



City Council Meeting Minutes

August 8, 2022
6:00 p.m.

Mayor: Carolyn Caiharr
Councilmember Chuck Adams Mark Bishop Garrett Mellott
Greg Scott Margaret Shriver

1. Consider approval of consent agenda items

a) Approve minutes of July 25, 2022

b) Statement of bills paid in the amount of \$314,727.66

- **Motion:** Councilmember Mellott made the motion to approve the consent agenda items.
- **Second:** Councilmember Shriver seconded the motion
- **Vote:** Passes, 4-0-1 with Councilmember Adams abstaining

2. Requests or Comments from the public

- Lane Cooper, 1535 S. 104th Terrace, addressed the City Council to address his concerns about the city's debt management. He encouraged the Council to keep in mind long-term priorities for the City for debt financing vs. projects within a 1-2 year time frame. He also noted that he believed the City's lease purchases should be counted in debt calculations, which were not touched on in the July 25 presentation (*note: much of the long-term debt Mr. Cooper referenced was paid for out of the Special Sales Tax Fund, and are not paid for using property tax proceeds*).

3. Hear a presentation from the City's Financial Advisory regarding long-term debt

- City Manager Michael Webb introduced Clayton Kelley, from Piper Sandler, the City's financial advisor firm.
- Mr. Kelley noted the purpose of the presentation is to detail the City's capacity for investment in the community, noting he felt that the current moment represented an inflection point for the City in this regard.
- Mr. Kelley displayed the outstanding debt from year-to-year, showing total outstanding debt in FY22 to be \$7,535,000. He noted the spikes in the graph occur when new debt (i.e. bond issuances) is taken on. This means that projects within the City are being funded at that time. Mr. Kelley then discussed the debt-to-assessed valuation, noting that the current ratio is 8.3%, well below many other communities. He also noted that this figure also includes sewer debt, though it is paid using sewer fees. This ratio is important when the City updates its bond rating (currently a AA-). He moved on to a graph showing the City's debt payments dropping dramatically beginning in 2023-24.
- These factors contribute to the opportunity the City currently has to take on new debt to fund projects within the City. Mr. Kelley presented a graph that assumed different assessed value growth scenarios, with the most aggressive being a 5% year-to-year growth. He noted that even the 5% figure is likely conservative considering the current market factors. He noted for discussion purposes, this presentation will assume a 3% growth rate.
- Mr. Kelley showed the debt capacity associated with the different growth scenarios, noting the City has the capacity for more than \$20 million in debt and keep the mill levy at a stable level. He discussed the options for debt management, including holding the mill levy steady at 10.441 vs. raising the mill levy for debt to 11. Raising

the mill levy to 11 would mean that there would be more revenue to make early principal payments, resulting in a saving of approximately a million dollars over a 22-year period. Mr. Kelley then showed a graph demonstrating the debt-to-assessed valuation should additional debt be taken on.

- Mr. Kelley closed his presentation by stating the City is currently in a strong financial position to allow for future bond capacity. He estimates that the City could assume about \$23,000,000 in additional debt without the requirement of a mill levy increase.
 - Mayor Caiharr asked what the benefit would be in issuing that amount of debt at one time vs. staggering out new bond issues. Mr. Kelley pointed to the low interest rates that are currently in place. Rates are historically low now, but could go up in the future. Similarly, he noted that the cost for projects (materials, labor, etc.) has increased and will continue to increase, reducing the amount of work that could be done for the same amount of money. Strategically, it makes the most sense to lock in at low interest rates and current costs for pending projects.
 - There was additional discussion on the impact of the initial spike of debt-to-assessed valuation ratio in the first year they are issued. Mr. Kelley agreed that you will see a spike when new debt comes off, but it begins to reduce the next year (more so when valuations increase more than 3%).
 - There was additional discussion on the estimates for potential structure of a \$23M bond issuance, including street improvements (\$4 million), \$98th St. (\$4 million), and public facilities (\$15 million).
 - Councilmember Adams asked about the potential timing for the issuances, which Mr. Kelley noted that this strategy would include three separate issuances, beginning with the 98 St. project in March of next year.
 - There was additional discussion on the scope of the potential street bond project. Mr. Webb noted that the exact parameters of a bond issue for streets would need to be spelled out before issuing.
 - Councilmember Bishop asked about the cash balance that would be appropriate to support a bond issuance like this. Mr. Kelley noted that keeping the mill levy at its current rate (or slightly higher) would keep the fund healthy enough to support debt payments.
 - Councilmember Adams stated he felt that exploring an RFQ process for facility planning was likely appropriate at the point, in order to keep that project moving forward and to get a firm plan on what exactly the costs for it would be. There was discussion on how to give staff that direction in order to maintain transparency. City Attorney Lisa Dehon noted that a motion was not necessary and the City Council could give staff the general direction to explore next steps. Mayor Caiharr asked if action could be taken on an item that wasn't on the agenda. Ms. Dehon stated there would be no open meetings violation in making the proposed motion, but also noted that the Council could also simply give staff the direction to bring back further information and possible actions at a later date.
 - There was further clarification that staff is not getting the direction to seek out and hire a firm, but rather to put together an RFQ draft for Council to review before soliciting responses from firms.
 - There was no formal action taken as a result of this discussion.
- 4. Consider recommendation of approval by the Edwardsville Planning Commission regarding the Preliminary Plat and Preliminary Development Plan for 11381/11301/11131 Kaw Dr.**
- City Manager Michael Webb noted that he would present this item as City Planner Bradley Hocesvar could not attend the meeting due to a family issue.
 - Mr. Webb noted the area in question is generally referred to as the Bush properties.

