

**COMMITTEE OF THE WHOLE MEETING AGENDA**

**Roeland Park City Hall**

**4600 W 51st Street, Roeland Park, KS 66205**

**Monday, April 27, 2015 6:00 P.M.**

- Joel Marquardt, Mayor
- Becky Fast, Council Member
- Tim Janssen, Council Member
- Ryan Kellerman, Council Member

- Teresa Kelly, Council Member
- Sheri McNeil, Council Member
- Michael Poppa, Council Member
- Michael Rhoades, Council Member
- Erin Thompson, Council Member

- Aaron Otto, City Administrator
- Jennifer Jones-Lacy, Asst. Admin.
- Kelley Bohon, City Clerk
- John Morris, Police Chief
- Jose Leon, Public Works Director

**Admin**

Chair, Kellerman  
Co-Chair, Janssen

**Finance**

Chair, Poppa  
Co-Chair, Rhoades

**Safety**

Chair, Kelly  
Co-Chair, McNeil

**Public Works**

Chair, Thompson  
Co-Chair, Fast

*CMBR Rhoades arrived late.*

CMBR Fast called the Committee of the Whole meeting to order for April 27, 2015, at 6:00 p.m.

CMBR Fast called for Committee agreement to proceed as the interim Council President.

Mayor Marquardt stated past procedure has been to appoint an interim Council president at each meeting.

CMBR Kelly stated she didn't believe there was a procedure in place for an interim Council President.

There was discussion among the Committee regarding nomination procedures for Council President.

Mayor Marquardt suggested an agreement needed to be reached on whether to let CMBR Fast act as interim President so as to proceed with the evening's agenda, to which the Committee of the Whole agreed.

There were no additions or deletions to the agenda as written.

**I. REPORTS OF COMMITTEES:**

**1. Finance - Columbia Capital Presentation on Possible Investment of idle Funds**

City Administrator Otto stated the City Council had asked staff to look into investment of the City's idle funds in the General Fund, bond interest and economic development funds.

Jeff White and Adam Pope from Columbia Capital were introduced to the Committee. Mr. White congratulated the newly elected Council members. He noted that one of the components of his company is investment management. Columbia Capital is proposing to develop a life cycle investment policy for the City. Mr. White provided background information on state law investment guidelines and the procedures for which a City is able to invest its funds. He added that investments would be in U.S. Treasuries, U.S. agencies, and Kansas general obligation bonds for the value they provide. Before the monies can be invested in those agencies, they must first be presented to the local banks. Columbia Capital will provide the City with a list of local banks that have a fiscal presence in the community and help identify funds that are available for investment on a monthly basis. Once the investments are made, Columbia Capital's services will include policy development, portfolio construction, and management of the funds through accounting and reporting. They will also provide inform information for audit and report to the City how the investments are performing.

Before investing, Columbia Capital will verify the items are legally permitted for investment under state law. They will also look for diversification, purchasing investments that are either implicitly or explicitly guaranteed by the federal government. In some cases items may be other than Kansas bonds as it's a good idea to have a mix in the

portfolio. They will pay attention to credit quality and geographic distribution when buying bonds. The goal for the City would be to optimize the return on portfolio, but keeping the monies safe so as not to lose its investment.

Mr. White stated his company will spend time diagnosing how much liquidity the City needs on a recurring basis and how much it has needed historically on an extraordinary basis. Once those fund amounts are determined anything remaining would be eligible for investment. Mr. White has worked with Ms. Jones-Lacy reviewing the past 36 months of actual expenditures of the City and analyzing the data. From that he has developed a general idea of the City's spending habits and what types of investments could be possible.

Mr. White fielded questions from the Committee regarding the relationship process with Columbia Capital, noting that the next step would be to put a formal engagement agreement on a Council agenda.

Mr. Otto noted that once an agreement is in place to have Columbia Capital appointed as the City's investment manager, it would take approximately six weeks to work through the plan and another month or two to acclimate working together.

The Committee discussed different investment options and possible risks to the City.

CMBR Kellerman stated he would like to wait through budget process before making a decision. Mayor Marquardt stated he sees this as a low risk move and would like to recommend moving forward to the Council. CMBR McNeil stated her agreement with the Mayor.

The Committee agreed with a majority of six to move to Council a vote on entering into an agreement with Columbia Capital to invest the City's idle funds.

CMBR Kelly requested if anyone had questions at the Council meeting to please have them forwarded to City Clerk Bohon within the week so Columbia Capital can review them. Mr. White stated he would be prepared to answer those questions at the Council meeting.

## 2. Finance - February Financials

City Administrator Otto presented the numbers for the February noting that City revenues are solid at 30.76 percent with overall expenses at 11.34 percent. He noted that total revenue is down \$1,548, but is less than 0.1 percent compared to budget. General Fund revenue from the 3/8th cent sales tax is about 3.5 percent below budget. Staff will continue to watch that number. Franchise fees are doing well, up by almost \$20,000. Mr. Otto stated he didn't believe the City would see an increase in franchise fees with the arrival of Google Fiber, as that would be more of an offset from people switching services and would not be new business. Court fines came in higher, up \$16,600. Mr. Otto added that they are not at the point to begin using the state set-off system as staff still needs to research further to obtain personal information in the identification of older tickets. City expenditures are down \$186,000 or 24 percent, but do not include cost-deferred costs such as the pool. County sales tax figures are running about 2.3 percent higher than projected.

