



**CITY OF MISSION, KANSAS**  
**FINANCE & ADMINISTRATION COMMITTEE**

**WEDNESDAY, AUGUST 2, 2023 at 7:30 p.m.**  
**(or immediately following 6:30 p.m. Community Development Committee)**

**MISSION CITY HALL**  
**6090 Woodson Street**

**Meeting In Person and Virtually via Zoom**

*This meeting will be held in person at the time and date shown above. This meeting will also be available virtually via Zoom (<https://zoom.us/join>). Information will be posted, prior to the meeting, on how to join at <https://www.missionks.org/calendar.aspx>. Please contact the Administrative Offices, 913.676.8350, with any questions or concerns.*

**PUBLIC HEARINGS / PUBLIC COMMENTS**

**PUBLIC PRESENTATIONS / INFORMATIONAL ONLY**

**ACTION ITEMS**

1. Acceptance of the July 5, 2023 Finance & Administration Committee Minutes - Robyn Fulks ([page 3](#))

Draft minutes of the July 5, 2023 Finance and Administration Committee meeting are included for review and acceptance.

2. First Amendment – Residence on Rock Creek Redevelopment Agreement – Laura Smith ([page 21](#))

The preliminary development plan (PDP) for the proposed Mission Bowl Apartments (now Residence on Rock Creek) project was approved in December of 2020, along with the tax increment financing project plan and the redevelopment agreement. The Developers have continuously and diligently pursued work on the project from the outset but have needed two development schedule extensions to date, both of which were granted. Recently, the developer advised the City of the need to request an extension to the November 1, 2023 construction completion milestone. A letter outlining the factors contributing to the extension request is included in the packet. Based on the continuous execution of project work, Staff recommends the City Council consider granting an

extension of time for completion of construction for the Residence on Rock Creek apartments to September 1, 2024.

3. CFD2 Special Event Permit for Street Solicitation – Robyn Fulks ([page 30](#))

Consolidated Fire District No. 2 and IAFF Local 1371 will conduct their annual “boot block” to solicit funds to benefit the Muscular Dystrophy Association. They are requesting approval to solicit at the intersection of Johnson Drive and Broadmoor on September 1-3, 2023 with a rain date of September 4, 2023 between 3 pm and 7 pm on September 1, and 11 am – 3 pm on September 2-4. during the times outlined in the application included in the packet. All insurance documentation has been provided and the permit approved by the Chief of Police and the Public Works Department.

### **DISCUSSION ITEMS**

4. 2023 Revised and 2024 Recommended Budgets – Laura Smith ([materials will be provided prior to Wednesday’s meeting](#))

Staff will continue to present and review the 2023 Revised and 2024 Recommended Budgets.

### **OTHER**

5. Department Updates – Laura Smith

**Mary Ryherd, Chairperson**  
**Hillary Parker Thomas, Vice-Chairperson**  
***Mission City Hall, 6090 Woodson St***  
**913.676.8350**

<b>City of Mission</b>	Item Number:	1.
<b>ACTION ITEM SUMMARY</b>	Date:	August 2, 2023
<b>Administration</b>	From:	Robyn Fulks

Action items require a vote to recommend the item to full City Council for further action.

**RE:** July 5, 2023 Finance & Administration Committee Minutes.

**RECOMMENDATION:** Review and accept the July 5, 2023 minutes of the Finance & Administration Committee.

**DETAILS:** Minutes of the July 5, 2023 Finance & Administration Committee meeting are presented for review and acceptance. At the committee meeting, if there are no objections or recommended corrections, the minutes will be considered accepted as presented.

Draft minutes are linked to the City Council agenda packet so that the public may review the discussion from the committee meeting in advance of the Council action on any particular item.

**CFAA CONSIDERATIONS/IMPACTS:** N/A

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



## **MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE**

July 5, 2023

The Mission Finance & Administration Committee met at Mission City Hall and virtually via ZOOM on Wednesday, July 5, 2023. The following Committee members were present: Sollie Flora, Trent Boultinghouse, Mary Ryherd, Hillary Thomas, Ken Davis and Kristin Inman. Councilmember Loudon and Councilmember Chociej joined the meeting via Zoom. Councilmember Kring was absent. Councilmember Ryherd called the meeting to order at 7:16 p.m.

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

### **Public Comments**

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

There were no public comments.

### **Public Presentations/Informational Items**

There were no public presentations or informational items.

### **Action Items**

#### **Acceptance of the June 7, 2023 Finance & Administration Committee Minutes**

Minutes of the June 7, 2023 Finance & Administration Committee were provided to the Committee for review.

Councilmember Davis recommended this item be forwarded to the City Council for approval. All on the committee agreed, and this item will be on the consent agenda.

### **Milhaven HOA Picnic – Mohawk Park**

City Clerk Robyn Fulks presented the application from the Milhaven Homeowners Association for a waiver of section 600.040(b) to allow attendees of their annual picnic at Mohawk Park on September 23, 2023 from 4:00 – 10:00 p.m. to bring their own alcohol for consumption on public property. She emphasized that no alcohol will be sold or given out.

Councilmember Davis recommended this item be forwarded to the City Council for approval. All on the committee agreed, and this item will be on the consent agenda.

### **Resolution Updating Bank Signatories (Security Bank)**

Deputy City Administrator Emily Randel introduced to the Committee the City's new Budget and Finance Director, Christine Korth, who had just joined the City that day. Ms. Korth introduced herself and thanked the Council for the opportunity.

Ms. Randel then presented to the Committee a resolution that will allow Staff to update the bank signatories on the City's accounts to reflect the organizational changes and new hires.

Councilmember Davis recommended this item be forwarded to the City Council for approval. All on the committee agreed, and this item will be on the consent agenda.

### **Resolution Updating Authorized Users in the Kansas Municipal Investment Pool (KMIP)**

Ms. Randel next presented a resolution to allow Staff to add Ms. Korth as an authorized user in the Kansas Municipal Investment Pool accounts for the City.

