



MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE

July 6, 2022

The Mission Finance and Administration Committee met at the Powell Community Center and virtually via ZOOM on Wednesday, July 6, 2022. The following Committee members were present: Ken Davis, Trent Boultinghouse, Hillary Thomas, Debbie Kring, Lea Loudon, Kristin Inman and Ben Chociej. Mayor Flora was also present. Councilmember Mary Ryherd was absent. Councilmember Boultinghouse called the meeting to order at 7:09 p.m.

The following staff were present: City Administrator Laura Smith, Deputy City Administrator Brian Scott, Assistant City Administrator/Interim City Clerk Emily Randel, Public Works Director Celia Duran, Parks & Recreation Director Penn Almoney and Chief Dan Madden.

Public Comments

Councilmember Boultinghouse reminded the public they could participate via the chat feature on Zoom. All comments would be visible to the group.

There were no public comments.

Public Presentations

There were no public presentations.

Acceptance of the June 1, 2022 Finance and Administration Committee Minutes

Minutes of the June 1, 2022 Finance and Administration Committee Meetings were provided to the Committee. There being no objections or corrections, the minutes were accepted as presented.

Contract for Crossing Guard Services

Chief Madden shared with the Committee that the City of Mission has contracted with All City Management Services, Inc. (ACMS) to provide crossing guard services at: 51st and Lamar (Rushton Elementary) and 62nd and Roe (Highlands Elementary) since August 2016. The Police Department has generally been pleased with their services although, like many employers, they have had difficulties hiring employees which results in Officers or a CSO covering crosswalks. To address these staffing shortages and challenges, All City Management Services, Inc has proposed a 10.7% increase for services provided to attract more candidates. Staff recommends entering into a new agreement for the 2022-2023 school year for a total estimated annual cost of \$19,771.20. The rate increase from \$24.80 per hour to \$27.46 per hour represents a total increase of \$1,915.20 per year.

The Chief advised that since the current plan is for Rushton students to go to Westwood View after the winter break, staff requested language in the contract that will allow for flexibility in canceling the 51st and Lamar crossing guard with notice. This will allow staff to learn more about the logistics of SMSD bussing students to and from Westwood View. After evaluating SMSD's plan, staff will assess the need for a crossing guard at 51st and Lamar with the children's safety being the priority.

The contract is based on an estimated number of hours required to appropriately staff the identified locations. Billing from ACMS reflects only hours worked by their staff, and when Mission personnel are required to cover the shifts, the City is not billed under the proposed contract.

Councilmember Kring commented that she and Councilmembers Davis and Boultinghouse had attended the Rushton open house earlier that evening, and during those presentations, the school district did suggest that the students would be moving at the start of the spring semester and returning to Rushton in the fall of 2024.

Councilmember Davis recommended that the contract be forwarded to the City Council for approval. All agreed and this item will appear on the Consent Agenda.

Discussion Items

2023 Budget

Ms. Smith recapped the information provided during the June 22 and June 29 budget work sessions and advised that discussions for the budget tonight will be focused on the non-capital infrastructure funds which are included in the City of Mission's budget. Those include the: Equipment Reserve and Replacement Fund, Special Alcohol Fund, Mission Convention and Visitors Bureau (MCVB) Fund, Solid Waste Utility Fund, TIF/CID Funds, and the ARPA Fund.

She began with a review of the Equipment Reserve and Replacement Fund. During the development of the 2017 budget, staff recommended establishing an Equipment Reserve and Replacement Fund. Kansas Statutes Annotated 12-1,117 allows municipalities to establish an Equipment Reserve and Replacement Fund as a financing mechanism to build up reserve monies for the routine replacement of city vehicles and equipment. By setting aside funds each budget year, the City can build a reserve account to finance the future purchase of a single

piece of equipment or a group of vehicles that may otherwise prove infeasible to be purchased from the General Fund in a given budget year.

A transfer from the General Fund to the Equipment Reserve and Replacement Fund was authorized in the amount of \$200,000 in the 2017 Budget. Because of the high resale/surplus value of our equipment since the fund was established, there has not been a need to transfer additional funds from the General Fund since 2017. The Equipment Reserve and Replacement Fund work sheet reflects \$246,000 in vehicle and equipment expenditures taken from the supplemental work sheet provided during the June 29th work session. These can be accommodated within the current fund without a transfer from the General Fund in 2023.

