



CITY COUNCIL WORK SESSION
Wednesday, May 26, 2021 at 6:30p.m.

Powell Community Center
6200 Martway
Mission, KS 66202

A Zoom link will also be available on the website for the public to attend the meeting virtually if preferred. For more information on how to participate, please visit our website at <https://www.missionks.org/events/month/>

If you require any accommodations (i.e. qualified interpreter, large print, reader, hearing assistance) in order to attend this meeting, please notify the Administrative Office at 913.676.8350 no later than 24 hours prior to the beginning of the meeting.

AGENDA

1. Street Sales Tax Renewal – Laura Smith ([page 2](#))

Staff will recap information presented at the February 10 and May 19 work sessions regarding renewal of the ¼-cent street sales tax and review the mail ballot election calendar that has been established. Options and preferences for a final sales tax rate will be discussed in preparation for drafting ballot language for Council approval in June.

2. Facility Conservation Improvement Program (FCIP) - Emily Randel ([page 44](#))

Staff will present the three recommended project approaches from consultants at the CTS Group. The recommendations come following a detailed analysis of the energy needs of the City and the anticipated cost of each improvement.

City of Mission	Item Number:	1.
DISCUSSION ITEM SUMMARY	Date:	May 26, 2021
Administration	From:	Laura Smith

Discussion items allow the committee the opportunity to freely discuss the issue at hand.

RE: Discussion of Street Sales Tax Renewal

DETAILS: Both in February and May Council has discussed preferences, strategy and timing for renewal of the existing 1/4-cent Sales Tax dedicated to street maintenance, including a review of the history of how and why the existing sales tax question was posed to voters in December of 2011.

During the May 26 work session, staff will be seeking final consensus around the issues so that proposed ballot language can be developed for the Council's June 2, 2021 Finance & Administration Committee packet. The date of a mail ballot election has been set for September 21, 2021 and confirmed with the Johnson County Election Commission.

CFAA IMPACTS/CONSIDERATIONS: Maintaining an efficient street network in both residential and commercial areas of the community allows for residents and visitors to safely travel to and from home, work, school and shopping.

Related Statute/City Ordinance:	NA
Line Item Code/Description:	
Available Budget:	



MEMORANDUM

Date: May 21, 2021
To: Mayor and City Council
From: Laura Smith
RE: Street Sales Tax Renewal

Both in February and May we have discussed preferences, strategy and timing for renewal of the existing 1/4-cent sales tax dedicated to street maintenance, including a review of the history of how and why the existing sales tax question was posed to voters in December of 2011.

During the May 26 work session, we will be working to develop a final consensus around the issues so that proposed ballot language can be developed for the Council's June 2, 2021 Finance & Administration Committee packet. The date/timing of the election have been established and confirmed with the Johnson County Election Commission as follows:

June 19, 2021	Adopt Resolution Calling the Election (ballot language)
August 31, 2021	Last day to register to vote in mail ballot election
First week of September	Ballots mailed to "Active" registered voters in Mission
September 21, 2021	Ballots due to Election Office/Preliminary Election
Results Available	
September 28, 2021 (est.)	Final Election Results Certified
October 20, 2021	Adopt Ordinance Levying the Sales Tax
November 15, 2021	Notice of Sales Tax Rates to KS Department of Revenue

Prior to the most recent work session, staff felt the only remaining decision was to determine a final sales tax rate. However, based on discussion and comments heard during the May 19 work session, it would also seem prudent to revisit the issue of a capital improvement sales tax rather than a sales tax specifically dedicated to streets.

Sales tax type (specific vs. more general) and rate, along with continued discussion about how much money should be dedicated annually to street maintenance will be the focus for May 26. As a result, there is not a lot of new data/information to be included in this memorandum/packet. We have included the work session packet materials from February 10 and May 19 with this agenda to aid in review by both the Council and the public.

Sales Tax Rate Considerations

Based on Mission's current sales tax rates, the total capacity available upon expiration of the current street sales tax is 0.625% or 5/8 of 1%. Our prior discussions have been narrowed to

focus on whether to consider renewing the sales tax at the existing ¼-cent (0.25%) or to increase the rate, based on identified needs, to ⅜-cent (0.375%). In 2021, the ¼-cent sales tax is estimated to generate approximately \$600,000 annually. A ⅜-cent sales tax is estimated to generate approximately \$900,000 annually.

The City of Mission’s current sales tax rate is 9.6%, allocated as follows:

State of Kansas	6.500%
Johnson County	1.475%
City of Mission	
General	1.000%
Streets	0.250%
Parks + Rec	0.375%
Total	9.600%

If the primary consideration is to not have an increase in the City’s overall sales tax rate, even for a short period of time, then there are two options for discussion.

1. Ask voters to renew a dedicated street sales tax at 0.250%, or
2. Consider placing a 0.625% capital improvement sales tax question on the ballot, which would simultaneously repeal the current parks sales tax of (0.375%) leaving the City with one dedicated sales tax rather than two that are on renewal cycles which do not coincide.

Staff would not recommend a reduction in the 1% general sales tax rate as an alternative to an increase in the street sales tax rate. All other general fund operations, and the services provided to our residents are highly dependent on this revenue stream. As discussed briefly during the last work session, if the Council wishes to dedicate more funds annually for street maintenance, that can be accomplished in a number of other ways including:

1. Increase in mills – either mills levied, or mills dedicated and transferred for street maintenance
2. An additional transfer from the General Fund for street maintenance

A potential benefit of the additional transfer is that it can be reviewed and established each year during the annual budget process based on the size and scope of the street maintenance projects in any particular year. This creates flexibility depending on the needs identified in the evolving multi-year street maintenance program.

Funding Source	2021 Revenues	2022 Est. Revenues (0.25%)	2022 Est. Revenues (0.375%)
Dedicated Property Tax (equivalent of 7 mills)	\$1,100,000	\$1,204,000*	\$1,204,000
Sales Tax	\$ 600,000	\$ 600,000	\$900,000
Special Highway Funds	\$ 250,000	\$ 250,000	\$250,000
Total Funds Available:	\$1,950,000	\$2,054,000	\$2,354,000

*1 mill in the 2022 Budget is estimated to generate \$172,000

Concern for increasing the total sales tax rate could also be addressed by reconsidering the possibility of a capital improvement sales tax. Potential benefits include:

1. Allows for one election as opposed to one in 2021 and a second in 2022 to renew dedicated sales taxes. (Cost savings as well as an opportunity to focus attention on other priorities besides an election.)
2. Scope and purpose remains limited, so broad that tracking and reporting mechanisms could still be developed to enhance transparency and accountability.
3. Provides the ability to align annual expenditures for streets and parks and recreation with identified needs rather than continually matching projects up to specific revenue streams.
4. Allow for more consistent planning of 5-10 year infrastructure or CIP programs.

The decisions surrounding renewal of the sales tax and more fundamentally, support of Mission's capital infrastructure overall, are complex and challenging and no different than any of our neighboring cities. We look forward to the discussion next Wednesday to continue working toward our final recommendations on June 2.

FEBRUARY 10, 2021

**CITY COUNCIL WORK SESSION
PACKET MATERIALS**

City of Mission	Item Number:	1.
DISCUSSION ITEM SUMMARY	Date:	February 10, 2021
Administration	From:	Laura Smith

Discussion items allow the committee the opportunity to freely discuss the issue at hand.

RE: Discussion of Street Sales Tax Renewal

DETAILS: Over the course of the last several months, we have had several work sessions and presentations surrounding development and implementation of a new comprehensive street maintenance program. Our work session on February 10 will focus on a review of the dedicated street sales tax which will expire on March 31, 2022 and options and considerations for renewal.

The attached memo and supporting documents provide additional information in support of these decisions.

CFAA IMPACTS/CONSIDERATIONS: Maintaining an efficient street network in both residential and commercial areas of the community allow for residents and visitors to safely travel to and from home, work, school and shopping.

Related Statute/City Ordinance:	NA
Line Item Code/Description:	
Available Budget:	



MEMORANDUM

Date: February 5, 2021
 To: Mayor and City Council
 From: Laura Smith
 RE: Street Sales Tax Renewal

During our February 10 work session, we will continue our work on the comprehensive street maintenance program. Specifically, our focus for this work session will be developing action steps and a preferred timeline for renewal of the existing street sales tax. We will review and expand upon information previously introduced in the October 28, 2020 work session related to the following:

- Current Street Program Revenues
- Sales Tax Capacity
- Revenues Generated by Sales Tax
- Options for Renewal (mail ballot vs. regular election)
- Preferred Timing of Election

Current Street Program Revenues

There are three distinct revenue streams which currently fund street and other related transportation network improvements. The revenues are shown in the table below:

Funding Source	Source/Established By	2021 Revenues
Dedicated Property Tax	Council action during annual budget process	\$1,100,000
¼-cent Sales Tax	Voter Approval	\$ 600,000
Special Highway Funds	Pass through revenue from State (gas tax revenues)	\$ 250,000
	Total Funds Available:	\$1,950,000

Revenues are used for:

- Engineering, design, construction and construction inspection of transportation network projects (streets, sidewalks, curbs and gutters, etc.).

- Completing inventory and assessments of the network to assist in the development and evaluation of the comprehensive street maintenance program.
- Paying for materials and supplies, such as asphalt patch, used by Public Works staff for repairs and maintenance.

Although some of the revenues (property tax and Special Highway funds) could be used to pay for personnel costs, they have not historically been used for that purpose. Street program revenues fund both pay-as-you-go projects as well as street related debt service.

Property Tax The property tax portion of street program revenues is levied in the General Fund and transferred to the Capital Improvement Fund. Currently, the amount of property tax transferred is equivalent to 7 mills. The property tax transfer was initiated in 2015 when the Transportation Utility Fee (TUF) was suspended. At that time the TUF generated approximately \$750,000 annually, and the Council approved an equivalent level of mills to replace the TUF revenue. As the City’s assessed valuation has increased over the years, the amount of property tax revenue being transferred annually has also increased. A transfer in the amount of \$1.1 million is anticipated in the 2021 Budget. The Council, within the parameters of the current property tax lid requirements, may consider adjustments to this transfer to either increase or decrease the amount of property tax dedicated to the street program.

Sales Tax The sales tax revenue option was discussed in a series of public workshops and work sessions as the first comprehensive street maintenance program was being developed (2008-2010). At that time, there was an existing ¼-cent sales tax in place which had been levied for the purpose of covering debt service for bonds issued to expand the Powell Community Center. The sales tax was approaching expiration, and consensus was to seek renewal of the tax dedicated to street maintenance programs.

The ¼-cent sales tax was approved for ten years through a mail ballot election in December 2011. It became effective April 1, 2012 and expires March 31, 2022. A copy of Ordinance 1359, which certified the election results and confirms and details the allowed purpose and uses for the sales tax, is included in the packet. Voter participation (turnout) in the mail ballot election was 38.56% (2,205 votes), and the final election results are shown below:

YES	1,187	53.83%
NO	1,018	46.17%

As a point of reference, voter turnout and election results for three recent elections are included in the following table:

Jurisdiction	Election Type	Voter Turnout	Yes	No
SMSD Bond	Mail ballot (1/26/21)	27.56%	69.41%	30.54%
Roeland Park Special Sales Tax	General election (11/3/20)	N/A	59.85%	40.15%
Merriam Special Sales Tax	Mail ballot (1/28/20)	28.10%	79.63%	27.56%

Special Highway Motor vehicle fuel tax proceeds are collected under the authority of KSA 79-3401 et seq. Since 1949, Kansas law has required distribution of a portion of motor fuel taxes to a special fund to be used for maintenance of and improvements to county roads and city streets. Funds are remitted quarterly from the State to the City. Occasionally, when state budgets are under pressure, there are discussions of discontinuing this transfer to cities. In those instances, the City takes appropriate steps to advocate for continuation of this important street maintenance revenue stream.