Councilmember Davis recommended this item be forwarded to the City Council for approval. All on the committee agreed, and this item will be on the consent agenda.

### **Crossing Guard Contract**

Police Chief Dan Madden presented to the Committee for consideration a contract for crossing guard services from All City Management Services. He mentioned that only one school needs services this year, Highlands Elementary School. He did note that costs for the services have increased drastically, and the cost for one school this year is similar to the cost for two schools in past years. He and other Northeast Johnson County cities are hoping to work on a contract that will help lower costs for the 2024-2025 school year. He reported that Staff recommends the contract with All City Management Services for a total estimated annual cost of \$15,300.00.

Councilmember Davis recommended this item be forwarded to the City Council for approval. All on the committee agreed, and this item will be on the consent agenda.

### **Tax Abatement Policy**

City Administrator Laura Smith presented to the Committee a revised tax abatement policy after the May 31 work session. Council Policy 116 was adopted in 2007, and has not been used since its initial creation. With two developers currently inquiring about the use of tax abatement, it was important to update the policy to be clear in reflecting the current goals and objectives of the Governing Body to provide better parameters and guidance. During the work session, the IRB process was reviewed, and a draft policy was discussed. The feedback and consensus from the work session was used to finalize the policy now under consideration.

Ms. Smith mentioned that Mayor Flora noted that two changes discussed on May 21, one on page 2, Section 4(A)(a) addressing a capital investment of \$10 million up to and \$24.99 million, and the second update was under Section 7c to reflect the \$2,500 application fee.

Ms. Smith also informed the Committee that Staff have shared the draft policy with at least one of the developers requesting abatement, but have not received feedback. Staff wanted to ensure that the Developer could see what the Council was considering should they wish to make adjustments to their request.

Councilmember Davis recommended this item be forwarded to the City Council for approval. All on the committee agreed, and this item will be on the regular agenda.

Councilmember Davis expressed his appreciation for the work done on this item, as it strengthens the policy and ensures the protection of the City.

Ms. Smith thanked him for that and mentioned that she feels the policy and the work done will help with revisions that have been discussed to the City's TIF and CID policies which she hopes to do in the near future.

**Resolution of Intent to Levy a Property Tax Exceeding the Revenue Neutral Rate for the 2023 Budget – City of Mission**

**Resolution of Intent to Levy a Property Tax Exceeding the Revenue Neutral Rate for the 2023 Budget – Rock Creek Drainage District #1 –**

**Resolution of Intent to Levy a Property Tax Exceeding the Revenue Neutral Rate for the 2023 Budget – Rock Creek Drainage District #2**

Ms. Smith introduced three resolutions to the Committee that will allow the City to exceed the revenue neutral rate for the City of Mission, Rock Creek Drainage District number 1 and Rock Creek Drainage District number 2 for the 2024 Budget. This requirement came about a few years ago, with this being the second year for notice requirements to the County by July 20 so they can send out information to all taxpayers. Ms. Smith also explained that the revenue neutral rate means setting a mill levy rate which generates exactly the same amount of revenue from property taxes as the prior year, essentially paying for this year's goods and services at last year's prices. The resolutions will move forward as action items on the July 19, 2023 City Council agenda.

The maximum mill levy in the Resolutions is currently blank but will be filled in based on what is discussed during the budget discussion occurring later in this meeting.

Ms. Smith explained that the Resolutions provide the required notice to the County and set the cap, or maximum mill levy, that could be assessed. That number can be lowered during the Public Hearing process; however it cannot be raised after it is set in the Resolutions. Three resolutions are presented for the three taxing entities.

These Resolutions will be placed on the regular agenda.

## **DISCUSSION ITEMS**

### **2023 Revised and 2024 Recommended General Fund and all Other Funds**

City Administrator Laura Smith reviewed the 2023 revised and 2024 recommended general fund and other funds budget information. She presented to the Committee memos regarding the General Fund and a separate memo reviewing the other ancillary funds that make up the City's budget. She explained that the 2024-2028 CIP was presented previously, and that tonight's conversation will focus primarily on the General Fund.

Ms. Smith explained that this is her 19th budget for the City of Mission, and she has found it to be one of the most challenging encountered in quite some time. She believes there are some long-term decisions to make and work that still needs to be done before Staff can present a final recommended budget.

She explained that, when looking at the budget, priorities and goals come from a variety of sources citizens, staff, Council and Board and Commission members. The DirectionFinder surveys that are done every four years also provide valuable input for the budget process. During a Governing Body Retreat last year, five key performance areas were established, with outcome statements for each one. Those key performance areas are Infrastructure, Economic Development, Sustainability, Parks and Recreation and Municipal Operations. The final recommended budget will make connections to each key performance area with survey results tied back the work as appropriate.

Ms. Smith reminded the Council of priorities and objectives from both the 2022 Council retreat and a 2023 Council budget survey, noting that she believes that things are generally on track, but progress toward each of the goals is dependent on both money and time. She then reviewed a list of project identified in a March 2023 discussion which included: the Comprehensive Plan update and adoption; Feasibility Study results that are coming forward in August, full implementation of the Municipal Court software, completion of the FCIP improvements, progress on Mohawk Park Phase I improvements, design of Waterworks Park and design of Mohawk Park Phase II improvement; initial discussion of short term rentals, zoning regulations considerations for tobacco and e-cigarette retailers, incentive requests and a new Tax Abatement Policy, grant fund secured for automated license plate readers, application and award of two Planning Sustainable Places grants, \$6 million dollars of STP grant funds



for Johnson Drive, with additional grant applications pending for Land and Water Conservation Fund grant and community funding application for Foxridge Drive, and financial management, zoning code update, energy code update review and adoption are items that are coming up soon.