Mr. Otto stated the March information has just come and will work to get that information to the Committee as soon as possible.

## 3. Finance - Fee Resolution Update

City Administrator Otto stated that as part of the ongoing dialogue with the management and owners of the Boulevard Apartments there has been good conversation with regards to security, infrastructure and the inspections of apartments. It was noted that some furnaces, air conditions and water heaters have been installed at the complex without being inspected by the City. Mike Flickinger, the Building Office for the City, has gone to the complex to review the installation process. It was also noted that currently each unit is paying the full rate on an inspection. Staff has brought forward a proposal to reduce the rate by a third as apartment management normally

replaces 20+ heater-air conditioning-furnaces annually, which would result in only one trip to the City saving both time and money. The proposal if approved would begin July 1<sup>st</sup>.

The Committee agreed to move forward to Council the proposal for the fee reduction for the Boulevard Apartments.

#### 4. Finance - 2016 Solid Waste Fee

The Committee agreed to move forward to City Council an agreement to keep the fees the same for the joint 2016 solid waste contract. Mr. Otto noted that previously an agreement was entered into with Westwood and Fairway for a joint trash bid which provides weekly pickup of trash and unlimited recycling.

Staff also evaluated eliminating the City's leaf pickup program, but found it save the City \$20,000 to 25,000 for keeping the program since the other program costs such as salaries are fixed.

#### 5. Finance - Review CIP 2016-2020

Mr. Otto provided printed copies of Capital Improvement Plan (CIP) chart for Committee. He noted that in final form it will appear much as it does in the packet. The report will be looking at the next three years and the source of funds for the City. Mr. Otto added it is a document that is continually evolving and asked for patience of Committee as it is worked on. The CIP includes items that are have a life span of several use, are usually over \$5,000, and consists of infrastructure, equipment, and items that make the City function in terms of providing services. Once the Governing Body adopts the CIP, it then gets fed into the budget to ensure its funding. Mr. Otto concluded that adoption of the CIP does not mean the funding of all the projects.

Police Chief Morris addressed the Committee on the needs his department has to keep running. They include: police vehicles, police equipment, and emergency equipment inside the vehicles, the mobile data terminals, in-car cameras, body cameras, radar units, weapon replacements and Tasers. Chief Morris noted that vehicles rotate every five years, plus or minus, depending on the integrity of the vehicle, the same with emergency equipment. He added that with the new vehicles a lot of the older equipment cannot be put back into the new car such as emergency cages, transport seats and consoles, thus requiring a new purchase. Chief said the department has purchased new in-car computers that have a three-year protection plan which will hopefully extend the life of the computers. In-car cameras are the most expensive piece of electronic equipment for the department. They have purchased body cameras with a life expectancy of two-plus years. Also four new Tasers were purchased with an insurance plan. New radio units were also purchased with an expected use term of three to five years.

CMBR Kelly thanked Chief Morris for compiling and presenting the information to the Committee.

City Administrator Otto noted the City is looking at ways to re-purpose police vehicles to other departments to extend their use.

Public Works Director Leon noted in compiling his list the focus was on needs of the Public Works Department and not needs. The first item to be replaced is to be a Skid Steer that was originally purchased in 1996. While the equipment is still working, it is well past its life expectancy and fears are of it breaking down on the job. It is anticipated with the savings realized from the agreement with Fairway on the salt dome a new Skid Steer will be purchased. His department is working towards saving money for vehicle replacement as well as some big ticket items.

Mr. Leon's CIP lays out a five to six-year plan to address the stormwater corrugated metal pipe issues in certain areas of the City, but concentrated in the general area around Roe & Elledge. They are CARS streets and will receive 50 percent of road construction improvements paid for through the program. He will coordinate the repairs for Roe Lane when it becomes CARS eligible again in 2018. The goal is to replace the corrugated metal piping, which is well past its life expectancy of 35 to 40 years, with concrete that has a life expectancy of 100 years. Mr. Leon showed the Committee a map rating the critical, fair and poor areas of the corrugated metal noting that they will be addressing

the critical-rated sections first. He also recommended that remaining corrugated pipe be inspected every few years as it fails very quickly.

City Administrator Otto noted that in Nall Park plans are being made to create an inlet that would capture the water on the residential side of the trail and direct it to a culvert that goes under the trail and discharges the water. The City has received complaints about water flooding the trail, but will only address the residential issue on Birch at this time. Mr. Leon noted that while the corrugated metal pipe is in a critical state there is nothing structural over it or around it. He added he is aware that the water is tearing up the trail in spots and has knocked over a tree. He states the damage has been done, but there are other pipes in the City that are critical that are under and around streets, believing priorities should be made to maintain the City's infrastructure.