Current Sales Tax Rates and Sales Tax Capacity

In accordance with KSA 12-187 et seq. and 12-189, cities are provided with the statutory authority to levy retailer’s sales taxes. A city’s sales tax capacity is capped at 3%, which includes up to 2% for “general” purposes and up to 1% for “special” purposes. Although the statutes are somewhat vague, an Attorney General’s opinion is included in the packet which proves helpful in interpreting state statute.

The City of Mission’s current sales tax rate is 9.6% and is allocated as follows:

State of Kansas	6.500%
Johnson County	1.475%
City of Mission	
General	1.000%
Streets	0.250%
Parks & Rec	<u>0.375%</u>
Total	9.600%

Currently, there are three special districts in Mission where an additional 1% sales tax is levied through a Community Improvement District or CID. Those include the Mission Crossing, Cornerstone Commons and Gateway projects, bringing the sales tax rate in these areas to 10.6%.

When considering sales tax as an option to generate revenue, especially for infrastructure improvements such as streets, cities often evaluate their retail sales tax “pull factor” to

determine what percentage of the sales tax is collected from non-residents. A pull factor greater than 1.0 indicates a city is pulling trade from beyond their borders. Since non-residents are benefitting from and impacting the quality of Mission’s streets, funding infrastructure maintenance with sales tax helps relieve Mission residents and businesses from paying 100% of the associated costs.

Based on the Kansas Department of Revenue 2020 Annual Report, Mission’s pull factor is 1.62. In order to determine the percentage of sales tax receipts generated by non-residents, the following formula applies: $((\text{Pull Factor}-1)/\text{Pull Factor})$. Approximately 38% of the Mission’s sales tax receipts are generated from non-Mission residents. Comparatively, Merriam has a pull factor of 78% (auto dealerships) and Roeland Park has a pull factor of 31%.

As a point of reference for our discussion, the total sales tax rates, city sales tax rates and the highest sales tax rates paid within each jurisdiction are detailed for several Johnson County cities in the table below:

City	Total Sales Tax Rate (%)	City Sales Tax Rate (%)	Highest Rate Paid in Jurisdiction (%)
Mission	9.6	1.625	10.6
Fairway	9.975	2.0	9.975
Shawnee	9.6	1.625	11.1
Merriam	9.475	1.5	9.475
Roeland Park	9.475	1.5	10.475
Olathe	9.475	1.5	11.475
Overland Park	9.1	1.5	11.1
Lenexa	9.35	1.375	10.350
Leawood	9.1	1.125	10.1
Prairie Village	8.975	1.0	9.975

Sales tax may be levied in increments of 0.05%, up to the maximums allowed under the state statutes. Based on Mission’s current sales tax rates, the total capacity available upon expiration of the current street sales tax is 0.625% or $\frac{5}{8}$ of 1%.

The sales tax could be renewed and specifically dedicated to streets, or it could be designated for general infrastructure use similar to the initiatives undertaken by Merriam and Roeland Park. We will discuss the potential challenges and opportunities of each during the work session. As a

point of reference for the conversation, various sales tax rates, and the amounts they would be expected to generate annually (2021 dollars) are provided below.

Sales Tax Rate	Estimated Annual Revenues
1/8-cent (0.125)	\$300,000
1/4-cent (0.25)	\$600,000
3/8-cent (0.375)	\$900,000
1/2-cent (0.5)	\$1,200,000
5/8-cent (0.625)	\$1,500,000

Options for Renewal

As we discussed during the October 28, 2020 work session, there are two options to place the sales tax question in front of Mission voters. It can either be accomplished through a mail ballot, or as a part of a regularly scheduled election. The process for certifying the question is the same for either type of ballot and includes:

- Adopting a resolution calling the election
- Publishing notice of the election
- Voter approval on election date
- Passing an ordinance levying the sales tax
- Sending proceedings to KDOR to begin levying the sales tax

Sales taxes may only be initiated at the beginning of a quarter, and notice must be provided to the Kansas Department of Revenue (KDOR) a full quarter in advance of when the city desires the sales tax to become effective. Sales taxes always expire at the end of a quarter. As an example, the current street sales tax will expire on March 31, 2022. If the City wishes to have no lapse in sales collection, notice of a new sales tax would have to be provided to KDOR by December 31, 2021.

Preferred Timing of Renewal

In conversations with the Johnson County Election Office, there are certain restrictions and timelines placed on timing for mail ballot elections.

To conduct a special mail ballot election, the Election Office is required to submit a Special Mail Ballot Plan to the Kansas Secretary of State Office for approval. In general, there is a 12-week timeframe to conduct the entire special election process, which is the total timeline from when the resolution or ordinance and ballot wording from the City will need to be submitted to the

Election Office to when the Final Canvass of the election results are completed and any recount deadlines are triggered. The Election Commissioner advises to plan on a 90-day block of time for any special mail ballot election to take place.

Separate mail ballot elections cannot take place at the same time that overlap jurisdictional boundaries. For example, Mission could not have conducted a separate mail ballot election at the same time as the most recent SMSD bond issue mail ballot election measure took place.

Separate mail ballot elections **can** occur at the same within the county that do not overlap a jurisdictional boundary. Meaning Mission can conduct a special mail ballot election at the same time as another city in Johnson County, or at the same time a school district (other than SMSD) is also holding a special mail ballot election. There are some minor cost savings realized to both jurisdictions when separate ballot measures are being conducted at the same time.

While not impossible, the Election Commissioner has indicated he would not want to be conducting multiple mail ballot elections in Johnson County that are not on the same election calendar time frame. So if Mission starts a special mail ballot election process, another city or taxing jurisdiction in the county could not then start a separate special mail ballot election only 30 to 45 days later. In essence, there are 90-day blocks of time for holding any special mail ballot election in Johnson County. The Election Office advised that staff with the City of Spring Hill had been inquiring about conducting a special mail ballot election in 2021. I will be discussing the details with Spring Hill's City Administrator in more detail on Monday, but my initial conversations with him suggest they are looking at the November 2021 General Election.

With the current election cycle set by the State of Kansas, Johnson County will be holding a general polls-election the 1st Tuesday of November of every year, and a primary polls-election, if needed, the 1st Tuesday of August every year. For 2021, the dates will be August 3rd and November 2nd. June 1st is the deadline for submitting any questions to be placed on the August 3rd primary election ballot. September 1st is the deadline for submitting a ballot question for the November 2nd election ballot.

The Election Commissioner is not aware of any set deadlines relating to a city holding a special mail ballot election either before or after the primary or general election cycle. So, holding a special mail ballot election could go into June or July of 2021, or into September or October of 2021. He would not agree to have the election date of a special mail ballot election overlap the start of early voting of either the primary or general election dates, which will be July 13th and October 12th this year (20-days prior to the election date). There have been several special mail ballot elections in Johnson County with the final election date falling in the month of September, between the August and November election cycles.

Based on the timing restrictions, we will need to weigh the policy pros-and-cons of holding and paying for a special mail ballot election close to either an August primary election date or a

November general election date in a given calendar year. We do have the choice of putting a ballot question on either the August or November election ballots in any given year, and this could be at no cost to the city. This is how Roeland Park handled their recent sales tax election.

If the primary or general election is to be a county-wide election, that is - if every registered voter has a county-wide ballot measure to vote on, then Johnson County pays for the costs of holding that election. If there is not a county-wide ballot measure for the August primary ballot, then the cost of holding that election will be allocated proportionally to the jurisdictions that have a primary race and/or ballot questions on the August ballot.

The August 2021 primary election may or may not be a full-county election, depending on how many filings are submitted for the Johnson County Community College Board of Trustees race and/or if the Kansas Legislature puts an item on the ballot, like a statewide constitutional ballot question. With four open JCCC Trustee seats, 13 candidates will need to file for the JCCC Trustee race by June 1st to trigger a county-wide primary run-off on the August 3rd ballot. If a primary is required for the Trustees, the primary will be a full-county election and there would be no charge to Mission for having a question on the August ballot. However, if there is not a primary for the JCCC Board, Mission will be billed for the direct expenses of their election – ballots, envelopes, polling place rental (if any), election workers, equipment delivery, etc. This will be the case for either a ballot question measure, and/or for any Mayoral/City Council Ward races that require a primary run-off election in August.

Generally, for a mail ballot election, cities are advised to plan on a cost of \$3-\$4 per registered voter. We are not billed per registered voter, but this will allow us to ballpark the upper limits of a mail ballot election. Mission currently has 7,059 “Active” registered voters. In a special mail-ballot election, ballots are mailed only to “Active” registered voters. Merriam was billed approximately \$15,800 for their recent mail ballot election.

A copy of the special City Newsletter that was mailed to all Mission residents in connection with the 2011 mail ballot election is included for your information and reference.

One of the primary issues for consideration will be identifying an election date that provides sufficient time for staff and the Council to develop informational materials to educate and inform voters. I’ll look forward to discussing these issues in detail during next Wednesday’s work session as we continue to advance the street program improvements for the benefit of our residents and businesses.

Kan. Atty. Gen. Op. No. 2008-25 (Kan.A.G.), 2008 WL 5208783

Office of the Attorney General

State of Kansas
Opinion No. 2008-25
December 10, 2008

Re: Cities and Municipalities—General Provisions—Countywide and City Retailers' Sales Taxes; Procedure for Implementation; Rate; Use of Revenues; General Purposes; Special Purposes

Synopsis: A city is required to specify the purposes for which the revenues from a retailers' sales tax will be used regardless whether it is levied for general purposes or special purposes. Whether a retailers' sales tax is levied for general purposes or special purposes is determined by the degree of specificity stated by the city as being the purposes for the levy. A retailers' sales tax that will potentially provide funding to address necessary work on all city roads, all city parks, and all of the community's cultural and recreational facilities, rather than specific roads, parks, and community cultural and recreational facilities, constitutes a sales tax levied for general purposes under [K.S.A. 2007 Supp. 12-189](#). Cited herein: [K.S.A. 2007 Supp. 12-187](#); [12-189](#); [K.S.A. 12-197](#); [12-187b \(Repealed\)](#); [12-188 \(Repealed\)](#); [12-189f \(Repealed\)](#); L. 2007, ch. 158; §§ 6, 7, 10; L. 2006; ch. 204, §§ 1, 2, 5; L. 2006, ch. 191, §§ 1, 2; L. 2001, ch. 67, § 1; L. 1982, ch. 64, § 1.

*1 Dorothea Riley
Bond Counsel
City of Lenexa
1010 Grand Boulevard, Suite 500
Kansas City, Missouri 64106-2220

Dear Ms. Riley:

As bond counsel for the City of Lenexa, you request our assistance in determining whether a proposition approved by the city's electors authorizes the levy of a retailers' sales tax for general purposes, thus allowing collection of the tax for more than 10 years. Clarification is required to determine the effect of amendments adopted by the Legislature during the 2006 and 2007 legislative sessions.