Ms. Smith next reviewed how the General Fund budget is built for the upcoming year, with five primary revenue streams that make up 93% of the General Fund revenues. Those include: sales and use taxes, property taxes, parks and recreation revenues, franchise fees and fines and forfeitures. The total General Fund revenues as presented today stand at approximately \$14.08 million dollars, approximately a 1% increase over 2023 estimated.

Councilmember Davis asked about the use tax refund that had to be paid in 2022. He wanted to know if an answer was ever received as to why that occurred. Ms. Smith stated that a variety of open records requests were submitted to try and obtain that answer, but the City has not received any specific answers. They were able to uncover some information, but no answers have been provided as to why no notice was given to allow the City an opportunity to budget for that refund making it difficult to prevent in the future. Councilmember Davis expressed his frustration for the lack of accountability at the State level to answer the questions.

Ms. Smith continued on with the presentation discussing the modest growth of sales and use tax, consistent with what many cities are estimating for 2024. Community Center revenues are continuing to show recovery, and the mill levy has held the same in 2023 as 2024 at 16.37 mills. Staff is generally comfortable with the revenues and expenses shown in this initial budget draft, but there could be some changes once the 2022 Audit is completed in the next 1-2 weeks.

Ms. Smith explained that the General Fund is currently showing a deficit for the 2024 budget, not including any supplemental requests from departments. She wanted to highlight this at the beginning of tonight's discussion so that the Committee members can have that as a point of reference as we review and discuss options to begin to correct a structural imbalance in the budget.

Ms. Smith recapped sales tax revenues, broken out between City sales and use taxes and County sales and use taxes. She showed that the change budget to actual for City sales and use taxes was a negative three percent. The use tax made up some ground for the \$300,000.00 that had to be paid back. Budgeting has been conservative in that area, with a small increase in the County sales

and use taxes of 3%. If performance improves, adjustments can be made mid-year next year.

Ms. Smith shared the estimated assessed valuation for supporting the 2024 budget estimated at \$213,632,383. This represents a 7% increase over the current year. She reminded the Committee of the conversations from last year's budget discussions related to the decrease in mill levy since 2016 from 18.09 mills to 16.374 currently. Ms. Smith believes a serious conversation needs to be had this year regarding regaining mills that have been lost. She also reviewed a decrease in the budgeted vs. estimated property taxes for 2023, which reflects property tax refunds as a result of BOTAs settlements related to the dark store theory. Between the use tax refunds in 2022 and the property tax refunds in 2023, Mission has lost approximately \$450,00.00 from the budget with no warning or recourse.

Ms. Smith then moved into a discussion of how much additional revenue would have been generated had the mill rate been held constant, and the cumulative revenue loss since 2016 was approximately \$1.3 million. She then reviewed various mill levy scenarios for 2024 showing both the potential revenue generated and the impact on the average single-family property owner.

Councilmember Davis mentioned that, in the packet, he saw a negative delinquent real estate tax line item that showed for 2023 Estimated and he wasn't able to identify that. Ms. Smith explained that is that year's portion of the BOTAs mandated property tax refunds.

Ms. Smith reviewed Parks and Recreation revenues from the Powell Community Center, which are continuing to recover post-pandemic thanks to the hard work of staff. She shared that recommendations would come forward in August from the feasibility study. The budget information for the community center does not currently reflect changes that would come out of the study; therefore, the numbers could change. She also referred to the goal of returning to a 70-80 percent cost recovery overall at the community center. The revenues listed do not currently include any fee increases, and the last time a fee increase occurred at the community center was in 2020. That will also be factored into the feasibility study recommendations. She also mentioned the hard work of Staff to secure a Childcare Aware grant for 2022 and part of 2023. Those funds were able to cover expenses for the summer day camp program, and those revenues are not reflected in the Parks and Recreation revenues, but rather in intergovernmental revenues.

Councilmember Davis asked if the fee increases that were mentioned at a previous meeting by Public Works Director Celia Duran were factored into the budget. Ms. Smith provided that they were not. Those will still come forward in 2023, but the proposed increases are not likely to provide significant revenue increases. Ms. Smith then moved to franchise fees, which is a 5% fee paid to the City by utility companies, with the exception of Google Broadband which just went to a lower 2% rate based on their new franchise agreement. She mentioned that franchise receipts are impacted by things like weather and rate increases from utility companies. Receipts have remained fairly constant.

Fines and forfeitures are revenues paid to the City from traffic and code enforcement and other violations of the Municipal code have decreased over time. Ms. Smith and Chief Madden have had conversations about traffic enforcement, but those fee levels and ability to do traffic enforcement is impacted by staffing, other police activity and how cases are finally adjudicated.

Ms. Smith next moved to General Fund expenses. She explained that while the Departments don't use zero based budgeting, they do review and discuss each line item every year and consider all options available when building the next year's budget. Those could include holding open or combining positions, delaying the purchase of capital equipment, eliminating or reducing line items, and privatizing or outsourcing services when there is an opportunity to be more efficient. Expenses are budgeted under four categories, personnel, contractual services, commodities, and capital. She explained that transfers out of the General Fund are also factored into expenses. In the 2024 budget, transfers include \$1.4 million to the CIP fund for street maintenance from property tax revenues (approximately 41% of the property taxes collected), and \$75,000.00 to the Solid Waste Utility fund to subsidize a portion of the city-wide trash contract. Ms. Smith reminded the Committee that in 2023, an additional \$500,000.00 was added to streets and \$350,000.00 to parks and market site improvements. Ms. Smith stated her belief that times are unique due to personnel related expenses, supply chain and labor issues that impact costs, and quick increases in bid prices from day to day makes it difficult to build budgets a year in advance and estimate what costs could be.

