

MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE

October 7, 2020

The Mission Finance & Administration Committee met virtually via ZOOM on Wednesday, October 7, 2020. The following committee members were present: Hillary Thomas, Trent Boultinghouse, Arcie Rothrock, Nick Schlossmacher, Kristin Inman, Sollie Flora, Debbie Kring and Ken Davis. Mayor Appletoft was also in attendance. Councilmember Thomas called the meeting to order at 7:29 p.m.

The following staff were present: City Administrator Laura Smith, Assistant City Administrator Brian Scott, City Clerk Audrey McClanahan, Assistant to the City Administrator Emily Randel, Public Works Director Celia Duran, Public Works Superintendent Brent Morton, Parks & Recreation Director Penn Almoney and Interim Police Chief Dan Madden.

Public Comments

Councilmember Thomas explained that this meeting is being held virtually via Zoom and participants can make a comment through the chat feature.

There were no public comments.

Public Presentations

Acceptance of the September 2, 2020 Finance and Administration Committee Minutes

Minutes of the September 2, 2020 Finance and Administration Committee Meetings were provided to the Committee. There being no objections or corrections, the minutes were accepted as presented.

Rock Creek Tax Increment Financing District #3A and Tax Increment Financing Project Plan (Mission Bowl Apartments, LLC, 5399 Martway)

Ms. Smith explained that even though this is an action item there will not be anything that advances to the October 21st legislative meeting agenda. Ms. Smith introduced the team that would be assisting with the redevelopment project at the former Mission Bowl site.

Gina Riekhof, from Gilmore and Bell, explained that they are a public finance law firm which represents local governments, states, municipalities with finance and economic development needs. This is accomplished through the assurance that all statutory procedures under state law are being followed in an effort to grant particular incentives. They also make sure that all the necessary steps are being taken with the issuance of bonds as well as that all provisions are aligned with the development agreement. Kevin Wempe, from Gilmore and Bell, was also

present as part of the team assisting with the tax increment financing project plan. Bruce Kimmel, Senior Municipal Financial Advisor with Ehlers, Inc., assists the City on bond issues as well as economic development. Mr. Kimmel explained that they complete the review of the developer, budgets and performance for specific projects, in an effort to ensure that nothing significant is missing from the project. This will allow them to identify what gaps might exist in a project's financials that would result in consideration of various incentives. Finally, Pete Heaven from Spencer Fane, who has been the City's land use attorney for fifteen years. Mr. Heaven negotiates with developers and constructs the applicable re-development and development agreements.

Ms. Smith reported that this team will be working together with the request the City has received for the redevelopment of the Mission Bowl site which includes construction of a five-story, 168 unit, multi-family housing development. The developer will be submitting their Tax Increment Financing (TIF) Project Plan which will then start a specific statutory timeline with provisions to be followed in terms of public hearings and notification periods. Since the underlying TIF district was established in 2006, the City has already passed the stage where the County and the School District have an opportunity to review and/or veto the project. Ms. Smith then reviewed the important upcoming dates and next steps in the process:

- October 21st - Work Session meeting - Tax Increment Financing Redevelopment Project Plan with overview of TIF financing from Mr. Heaven
- October 26th - Planning Commission meeting - to consider whether the project plan is in conformance with the City's Comprehensive Land Use Plan
- November 4th - Special City Council meeting - Set public hearing dates on splitting TIF District and Public Hearing on TIF Project Plan
- November 4th - Committee meeting - Initial discussion or financial analysis and potential deal points for City's participation
- December 16th - Legislative meeting - Public hearing and ordinance

Councilmember Flora asked for clarification that the passage of the ordinance splitting the TIF district and approval of the project plan are what has to be completed within specific times. Ms. Riekhof confirmed that was correct, adding they suggest that if they are not ready to approve the redevelopment agreement that they hold on the passage of the ordinance. The Council would also not have to consider the ordinance on the same night as the public hearing and this project could be extended into January if needed.

Councilmember Davis asked about the affordable housing section of the incentives and how it was going to be incorporated into the agreement. Mr. Kimmel explained that the developer has to address the cost to build the project in relation to operational expenses, including debt service, as well as rent costs they can expect to collect from tenants. So, the impacts of affordable housing will have to be assessed on the prospective profitability. These conversations are being addressed with the developer, for affordable housing, and will be brought back to Council for consideration.

STO/UPOC Adoption

Interim Police Chief Madden stated that the Uniform Public Offense Code and the Standard Traffic Ordinance have been published by the League of Kansas Municipalities since 1980. They are updated each legislative session, and are designed to provide a comprehensive public offense ordinance and a comprehensive traffic code for Kansas' cities. They do not take effect in a city until the governing body has passed and published ordinances incorporating them. When properly incorporated by reference, it is not necessary to publish the entirety of the codes, just the ordinances.