The procedure for levying a retailers' sales tax is set forth in [K.S.A. 12-187 et seq.](#) (the "Act"). Historically, the process was initiated by a city's governing body submitting to the electorate a proposition seeking approval of the retailers' sales tax levy.¹ The proposition included the rate and effective date of the sales tax² and "a statement generally describing [the] purpose or purposes" for which the revenue was to be used.³ The Act established four classifications of cities, with the rate at which a city could fix its retailers' sales tax dependent upon which of the four classifications the city fell.⁴ An additional sales tax levy was authorized in designated cities for the purpose of financing health care services,⁵ economic development or strategic planning initiatives, or public infrastructure projects.⁶ However, because the Act was nonuniform,⁷ a city was able to exercise its home rule authority, thereby establishing a retailers' sales tax at a rate above those authorized by the Legislature. The city was able to designate a "special project" towards which the revenues would be applied, with the tax terminating when the costs of the special project were paid,⁸ or could pledge all or a portion of the revenues towards "general purposes"⁹ designated by the city, ostensibly allowing the tax to continue until repealed by the city's governing body.¹⁰ Once a proposed sales tax was approved by a vote of the electorate,¹¹ neither the city's governing body nor the electorate had the authority to modify the purpose or purposes for which the retailers' sales tax was levied.¹²

*2 In order to bring uniformity to the Act and thereby preclude the exercise of home rule authority, the Legislature in 2006 and 2007 deleted the city classifications and tax rate differential provisions from [K.S.A. 12-187](#) and [12-189](#).¹³ The authority for additional levies for financing health care services, economic development or strategic planning initiatives, or public infrastructure projects was also deleted from the Act.¹⁴ The Legislature, instead, introduced the concept of levying a retailers' sales tax for "general purposes" or "special purposes." [K.S.A. 2007 Supp. 12-189](#) now states in part:

"The rate of any city retailers' sales tax shall be fixed in increments of .05% and in an amount not to exceed 2% for general purposes and not to exceed 1% for special purposes which shall be determined by the governing body of the city. *For any retailers' sales tax imposed by a city for special purposes, such city shall specify the purposes for which such tax is imposed.* All such special purpose retailers' sales taxes imposed by a city shall expire after 10 years from the date such tax is first collected."¹⁵

The Act does not define "general purposes" or "special purposes." Clarification is sought as [K.S.A. 2007 Supp. 12-187](#) requires that a city "proposing to levy *any* retailers' sales tax shall specify the purpose or purposes for which the revenue would be used" while [K.S.A. 2007 Supp. 12-189](#) requires that the purposes be specified "[f]or any retailers' sales tax imposed by a city for *special* purposes."

The rules of statutory construction are followed to determine the proper interpretation of the provisions.

"When courts are called upon to interpret statutes, the fundamental rule governing that interpretation is that the intent of the legislature governs if that intent can be ascertained. The legislature is presumed to have expressed its intent through the language of the statutory scheme it enacted. For this reason, when the language of a statute is plain and unambiguous, courts need not resort to statutory construction But where the face of the statute leaves its construction uncertain, the court may look to the historical background of the enactment, the circumstances attending its passage, the purpose to be accomplished, and the effect the statute may have under the various constructions suggested.

"As a general rule, courts should construe statutes to avoid unreasonable results and should presume that the legislature does not intend to enact useless or meaningless legislation. Courts ascertain the legislature's intent behind a particular statutory provision from a general consideration of the entire act. Effect must be given, if possible, to the entire act and every part thereof. To this end, it is the duty of the court, as far as practicable, to reconcile the different provisions so as to make them consistent, harmonious, and sensible.

*3

"Furthermore, when courts are called upon to review an amendment to a statute, they presume the legislature had and acted with full knowledge and information as to the subject matter of the statute, as to prior and existing law and legislation on the subject of the statute and as to the judicial decisions with respect to such prior and existing law and legislation. In the same vein, courts presume that when the legislature revises an existing law, it intended to change the law as it existed prior to the amendment."¹⁶

It is clear that the Legislature intends to allow a city to levy retailers' sales taxes for a total of not to exceed three percent. At the time that the Legislature adopted the amendments, it was aware that a city "proposing to levy *any* retailers' sales tax" was obligated to specify the purpose or purposes for which the revenue would be used and that such purposes could be either for a special project or for general purposes. The requirement in [K.S.A. 2007 Supp. 12-189](#) that a city specify the purpose or purposes for which a special purpose retailers' sales tax is being levied does not add a new requirement or restrict the existing authority of the city. Regardless whether the retailers' sales tax is levied for general purposes or special purposes, a city is required to specify the purposes for which the revenues will be used.

By authorizing a retailers' sales tax levy of not to exceed two percent for "general purposes" and not to exceed one percent for "special purposes," without providing any further guidance as to what may constitute such purposes, the Legislature is

continuing its longtime deference to the city to determine the purposes for the levy. The Legislature is presumed to ascribe the ordinary and common meaning to the words it uses.¹⁷ Therefore, in determining which purposes are general versus special, we look to the ordinary meaning of the terms. “General ... relates to the whole kind, class, or order [; p]ertaining to or designating the genus or class, as distinguished from that which characterizes the species or individual; universal, not particularized, as opposed to special,”¹⁸ while “special” is “[r]elating to or designating a species, kind, individual, thing, or sort; designed for a particular purpose; confined to a particular purpose, object, person, or class.”¹⁹ Whether a retailers' sales tax is levied for general purposes or special purposes is determined by the degree of specificity stated by the city as being the purposes for the levy.

On May 27, 2008, the electors of the City of Lenexa approved the following proposition:

“Shall a retailers' sales tax (also known as ‘Investing in Our Future’) in the amount of three-eighths of one percent (.375%) be levied in the City of Lenexa, Kansas (the ‘City’), for the purpose of:

*4 “(a) improving, rebuilding and maintaining roads, including but not limited to, sidewalks, storm water facilities and street lighting associated therewith;

“(b) development and maintenance of City parks;

“(c) design, construction and operation of cultural and recreational facilities and amenities for the community;

“(d) all things related and necessary to such projects, including but not limited to acquisition of land, construction of public buildings and facilities associated therewith and payment of the principal and interest on bonds or other obligations issued to finance such projects;

“*Provided* that such retailers' sales tax shall expire 20 years from the date of imposition, all pursuant to [K.S.A. 12-187 et seq.](#), as amended, and [K.S.A. 12-195.](#)”

Each one of the stated purposes is expansive in nature. The retailers' sales tax approved by the electors of the City of Lenexa will potentially provide funding to address necessary work on all city roads, all city parks, and all of the community's cultural and recreational facilities, rather than specific roads, parks, and community cultural and recreational facilities. The stated purposes constitute general purposes under [K.S.A. 2007 Supp. 12-189](#). The retailers' sales tax authorized by the electors of the City of Lenexa may, therefore, be levied for a period exceeding 10 years.

Sincerely,

Steve Six
Attorney General of Kansas
Richard D. Smith
Assistant Attorney General

Footnotes

1 [K.S.A. 12-187\(a\)](#).

2 [K.S.A. 12-187\(f\)](#).

3 [K.S.A. 12-187\(h\)](#).

4 [K.S.A. 12-188](#). See [K.S.A. 12-187\(a\)\(2\)](#); [12-187\(e\)](#); [12-189](#). The classifications of cities were A, B, C, and D, with the classification definitions set forth in [K.S.A. 12-188](#).

5 [K.S.A. 12-187\(a\)\(2\)](#).

6 [K.S.A. 12-187\(e\)](#).

7 *Home Builders Association of Greater Kansas City v. City of Overland Park*, 22 Kan.App.2d 649, 667-68 (1996).

- 8 K.S.A. 2007 Supp. 12-189. The provision has been in effect since 2001. *See* L. 2001, ch. 67, § 1.
9 *See* K.S.A. 12-197. The statute became effective on July 1, 1982. L. 1982, ch. 64, § 1.
10 *See* K.S.A. 2007 Supp. 12-187(e).
11 K.S.A. 12-187(a).
12 Attorney General Opinion No. 2007-04.
13 *See* L. 2006, ch. 204, § 5; L. 2007, ch. 158, §§ 6, 7. The definitions of the four city classifications set forth in K.S.A. 12-188 were repealed in L. 2006, ch. 204, § 5. K.S.A. 12-187 and K.S.A. 12-189, however, were amended by three unreconciled bills during the 2006 legislative session, resulting in dual versions of the statutes codified as K.S.A. 12-187 and K.S.A. 12-187b and K.S.A. 12-189 and K.S.A. 12-189f. The provisions of L. 2007, ch. 158, §§ 6 and 7 repealed the provisions that had been repealed in L. 2006, ch. 204, §§ 1 and 2, but which remained in effect due to the unreconciled provisions in L. 2006, ch. 191, §§ 1 and 2. K.S.A. 12-187b and K.S.A. 12-189f were repealed in L. 2007, ch. 158, § 10.
14 *See* L. 2006, ch. 204, §§ 1, 2; L. 2007, ch. 158, §§ 6, 7.
15 Emphasis added.
16 *In re Adoption of G.L.V.*, 190 P.3d 245, 252 (Kan., 2008) (internal citations and quotation marks omitted).
17 *State ex rel. Slusher v. City of Leavenworth*, 285 Kan. 438, 447 (2007).
18 Black's Law Dictionary 614 (5th ed. 1979).
19 Black's Law Dictionary 1253 (5th ed. 1979).

Kan. Atty. Gen. Op. No. 2008-25 (Kan.A.G.), 2008 WL 5208783

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF MISSION, KANSAS
HELD ON DECEMBER 21, 2011**

The governing body met in regular session at 7:00 p.m. The Mayor presided and the following members of the governing body were present: Lawrence Andre, Connie Footlick, Suzie Gibbs, Debbie Kring, David Shepard, Will Vandenberg, John Weber.

The following members of the governing body were absent: Sue Grosdidier

* * * * *

(Other Proceedings)

Thereupon, an Ordinance was presented entitled:

**AN ORDINANCE OF THE CITY OF MISSION, KANSAS, AUTHORIZING THE
IMPOSITION OF A SPECIAL ONE-QUARTER PERCENT (0.25%) CITYWIDE
RETAILERS' SALES TAX TO FINANCE THE COSTS OF TRANSPORTATION
IMPROVEMENTS AND RELATED COSTS FOR A PERIOD OF TEN YEARS .**

Thereupon, Councilmember Andre moved that said Ordinance be passed. The motion was seconded by Councilmember Gibbs. Said Ordinance was duly read and considered, and upon being put, the motion for the passage of said Ordinance was carried by the vote of the governing body, the vote being as follows:

Aye: Andre, Footlick, Gibbs, Kring, Shepard, Vandenberg.

Nay: Weber.

Thereupon, the Mayor declared said Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. 1359, was signed and approved by the Mayor and attested by the Clerk and was directed to be published one time in the official newspaper of the City. The City Clerk was further directed to forward a certified copy of the Ordinance to the State Director of Taxation.

* * * * *

(Other Proceedings)

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of City of Mission, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

City Clerk

(PUBLISHED IN *THE LEGAL RECORD* ON DECEMBER 27, 2011)

ORDINANCE NO. 1359

AN ORDINANCE OF THE CITY OF MISSION, KANSAS, AUTHORIZING THE IMPOSITION OF A SPECIAL ONE-QUARTER PERCENT (0.25%) CITYWIDE RETAILERS' SALES TAX TO FINANCE THE COSTS OF TRANSPORTATION IMPROVEMENTS AND RELATED COSTS FOR A PERIOD OF TEN YEARS.

WHEREAS, by Resolution No. 832 adopted by the Governing Body of City of Mission, Kansas (the "City") on August 17, 2011, the Governing Body authorized and provided for a special question election in the City for the purpose of submitting to the qualified electors of the City the proposition to impose a one-quarter percent (0.25%) citywide retailers' special purpose sales tax, the collection of which to commence on April 1, 2012 or as soon thereafter as permitted by law and shall terminate ten years after its commencement, the proceeds of which shall be used to finance the costs of transportation improvements, including the construction and reconstruction of streets, bridges, sidewalks, curbs, gutters, trails, transit facilities, bicycle lanes, street lighting, traffic signalization, signage and landscape along rights-of-way and related improvements (the "Sales Tax") pursuant to the authority of K.S.A. 12-187 *et seq.*, 87 (the "Sales Tax Act"); and

WHEREAS, a special question mail ballot election was held in the City on December 6, 2011, at which time there was submitted to the qualified electors of the City the aforementioned proposition, and a majority of the qualified electors of the City voting on this proposition voted in favor thereof; and

WHEREAS, pursuant to the Sales Tax Act and the results of the aforementioned special question election, the Governing Body deems it necessary and advisable to authorize the imposition of the Sales Tax.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MISSION, KANSAS, AS FOLLOWS:

SECTION 1. The imposition of the Sales Tax is hereby authorized pursuant to the provisions of the Sales Tax Act.

SECTION 2. The City Clerk shall provide a certified copy of this Ordinance to the State Director of Taxation and request that the Sales Tax commence on April 1, 2012 and shall expire on March 30, 2022.

SECTION 3. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City, approval by the Mayor and publication in the official City newspaper.

PASSED by the governing body of the City on December 21, 2011 and **APPROVED AND SIGNED** by the Mayor.