Ms. Smith continued to review General Fund expenses, explaining that the largest expenses is personnel. She showed that personnel costs represent about 62% of the General Fund expenditures in this budget draft, which is within the target range of 60-65%. She did also highlight that personnel costs are outpacing revenue growth, and thanked the Council for their generous approval

of increases for Staff with the goal of keeping salaries appropriately aligned with both the public and private sectors but she anticipates the challenges will continue in recruiting and retaining employees. She also showed a summary of staff numbers with a reduction in the total number of full-time employees from the 2023 budget, by 1 position, a record clerk position in Public Safety. Staff evaluates open positions to ensure they need to be filled, or if the job duties can be met in another way. Lastly, she mentioned that contractals and commodities is still a work in progress, however, overall, she believes the increases are fairly minimal with a 0% increase in contractual services and a 2% increase in commodities driven by things like fuel costs and the cost of other goods. Capital Outlay is currently showing a decrease for 2024 because no supplemental budget requests have been included yet. Finally, debt service shows that in 2023 the final payment on the streetlight acquisition debt (2013A) will occur, leaving the only General Fund debt service that related to the FCIP improvements.

Ms. Smith reviewed the General Fund summary, which shows the difference of expenses to revenues is about (-\$895,00.00) when the transfers are included. Ultimately, the goal is to bring the budget to the point where revenues equal or exceed expenditures. She explained that State statute does allow the City to use General Fund reserves to balance the budget, however that is not a sustainable practice. It has been done over the last few years as we navigated the TUF lawsuits and the pandemic, including using ARPA funds to help compensate for lost revenues and to advance goals such as funds for streets, parks, and climate action goals.

Ms. Smith touched on the General Fund reserves, stating that GFOA recommends that no less than two months of operating expenses be kept, and the Council policy requires 25% of the annual General Fund revenues be kept in reserves. Typically the calculation of 25% of annual revenues exceeds the GFOA recommendation. Reserves are used to mitigate General Fund shortfalls, for unexpected expenditures, and to ensure there is stability in the tax rates. Those reserves are really dependent on other factors unique to the community as well. It depends on what the potential exposure to one-time expenses might be, reliance on other funds, especially funds that are paying for debt service with sales tax revenues, and the need to keep an eye on reserves and the relationship between those and bond ratings for the City.

Mayor Flora asked for a reminder from the bond rating agency said about General Fund reserves the last time the City went to the bond market. Ms. Smith

replied that they were complimentary of the General Fund reserves, and confirmed with the Mayor that the City should strive not drop below the 25%.

Councilmember Boultinghouse asked for examples of how the budget imbalance issues from 2015 were handled. Ms. Smith replied that they comparisons are not exactly the same and referred to the 2023 budget memo from the Council packet, including the decision in 2010 to have an intentional and specific draw down of the General Fund balance to restructure debt associated with the Gateway project. In doing so, the General Fund reserves dropped below the 25% with a commitment to continue to rebuild as quickly as possible. She mentioned that the slow growth is what Councilmember Boultinghouse is seeing in 2015. She also referred to the growth in the fund balance being attributable to better-than-expected performance in use tax revenues. That is one way that the fund balance was built up. Additionally, in 2015, the City was hit with the transportation utility fee litigation which caused Staff to want to maintain balances while not knowing what possible fiscal impacts any settlement might hold.

Ms. Smith reviewed that in 2023 a recommendation was made to reduce the General Fund reserves from 25% to 24% to help accomplish the highest priority projects identified. In the 2024 budget, the fund balance level has returned to 25% and sufficient funding exists to hit the 25% fund balance reserve. Where things begin to turn upside down are a result of other expenses earmarked or assigned, particularly \$230,000.00 of the \$250,000.00 received from the EPC (Locale development), \$20,000.00 of that was spent for the match on the Planning Sustainable Places grant, and \$200,000.00 earmarked for construction of a dog park. Additionally, Ms. Smith stated that no supplemental requests from departments have been included in the numbers that were presented to the Committee for this discussion.

Ms. Smith then reviewed supplemental requests from departments and acknowledged that in most organizations the wish lists are more than what is affordable in any given year. Requests are reviewed and evaluated keeping in mind department needs, priorities of Council and the community, policy goals and objectives and resources available. She reviewed that supplemental requests can come out of any fund, not just the General Fund. Supplemental requests are compared to how they help support the Key Performance Areas along with other factors including liability issues, customer service and quality of life, operational efficiencies, best practices, Council priority, connection to climate goals and one-time vs. ongoing expenditures.

She reviewed the supplemental budget items submitted as part of the 2024 budget process. She reviewed the highlights, mentioning that none of these items are yet included in the draft budget. Requests include:

- A construction inspector position, something discussed the previous year, including costs for salary, benefits, equipment and a vehicle. Ms. Smith noted that in 2022 the City paid \$142,000.00 in construction inspection costs to outside contractors, prompting Ms. Duran and her staff to bring forward this recommendation as a possible way to save on those costs. Those inspection costs currently are taken out of the Capital Improvement Fund.

Councilmember Davis asked if the \$143,000.00 he is seeing is for the current inspection services. Ms. Smith confirmed that is correct. This move would make the position in-house vs. contractual. Councilmember Davis asked to confirm that the amount listed for the proposed position includes benefit costs and Ms. Smith confirmed it does, as well as a vehicle. She then continued to review the other requests including:

- Part-time fitness coordinator, a request from Parks and Recreation. This request will be explained more fully as part of the discussion of the feasibility study in August.
- Drug Taskforce sworn officer from the Police Department. The request includes salary and benefits plus a vehicle. This would fund an officer to be assigned to the Johnson County Drug Taskforce. Ms. Smith mentioned that she and Chief Madden are still looking at the benefits, considering many of the serious crimes the City sees are drug related. She believes that the return on investment in this case is that a portion of seized assets would come to the City. Chief Madden added that the position would be beneficial as the taskforce is in charge of investigating overdose deaths that occur, specifically they try to tie those deaths to the supplier which is significant due to the large amount of Fentanyl related cases that are happening.
- Marketing Contract (graphics and web-support). Ms. Smith noted that, with the City's contract with Crux expiring, Staff will be looking at services going forward. These expenses would be in place of those services from Crux. She added that the Parks + Recreation department also has marketing included in their budget to support programs and activities.
- Zoning code update – Ms. Smith mentioned that \$100,000.00 of funding

to update the zoning code currently exists in the 2023 budget, however staff capacity is impacting the scheduling of the project. Staff estimates another \$100,000.00 would be needed to successfully complete the project. She believes an RFP could be out the door by the end of the year, which could then help clarify any additional funding that might be necessary.