Currently, the Police Department and Court are utilizing the 2019 versions. To maintain uniformity with agencies in the area and with the State of Kansas and the actions of the State Legislature, it was recommended that these codes be adopted. The City has the ability to use the ordinances to address local issues which the City may want to address differently.

Due to a shortened legislative session there were no changes made from the 2019 version to the 2020 version of the STO, and very few to the UPOC. The significant changes to the UPOC include:

- The addition of section 10.29, Violation of a Public Health Order, which calls for a Class C violation for any person violating, refusing, or failing to comply with a written order of the County Health Officer, Board of Health, or Director of Health. Prior to the addition of this section, any violations would have to be referred to the District Court.
- Section 5.7, Selling, Giving or Furnishing Cigarettes or Tobacco Products to a Minor, was updated to reflect the change in law of the age required to purchase tobacco products from 18 to 21.
- Changes in Article 10 related to weapons and firearms. Section 10.1, Criminal Use of Weapons was updated to reflect changes in statute, while section 10.2, Possession of a Firearm Under the Influence, and section 10.3, Criminal Distribution of Firearms to a Felon were deleted. Those offenses can still be charged under the applicable state laws through the District Court.

The City has historically chosen to not adopt the following sections of the STO and UPOC due to having existing ordinances that better fit the City's needs:

In the Standard Traffic Ordinance those include:

- Article 7, Section 33 relating to maximum speed limits is deleted. Maximum speed limits are regulated by the Mission Municipal Code Section 310.010
- Article 20, section 204(b) relating to fines in school zones is deleted. School zone fines are regulated by Mission Municipal Code Section 300.035.

In the Uniform Public Offense Code those include:

- Article 10, Sections 10.24, 10.25, and 10.26 relating to smoking prohibitions are deleted. Smoking restrictions are regulated by Mission Municipal Code Chapter 225, Article III.
- Article 11, Section 11.11 relating to animal cruelty is deleted. Animal cruelty is regulated by Mission Municipal Code Chapter 210, Section 210.160.
- Article 11, Section 11.15 relating to dangerous animals at large is deleted. Dangerous animals at large are regulated by Mission Code, Chapter 210, Section 210.150.

Along with the printed code books, licenses for electronic versions of the STO and UPOC were purchased so that the information can be placed on the City's website and on computers in patrol vehicles and workstations used by the Court and Police Department personnel. The cost for updated ordinances was \$1,040.41. There are two ordinances that have been prepared for Council action to adopt these changes and fully incorporate them into Mission City Code which have been developed and reviewed by the City's Attorney.

Councilmember Davis asked about the reason the smoking restrictions section was deleted. Interim Police Chief Madden replied that the City has its own ordinance that more effectively addresses those restrictions, so in order to not have competing ordinances, the section will need to be omitted.

Councilmember Flora asked about revisiting some sections of the ordinances and if it could be amenable to future adjustments. Interim Police Chief Madden explained that those can be amended or removed at any time with another ordinance.

Councilmember Davis recommended the approval of the ordinances adopting the 2020 editions of the Standard Traffic Ordinance for Kansas Cities (STO) and the Uniform Public Offense Code for Kansas Cities (UPOC), as published by the League of Kansas Municipalities, be forward to Council for approval. All on the Committee agreed, this will be on the consent agenda.

LGR Legislative/Advocacy Services

Ms. Smith reported that in 2020, Mission, along with other cities in northeast Johnson County were contacted by Stuart Little of Little Government Relations, LLC regarding interest in participating in a voluntary coalition of cities for government affairs and advocacy services. Little Government Relations (LGR) represented the City of Merriam, and believed that an organized coalition of Northeast Johnson County cities could strengthen Mission's ability to meet the legislative needs of the Council, staff, and the larger community.

While ultimately the coalition was not formed, Mission did contract directly with LGR for legislative affairs and advocacy services. Even though the 2020 Legislative Session was cut short due to the COVID-19 pandemic, staff felt that LGR's services were valuable, helping to support and inform staff and Council on a timely basis. In addition, LGR was able to participate

in regularly scheduled calls with LKM on COVID-19, reporting out to staff as appropriate. Staff recommended the agreement be renewed for 2020 with the same terms and conditions and contractual charges of \$10,000 annually to be paid in four quarterly installments.

Councilmember Davis supported this renewal and Councilmember Flora agreed and added that she found the reports were very helpful during the legislative season.