Laura L. McConwell, Mayor

(SEAL)

ATTEST:

Martha Sumrall, City Clerk



CITY OF MISSION

SPECIAL Newsletter

VOLUME 7, ISSUE 7 WWW.MISSIONKS.ORG

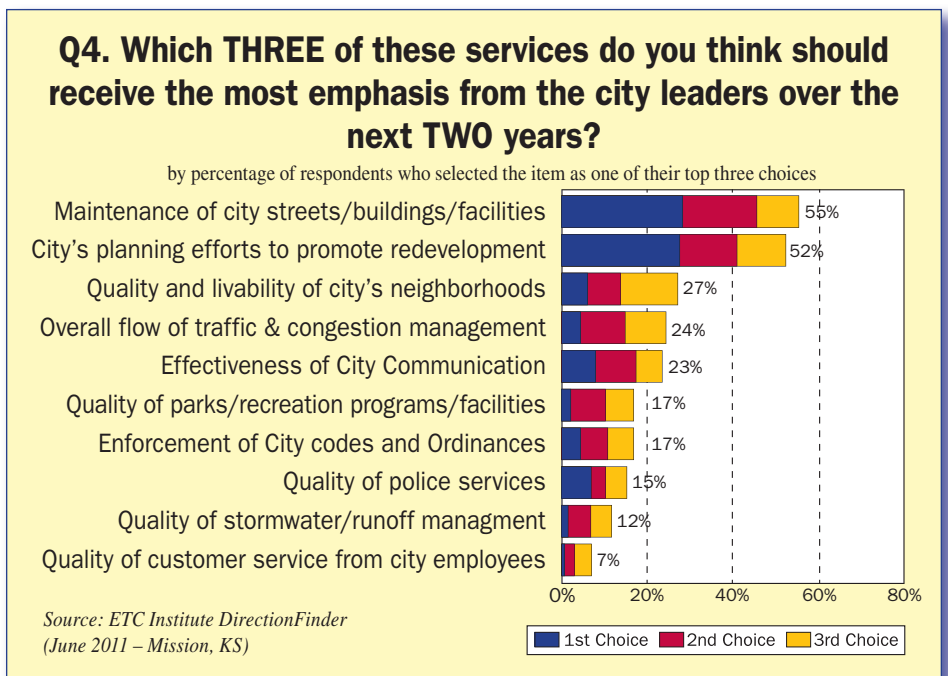
MISSION RESIDENTS TO CONSIDER 1/4 PERCENT SALES TAX FOR STREETS

Mission voters will soon have an opportunity to consider a 1/4 percent sales tax dedicated to the maintenance, repair and replacement of streets and transportation related improvements throughout the community. The City Council has authorized a mail ballot election which will occur from mid-November to December 6, 2011.

Information collected through a resident satisfaction survey in 2007, showed maintenance of our city streets, buildings and facilities ranked as the second highest priority for the residents of Mission. When the survey was updated in the summer of 2011, streets had moved into the number one position.

The City Council and staff have been working over the last several years, with significant public input, to implement a comprehensive Street Maintenance Program. The program aligns Mission with the best management practices for street maintenance and pavement preservation in Johnson County, including measuring the performance of the program on an annual basis.

The biggest challenge to improving service delivery is money. In the summer of 2010, the City Council sought citizen input on how to appropriately fund street and transportation needs. The goal was to identify \$1.5 million annually. The chart on page 2 illustrates public feedback on how to fund streets in Mission. The primary message from the public during these sessions was a desire to spread the cost of the program between property owners and



visitors to the community.

In August, in conjunction with approval of the annual budget, Resolution No. 832 was passed by Mission's elected officials authorizing a special question election for the imposition of a 1/4 percent citywide retailers' sales tax to finance the costs of transportation improvements and related costs. If approved by voters, these revenues would be combined with other existing resources to fully fund the Street Maintenance Program.



City of Mission: MAIL BALLOT ELECTION

Shall the following be adopted?

Shall the City of Mission, Kansas be authorized to impose a one-quarter percent (0.25%) citywide retailers' special purpose sales tax, the collection of which to commence on April 1, 2012 or as soon thereafter as permitted by law and shall terminate ten years after its commencement, the proceeds of which shall be used to finance the costs of transportation improvements, including the construction and reconstruction of streets, bridges, sidewalks, curbs, gutters, trails, transit facilities, bicycle lanes, street lighting, traffic signalization, signage and landscape along rights-of-way and related improvements (the "Project")?

How Do I Participate in Mission's Mail Ballot Election?

Mail ballot elections can only be conducted for "question-submitted" elections such as Mission's proposed ¼ percent sales tax for transportation. If you are currently a registered voter in Mission, you will automatically receive a mail ballot in mid-November. Each ballot mailed will include instructions on voting and completing the return envelope. No postage is necessary to return your ballot. When you receive your ballot in the mail, please take a few moments to read the specific instructions on how to return your ballot in the envelope provided to ensure your vote is counted. Please note that only the voter to whom the mail ballot was sent should sign the "Affidavit of Voter" on the return envelope.

All mail ballots must be returned to the Johnson County Election Office by 12:00 noon on Tuesday, December 6th. Be sure to mail your ballot early so it is received at the election office by the deadline. If you are not confident that your ballot will arrive in time by mail, you may deliver your ballot in person,

but these must also be delivered by 12:00 noon on December 6th. Any ballot received after the deadline will not be counted!

If you are not yet registered to vote in Mission, please contact the Johnson County Election Office for specific information. The last day to register for this election is Tuesday, November 15th and you will need to complete a Replacement Mail Ballot Form to receive your ballot. These are available at the election office or at www.jocoelection.org. For more information on how to complete your ballot, please contact the Johnson County Election Office at (913) 782-3441.

MISSION'S STREET MAINTENANCE PROGRAM AT WORK

Arterial and Collector (Commercial) Streets

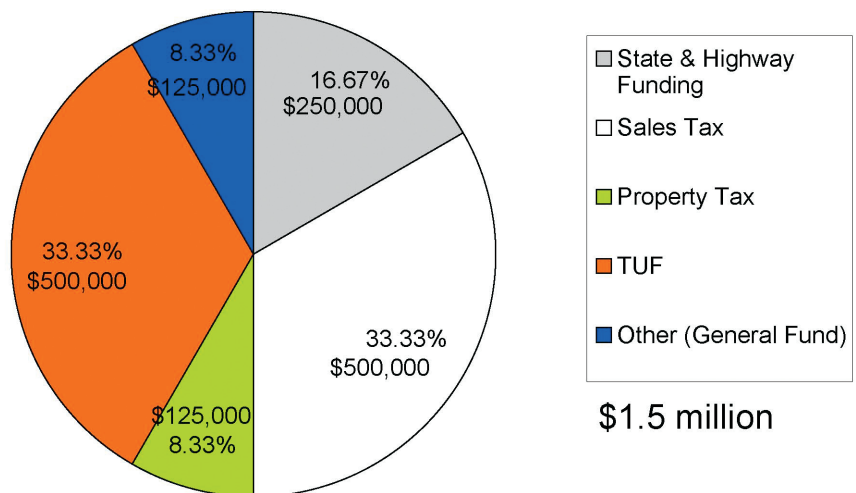
Most of Mission's commercial (higher traffic volume) streets were in a bad state of repair. In the last five years, approximately half of these streets have been rehabilitated. Nall Avenue was the most recent street project; completed four months ahead of schedule and \$1,000,000 under budget. The next two major streets scheduled for reconstruction are Martway and Johnson Drive.

Neighborhood Streets

Mission's new Street Maintenance Program is designed to protect neighborhood streets before they wear out. The City expects to touch every street in Mission every eight years. By sealing and overlaying streets each summer, we minimize the cost to the taxpayers and improve the quality of your neighborhood.



Transportation Funding Forums Normalized Average - All Groups



Links to more information

City of Mission Website:
www.missionks.org

Mission Street Maintenance Program:
www.missionks.org/streets

Johnson County Election Office:
www.jocoelection.org

Frequently Asked Questions - Sales Tax for Streets

Q: When would the sales tax become effective and how long would it last?

A: If approved by Mission voters, the sales tax would take effect on April 1, 2012 and would last for ten (10) years.

Q: How much does a ¼ percent sales tax generate in annual revenue?

A: The City anticipates the ¼ percent sales tax would generate \$500,000 annually.

Q: Will this be a new sales tax?

A: The ¼ percent sales tax approved by voters in 2002 for the Sylvester Powell, Jr. Community Center expired in September 2011. If approved by voters, the dedicated sales tax for streets would replace the previous sales tax and rates would remain consistent with what they have been since 2002.

Q: If the sales tax is approved how would Mission’s sales tax rate compare to other cities?

A: The chart below illustrates sales tax rates and compares Mission’s rate with the ¼ percent for streets.

Q: How can the funds be used?

A: In accordance with the ballot language (page 2), the sales tax funds can only be used for street and transportation related

improvements. This includes resurfacing projects, mill and overlay, intermediate maintenance, and curb and sidewalk repairs and replacement projects. Funds from the sales tax would allow for major repair and reconstruction projects, such as Johnson Drive and Martway to be completed in the next 2-3 years.

Q: How do I vote?

A: If you are currently registered to vote in Mission, you will automatically receive a mail ballot in mid-November. Each ballot will include instructions on voting and returning your ballot. When you receive your ballot in the mail, please take a few minutes to read the specific instructions on how to return your ballot in the envelope provided to ensure your vote is counted. All mail ballots must be returned to the Johnson County Election Office by 12:00 noon on Tuesday, December 6, 2011.

Q: What if I’m not registered to vote in the City of Mission?

A: The last day to register for this election is Tuesday, November 15th. Please contact the Johnson County Election Office (913) 782-3441 for specific information.



Morrison Ridge homeowners Mason and Deborah Rushing recently shared their thoughts on the City’s infrastructure needs.

“The quick fix or just focusing on the ‘now’ is detrimental to the long term good of the whole community,” Deborah Rushing commented. Mason added, “I think most people agree we need to fix the streets and maintain them, but the trick is coming up with a funding solution that satisfies everyone.”

— Mason and Deborah Rushing

SALES TAX RATE COMPARISON					
City	City Tax	County Tax	State Tax	Total Base Sales Tax	Highest Sales Tax Rate*
Prairie Village	1.0000%	1.2250%	6.3000%	8.5250%	9.5250%
Overland Park	1.1250%	1.2250%	6.3000%	8.6500%	9.6500%
Olathe	1.1250%	1.2250%	6.3000%	8.6500%	10.1500%
Merriam	1.2500%	1.2250%	6.3000%	8.7750%	8.7750%
Shawnee	1.2500%	1.2250%	6.3000%	8.7750%	8.7750%
Mission - with 1/4 percent for Streets	1.2500%	1.2250%	6.3000%	8.7750%	9.7750%
Kansas City, KS	1.6250%	1.0000%	6.3000%	8.9250%	10.0250%
Lenexa	1.5000%	1.2250%	6.3000%	9.0250%	9.9000%
Bonner Springs, KS	1.7500%	1.2250%	6.3000%	9.2750%	10.0500%

*This represents the highest sales tax rate someone would pay in each City. These rates reflect Community Investment Districts (CID) which are in place in specific areas or districts.

CITY OF MISSION KANSAS

6090 Woodson Road
Mission, KS 66202

PRSRT STD

US Postage Paid

PERMIT NO. 106

Shawnee Mission, KS



“The streets are the foundation of the City. If you don’t have a foundation of nice roads, what do you have? We have to get these streets done and keep Mission a beautiful city.”

— Sibyl Hayden, lived in Mission 56 years



“Every part of Mission’s infrastructure has a life cycle... Investments in maintenance and targeted improvements are the proper focus of city government and, to the extent that they are investments to preserve and extend the life cycle and minimize replacement costs, it should be a high priority focus.”

— Charlie Troppito, Mission resident since 1991



Watch for your **MAIL
BALLOT**

Registered voters will receive a mail ballot in mid-November. For more information on the election, please contact the City of Mission at (913) 676-8350.