Ms. Smith noted, the that Boss Snowrater (sidewalk snow plow) is shown as an expense in 2022. Based on pricing considerations, supply chain constraints and the opportunity to have the equipment for the 2022 snow season, the Public Works Department has requested Council consider authorizing that purchase in the current fiscal year rather than waiting until 2023.

There are two vehicles shown on the supplemental list which have not been included in the current 2023 Budget. Those include: Ford F-250 Truck for PW Assistant Superintendent and a replacement vehicle for Community Services Officers/Animal Control. Ms. Smith said staff is continuing to explore how best to meet these identified needs, whether that be through realignment of the current fleet or retention of a vehicle scheduled for replacement. Once final alternatives and staff recommendations are finalized, they will be presented to the Council for consideration in any final budget decisions for 2023.

She then presented on the Special Alcohol Fund. By statute, the State of Kansas imposes a 10 percent Liquor Drink Tax (aka Alcohol Tax) on the sale of any drink containing alcoholic liquor sold by clubs, caterers, or drinking establishments. Revenue derived from this tax is allocated 30% to the State and 70% to the city or county where the tax is collected. The statute further stipulates that for cities of Mission's size, the portion allocated to the local jurisdiction be proportioned in thirds, with one third to the General Fund, one third to a Special Parks and Recreation Fund, and one third to a Special Alcohol Tax Fund. The Special Alcohol Tax Fund is to support programs "whose principal purpose is alcoholism and drug abuse prevention or treatment of persons who are alcoholics or drug abusers, or are in danger of becoming alcoholics or drug abusers" (KSA 79-41a04 1997).

Alcohol Tax fund revenues were impacted slightly by COVID-19, but have recovered quickly. Total distributions to the City of Mission in 2022 are estimated to be \$270,000, and are expected to increase to \$375,000 in 2023. A third of these funds - \$90,000 in 2022 and \$125,000 in 2023 - will be proportioned to the City's Special Alcohol Tax Fund. Special Alcohol funds have historically been used to support Mission's DARE activities, the mental health co-responder program, and the UCS' Drug & Alcoholism Council recommendations.

The Drug and Alcoholism Council (DAC), a program supported by the United Community Services of Johnson County, offers grants each year to various organizations within the county

that provide alcohol and drug abuse prevention and treatment programs. The grants are structured in such a manner that the awarded organizations have access to funds from multiple participating jurisdictions. Governing Body's in each jurisdiction have the ultimate authority and responsibility to determine which organizations receive funds. The 2023 Budget includes a recommendation to contribute \$60,000 to the DAC, an increase over 2022 of \$10,000.

Approximately \$15,000 is allocated to offset expenses associated with the DARE program provided in our local elementary schools. Since Officer Fleer's retirement, we have not had a designated, trained officer available, so the expenses in 2022 have been eliminated. The Chief has been in conversation with our local elementary school principals who continue to be interested in Mission providing DARE programs/resources in the future.

In 2021/2022, funding for the Johnson County mental health co-responder program was increased to hire a second co-responder. There continues to be sufficient resources in the Special Alcohol Fund to cover the costs associated with this important resource for our Police Department and our community. 2022 Estimated costs reflect grant funding that was secured by the City of Merriam for the program as well as a lapse in getting the second co-responder hired, trained and out on the street. This program continues to be an important priority for the Department and the Council and we will continue to work with our partner cities to explore grant funding opportunities.

Councilmember Boultinghouse expressed his support for the expanded co-responder program and he is proud to be able to offer this resource for our community. Ms. Smith advised that a presentation on the co-responder program would be scheduled for a future meeting.

Councilmember Loudon inquired whether the Chief and the Department would be open to considering finding a more effective program in lieu of the DARE program. Councilmember Thomas would be supportive of exploring this as well, and would be hearing from the Chief.

Ms. Smith indicated the DARE funding was a "placeholder" and doesn't believe that there would be any resistance to exploring other options. The connection to our students and the schools is vital and we want to consider all options. Chief Madden shared some information on how the DARE program has evolved over time, but will be happy to look at anything that maintains the relationships and trust with our school and communities.