- Grant matches as discussed in previous presentations to Council.
- Vehicles and equipment – Ms. Smith reported that resale in prior years has been sufficient to cover the cost of any new vehicles and equipment to be purchased from this fund. However, the fund is potentially in a deficit position for 2023 and could not support the current requests for vehicle and equipment replacement submitted for 2024.
- Johnson Drive Landscape Maintenance project – Ms. Smith reported that \$30,000.00 is carried in the Public Works budget for this. A consultant has done a walkthrough of Johnson Drive and looked at a complete update of the landscaping to incorporate native plants. The consultant believes a refresh every ten years is necessary, and the current landscaping was installed with the street project in 2014. The range of costs was between \$80,000.00 and \$180,000.00. Staff is still reviewing the proposal and discussing with the consultant whether there is any work that could occur in 2023 based on the need to source native plantings.
- Business Support – The requests include continuing to update streetlight banners, funding an advertising campaign to promote businesses on a regional level, holiday décor upgrades and staffing to help support social media and outreach for the Downtown Business District. This, combined with the Business Improvement Grant and the cardboard recycling program piloted last month, help show an investment in Mission businesses. There is sufficient funding in the MCVB Fund to cover some of these costs.
- Future considerations include technology front end support including strengthening IT support, financial management software (Staff will come back to this at a later time, there is not the Staff capacity for the project at this time), full-time sports coordinator at the Powell Community Center, which is not recommended for the 2024 budget but will be part of the feasibility study conversations, Johnson Drive/Metcalf bridge replacement – Staff continues to work with Overland Park and KDOT on this with slow progress being made, crossing guard contract increases – Staff has talked to other Northeast Johnson County cities about a possible joint contract to help alleviate costs for next year.

Ms. Smith acknowledged that there is a need to fit in some of these items, however finding a spot may be a challenge for this year.

Ms. Smith next moved to several of the other funds considered during budget discussions each year. She reviewed that there are 20 funds that come together to make up the budget, many of which are conduit or fiduciary funds that are statutorily required. The focus for budget purposes is largely on the MCVB fund, the Special Alcohol Fund, the Solid Waste Utility Fund, and the various TIF and CID Funds related to development projects.

The MCVB Fund is where transient guest tax receipts are accounted for. Approximately \$50,000.00 of those funds each year support the Mission Magazine, and in 2023 additional funds were provided for banners and a water fountain at the Mission Market. The Special Alcohol Fund holds 1/3 of alcohol revenues that are generated from the State that need to be used for the prevention and treatment of drug and alcohol abuse. A large portion of those funds go to UCS for their Drug and Alcohol Council grant program. They requested \$60,000.00 for 2024, the same amount as 2023. Funds are also used to support a police presence in schools and for education and awareness of drugs and alcohol. Additionally, \$90,000.00 supports the two mental health co-responders. Carryover funds from prior years allow Staff to continue to recommend and fund these items for 2024.

Ms. Smith next reviewed the Solid Waste Utility Fund, which supports residential trash, recycling, and yard waste. The requested increase from GFL for 2024 is 3%, which is included under the existing contractual cap. Staff would recommend that the resident rate stays the same at \$193.00 per year with the City absorbing the full increase and continuing to provide a subsidy in the form of a transfer from the General Fund. That fund has sufficient fund balance to allow the resident rate to stay the same and can also fund the Cardboard Recycling Program currently being piloted for the Downtown Business District.

She next went over the TIF and CID Funds which are maintained separately for the various projects. Distributions are controlled by specific development agreements.

Ms. Smith paused for comments and questions from the Committee.

Councilmember Boultinghouse asked if Ms. Smith anticipates a large swing



in what 2024 looks like after the conversations about the feasibility study coming next month. Ms. Smith responded that she does not believe it is going to be a large change for 2024.

Councilmember Davis asked if consideration had been made to looking at reduction of personnel costs by reviewing the scope of work being done. Ms. Smith asked for clarification which department he was referring to. He clarified that he was asking for all staff because he feels at time staff is taking on to many things. Ms. Smith responded that is a challenging question. Studies seem to be taking longer, and Staff talks frequently about the workload and pressures of trying to advance programs and projects funded with the staff time available. Discussions earlier in the year focused on administrative type items that come up during the daily scope of work as well. She believes Staff sometimes tries to take on as much as possible in order to meet the Council's goals, but sometimes that can be overwhelming. She does not believe Staff is doing the wrong things, but perhaps the right things at the wrong speed. She believes, generally, Staff would like to make faster progress on many projects and priorities, but because our size, may not always have the appropriate capacity.

Councilmember Davis clarified he believes there are some legacy issues surrounding staff activities that are never really discussed but could be, specifically the Family Adoption Program during the holiday season. He sees that taking a lot of time and effort that should be considered for fairness and core duties.

Councilmember Thomas asked to clarify that the main consideration is how to close the \$900,000 gap in the budget and is that the feedback Ms. Smith is looking for? Ms. Smith confirmed that is correct, maybe not in one year, but there is a need to be sure we are at least incrementally improving our position. Councilmember Thomas asked if Staff would like the Council to consider a mill increase if those are the conversations. Ms. Smith confirmed she believes that a conversation about restoring the mill rate to previous levels would be important. She indicated that she and the Mayor have had extended conversations about how to address the competing budget priorities.

Mayor Flora confirmed that she does feel like restoring and increasing the mill rate is going to be needed, and stated she is happy to spearhead those efforts. She would like to see the not to exceed rate set at 18.5 mills.