Street Sales Tax Renewal Discussion Mission, Kansas

Laura Smith
City Administrator

February 10, 2021



February 10, 2021 – Work Session Agenda

- Review Current Street Program Revenues
- Sales Tax Capacity
- Revenues Generated by Sales Tax
- Options for Renewal
- Preferred Timing of Election
- Next Steps

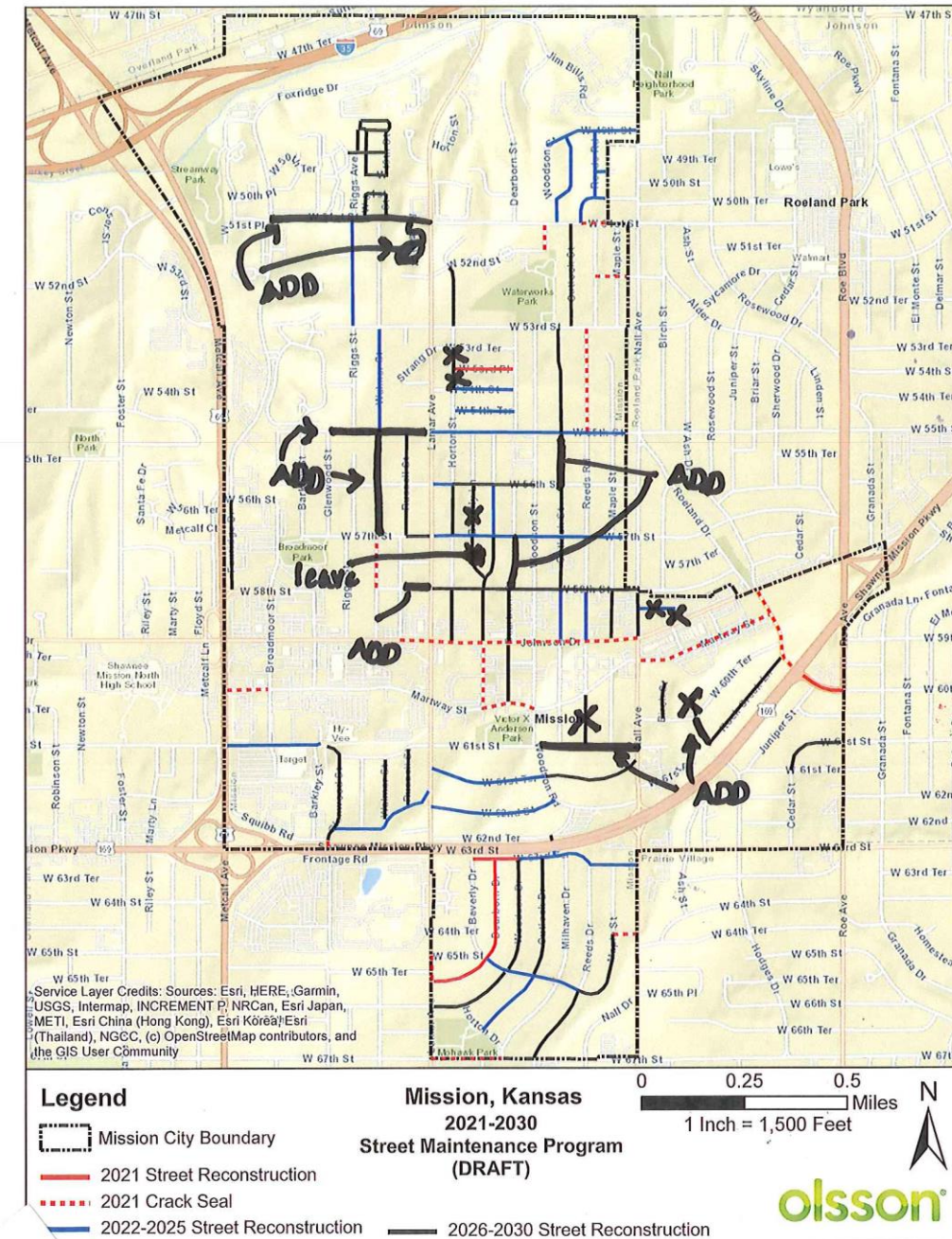
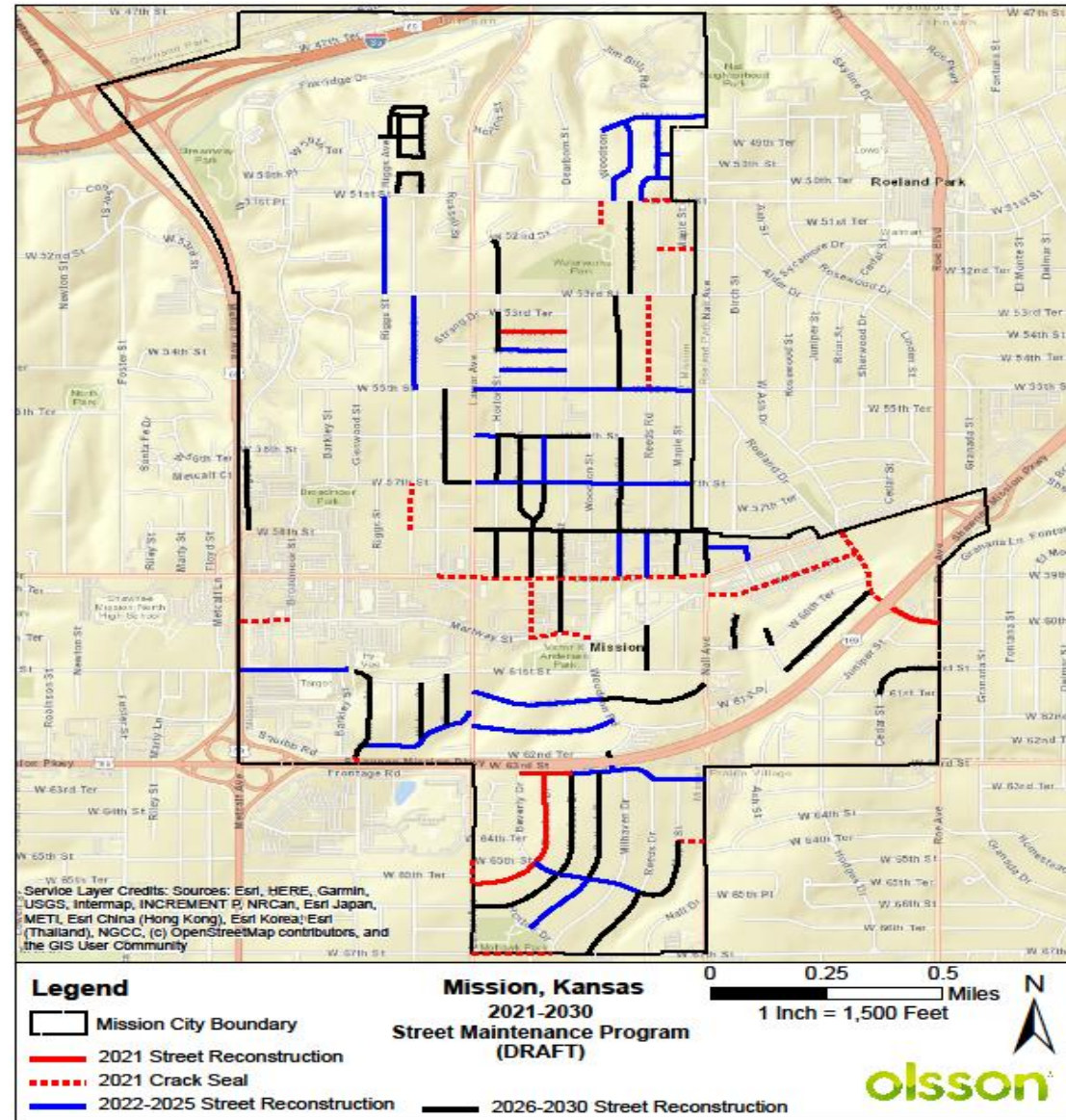


Potential 10-Year Scenarios

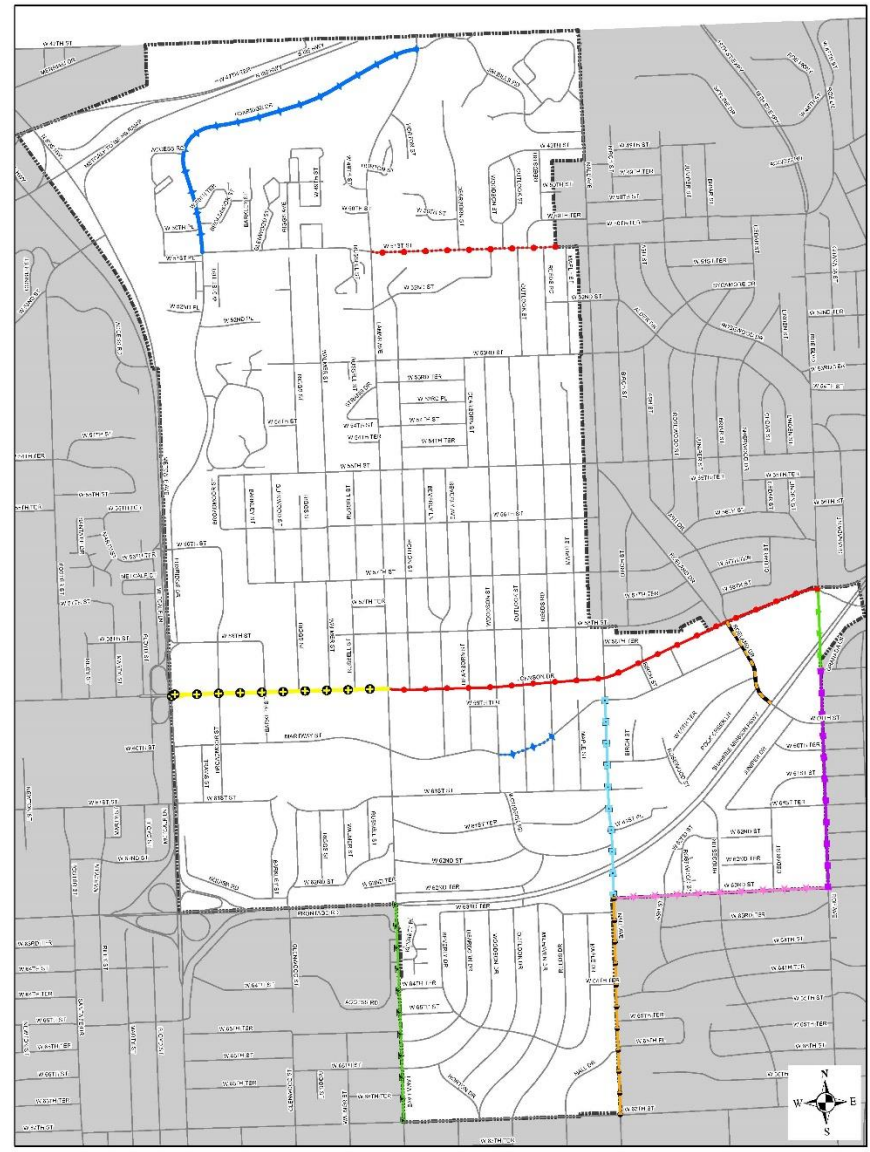
➤ \$2 Million Local Street Scenario

- Approximately $\frac{3}{4}$ of Mission streets have insufficient asphalt depth and require base repair (need to bring back up to baseline)
- Focuses on repair of local streets with low PCIs for first 10 years
- Less streets touched at first, but “fixes it right” so less costly maintenance over time
- Results in lower increase in overall network PCI over 10 years vs. “cost/benefit” approach, but begins to address backlog
- Potentially aligns with resident perceptions/expectations
- Arterials funded separately

Recommended 10 Year Residential Program



Recommended 10 Year CARS Program



Proposed CARS Program 2021 - 2030
Mission, Kansas
1,000 500 0 1,000 Feet
1 inch = 1,000 feet

- Legend**
- Johnson Dr. - Lamar Ave. to Roe Ave. (2022)
 - Foxridge Dr. Phase II - 51st St. to Lamar Ave. (2023)
 - Roe Ave. - 59th St. to 63rd St. (Joint Project with Fairway) (2024)
 - Roe Ave. - Johnson Dr. to 59th St. (2024)
 - 63rd St. - Nail Ave. to Roe Ave. (Joint Project with Prairie Village) (2025)
 - Nail Ave. - 63rd St. to 67th St. (Joint Project with Prairie Village) (2025)
 - Nail Ave. - Martway St. to 63rd St. (2025)
 - Johnson Dr. - Metcalf Ave. to Lamar Ave. (2026)
 - Martway St. - Woodson St. to Reeds Rd. (2027)
 - 51st St. - Lamar Ave. to E. City Limits (2028)
 - Roeland Dr. - Shawnee Mission Pkwy. to Johnson Dr. (2029)
 - Lamar Ave. - Shawnee Mission Pkwy. to 67th St. (Joint Project with Overland Park) (2030)



Current Street Program Revenues

- Current Revenues Available for Streets
- 7 GF mills dedicated to streets \$1,100,000
- ¼-cent sales tax dedicated to streets \$ 600,000
- Special Highway Allocation (gas tax) \$ 250,000

Total Available	\$1,950,000
-----------------	-------------

Revenues are used for:

- Engineering, design, construction and construction inspection of transportation network projects (streets, sidewalks, curbs and gutters, etc.).
- Completing inventory and assessments of the network to assist in the development and evaluation of the comprehensive street maintenance program.
- Paying for materials and supplies, such as asphalt patch, used by Public Works staff for repairs and maintenance.