Councilmember Flora recommended that the renewal of the contract with Little Government Relations, LLC. (LGR) be forward to Council for approval. All on the Committee agreed, this will be on the consent agenda.

CARES Funding Resolution

Ms. Smith explained the CARES Act established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion in funding to state and local governments to cover costs incurred due to the COVID-19 public health emergency. In April of this year, Johnson County received approximately \$116 million in CRF funding directly from the U.S. Treasury and subsequently received an additional \$8 million from the state for a total of approximately \$124 million. In June, the County announced its intention to divide the original allocation of \$116 million into three phases to be shared as follows:

- Phase 1 - Local Government 45% or approximately \$50 million
- Phase 2 - Community Reinvestment 30% or approximately \$35 million
- Phase 3 - Administrative/Audit, Contingency Fund, Additional Reinvestment in Local Government and Community and Unused Funds 25% or approximately \$30 million

A committee of city and county representatives worked to develop a proposed method of sharing Phase 1 funds to the various cities and other local taxing jurisdictions in Johnson County, which included immediate reimbursement of actual expenses incurred in response to COVID-19 and review and approval of potential additional expenses anticipated or desired through the remainder of 2020.

Each city is eligible to receive a total allocation for both categories that is based on population. For Mission, the total possible allocation is \$302,971.38. To date, the City has already been reimbursed for \$22,630.60 in actual expenses. In addition, the City had submitted a list of potential wishlist or resource planning items to be evaluated by the County's consultants and determined to be eligible or ineligible. For those costs determined to be eligible, the consultants also assigned an audit risk score (High-Medium-Low). Mission's resource planning items totaled \$974,122.

For anything determined to be eligible and having a low audit risk, the County will reimburse for expenses incurred. Staff is working through the list of items and recommending purchase or approval as soon as possible as funds have to be expended and items installed by December

30, 2020. Currently, the City is presenting the purchase of the Clorox 360 sprayers, touchless fixtures, a riding floor scrubber, laptop computers, and Microsoft 365 which would leave about \$126,000 in funding. Other possible expenditures include the addition of ionized air purification systems in City buildings, modular furniture and audio visual equipment upgrades for both City Hall and the Community Center to facilitate virtual meetings.

In order to receive the remaining funds, which total up to an additional \$280,340.78, the County is requesting that each entity execute a Subrecipient Grant Agreement (“Agreement”) which sets forth the terms and conditions associated with the City’s acceptance of these funds. The Agreement defines the costs eligible for reimbursement as expenses necessary in supporting the City’s response to COVID-19 and incurred between March 1, 2020 and December 30, 2020.

Additionally, the Agreement includes provisions associated with reimbursement procedures, records retention, reporting requirements, and other standard federal contract terms. Finally, the Agreement and the CARES Act may be amended as legislative changes are made or additional guidance becomes available.

Councilmember Kring asked if an ionization air purification unit was needed at the Community Center. Ms. Smith explained that the City is currently in the process of addressing the complete HVAC system which has created challenges especially with the timeframe. Ms. Randel confirmed that there is a timing issue, however, the FCIP progress is a few months away and the new systems can either be recommissioned or the new filters can be transferred to other units which warrants preceding with the CARES funding.

Councilmember Davis asked if there was the possibility of an extension of the deadline. Ms. Smith replied while there has been speculation of an extension there is no guarantee. It is anticipated that a decision on the extension won’t be addressed until after the election in November and if the extension was not approved then there is the potential to lose money and support. Councilmember Flora added that the way the County has drafted the contract that it doesn’t allow for a federal extension which would mean a new agreement would have to be written if federal legislation came through.

Councilmember Rothrock commented that it’s important to utilize all available funding and would be fine with receiving items in a non-traditional way.

Ms. Smith added that as Council went through the budget process, there were discussions on allocating approximately \$15,000 for mortgage or rent assistance for Mission residents. The County has said that is part of phase two and not directly reimbursable. Since there will not be a timeframe for this, it can be moved forward and made available to residents. Ms. Smith confirmed she would bring back available options with the different agencies and staff recommendation. Councilmembers Davis, Boultinghouse and Thomas agreed and affirmed they are supportive of this process.

Councilmember Flora recommended the Resolution authorizing the Mayor to execute the Johnson County Coronavirus Relief Fund Subrecipient Grant Agreement. be forward to Council for approval. All on the Committee agreed, this will be on the consent agenda.

Desktop/Laptop Computer Replacement Purchase

Mr. Scott reported that the City has been systematically upgrading its technology infrastructure for the past few years. This has included new network cabling for all City facilities, new network servers and switches, and a new telephone and surveillance camera systems. As part of this project, the City has also undertaken replacing much of its desktop computer fleet. A significant replacement was done last year, replacing desktop computers six years or older. For this year the City is focusing on replacing the last few outliers left from this effort which will bring the age of the entire inventory up to five years or newer.

