER OF PAYING FOR THE SAME
WITH THE AMOUNT SHOWN IN SECTIONS 3 & 4 CORRECTED TO
READ \$6,350,000**

**COUNCIL ACTION TAKEN
06/20/2011**

2012 Budget Discussion

Quinn Bennion started the discussion of the 2012 Operating Budget noting the goal of the evening is to provide more direction and narrow the discussion points with the actual vote on the budget taking place at the July 5th meeting. He noted again that the draft budget presented by staff includes the same services and same staff levels with the increase of a part-time administrative intern with the existing mill levy. This was a Department driven process as requested by the Council. Mr. Bennion began the discussion addressing questions raised at the June 13th meeting.

D.A.R.E.

There was significant discussion on the DARE program and the reallocation of funding currently going toward this program. Staff has researched whether the alcohol tax funds

can be reallocated within the General Fund budget. The City Attorney reviewed the statutes and staff talked with representatives of the Cities of Overland Park & Shawnee regarding how they are handling the reallocation of those funds. Staff is comfortable that the funds could be reallocated to cover other costs and programs.

Commodities Report

Staff was asked to review past budgets for increasing commodity growth over the past year. Presented to the Council was an actual commodities expense comparison from 2007-2010 reflecting decreasing expenditures in all areas except Public Works. The increase in Public Works reflects the movement of building expenses from individual department budgets to the Public Works budget creating a much larger overall budget especially in the area of commodities. It was also noted that in 2010 most line items associated with vehicle operation and maintenance were moved from Contractual Services to Commodities. Mr. McNabb also noted the cost of highway salt is included in commodities.

Quinn Bennion noted the actual commodity line item increased 11% over the four year period of 2007 to 2010, an average of less than 3%. A comparison was also done on budgeted commodity line items for 2008 to 2012. Again most areas reflect a decrease with Public Works and Public Safety increasing. The overall budgeted increase for the 5 year period was 15.63% .

Solid Waste Fund

During the budget presentation, staff had not received the renewal costs from Deffenbaugh and had budgeted a 5% increase. Deffenbaugh has stated the 2012 contract costs will increase 3.3% and noted this budget will be adjusted accordingly.

Jail Sales Tax #2

Quinn Bennion noted this fund receives approximately \$420,000 annually. The projects designated for that funding were reviewed and it was noted that some of the 2010 & 2011 projects have not been completed and their funds remain in the reserve. After these projects are completed the reserve will have a balance of approximately \$2700.

Laura Wassmer confirmed the video surveillance cameras were replacement cameras, not new purchases. Ms Wassmer questioned what the PW software covered. Bruce McNabb noted the software tracks work orders, inventory, time management, vehicle repair and costs and that the current software is no longer being supported.

Quinn Bennion noted these items are being bid and selected by RFP's and hopefully the estimated costs will be close to actual costs when the purchase is made. Dale Beckerman noted there are two line items for Council Technology Upgrades. Mr. Bennion responded the initial amount of \$50,000 was based on the replacement of video screens and existing equipment in 2011 there has been additional discussion of a more complete update similar to that done by the City of Fairway so additional funds were budgeted.

CIP Balances

Bruce McNabb provided the following CIP project reserve fund levels:

	Balance
Swimming Pool Reserve	\$57,000

Community Center Study	\$33,500
Water Discharge Program	\$80,000
Traffic Calming Program	\$38,800

Mr. McNabb noted that staff proposes a reallocation of most of the Water Discharge Program funds to other Drainage purposes: Drainage Repair Program (\$45,000) and Storm Water System Master Plan (\$15,000) with \$20,000 remaining in the fund to cover expenses for the next several years.

Diana Ewy Sharp questioned the level of the Swimming Pool Reserve. Chris Engel responded that Bob Pryzby had spent some of the reserve funds for pool repair projects during the past few years. Mrs. Ewy Sharp asked for a breakdown on that reserve fund.

Al Herrera asked for the status of the Community Center Study. Mr. Engel responded they needed additional information and are making final revisions.

The Council discussed the merits of the Traffic Calming Program. Several members felt there were already too many speed tables. Michael Kelly stated the effectiveness study for Cherokee confirmed that it was indeed very effective in calming traffic. Mr. McNabb noted that effectiveness studies will be conducted shortly on the newer installations. Laura Wassmer felt the studies needed to take into consideration traffic moved to other streets.

Stormwater Fees

Bruce McNabb noted the question was raised on the 13th as to what level of assessment would be necessary to fully cover the stormwater program through the stormwater utility fee. The proposed increase to the fee is one-tenth of a cent increasing the fee to \$0.040 from \$0.039. To put the program back on a stable base would require a fee increase to \$0.044.

Island Repair

Bruce McNabb reported there are 12 Homes Associations maintaining one or more islands. The City maintains 139 islands (66%) of the total 210 islands in the City. The City spends approximately \$76,000 in island maintenance. Laura Wassmer asked for the list of homes associations that maintain islands.