Current Mission Sales Tax Rate – by Jurisdiction

Current Sales Tax rate in Mission (%)

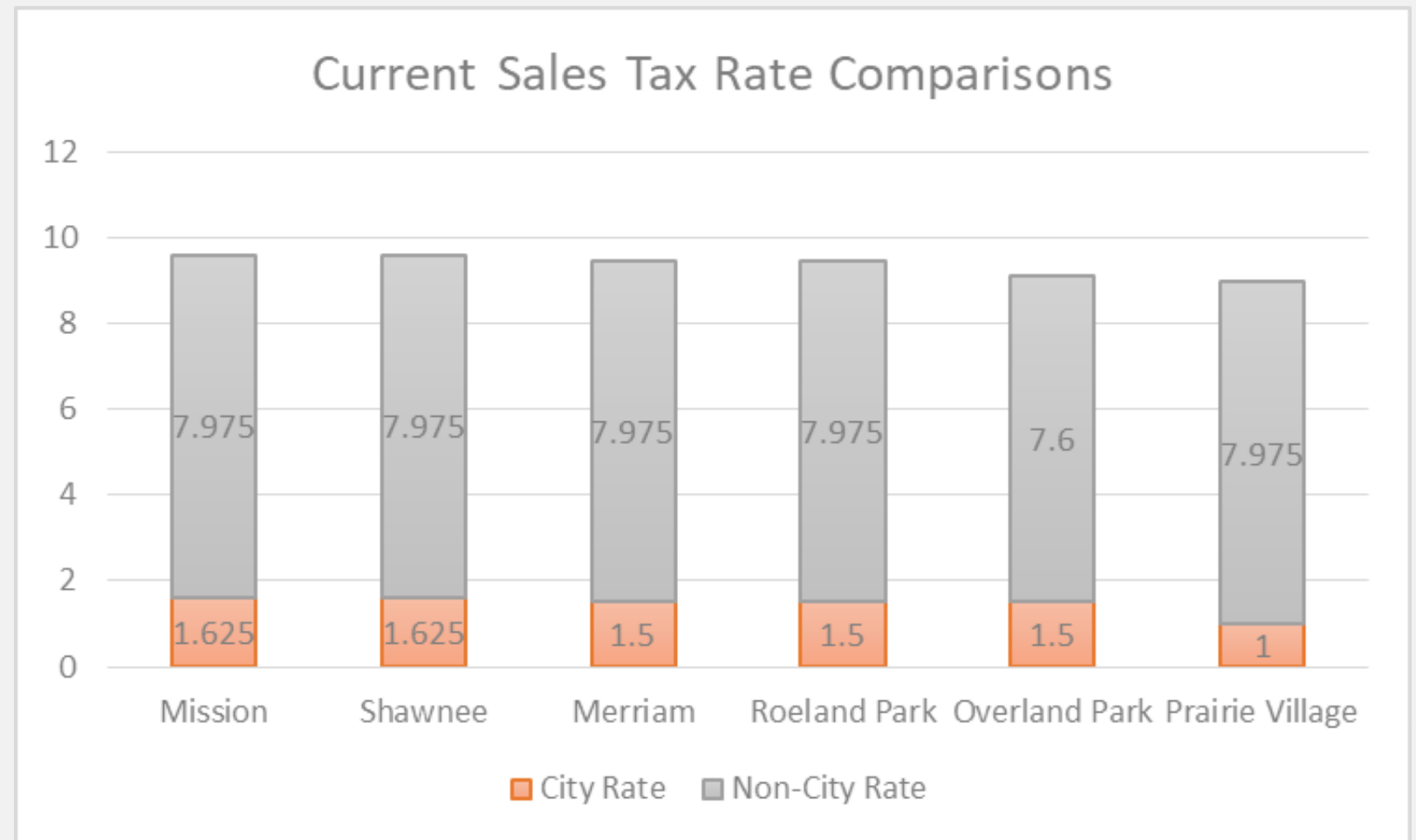
State of Kansas	6.5
Johnson County	1.475
City of Mission	
General	1.00
Streets (3/31/22)	0.25
Parks & Recreation (3/31/23)	<u>0.375</u>
Total	9.6%*

*In the Mission Crossing, Cornerstone Commons and Gateway Projects an additional 1% is levied through Community Improvement Districts (CIDs)

Sales Tax Comparisons

Sales Tax Comparisons – Neighboring Communities

Sales Tax Rates by City			
	Total	City	Non-City
Mission	9.6	1.625	7.975
Shawnee	9.6	1.625	7.975
Merriam	9.475	1.5	7.975
Roeland Park	9.475	1.5	7.975
Overland Park	9.1	1.5	7.6
Prairie Village	8.975	1	7.975



Sales Tax Capacity

Sales Tax Capacity


Statutory Capacity (3%) – KSA 12-187 *et seq.* and 12-189

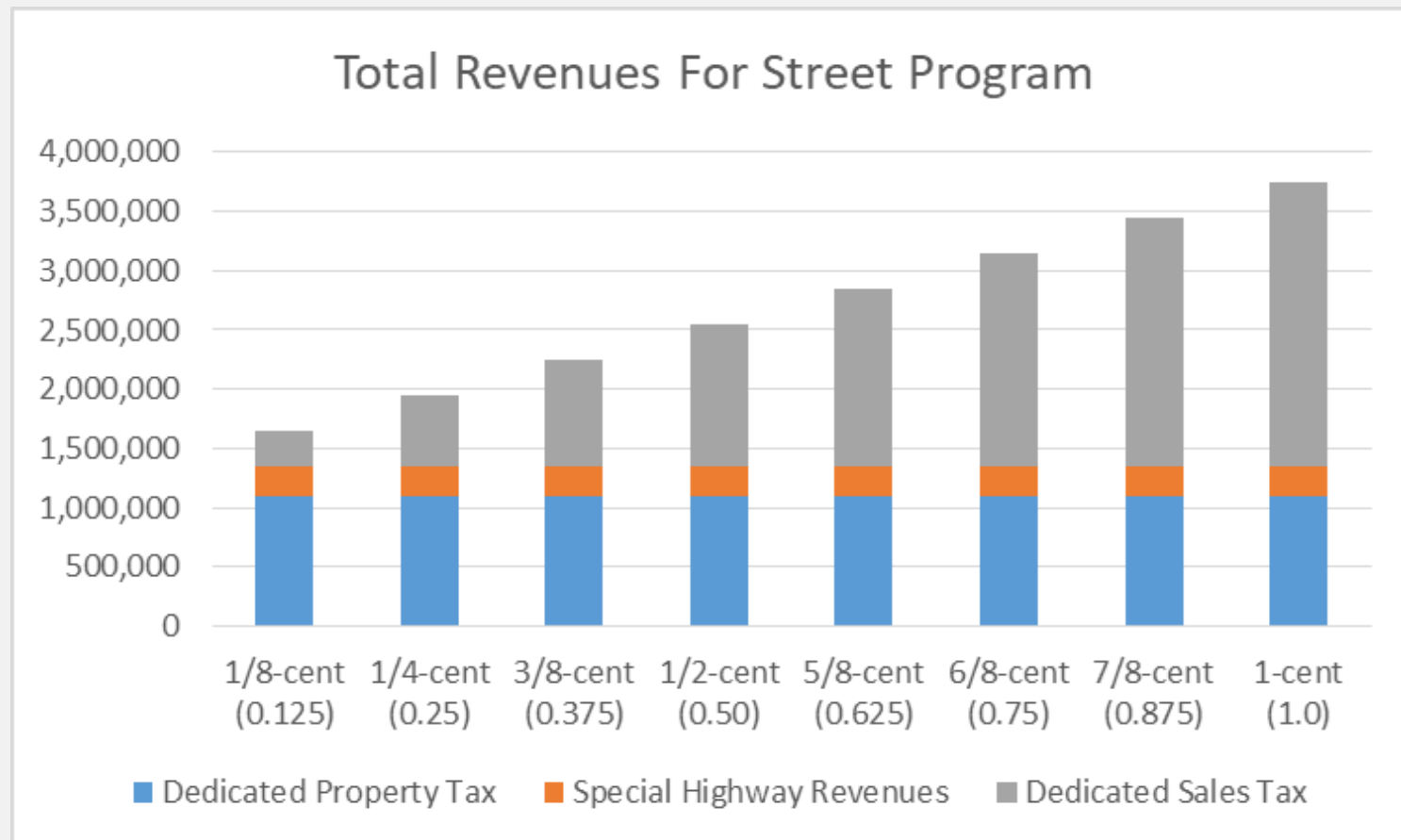
- Up to 2% for “general purposes”
- Up to 1% for “special” purposes

Sales Taxes are paid by both Mission residents and those purchasing goods and services in our City. The current estimated “pull factor” or the amount of sales tax generated by non-residents is 38%.

Revenues Generated by Sales Tax

	1/8-cent (0.125)	1/4-cent (0.25)	3/8-cent (0.375)	1/2-cent (0.50)	5/8-cent (0.625)	6/8-cent (0.75)	7/8-cent (0.875)	1-cent (1.0)
Dedicated Property Tax	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
Special Highway Revenues	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Dedicated Sales Tax	\$ 300,000	\$ 600,000	\$ 900,000	\$ 1,200,000	\$ 1,500,000	\$ 1,800,000	\$ 2,100,000	\$ 2,400,000
Total	\$ 1,650,000	\$ 1,950,000	\$ 2,250,000	\$ 2,550,000	\$ 2,850,000	\$ 3,150,000	\$ 3,450,000	\$ 3,750,000


 Current
 Revenues



Options for Renewal

Sales Tax Renewal Options

- Mail ballot
- Timed with other scheduled election

General steps to put a question on the ballot include

- Adopting a resolution calling the election
- Publishing notice of the election
- Voter approval on election date
- Passing an ordinance levying the sales tax
- Sending proceedings to KDOR to begin levying the sales tax (quarter before effective)



Last date to renew street sales tax to have no lapse in collection would be December 2021

Can increase or decrease current rate for either sales tax (remaining capacity is 3/8-cent)

Questions/Disscussion?