The City will initiate a replacement program after this point, replacing desktop computers every five years. Laptop computers will be replaced every four years. This will ensure that a computer is replaced near the end of its optimal life but before it fails. The City has also initiated standards for replacement desktops including Microsoft Windows 10 operating system (or newer version), i5 Intel processor, 16 GB of RAM and 256 SSD of memory. The preferred vendor is Dell and the City leverages a state bid for purchases.

Five (5) replacement desktop computers will be purchased this year for a total of \$7,500. This amount also includes monitors (\$175 each) and set-up costs (\$300 each). These funds are allocated in the 2020 Budget. In addition to the desktop computers, staff is also recommending the purchase of twelve (12) laptop computers for a total amount not to exceed \$23,400. The intent of the laptops is to provide certain employees the ability to work from home if the City experiences another shutdown during the pandemic. The laptops will also provide these employees the ability to work remotely if at home for an extended period of time due to illness or inclement weather. In the future, a laptop computer provides opportunities for employees to be able to take their device to meetings (both internal and external) and to be able to access files and notes digitally. The amount includes docking stations (\$185 each), monitors (\$175), and set-up costs (\$300). The purchase of the laptop computers will be reimbursed with a portion of the City's allocation of funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that is being administered through Johnson County.

Councilmember Flora recommended the purchase of seven desktop computers for a total of \$7,500 from City's budgeted funds, and twelve laptop computers for a total of \$23,400, to be reimbursed from the City's allocation of the CARES funds, be forward to Council for approval. All on the Committee agreed, this will be on the consent agenda.

Migration to Microsoft Office 365 and Purchase of Adobe Acrobat

Mr. Scott explained that the City has been utilizing the Google suite of work productivity tools for the past several years. Google offers not only email, but also calendar management, word processing, spreadsheet, and slide presentation capabilities in a productivity suite known as G-Suite. G-Suite is a cloud subscription service, meaning that the City pays a monthly subscription to access this productivity tool via the internet. The City pays approximately \$1,344 a month for this service, or \$16,128 annually.

Microsoft introduced a cloud based productivity suite, Office 365, nine years ago which have been commonly used by businesses for the past few decades. Though G-Suite has proven to be a reliable and less expensive alternative over the years, it has its limitations. The word processing and spreadsheet applications are not as robust in their functionality and features as Office 365. Because Office 365 is so commonly used in the business environment, exchanging documents with outside parties can be cumbersome at times. And, because G-Suite is a more open system, it is more prone to cyber-security risks than Office 365. This later point became apparent in an audit of the City's Police Department conducted last year by the Kansas Bureau of Investigations (KBI), in which they recommended the City's Police Department utilize a more secure productivity suite for its daily work.

Staff initiated a discussion with Johnson County's Department of Technology (DTI) and Innovation regarding the transition to Office 365. The County completed migrating all of its users to Office 365 about two years ago. Office 365 offers three service levels - Office 365 Business Premium, Enterprise and Office 365 Government. Microsoft Office Government is a much more secure alternative and has been specifically designed to comply with the certification requirements of several federal agencies including the Department of Justices, Department of Defense, and Internal Revenue Service. The final product will be a combination of service accounts with a three-year locked in annual price of \$17,832.

In addition there is a one time cost to set-up these accounts and migrate the current accounts from Google to Microsoft. LiftOff's process will include an assessment workshop to understand the current email environment, ensure that requirements are captured and core functionality is reviewed; a set-up and pre-staging of the Office 365 accounts; the actual migration; desktop configuration; go live; and post deployment evaluation. The whole process would take six to eight weeks from the time the contract is approved. Staff would recommend utilizing LiftOff to assist the City in migrating from the G-Suite productivity site to Office G3 for a one time fee of \$10,980 and then an ongoing cost of \$17,832, for a total cost of \$28,812.

In addition to the migration to Office 365, staff is recommending purchasing thirty (30) licenses for Adobe Acrobat for \$3,430. Like Microsoft, this would be an annual subscription, or renewing charge. Adobe will allow staff to save documents into a format that cannot be easily edited and is safer for transmitting via email. Also, multiple documents can be combined into one document (such as the budget book) and then edited and manipulated in an easier fashion. These

documents can then be posted to the website or shared with outside parties. Another advantage to Adobe is the ability to create forms that can be completed on-line or downloaded, completed, and then sent back to the City via email.