Conversations and discussions can always lower that amount; but if we set it lower the amount cannot be raised. She believes that Council should not shirk addressing the imbalance that has been a frustration of the current Council leading to them feel saddled more with deferred infrastructure needs. She believes that, in being unhappy with governing bodies who have passed the buck, this Council can't do the same thing to future Councils. She would like the budget to be considered in terms of being responsive to citizen needs and wants, and this budget is driven by citizen feedback in the DirectionFinder survey and other feedback forms. Citizens want investments in things like streets and parks, which the Council has focused on. She also wants to see responsiveness to the reality of the increasing cost to deliver basic services.

Councilmember Thomas responded in agreement and appreciation for Mayor Flora's leadership. She encouraged the Council to be more conservative in discussions in getting closer to the 18.5 mill rate proposed. She would also like to make sure the City is sharing and promoting tax relief programs from the County and City level in conjunction with the raise. Although the amount is small, around \$9 per month, that can be impactful for many households.

Ms. Smith acknowledged the Mission has been a leader in the property tax rebate programs since 2004. Additionally, Mission had the second lowest mill rate in the state of Kansas for many years, which was something many Councilmembers were proud of, however the result of that is not always a positive. When the mill rate needed to be increased to address deferred maintenance and stormwater, the property tax relief program also began. She mentioned that participation in the program has been very consistent through the years. If the Council were to support a mill levy increase, program guidelines could be modified to allow for more participation at higher income levels. The Council could elect to use some of the increase in the mill rate and using that for grant and assistance programs. She also acknowledged that promotion of the programs may need to be increased, similarly with the Business Improvement Grant Program. Decreasing matching funds that grant recipients need to provide can also be reviewed.

Mayor Flora agreed that targeted relief for those who need it can be reviewed and adaption of the programs accordingly should be reviewed too.

Councilmember Davis voiced his support for Mayor Flora's recommendation for the 18.5 mill rate. He also wanted to suggest that discussing property

abatement policies along with raising the mill rate and property taxes on residents is not something he likes. Ms. Smith commented that, as part of tax abatement, a cost-benefit analysis will come with a clearer comparison for the benefits of tax abatement. She acknowledges the need to balance what seem to be opposing actions, but thinks that this Council's desire to provide caps within the tax abatement policy is just one way the commitment to balancing goals is being demonstrated. Every project goes through negotiations, and the use of any incentive is always 100% discretionary for the Council.

Councilmember Davis also asked that the Council not continue to disparage past Councils for their actions . He believes that they made decisions at the time that were consistent with what they saw and with the best information available, just as the current Council does. Ms. Smith acknowledged that looking forward is always appreciated.

Mayor Flora clarified that her comments were in relation to Councils that served many decades ago that prided themselves on the second lowest mill levy in the state, regardless of what that did to constituent needs and services. She agreed that looking forward is necessary, but also would like to be able to acknowledge that deferred maintenance is very expensive for the current and future Councils.

Ms. Smith acknowledged that much of Mission's current infrastructure was not built to specific standards, but the decision now is to do things in accordance with best practices and industry standards to ensure an appropriate life for our infrastructure.

Councilmember Thomas commented that, if this moves forward at an 18.5 mill rate, next to Mission Woods, Mission will still have the lowest mill rate in Johnson County. She compared to Merriam and Roeland Park, Mission's two most comparable cities, are at a mill rate of 26. It's difficult to compete with other cities with hands tied behind our backs.

Councilmember Davis asked to remind the Council of the broad scope of that the City is and does, and it comes with both costs and benefits. He believes its necessary to be mindful of what is being accomplished.

Councilmember Boultinghouse commented to Councilmember Davis's comments earlier regarding the time of staff and time spent on projects, he

hopes to continue to push for more operational efficiencies as he is concerned that a lot of staff time is spent on squeaky wheel requests. He sees a lot of in-house talent and he wants to let Staff have space to operate on long term visions that increase value to the city and increase morale and well-being for Staff. He also thanked Mayor Flora for her comments on the mill levy, and he supports her suggested 18.5 mill rate.

Ms. Smith acknowledged that the discussion is helpful to Staff for putting together scenarios for moving forward.

Mayor Flora asked if the detail of the mill rate will be available for the July 19 Council meeting. Ms. Smith acknowledged that the originally planned public dialogue on the budget ahead of the July 19 Council meeting will not be ready, however she would like to still hold the work session to provide additional information from the ongoing audit and work through different scenarios. She ensured there is still plenty of time in the budget season for the public dialogue. She reviewed next steps – During the August 2 Finance and Administration Committee meeting a final review of the budget will be held. A community dialogue on the 2024 Budget will be held ahead of the August 16 Council meeting, and a September 6 Special City Council Meeting will be held for the required public hearings on the intent to exceed the revenue neutral rates and for adoption of the budget. Finally, certified budgets are due to the County by October 1.

### **Department Updates**

### **OTHER**

### **Meeting Close**

There being no further business to come before the Committee, the meeting of the Community Development Committee adjourned at 8:41 p.m.

Respectfully submitted,

---

Robyn L. Fulks, City Clerk

<b>City of Mission</b>	Item Number:	2.
<b>ACTION ITEM SUMMARY</b>	Date:	August 2, 2023
<b>Administration</b>	From:	Laura Smith

Action items require a vote to recommend the item to full City Council for further action.

**RE:** Request for an Extension of Time for Completion of Construction for the Residence on Rock Creek Apartment Project

**RECOMMENDATION:** Approve the First Amendment to the Redevelopment Agreement for the Residence on Rock Creek Apartment project granting an extension of time for completion of construction the project.

**DETAILS:** The preliminary development plan (PDP) for the proposed Mission Bowl Apartments (now Residence on Rock Creek) project (5399 Martway) was approved in December of 2020, along with the tax increment financing (TIF) project plan and the redevelopment agreement (RDA).