Councilmember Chocie expressed his support for a review of the DARE program. In general, anytime we are looking at public health interventions, he would like to make sure it's evidence based so we feel comfortable we are doing the most effective things with our dollars.

Chief Madden hasn't met with new principal at Highlands. During his recent conversation with the Rushton principal, she was very pro DARE, and interested in getting the relationship with the Department back on track.

Councilmember Davis inquired whether the DARE funding was primarily targeted for staff, or does it cover materials as well. Ms. Smith confirmed it was originally intended to be an off-set for personnel costs and it covers approximately 25% of the position's time.

Councilmember Thomas wanted to reiterate there is no interest in taking away funding that keeps officers connected with our schools. Just would like to rename and make sure we are exploring options.

The next fund discussed was the Mission Convention and Visitors Bureau (MCVB) which was formed by City ordinance in February of 2009, and replaced the former Mission Business Development Committee (MBDC), first established in August of 2003 to assist in the revitalization and redevelopment of the Mission business district. In 2016, the Council disbanded the MCVB Committee, but the fund is maintained to account for transient guest tax revenues (9% hotel/motel tax) received by the City. The transient guest tax, sometimes referred to as a hotel/motel tax, is charged on the rental of rooms, lodging, or other sleeping accommodations. A transient guest tax is charged in addition to sales tax, and Mission's rate is at the maximum allowed under current State statute.

Transient guest tax funds are used to attract residents and visitors to our community to spend dollars in support of our local businesses. Since its creation, these funds have primarily been used to support the publication and distribution of five issues of the *Mission Magazine* each year. But can be allocated for beautification, wayfinding, etc. in our commercial districts.

The MCVB Fund also previously served as a "pass through" fund for revenues and expenses associated with the Mission Business District and the Family Adoption program. In 2021, the Mission Business District funds were distributed back to them, and there are plans in 2022 to establish a separate fund to more easily track and monitor the revenues and expenses associated with the Family Adoption Program.

Later this month Staff will be making a withdrawal of the funds carried in the Greater KC Community Foundation's Charitable Fund since 2017 to reimburse the MCVB Fund for expenditures made from 2017-2022 related to the Family Adoption Program. The anticipated reimbursement to the MCVB fund is approximately \$74,000 and will provide an opportunity to consider funding of additional supplemental requests, such as banners for 2023. Market site improvements and E-bike amenities have also been discussed in previous year's budget conversations.

Councilmember Chociey shared that he, like Councilmember Thomas would be supportive of additional market site improvements, particularly shade would be welcome.

Mayor Flora commented that she would like to see E-bikes or scooter proposals remain on the list for discussion and consideration..

Ms. Smith then went on to discuss the Solid Waste Utility Fund which accounts for the fees collected from single-family residential properties which are used to support the annual trash, recycling and yard waste contract with WCA/GFL. The solid waste contract has been funded through a combination of fees collected from residents and a transfer from the General Fund (budgeted at \$85,000 for 2022). As discussed previously, WCA/GFL has requested an increase of 5% for the 2023 contract. Contract language stipulates that any increase over 3% must be mutually agreed to in writing by both parties. Based on CPI data related to garbage and trash collection (May 2021 to May 2022) increased for the industry have been 5.4% and staff does not believe the request for 2023 is unreasonable.

Fees are currently collected from 2,972 households in Mission. Ms Smith then reviewed options for changes in either fees charged, the General Fund transfer, or both, for 2023. The solid waste utility fees are certified to the County as a part of the annual budget process and assessed annually on residential property tax bills. Currently, residents are contributing just under \$200 annually for these services, or less than \$16/month.

Councilmember Kring inquired whether there was any thought being given to changing the income guidelines to qualify for the rebate program. Ms. Smith indicated that could certainly be reviewed as a policy decision for the Council.

Councilmember Chociey expressed that he would like to see how we can provide more equity for multi-family properties to take advantage of pricing or, at a minimum, be able to offer recycling at the multi-family complexes. Councilmember Boultinghouse indicated he was supportive of that. Councilmember Chociey suggested by revising the income guidelines, this might be a good opportunity to give some relief to residents on their property tax bill.

Councilmember Davis asked how much of the funds are used in rebates? Ms. Smith reported that about \$2,200 in rebates had been paid out in 2020 and 2021. Noting that if the income guidelines were changed it would take more money in the budget to accommodate

Councilmember Davis also asked about delinquent taxes and who enforces. Ms. Smith replied that was handled by Johnson County. Typically, a property can go for three years without paying taxes before the County moves to the next step, which could include a sale “on the courthouse steps.”