- Mr. Webb reviewed the planning process related to this project, which is for the development of 10.72 acres and the construction of nine single-story 10,380 sf. Buildings and one 20,000 sf. Building. He also reviewed the use of Union Pacific railroad right-of-way and utility provision to the site. He also noted the potential conditions associated with the approval recommendation.
- Mr. Webb noted that both items would require votes of the Governing Body.
- There was additional discussion regarding the requirement for sidewalk for the development.
- **Motion:** Councilmember Bishop made the motion to accept the Planning Commission recommendation related to the development plan with the additional conditions to provide samples for building materials as well as the inclusion of a modified deviation #3, listed on page 4 of the PC support materials (page 17 of the agenda packet).
- **Second:** City Councilmember Mellott seconded the motion.
- **Vote:** Passes, 6-0 with the Mayor voting.
- Mr. Webb then reviewed the plat documents as well as the planning commission process related to this item.
- **Motion:** Councilmember Mellott made the motion to accept the Planning Commission recommendation of approval for the preliminary plat with the noted conditions.
- **Second:** Councilmember Bishop seconded the motion
- **Vote:** Passes, 6-0 with the Mayor voting.

5. Consider Ordinance No. 1057 regarding updated EMS fees

- Deputy Fire Chief/EMS Director Ben Morrow reviewed this item, noting that this would be the first EMS fee update in some time.
- DC Morrow reviewed the new fees being proposed, noting that the increases were driven largely by an update to Medicaid reimbursement rates.
- Mayor Caiharr asked how this compared to other cities. DC Morrow provided a comparison with other communities as well as their different billing practices.
- Councilmember Shriver asked what the price structure would be if EDW crews responded to a Bonner Springs call, which DC Morrow noted they would be charged based on Edwardsville's fee schedule.
- **Motion:** Councilmember Adams made the motion to adopt Ordinance No. 1057
- **Second:** Councilmember Bishop seconded the motion
- **Vote:** Passes, 5-0

6. Hear a presentation regarding the Quarter 2 Budget Review for 2022

- Assistant City Manager Zack Daniel provided this review of the first six months of the FY22 Budget.
- Mr. Daniel noted that property tax collection has surpassed the 97% estimate, but sales tax revenue (while it remains strong) is starting to show signs of slowing down. Mr. Daniel also emphasized the increased activity in the municipal court, noting the value of the recent part-time Deputy Court Clerk hire.
- The only revenue item Mr. Daniel expressed some concern about was EMS billing. He noted that there may be an allocation issue at play and that staff would continue to review and correct internal processes as needed.
- Revenues overall continue to be strong and are expected to exceed budget estimates.
- At this point in the year, the budget is running on budget, hitting 50% of expenditures six months into the year.

- Mr. Daniel then reviewed the other funds, noting that they all are performing as expected. He did mention that there may be budget amendments to consider later in the year depending on how street improvements are funded.
- Mr. Daniel closed by reviewing the budget calendar for the next two meetings. The RNR public hearing will be held on August 22, 2022 and the final budget adoption should take place on September 12, 2022.
- There was no action taken as a result of this meeting.

7. Consider recessing into Executive Session pursuant to K.S.A. 75-4319(b)(6) for the preliminary discussion of the acquisition of real property

- **Motion:** Councilmember Adams made the motion to recess into executive session, with the regular meeting resuming at 8:50
- **Second:** Councilmember Bishop seconded the motion
- **Vote: Passes, 5-0**
- *Executive Session is held, with the group returning at 8:50*
- **Motion:** Councilmember Mellott made the motion to return from executive session
- **Second:** Councilmember Shriver seconded the motion
- **Vote: Passes, 5-0**
- No action was taken as a result of this session.

8. City Manager Report

- Mr. Webb referred to the written report.
- Assistant City Manager Zack Daniel noted that draft STO and UPOC ordinances would be sent to Council for review ahead of the planned agenda item on August 22.

9. Council and Mayor Comments

Councilmember Adams asked about the utility relocation at the Riverview Crossroads project. Mr. Webb noted he would follow up with the contractors this week and provide an update. Councilmember Adams again stressed the good work of the City Manager and Department Heads in the budget management throughout the year.

Councilmember Bishop asked if there was any movement in hiring a new Public Works Director. Mr. Webb reviewed the recruitment process and noted he hoped that interviews would start for the position soon.

Councilmember Mellott thanked Clayton Kelley for his presentation on the debt capacity. He asked again about potential fencing or other cleanup on the north shop to get equipment out of the elements.

Councilmember Shriver thanked Deputy Chief Morrow for the EMS fees presentation as well as the Assistant City Manager for the budget reviews. She asked about the City's agreement for HVAC repairs. Mr. Webb noted that Shawnee Heating & Cooling was the first call out, followed by Luke Heating & Air. She noted she'd like to see Wyandotte County businesses included if there is an option.

Councilmember Scott noted he trusted the reports from City staff and was proud of the professional level of management. He was anxious to get the review process started for the public facilities project, citing increased costs in labor and interest rates in the future.

Mayor Caiharr noted a concern she heard regarding recycling blowing out in the streets after pickup. Mr. Daniel noted he would reach out to KC Disposal to voice the complaint to get it corrected. She thanked the staff and partners for their financial reports this evening.

ADJOURNMENT

The meeting was adjourned at 9:10 p.m.

Zachary Daniel

City Clerk