Refinancing General Obligation Bonds

Quinn Bennion noted after 2014 the city's bond payments reduce significantly. It has been recommended by some Councilmembers that the bonds be refinanced to make additional money available for street projects. Refinancing is estimated to allow for an additional \$1.2 million in projects

Charles Clark spoke in support of refinancing noting that the \$750,000 more in interest expense to refinance for ten years will more than be offset by the value of the increased street work in the near future rather than later when both the costs for construction and the level of work needed will be greater. Dale Beckerman noted the Council will either be leaving an increased debt for future Councils or a large number of streets needing significant repair and/or reconstruction. Laura Wassmer expressed support for refinancing. A majority of councilmembers present supported the refinancing of the bonds.

Quinn Bennion stated he would speak with the City's bond and financial consultants and get additional information including estimated interest rate, issuance costs and actual dollar amounts.

Economic Development Fund

Quinn Bennion provided the Council with the ordinance establishing the economic development fund which was established in October, 2007, to address questions raised regarding what expenditures could be made with these funds.

Laura Wassmer noted that the City has already used these funds for questionable expenditures such as the SME parking lot and feels it would be silly not to consider its use now and suggested that the police officers be paid out of this fund for the first year to delay increasing the mill levy. Diana Ewy Sharp stated she felt the fund could be used to fund all three years of the police officers. She does not want to increase the mill levy.

David Belz stated he was supportive of refinancing the bonds but noted the City has to start raising the mill levy to get funding into the Capital Improvement Program to sustain it. The City is ultimately going to have to increase the mill levy so he would support small on-going increases to establish the revenue stream.

Charles Clark stressed the funding for the police officers need to be from an on-going revenue source, not a one-time expenditure from a non-growing fund. He noted the funding of a park enhancement would be an acceptable one-time expense.

Michael Kelly noted the City is currently funding a community center study that it does not have the funds to build. Diana Ewy Sharp stated if the study shows the desire for a study the issue should be taken to a vote of the residents.

Laura Wassmer felt that any time any funding became available it has to go to streets at the expense of other items, such as parks, noting there is no budget for repairs much less any improvements. She stated she cannot support a budget that does not have funding for the City parks and feels they are as important to the development of the City as streets. She noted when the water tower comes down at McCrum, funds will be needed for that park. Quinn Bennion responded the water district has committed to replacing the basket ball court and replanting grass in the area where the tower currently exists. Charles Clark added there is funding in 2013 and 2014 for parks.

Diana Ewy Sharp noted \$350,000 is being put back into streets, in 2011 the City increased the mill levy with the funds designated for streets. There are no funds for the implementation of the parks master plan. She noted for \$400,000 the proposed improvements to Porter or McCrum park could be implemented. She noted she is very hesitant to see money designated in future years as she had that done in the past and had it taken away.

Dale Beckerman reminded the Council that the past three budgets have been balanced by removing money from the CIP. This is why it is essential that the City address this need now noting that both costs and the level of repair needed will increase each year work is not completed. He does not feel parks can do any better than the commitment that is already in the budget for 2013 and 2014. Quinn Bennion added the 2009 budget baseline

for parks was very low with significant funds added in 2010 and 2011 to allow for the completion of Franklin and Weltner Parks Dale Beckerman added that the Public Works budget includes approximately half a million dollars annually for parks.

Dale Beckerman confirmed the \$400,000 was per park. Diana Ewy Sharp stated she was not suggesting that both parks be done.

Quinn Bennion noted that page 15 of the handout reviewed the designated city funds and their uses and any restrictions on their use. Page 16 is a list of potential costs to the City Hall budget that staff was asked to provide for the Council. He suggested that based on the time, this be reviewed between meetings and discussed during the continuation of this meeting following the City Council meeting. Mr. Bennion added that staff is not recommending the cuts and noted the concern expressed to him by Chief Jordan that the cannibalizing of another areas budget to be given to another area will not have a positive impact on operations or staff.

Laura Wassmer noted the difference between the actual 2010 figures and the budgeted 2012 figures and stated she would like to see those numbers closer.

Council President Dale Beckerman recessed the meeting at 7:25 to be reconvened at the conclusion of the City Council meeting.

Council President Dale Beckerman reconvened the Council Committee of the Whole meeting at 8:00 p.m.

Stage

Quinn Bennion clarified that money for a stage will not be included in the budget. Council liaisons Diana Ewy Sharp and Steve Noll noted they understood the situation and would relay the decision to their respective committees. David Morrison stated he contacted the City of Kansas City and they do rent out their stage.

Police Forfeiture Funds

Chief Jordan researched the restrictions on the use of police forfeiture funds and feels that the estimated \$25,000 funding for the equipment needed for the new officers could come from this account. He explained where the funds come from and how they have been used in the past. The Council Committee supported funding the equipment from Forfeiture Funds.

Diana Ewy Sharp stated with that funding source it would only be necessary to raise \$130,000 plus vehicle costs for the two officers. Captain Schwartzkopf responded their estimated costs for the officers are \$155,000.