MAY 19, 2021

**CITY COUNCIL WORK SESSION
PACKET MATERIALS**



MEMORANDUM

Date: May 14, 2021
To: Mayor and City Council
From: Laura Smith
RE: Street Sales Tax Renewal

During the February 10, 2021 work session, Council discussion focused on developing action steps and a preferred timeline for renewal of the existing street 1/4-cent sales tax. During the May 19 work session we will briefly recap the schedule for the mail ballot election and outline the remaining steps necessary to approve ballot language and develop an appropriate public information campaign.

Several highlights from the February discussion are recapped in this memorandum along with the election schedule approved by the Johnson County Election Office.

Current Street Program Revenues

There are three distinct revenue streams which currently fund street and other related transportation network improvements which are shown in the table below:

Funding Source	Source/Established By	2021 Estimated Revenues
Dedicated Property Tax	Council action during annual budget process	\$1,100,000
¼-cent Sales Tax	Voter Approval	\$ 600,000
Special Highway Funds	Pass through revenue from State (gas tax revenues)	\$ 250,000
	Total Funds Available:	\$1,950,000

Revenues are used for:

- Engineering, design, construction and construction inspection of transportation network projects (streets, sidewalks, curbs and gutters, etc.).
- Completing inventory and assessments of the network to assist in the development and evaluation of the comprehensive street maintenance program.
- Paying for materials and supplies, such as asphalt patch, used by Public Works staff for repairs and maintenance.

Street program revenues fund both pay-as-you-go projects as well as street related debt service.

Sales Tax The ¼-cent sales tax was approved for a period of ten years through a mail ballot election in December 2011. It became effective April 1, 2012 and expires March 31, 2022. The decision to put the sales tax question before Mission voters was discussed in a series of public workshops and work sessions as the first comprehensive street maintenance program was being developed (2008-2010).

At that time, there was an existing ¼-cent sales tax in place which had been levied for the purpose of covering debt service for bonds issued to expand the Powell Community Center. The sales tax was approaching expiration, and the consensus was to seek renewal at the ¼-cent level and dedicate the revenues to street maintenance.

During the February work session, the Council expressed consensus for moving forward to renew a sales tax dedicated to street maintenance. Although the neighboring cities of Merriam and Roeland Park recently (2020) passed more broadly focused capital improvements sales taxes, Mission’s Council supported sales tax renewal with a more limited scope and purpose.

Current Sales Tax Rates and Sales Tax Capacity

In accordance with KSA 12-187 *et seq.* and 12-189, cities are provided with the statutory authority to levy retailer’s sales taxes. A city’s sales tax capacity is capped at 3%, which includes up to 2% for “general” purposes and up to 1% for “special” purposes.

The City of Mission’s current sales tax rate is 9.6%, allocated as follows:

State of Kansas	6.500%
Johnson County	1.475%
City of Mission	
General	1.000%
Streets	0.250%
Parks & Rec	<u>0.375%</u>
Total	9.600%

Sales tax may be levied in increments of 0.05%, up to the maximums allowed under the state statutes. Based on Mission’s current sales tax rates, the total capacity available upon expiration of the current street sales tax is 0.625% or ⅙ of 1%.

Sales Tax Renewal Rates and Estimated Revenues

Information on the sales tax increments available to Mission in conjunction with renewal and the corresponding estimated annual revenues generated (in 2021 dollars) are included in the table below.

Sales Tax Rate	Estimated Annual Revenues
1/8-cent (0.125)	\$300,000
1/4-cent (0.25)	\$600,000
3/8-cent (0.375)	\$900,000
1/2-cent (0.5)	\$1,200,000
5/8-cent (0.625)	\$1,500,000

The Council's discussion in February focused on potential renewal of the sales tax at least at the current 1/4-cent rate (0.25), and some consideration was given to increasing the rate to 3/8-cent (0.375) in order to provide more funding for street projects.

The table below details the total sales tax rates for other cities in Johnson County showing where Mission would fall comparatively at both the 1/4-cent and 3/8-cent renewal rates.

City	Total Sales Tax Rate (%)
Prairie Village	8.975
Leawood Overland Park	9.1
Lenexa	9.35
Merriam Olathe Roeland Park	9.475
Mission (1/4-cent) Shawnee	9.6
Mission (3/8-cent)	9.725
Fairway	9.975

As a part of the work session on May 19, we will discuss the preferred rate so staff can move toward a final recommendation for presentation at the May 26, 2021 City Council work session. Following that work session, a final action item will be developed for the June 2 Finance & Administration Committee meeting.

Options and Timing for Election

As part of February’s discussion, the two options for an election were reviewed. The Council expressed a preference for a mail ballot election to be conducted in September of 2021 rather than placing the question on a scheduled election date in August or November. Renewal of a sales tax on this timeline would ensure no lapse in collection for Mission.

Following the February meeting, the September election date was secured with the Johnson County Election Office and the timing for the process is included below:

June 19, 2021	Adopt Resolution Calling the Election (ballot language)
First week of September	Ballots mailed to “Active” registered voters in Mission*
September 21, 2021	Ballots due to Election Office/Preliminary Election
	Results Available
September 28, 2021 (est)	Final Election Results Certified
October 20, 2021	Adopt Ordinance Levying the Sales Tax
November 15, 2021	Notice of Sales Tax Rates to KS Department of Revenue

*In a special mail-ballot election, ballots are mailed only to “Active” registered voters. Mission currently has 7,059 “Active” registered voters.

With a September 21 special mail-ballot election, the voter registration process for all voters living within the City of Mission will close 21 days prior to that election date. This would mean voter registration closes on Tuesday, August 31.

Next/Remaining Steps

In addition to any direction provided on a final sales tax renewal rate, staff will be looking for input from the Council at the May 19 work session regarding messaging and communication. Staff has already begun working with Crux to develop a communication schedule/timeline and potential materials that can be used to educate and inform voters.

City of Mission	Item Number:	2.
DISCUSSION ITEM SUMMARY	Date:	May 26, 2021
Administration	From:	Emily Randel

Discussion items allow the committee the opportunity to freely discuss the issue at hand.

RE: Facility Conservation Improvement Program

DETAILS: During the May 5 Community Development Committee meeting, staff presented the improvements that are recommended to as part of the Facility Conservation Improvement Program (FCIP). The program is offered by the Kansas Corporation Commission (KCC) as a way to achieve energy conservation through energy performance contracts.

The recommendations included projects at each of the City facilities (Powell Community Center, City Hall/Police Department, Public Works) as well as all residential street lights throughout the City. Following the discussion on May 5, staff and the CTS Group considered the full list, and developed three potential approaches for the project reflecting a (low-medium-high) approach. The costs and impact of each approach is included in the attachments.

Included in the packet are:

- Memo summarizing each approach
- Recommended improvement list with pricing

CFAA IMPACTS/CONSIDERATIONS: The recommended improvements within the FCIP program save energy and lessen the climate impact of City operations. Reducing climate impacts will reduce longterm risks to Mission’s vulnerable populations related to air quality and extreme weather events. Improved function of mechanical systems will also increase comfort and availability of services for patrons at City facilities.

Related Statute/City Ordinance:	NA
Line Item Code/Description:	
Available Budget:	



MEMORANDUM

Date: May 21, 2021
To: Mayor and City Council
From: Emily Randel, Assistant to the City Administrator
RE: Facility Conservation Improvement Program Update

During the May 5 Community Development Committee meeting, staff presented the improvements that are recommended to as part of the Facility Conservation Improvement Program (FCIP). The program is offered by the Kansas Corporation Commission (KCC) as a way to achieve energy conservation through energy performance contracts.

The recommendations included projects at each of the City facilities (Powell Community Center, City Hall/Police Department, Public Works) as well as all residential street lights throughout the City. Following the discussion on May 5, staff and the CTS Group considered the full list, and developed three potential approaches for the project reflecting a (low-medium-high) approach. The costs and impact of each approach is included below.

Base (Low) Approach – Focuses on the projects included that are straightforward in that the energy savings has a relatively quick payback period for the project costs.

Project List	Costs
LED Retrofits, testing and balancing HVAC, improved thermostat controls and weatherization at all buildings, and Pool Smart Pump controller and onsite hypochlorite generation system and bipolar ionization for the Community Center (PCC).	
Street Light Replacement	\$855,078
Program Fees, Professional Services, etc.	\$485,363
Total Project Costs:	\$1,340,441

Intermediate (Medium) Approach – Focuses on the base projects, as well as the most critical and interconnected equipment improvements at the Community Center. The

additional items have a higher cost, but will have be short-term future capital costs for the City whether or not they are included as a part of the FCIP project.


Project List	Costs
LED Retrofits, testing and balancing HVAC, improved thermostat controls and weatherization at all buildings, and Pool Smart Pump controller and onsite hypochlorite generation system and bipolar ionization for the Community Center (PCC).	
Street Light Replacement	
Chiller and Pool Pack Replacement	\$1,552,817
Program Fees, Professional Services, etc.	\$844,708
Total Project Costs:	\$2,397,525

Full (High) Approach – Focuses on the base and intermediate projects as well as HVAC upgrades at each facility including the three rooftop units at the Community Center.

Project List	Costs
LED Retrofits, testing and balancing HVAC, improved thermostat controls and weatherization at all buildings, and Pool Smart Pump controller and onsite hypochlorite generation system and bipolar ionization for the Community Center (PCC).	
Street Light Replacement	
Chiller and Pool Pack Replacement	
HVAC Upgrades	\$2,150,314
Program Fees, Professional Services, etc.	\$1,150,929
Total Project Costs:	\$3,301,243

More detailed information for each scenario is included in the packet for Council review.

Questions were posed during the CDC related to overall existing debt as well as statutory debt capacity as financing for this project is evaluated. A summary of the current outstanding debt is included in the packet and will be reviewed in more detail during the work session.



There is current capacity available as well as a potential opportunity to pay down or refinance some of the existing notes in conjunction with this project. Staff will elaborate on those opportunities during the work session presentation.

In addition to more detail surrounding scaled implementation scenarios and funding, Staff will provide additional detail on the maintenance cost history for the equipment and systems included in the intermediate and full approaches. CTS Group evaluated maintenance costs from 2019 and 2018, but staff is researching an additional 2-3 years to more fully represent the potential savings of replacing the equipment.

Staff also heard a question about feedback from other jurisdictions that have used the FCIP program, or this model with CTS Group to compare to Mission's potential project. Staff will share that feedback in the work session presentation.

We will present initial considerations and alternatives in connection with the discussion item in order to establish priorities and final recommendations for development of an action item for the June 2, 2021 committee agenda.