Mayor Flora asked whether we saw an increase in delinquent taxes during the last recession. Ms. Smith indicated we did not, and that our collections are generally pretty consistent in the 95-98% rate annually.

Councilmember Inman offered her support for the program. Keeping a single hauler in place reduces the impact on our streets. She especially likes the bulky item collection believing it helps to keep the community cleaner.

Ms. Smith acknowledged that there have been some questions about contract performance standards for the hauler and that she and Mr. Scott are reviewing. We want to make sure we are doing all we can to ensure consistent, reliable service for our residents.

Discussion then turned to the separate funds maintained for various development and redevelopment projects which have been approved for Tax Increment Financing (TIF) or Community Improvement Districts (CID). The City currently has several active TIF/CID projects which include. Those funds include: Mission Crossing, Cornerstone Commons, Mission Trails Apartments (The Locale) and Capitol Federal. A fund will be created in the 2023 budget process for the Mission Bowl project, but there would be no anticipated expenditures from the fund in FY2023.

All distributions from these funds are made in accordance with a development agreement for the project and reimburse the developer for certain approved development costs. The TIF property tax revenues are distributed to the City through Johnson County. The TIF sales tax (1% City General) and CID sales tax (1% additional) are received from the State. Staff verifies and performs any necessary calculations prior to distributing to the developer on a quarterly basis.

Councilmember Davis thought it would be helpful to have a work session to understand how monies flow into and out of these funds as well as understanding . The work session could include some historical information on each. He stated he believes he and others might benefit from that discussion.

Councilmember Kring also supports the idea of a work session.

Councilmember Chociey suggested that more narrative be provided regarding the TIF and CID funds to help the public understand their purpose and the revenues and expenses being reflected. Ms. Smith indicated that would be no problem to share more information in the remainder of the budget process.

Finally, Ms. Smith reviewed the American Rescue Plan Act (ARPA) Fund established in 2021 as the repository for the approximately \$1.5 million in ARPA funds that will be distributed to Mission through the State of Kansas. The funds came in two distributions. One in July 2021 and the second in June of this year. The City has until 2024 to obligate the funds and 2026 to expend them. At this time, the 2023 Based Budget anticipates transferring the full amount of ARPA funds into the General Fund to account for revenue losses resulting from the COVID-19 pandemic. As the budget continues to develop, staff will return with specific recommendations and opportunities regarding potential use of these federal stimulus funds.

Ms. Smith then recapped the budget calendar and steps remaining to approve the 2023 Budget. Meeting dates and topics were outlined to include:

July 20	Deadline to Notify County Treasurer of intent to exceed Revenue Neutral Rate for 2023 Budget and set date of public hearing
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- Aug 3 F&A Committee – 2023-2027 CIP/Infrastructure Funds, presentation and recommendations from Climate Action Plan (CAP) Task Force
- Aug 17 Prior to City Council Meeting – Community Dialogue
- Aug 24 Work Session – 2023 Recommended Budget/Budget Resolution
- Aug 31 Work Session – Final Review of 2023 Budget
- Sept 7 Public Hearing on 2023 Budget/Intent to Exceed RNR and Adopt 2023 Budget and 2023-2027 CIP

OTHER

Councilmember Davis was following up on the plan for communicating the information to be shared regarding the upcoming sales tax renewal election.

Department Updates

Chief Madden shared with the Council that with Wayne Brinkley's retirement and our existing CSO on limited duty, we are currently without any Community Service Officers. Calls should still be forwarded to the Police Department for resolution. The Department is interviewing and hiring to fill the position as quickly as possible.

Councilmember Inman asked whether we had heard from any of our partner cities. Ms. Smith explained that each year the fees are re-evaluated based on how the positions are staffed throughout the year and annual contract fees are adjusted accordingly.

Councilmember Davis complimented the Chief for the nice retirement ceremony for Wayne Brinkley.

Meeting Close

There being no further business to come before the Committee, the meeting of the Finance and Administration Committee adjourned at 8:11 p.m.

Respectfully submitted,

Emily J. Randel, Interim City Clerk