The Developers have continuously and diligently pursued work on the project from the outset but have needed two development schedule extensions to date. Both extensions (May 2021 and February 2022) were granted. Recently, the developer advised the City of the need to request an additional extension to adjust the November 1, 2023 construction completion milestone. A letter outlining the factors contributing to the extension request has been included in the packet. The developer is requesting the completion milestone be extended to September 1, 2024.

Based on the continuous execution of project work, staff and the City's land use attorney do not believe this request for additional time is unusual or unreasonable, and Staff recommends that the City Council consider granting an extension of time for completion of construction for the Residence on Rock Creek apartments. The extension would be granted through an amendment to the original redevelopment agreement and would memorialize in one place the previous extensions that were granted and the assignment of the agreement.

The Developer will be present at the Finance and Administration Committee to answer questions and provide additional information on the project status.

**CFAA CONSIDERATIONS/IMPACTS: NA**

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

# SUNFLOWER

Development Group

**To: Mrs. Laura Smith, City Administrator, Mr. Brian Scott , Deputy City Administrator**

**From: Jason Swords and Banks Floodman, Sunflower Development Group**

**Date: 7/26/23**

**Subject: Residence on Rock Creek- Redevelopment Agreement Extension Request**

Mrs. Smith and Mr. Scott,

Residence on Rock Creek LLC has been working diligently to complete this exciting project in the most timely and efficient manner. We appreciate the extension granted to us in May 2021, and certainly understand and appreciate the City Council's desire to hold developers accountable to project milestones included redevelopment agreements. Unfortunately, the current environment has created some headwinds leading to a delay on the overall delivery of the project.

We can assure you every step has and will continue to be taken to make up as much time as possible, but to meet the high standards we hold ourselves to and standards we believe the City of Mission will be very happy with for years to come, we are requesting an extension to section 2.04 (a) exhibit C of the Redevelopment Agreement between the City of Mission, Kansas and Residence on Rock Creek LLC, formally Mission Bowl Apartments, LLC. We are specifically requesting the following:

- 10-month extension from the Nov. 1<sup>st</sup>, 2023 project completion date, which would give us until September 1<sup>st</sup>, 2024 to complete the developer project work and vertical construction of the project.
  - Our plan will be to open the sidewalk by March 1<sup>st</sup>, 2024.

In an effort to more fully illustrate the reasons for the current request for an extension, the most significant items contributing to the delays are included below:


1. Unforeseen site issues, which have included manhole heights, and sanitary sewer installation and bypass. Additionally, the specified underground sewer pipe became impossible to source so we were required to switch manufacturers. To alleviate further delays we spent additional dollars securing alternative options, but this still ultimately ended up delaying the project 6+ weeks. These delays were in addition to the sanitary sewer relocation issues which were part of the reason for the first extension request.
2. Raw material price escalations and availability forced us to redesign part of our column/footing foundations and the above ground post tension slabs costing us 4 - 5 months for redesign and procurement of materials. Again, some of this was part of the first extension, but the material procurement added additional time.
3. Weather delays (mainly rain) during April and May caused us to cancel several concrete pours.

4. Cell tower and sanitary sewer facilities were not located in the anticipated easements once field work commenced. This resulted in rework for easement and access and the approval processes slowed progress.
5. Supply chain issues, particularly related to transformers and other electrical components needed from Evergy created unanticipated delays. The demand for this equipment throughout the metropolitan area is extremely high and competitive.
6. Labor shortages which resulted in smaller crews for both our General Contractor and sub-contractors meant the pace of the work hasn't moved as quickly as anticipated. Additionally, we lost our HVAC sub-contractor entirely and had to find a replacement. Our General Contractor, First Construction has worked on Saturdays in an effort to mitigate the impact of weather, labor and materials.

We anticipate starting lease-up for the project at the first of the year. We also plan to move tenants into the project once we secure a Temporary Certificate of Occupancy (TCO) which should be prior to the September 1, 2024 date.

We hope that our continuous progress on the project and our interest in developing Phase II clearly demonstrates our commitment to the City of Mission and that the City Council would be willing to grant the request for the extension.

We appreciate the opportunity and look forward to continuing our work with the City of Mission.



Banks Floodman  
Partner-Director of Real Estate Development  
Sunflower Development Group  
1125 Grand Blvd. Suite 202  
Kansas City, MO 64106

Cc: Kevin Lee, Polsinelli  
Jason Swords, Sunflower Development Group

## FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT

**THIS FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT**, executed as of the date of the last execution by the parties hereto, by and between **CITY OF MISSION, KANSAS**, a municipal corporation duly organized under the laws of the State of Kansas (“**City**”), and **RESIDENCE ON ROCK CREEK, LLC**, a limited liability company (“**Developer**”) amends and, to the extent inconsistent herewith, supersedes that certain “Redevelopment Agreement”, effective December 16, 2020 (“**Agreement**”). All capitalized terms herein not otherwise defined are as defined in the Agreement.

WITNESSETH:

WHEREAS, the City and Mission Bowl Apartments, LLC (“**Original Developer**”) heretofore executed the Agreement; and

WHEREAS, Exhibit C to the Agreement was modified at the request of the Original Developer by Resolution 1077, adopted by the City on May 19, 2021; and

WHEREAS, Exhibit C to the Agreement was modified at the request of the Original Developer by action of the Governing Body of the City on February 16, 2022; and

WHEREAS, the Original Developer assigned its rights in and to the Agreement to Developer by Assignment and Assumption Agreement dated May 5, 2022, which assignment and assumption was approved by the City; and

WHEREAS, Developer has requested further modification of said Exhibit C to establish and extend certain dates for performance; and

WHEREAS, City and Developer have agreed to modify said Exhibit C accordingly.