City of Mission Guaranteed Energy Savings Project Scope Base Option

Prepared by the CTS Group

5/11/2021



ECM Description	Electricity kW savings	Electricity kWh Savings	Natural Gas Therm Savings	Guaranteed Energy Savings	Operation & Maintenance Savings	Total Savings	Construction Cost	Simple Payback, Years
Community Center								
LED Retrofit	393	277,043	(2,081)	\$16,719	\$1,938	\$18,657	\$73,784	4.0
Lighting Controls	0	0	0	\$0	\$0	\$0	\$68,000	N/A
Bipolar Ionization	0	0	0	\$0	\$0	\$0	\$22,663	N/A
Controls, Data Analytics, Retro-Cx	0	0	0	\$0	\$0	\$0	\$132,500	N/A
Bronze Option: Savings for System Improvements Selected - Bipolar Ionization, Controls, Data Analytics and Retro-Commissioning	99	44,571	4,385	\$5,109	\$0	\$5,109	\$0	30.4
Pool Smart Pump Controller and Variable Frequency Drive	0	49,240	0	\$2,659	\$0	\$2,659	\$31,035	11.7
Onsite Hypochlorite Generation System for Pool	0	0	644	\$371	\$4,656	\$5,027	\$70,540	14.0
Weatherization	0	4,082	1,646	\$1,168	\$0	\$1,168	\$13,225	11.3
Community Center Total	492	374,936	4,594	\$26,026	\$6,594	\$32,620	\$411,747	12.6
Public Works								
LED Retrofit	39	27,614	(92)	\$2,289	\$173	\$2,462	\$29,598	12.0
Testing and Balancing	0	0	0	\$0	\$0	\$0	\$842	N/A
Wifi Thermostat Control	0	2,809	145	\$395	\$0	\$395	\$1,765	4.5
Weatherization	0	261	1,245	\$837	\$0	\$837	\$9,250	11.1
Public Works Total	39	30,684	1,298	\$3,521	\$173	\$3,694	\$41,455	11.2
City Hall/Police Station								
LED Retrofit	116	43,909	(150)	\$3,109	\$389	\$3,498	\$22,619	6.5
Testing and Balancing of HVAC System	0	0	0	\$0	\$0	\$0	\$8,940	N/A
Wifi Thermostat Control, Bipolar Ionization in 20 Ton Unit	0	6,989	80	\$800	\$0	\$800	\$9,067	11.3
Weatherization	0	2,038	768	\$717	\$0	\$717	\$7,250	10.1
City Hall/Police Station Total	116	52,936	698	\$4,626	\$389	\$5,015	\$47,876	9.5
City Wide								
Street Light Replacement	0	245,828	0	\$20,650	\$12,086	\$32,736	\$354,000	10.8
Totals	647	704,384	6,589	\$54,824	\$19,242	\$74,065	\$855,078	11.5

CTS Group Cost Percentages; Construction mark-up, design, on-site construction management, project management, commissioning and measurement and verification

\$2,512,107
 \$301,913
 \$1,300,166
 \$29,002
 \$11,273

Total: \$1,340,441

City of Mission Guaranteed Energy Savings Project Scope Intermediate Option

Prepared by the CTS Group

5/11/2021



ECM Description	Electricity kW savings	Electricity kWh Savings	Natural Gas Therm Savings	Guaranteed Energy Savings	Operation & Maintenance Savings	Total Savings	Construction Cost	Simple Payback, Years
Community Center								
LED Retrofit	393	277,043	(2,081)	16,719	1,938	18,657	\$73,784	4.0
Lighting Controls	0	0	0	\$0	\$0	\$0	\$68,000	N/A
Chiller Replacement	0	0	0	\$0	\$0	\$0	\$326,823	N/A
Upgrade Pool Unit - 70 Tons, Fix Pool Exhaust	0	0	0	\$0	\$0	\$0	\$332,341	N/A
Bipolar Ionization	0	0	0	\$0	\$0	\$0	\$22,663	N/A
Controls, Data Analytics, Retro-Cx	0	0	0	\$0	\$0	\$0	\$132,500	N/A
Testing and Balancing of HVAC System	0	0	0	\$0	\$0	\$0	\$15,575	N/A
Silver Option: Savings for Mechanical and Control System Improvements Selected - Chiller Plant, Pool Unit, Bipolar Ionization, Controls, Data Analytics and Retro-Commissioning	905	179,618	4,872	\$17,380	\$13,074	\$30,455	\$0	27.3
Pool Smart Pump Controller and Variable Frequency Drive	0	49,240	0	\$2,659	\$0	\$2,659	\$31,035	11.7
Onsite Hypochlorite Generation System for Pool	0	0	644	\$371	\$4,656	\$5,027	\$70,540	14.0
Weatherization	0	4,082	1,646	\$1,168	\$0	\$1,168	\$13,225	11.3
Community Center Total	1,298	509,983	5,081	\$38,297	\$19,668	\$57,965	\$1,086,486	18.7
Public Works								
LED Retrofit	39	27,614	(92)	\$2,289	\$173	\$2,462	\$29,598	12.0
Testing and Balancing	0	0	0	\$0	\$0	\$0	\$842	N/A
Wifi Thermostat Control	0	2,809	145	\$395	\$0	\$395	\$1,765	4.5
Weatherization	0	261	1,245	\$837	\$0	\$837	\$9,250	11.1
Public Works Total	39	30,684	1,298	\$3,521	\$173	\$3,694	\$41,455	11.2
City Hall/Police Station								
LED Retrofit	116	43,909	(150)	\$3,109	\$389	\$3,498	\$22,619	6.5
Testing and Balancing of HVAC System	0	0	0	\$0	\$0	\$0	\$8,940	N/A
Wifi Thermostat Control, Bipolar Ionization in 20 Ton Unit	0	6,989	80	\$800	\$0	\$800	\$9,067	11.3
Weatherization	0	2,038	768	\$717	\$0	\$717	\$7,250	10.1
City Hall/Police Station Total	116	52,936	698	\$4,626	\$389	\$5,015	\$47,876	9.5
City Wide								
Street Light Replacement	0	245,828	0	\$20,650	\$12,086	\$32,736	\$354,000	10.8
Allowance for Raw Material Cost Increases	0	0	0	\$0	\$0	\$0	\$23,000	N/A
Totals	1,453	839,431	7,076	\$67,094	\$32,316	\$99,411	\$1,552,817	15.6

CTS Group Cost Percentages; Construction mark-up, design, on-site construction management, project management, commissioning and measurement and verification

Professional Services Costs and Fees	\$2,896,471
Total installed price	\$549,717
FCIP Fee	\$2,346,754
Investment Grade Audit Fee	\$39,498
Total:	\$11,273
	\$2,397,525

City of Mission Guaranteed Energy Savings Project Scope Full Option

Prepared by the CTS Group

5/11/2021



ECM Description	Electricity kW savings	Electricity kWh Savings	Natural Gas Therm Savings	Guaranteed Energy Savings	Operation & Maintenance Savings	Total Savings	Construction Cost	Simple Payback, Years
Community Center								
LED Retrofit	393	277,043	(2,081)	16,719	1,938	18,657	\$73,784	4.0
Lighting Controls	0	0	0	\$0	\$0	\$0	\$68,000	N/A
Replace HVAC - Roof Top Units (AHU 7, 8, 9)	0	0	0	\$0	\$0	\$0	\$197,725	N/A
Chiller Replacement	0	0	0	\$0	\$0	\$0	\$326,823	N/A
Upgrade Pool Unit - 70 Tons, Fix Pool Exhaust	0	0	0	\$0	\$0	\$0	\$332,341	N/A
Replace Boilers with Hybrid Condensing/Non-Condensing Boiler Plant	0	0	0	\$0	\$0	\$0	\$211,362	N/A
Bipolar Ionization	0	0	0	\$0	\$0	\$0	\$22,663	N/A
Controls, Data Analytics, Retro-Cx	0	0	0	\$0	\$0	\$0	\$132,500	N/A
Testing and Balancing of HVAC System	0	0	0	\$0	\$0	\$0	\$15,575	N/A
Gold Option: Savings for All Mechanical and Control System Improvements - Boiler Plant, Chiller Plant, RTUs, Pool Unit, Bipolar Ionization, Controls, Data Analytics, and Retro-Commissioning (Listed above in Light Blue)	931	479,212	18,198	\$43,358	\$18,286	\$61,644	\$0	20.1
Pool - Destratification Fans	0	(1,636)	699	\$315	\$0	\$315	\$16,875	53.6
Gym Destratification Fans	0	(2,712)	1,343	\$628	\$0	\$628	\$29,725	47.3
Pool Smart Pump Controller and Variable Frequency Drive	0	49,240	0	\$2,659	\$0	\$2,659	\$31,035	11.7
Onsite Hypochlorite Generation System for Pool	0	0	644	\$371	\$4,656	\$5,027	\$70,540	14.0
Weatherization	0	4,082	1,646	\$1,168	\$0	\$1,168	\$13,225	11.3
Community Center Total	1,324	805,229	20,449	\$65,218	\$24,880	\$90,098	\$1,542,173	17.1
Public Works								
LED Retrofit	39	27,614	(92)	\$2,289	\$173	\$2,462	\$29,598	12.0
HVAC Upgrade	31	12,096	(1,781)	\$263	\$0	\$263	\$25,498	97.0
Testing and Balancing	0	0	0	\$0	\$0	\$0	\$842	N/A
Wifi Thermostat Control	0	2,809	145	\$395	\$0	\$395	\$1,765	4.5
Weatherization	0	261	1,245	\$837	\$0	\$837	\$9,250	11.1
Public Works Total	70	42,780	(483)	\$3,784	\$173	\$3,957	\$66,953	16.9
City Hall/Police Station								
LED Retrofit	116	43,909	(150)	\$3,109	\$389	\$3,498	\$22,619	6.5
HVAC Upgrade	24	5,586	604	\$1,089	\$0	\$1,089	\$71,312	65.5
Testing and Balancing of HVAC System	0	0	0	\$0	\$0	\$0	\$8,940	N/A
Wifi Thermostat Control, Bipolar Ionization in 20 Ton Unit	0	6,989	80	\$800	\$0	\$800	\$9,067	11.3
Weatherization	0	2,038	768	\$717	\$0	\$717	\$7,250	10.1
City Hall/Police Station Total	140	58,522	1,302	\$5,715	\$389	\$6,104	\$119,188	19.5
City Wide								
Street Light Replacement	0	245,828	0	\$20,650	\$12,086	\$32,736	\$354,000	10.8
LED Traffic Light Retrofit	0	83,368	0	\$0	\$0	\$0	\$45,000	N/A
Allowance for Raw Material Cost Increases	0	0	0	\$0	\$0	\$0	\$23,000	N/A
Totals	1,533	1,235,727	21,268	\$95,367	\$37,528	\$132,895	\$2,150,314	16.2

CTS Group Cost Percentages; Construction mark-up, design, on-site construction management, project management, commissioning

and measurement and verification	\$2,512,107
Professional Services Costs and Fees	\$729,448
Total installed price	\$3,241,555
FCIP Fee	\$48,415
Investment Grade Audit Fee	\$11,273
Total:	\$3,301,243

CITY OF MISSION
DEBT SUMMARY 2021

Debt Issue	Issue Date	Original Issue Amount	Interest Rates	Amount Outstanding 1/1/2021	Debt to be Issued in 2021	Debt Service 2021		Amount Outstanding 12/31/2021	Maturity Date	Repayment Source
						Interest	Principal			
GO Bonds, Series 2012A Johnson Drive/Martway Improvements	2/16/2012	\$ 4,360,000	.40-2.0	\$ 920,000	\$ -	\$ 17,718	\$ 455,000	\$ 465,000	9/1/2022	1/4-cent Street Sales Tax
GO Bonds, Series 2013A Streetlight Acquisition	7/11/2013	\$ 680,000	2.0-3.0	\$ 220,000	\$ -	\$ 6,425	\$ 70,000	\$ 150,000	9/1/2023	General Fund
GO Bonds, Series 2013B Mission Aquatic Center	7/11/2013	\$ 4,510,000	2.0-3.0	\$ 1,500,000	\$ -	\$ 45,000	\$ 485,000	\$ 1,015,000	9/1/2023	3/8-cent Parks & Recreation Sales Tax
GO Bonds, Series 2013C* Johnson Drive Improvements	12/20/2013	\$ 4,480,000	2.0-2.5	\$ 1,585,000	\$ -	\$ 35,738	\$ 515,000	\$ 1,070,000	9/1/2023	1/4-cent Street Sales Tax and Storm Water Utility
GO Refunding, Series 2014-A (replaced portion of 2009-A)	8/7/2014	\$ 9,795,000	2.0-3.0	\$ 5,895,000	\$ -	\$ 147,838	\$ 905,000	\$ 4,990,000	9/1/2029	Storm Water Utility and Drainage Districts
GO Bonds, Series 2019-A Rock Creek Channel	8/15/2019	\$ 3,470,000	5.0	\$ 3,430,000	\$ -	\$ 166,050	\$ 50,000	\$ 3,380,000	9/1/2029	Storm Water Utility and Drainage Districts
GO Refunding Bonds, Series 2020-A Refunding 2010-B Refunding Bonds	7/9/2020	\$ 6,020,000	1.5-2	\$ 6,020,000	\$ -	\$ 134,615	\$ 1,105,000	\$ 4,915,000	9/1/2029	Storm Water Utility and Drainage Districts
Totals		\$ 33,315,000		\$ 19,570,000	\$ -	\$ 553,383	\$ 3,585,000	\$ 15,985,000		

Total Debt Service Payments (P&I): \$ 4,138,383