Quinn Bennion stated that the July 5th meeting staff will be seeking final direction on the additional officers and funding source and additional CIP funding. Solid numbers are needed for the preparation of the 2012 budget that will need to be published.

Parks

David Belz stated he felt parks are indeed an asset to the community and that they need a fund specifically set aside for them. He feels the current priority for the City is the repair of City streets with parks a close second. He would like to see money set aside on an annual basis and would support taking money from the economic development fund for one park improvement for the 2012 budget. He does not feel the City needs \$2.1 million in the fund in 2012 and would support the removal of \$400,000 from that fund for the 2012 budget for parks.

David Belz made the following motion which as seconded by Laura Wassmer:

MOVE THE GOVENING BODY APPROVE THE REMOVAL OF \$400,000 FROM THE ECONOMIC DEVELOPMENT FUND TO BE ALLOCATED TOWARD THE IMPROVEMENT OF ONE PARK IN 2012 TO BE DETERMINED BY THE PARK & RECREATION COMMITTEE

Charles Clark stated he felt the first the Council needed to determination the appropriate level of funding for the economic development fund.

Andrew Wang opposed taking money from the economic development fund as this is a static fund and will not grow. He feels it is a misstatement that there is no funding for parks nor does he feel there is a critical need for the immediate enhancement of another park. He does not want to see this spent simply for the sake of spending it.

Diana Ewy Sharp stated she is supportive of the fund but did not feel it was appropriate for the City to sit on \$2.4 million dollars for five years and that it is a good use of taxpayer dollars. She would like to see a plan for the use of those funds. She is concerned with the CIP 5 year plan and being able to keeping moving ahead on the parks master plan without a dedicated source for funding.

Michael Kelly does not support raiding pools of money that have been set aside for designated funds. The ordinance directs how these funds are to be used and he does not feel enhancement of existing parks provides direct economic development to the community.

Steve Noll agrees with Mr. Clark that the Council needs to first determine an appropriate balance for the Economic Development Fund. He is hearing discussion on both enhancing and maintaining parks and sidewalks - that is not economic development. He also stressed that this is not an on-going source of revenue and that once it is spent it is gone.

Discussion continued on the how the previous uses of this fund did and/or did not meet the criteria for use of the economic development funds. It was noted that many of the uses of discussed such as the skate park and SME parking lot were uses that occurred before the ordinance was adopted establishing criteria for the use of these funds.

Diana Ewy Sharp questioned the use of funds for the website approved after the ordinance was written. Michael Kelly stated the expenditure for the website was \$40,000 not \$400,000 and he felt it did meet the criteria as it directly impacts economic development

through the marketing of the City,. He added the home exterior grant program can document its positive economic impact on the community through measurable improvements in property values and related tax revenue.

Laura Wassmer felt that the \$400,000 should be approved now with a follow-up meeting set to address what the funding level should be. If action is not taken now, it will be a full year without any park improvements.

David Belz clarified his motion was specific to the proposed enhancements in the parks master plan with the Park & Recreation Committee selecting which park would be completed.

The motion was passed by a vote of six to four with the following votes cast: "aye" Herrera, Noll, Wassmer, Morrison, Ewy Sharp and Belz and "nay" Kelly, Wang, Beckerman and Clark..

Mayor Shaffer stated this action opens the box and the Council had better find a way to put the lid back on as quickly as possible. Dale Beckerman stated this action is being taken in the wrong order.

Quinn Bennion noted this will go as a recommendation to the Governing Body on July 5th.

Questions were raised on the authority to release funds from this account. The City Attorney expressed concern with doing so without amending the ordinance stating the Council cannot simply exempt itself from the criteria of the ordinance. She will do further research as she feels the ordinance needs to be amended.

Potential Cuts

Laura Wassmer noted the 2010 actual were lower than the 2012 budgeted amounts and stated she would like to have the two numbers closer.

Al Herrera noted the negative impact on employee morale with making cuts to one area's budget to fund another area.

David Morrison moved the Council remove funding for the UCS in the amount of \$6,500. Katie Logan explained how the fund operated. Laura Wassmer confirmed the funds do not necessarily come back to Prairie Village but still could have an impact through improved mental health services. The motion failed for the lack of a second.

Michael Kelly noted the items listed were very small amounts in the scheme of the entire budget. If there is going to be any significant impact, high cost items such as the police pension plan need to be re-evaluated.

Laura Wassmer moved to reduce the Mayor & Council Training & Conference budget from \$3100 to \$2500. The motion was seconded by David Morrison but failed for the lack of a second.

David Morrison moved to remove funding of the NEJCCC Golf Tournament. The motion failed for the lack of a second.

Quinn Bennion stated the budget will be discussed again on July 5th with no changes to the draft budget. The Council needs to resolve the funding for two more police officers and if street work will receive additional funding.

Council President Dale Beckerman adjourned the Council Committee Meeting at 9:00 p.m.

Dale Beckerman
Council President