The entire recommendation for this action item - Migration to Microsoft Office 365 and purchase of Adobe Acrobat will total \$32,242. The City had budgeted \$35,000 in the 2020 Budget for the migration, however, one year of the migration and the initial set-up (\$28,812) can be funded through the City's allocation of its CARES Act funds.

Councilmember Davis recommended the migration from Google's G-Suite productivity tool to Microsoft Office 365 productivity tool in the amount of \$28,812 and the purchase of Adobe Acrobat licenses for \$3,430 be forward to Council for approval. All on the Committee agreed, this will be on the consent agenda.

Employee Benefit Renewals for 2021

Ms. Randel reported that Staff has been working with the City's benefit broker, Lockton Benefit Company, to recommend an employee benefits program for 2021 that is both supportive of the employees and fiscally sound for the City. Lockton administered a survey of City employees at the end of June 2020. Overall, employee satisfaction in current offerings is generally high. The survey will be used to inform open enrollment efforts this fall, to increase education about certain programs based on survey responses. Additionally, the survey asked employees how interested they would be in paid parental leave, paid caregiver leave, and combined paid time off as opposed to separate leave banks. Staff plans to present recommendations for leave programs as part of the updates to the Personnel Policy and Guidelines for 2021.

The major cost driver for the benefits program is health insurance. The City received a flat pre-tax renewal from the existing provider, Blue Cross / Blue Shield of Kansas City, for the second year in a row. When the 2021 Budget was adopted, staff planned for a 10% increase in health insurance premiums.

Dental and vision programs were subject to a rate hold for 2021 and were not marketed. The full recommendations for 2021 include:

Medical

- Renew with Blue Cross / Blue Shield of Kansas City and offer the same three health insurance plans - Preferred Care Blue, Blue Select, and Spira Care.
- Continue with the current health insurance premium structure of 80% of the premium being paid by the City and 20% being paid by the employee, with no plan increase.

Wellness

- Fund a wellness program for City employees in the amount of \$10,000.

Dental

- Renew the dental insurance benefit plan with Delta Dental of Kansas effective January 1, 2021 with no increase in premium rates. The plan is on a rate hold through January 1, 2023.
- Maintain the current dental insurance premium structure of 80% paid by the City and 20% paid by the employees.

Vision

- Maintain the vision insurance benefit plan with EyeMed with 100% of the premium paid by the City. The plan is on a rate hold through January 1, 2025.

Section 125 Flexible Spending Account

- Continue to provide a Section 125 Flexible Spending Account through BASIC.

Group Term Life

- Maintain basic Group-Term Life/AD&D benefits through The Standard for an estimated annual premium of \$1,671 paid 100% by the City.

Life Insurance

- Maintain access to voluntary life insurance benefits through The Standard with all premiums paid 100% by participating employees.

Supplemental Insurance

- Maintain access to voluntary supplemental insurance benefits through AFLAC with all premiums paid 100% by participating employees.

Retirement Savings

- Fund the KPERS and KP&F retirement plans in accordance with state mandated rates.
- Maintain the quarterly contribution of 2% of total earnings in the Principal Plan for non-KP&F employees, with no optional matching benefit.

Anticipated total personnel costs for 2021 based on the recommendations provided are \$7,965,026.

Councilmember Kring complimented Ms. Randel on her report and added that the 2021 benefits were great news.

Councilmember Davis recommended the authorization for the Mayor, or his designee, to execute any and all documents necessary to approve contracts for the City of Mission's 2021 employee health/welfare benefits program be forward to Council for approval. All on the Committee agreed, this will be on the consent agenda.

Discussion Items

There were no discussion items.

OTHER

Department Updates

Ms. Smith commented that the first virtual workshop for the Comprehensive Land Use Plan was conducted the previous week and the website, for feedback, is now active.

The new edition of Mission magazine is out and features Mission Police Officer Jay Fler and his service as a law enforcement professional and his work for Breast Cancer Awareness.

Over the last few months, conversations have continued over racial equity and social justice. The City has presented a four-step plan, with the first two steps accomplished through education and information on some of the statistics, policies and procedures in the Police Department. The City is continuing to work on follow-up items including revisions to policy languages. Also, in November, the Committee will see a software recommendation to assist in data analysis for the Police Department. The next step will be addressing more in-depth training around implicit bias.

Ms. Smith thanked Mr. Scott and Ms. Service for their wonderful job on the Comprehensive Plan matrix of the apartment community which will be a great resource for future planning and addressing needs as it relates to rentals.

Meeting Close

There being no further business to come before the Committee, the meeting of the Finance and Administration Committee adjourned at 8:52 p.m.

Respectfully submitted,

Audrey M. McClanahan
City Clerk