City Administrator Otto stated that a remaining payment of \$31,000 will pay off the lease/purchase of the street sweeper. The City will then begin saving money to purchase a new one in 2018. By saving in advance, it will prevent the need of taking out another full loan for the equipment.

Mr. Otto noted that CARS programs are also listed on the CIP. Also the Building Reserve Fund, which in 2012, a policy was made to set aside 2 to 4 percent of the estimated replacement value of all City buildings. This includes City Hall, Public Works, park equipment and the swimming pool, but does not include the Community Center which will be included in the 27C Community Center account. The goal of this was to avoid tapping into reserve funds for unexpected replacement and repair expenditures. Each budget season looks to replace any monies that have been spent in the previous year.

## 6. Finance - Background Documents

Mr. Otto stated that a comparison of property taxes paid in Roeland Park and Mission showed that Roeland Park offers pays for services more in their mill levy. He noted that Roeland Park residents do not have to pay separate fees such as a city wide stormwater.

City Administrator Otto said the City annually receives a report from the County Appraiser's Office with regard to property taxes collected from area businesses. He noted that any new business that has entered the TIF district and any property tax increase would remain in the TIF district as it compromises not only property tax, but also city, county, school district and Johnson County Community College taxes. Monies generated in the TIF districts must be used to satisfy the bonds that were pledged as part of the economic development before the City can realize the taxes from the TIF districts. From a planning standpoint, future projects should be budgeted and planned for on how the TIF will be utilized. It was noted that TIF funds are being used for the upgrades and concrete improvements at Granada Park.

Mr. Otto said Columbia Capital is creating a document that will show what things could be like if Walmart leaves Roeland Park and the impact of the loss of sales tax generated by the business. The document model will show the Walmart site at 50 percent of its value for a new tenant. Specific figures cannot be discussed as this is confidential business information.

City Administrator Otto spoke to items added and cut from the budget. It was noted that in 2009, \$773,000 was spent on street maintenance. In 2011, nothing was spent on street maintenance. This extreme drop reflects a decrease in property taxes and a downturn in the economy. \$200,000 was held in the street maintenance account and rolled over to 2012. In 2013, the City spent a little on street maintenance and set up a savings goal of \$400,000 by FY17. He also noted that health insurance costs have changed and it costs less today than in '09 because of a change in plans. It was also noted that salaries of elected and appointed officials were reduced with the Council, Mayor, prosecutor and judge all taking a pay reduction in 2011.

## 7. Finance - 2015 Timeline Review

City Administrator Otto provided a list of upcoming dates.

April 29 at 7:00 p.m. - Community Form with presentation of the City's Strategic Plan.

May 4 - Committee of the Whole with a presentation by McGladrey, the City's auditor.

May 6 - Committee of the Whole

May 18 - Committee of the Whole with McGladrey presenting its results and findings.

June 8 - First presentation of the new budget.

July 1 - Final property tax assessment values to be posted.

August 24 - Deadline for submission of the budget to the county.

Mr. Otto noted that he had received requests for more time to work on the budget, but no more than two meetings per week are included in the schedule. The meeting schedule is posted on the City's website. He noted that the starting budget for 2016 is largely a maintenance budget. There will be a review of the Comprehensive Annual Financial Report (CAFR), showing different spending trends in the City and the anticipate cost of the City's business for 2016.

#### 8. Admin - League of Kansas Municipalities City Administrator Search Contract

There was Committee discussion about the next steps to recruit, interview and hire a new City Administrator. CMBR Kellerman inquired as to whether Ms. Jones-Lacy has been approached for the City Administrator position. City Administrator Otto stated he would speak with Ms. Jones-Lacy about any possible interest she may have in interviewing for the position. Mr. Otto then presented to the Committee a timeline for the selection process, the steps and what to expect.

Mayor Marquardt endorsed moving forward with Mr. Otto's recommendation at the May Council meeting for the League of Kansas Municipalities Executive/Administrative Position Search. He also added that he has spoken with City Attorney Shortlidge who stated he would not charge the City to be a part of the interviews and discussions of potential candidates.

City Administrator Otto stated with the approval of the contract an ad would be created for the May 18 council meeting for approval. He added that a six-month vacancy should be expected.

CMBR Rhoades stated he felt the entire Governing Body should be involved in the selection process. CMBR Kelly felt it was inefficient to have total involvement from a time scheduling aspect. CMBR McNeil volunteered to be on the selection committee.

CMBR Fast recommend to move forward the contract to a special call with an agenda item to get the process started so any potential candidates with children relocating can coincide with the school year.

The Committee agreed to a Special Call City Council meeting on May 4 to approve the contract and discuss the LKM process.

City Administrator Otto stated he will do research on an interim administrator. He also added that he has tried to schedule the timelines to work with both the upcoming budget and interview processes.

## II. ADJOURN

(Committee of the Whole Meeting Adjourned at 9:31 p.m.)