NOW THEREFORE, in consideration of the mutual promises set forth below, it is agreed:

1. That this Amendment shall supplement, amend and, to the extent inconsistent herewith, supersede the Agreement as amended.
2. That the actions of the City aforesaid on May 19, 2021 and February 16, 2022 are hereby ratified.
3. That Exhibit C of the Agreement is hereby replaced with the Exhibit C attached hereto.
4. That to the extent inconsistent with the Agreement, this Amendment shall supersede same and control the contractual relationship by and between the parties. In all other respects, the Agreement is hereby ratified and it is acknowledged that no default exists thereunder.



5. That this Amendment shall become effective upon the last party to the Amendment executing the same. In the interest of timely amending the Agreement, the parties may separately execute this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the last day and date below written.

*Signature Pages Follow*

Dated: \_\_\_\_\_

**CITY OF MISSION**, a Kansas municipal  
corporation

\_\_\_\_\_  
Solana Flora, Mayor

ATTEST:

\_\_\_\_\_  
Robyn Fulks, City Clerk

Dated: \_\_\_\_\_

**RESIDENCE ON ROCK CREEK, LLC,**  
a Colorado limited liability company

By: **All Pro Rock Creek Residence LLLP,**  
a Colorado limited liability limited partnership, Manager

By: **All Pro Real Estate, LLC,**  
a Colorado limited liability company, General Partner

By: **All Pro Capital, LLC,**  
a Colorado limited liability company, Manager

By: \_\_\_\_\_  
Tony Bettis, Chief Executive Officer and  
President

**EXHIBIT C**

**DEVELOPMENT SCHEDULE**

December 16, 2020 - Approval of TIF Project Plan and Development Agreement

On or prior to September 17, 2021 - Demolish and remove existing improvements and debris, and commence the Developer Project Work

On or prior to May 1, 2022 - Commence construction of the Project

On or prior to March 1, 2024, complete and open all public sidewalks

On or prior to September 1, 2024 - Complete the Developer Work and complete vertical construction of the Project

**CITY OF MISSION, KANSAS**  
**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (MISSION BOWL APARTMENTS).**

**WHEREAS**, a Redevelopment Agreement has been entered into by the City of Mission, Kansas and Mission Bowl Apartments, LLC dated December 16, 2020 ("Redevelopment Agreement") for the construction of the "Mission Bowl Apartments"; and

**WHEREAS**, Residence on Rock Creek, LLC, a limited liability company, successor developer by approved assignment from Mission Bowl Apartments, LLC ("Successor Developer") has requested an amendment to the Redevelopment Agreement extending the time for performance of the Development Schedule set forth on Exhibit C of the Redevelopment Agreement; and

**WHEREAS**, the City Staff has prepared a First Amendment to the Redevelopment Agreement to accommodate such request.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MISSION KANSAS:**

**Section 1. First Amendment.** The First Amendment to Redevelopment Agreement attached hereto is hereby approved, and the Mayor and City Clerk are authorized to execute same.

Approved by the Mayor this 16 day of August, 2023.

Passed by the City Council this 16 day of August, 2023.

\_\_\_\_\_  
Solana Flora, Mayor

ATTEST:

\_\_\_\_\_  
Robyn L. Fulks, City Clerk

<b>City of Mission</b>	Item Number:	5.
<b>ACTION ITEM SUMMARY</b>	Date:	August 2, 2023
<b>Administration</b>	From:	Robyn Fulks

Action items require a vote to recommend the item to full City Council for further action.

**RE:** Street Solicitation Application for MDA Boot Block

**RECOMMENDATION:** Approve a Street Solicitation Application for Consolidated Fire District No. 2 and IAFF Local 1371 to conduct a “Boot Block” on September 1, 2 and 3 with a rain make-up date of September 4 if necessary at the intersection of Johnson Drive and Broadmoor.

**DETAILS:** Consolidated Fire District No. 2 and IAFF Local 1371 have requested permission to hold their annual “Boot Block” at the intersection of Johnson Drive and Broadmoor on the following dates and times:

- September 1: 3 pm – 7 pm
- September 2: 11 am – 3 pm
- September 3: 11 am – 3 pm
- September 4: 11 am – 3 pm (optional rain date)

They anticipate having 6-8 people soliciting. Proceeds benefit the Muscular Dystrophy Association. A Special Event Permit Application has been submitted and approved by Chief Madden. CFD2 has submitted the required certificate of insurance coverage as required in the application.

**CFAA CONSIDERATIONS/IMPACTS:** N/A

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



# Special Event Permit Application

Please fill out the application completely; incomplete applications will not be accepted.

## Event & Contact Information

**Business Name:** Consolidated Fire Dist 2

**Name of Person in Charge:** Dennis Costlow

**Home/Cell Phone Number:** 9133783679

**Work Phone Number:** 9134321105

<b>Address of Event:</b>	Street Address	
	3921 W 63RD ST	
	Address Line 2	
	Consolidated Fire Dist 2	
	City	State / Province / Region
	PRAIRIE VILLAGE	Kansas
	Postal / Zip Code	Country
	66208-1529	United States

**Date of Event:** 9/1/2023

**Start Time:** 03:00:00 PM

**End Time:** 07:00:00 PM

**Estimated Number of Persons Attending:** 7

**Event Description & Proximity:** CFD2/Local 1371 MDA Firefighter fill the boot, on Labor Day weekend  
 Dates are 9/1, 9/2, 9/3, with a rain make up date of 9/4.  
 Times for the weekend days are as follows ( 9/2, 9/3, 9/4) 1100hrs to 1500hrs. Johnson Drive and Broadmor is location of event.  
 (Example: Parking lot)

- If event includes music or broadcasting, please provide information on the quantity, location, and position of speakers and general information about all sound amplification to be used:

**Yes, applies:**

Does Not Apply

- Will wine, beer or liquor be available?

Yes  No

- Will wine, beer or liquor be sold?

Yes  No

- Have all necessary liquor licenses and permits been approved and obtained?

Yes  No

- Will food be available in an outdoor setting?

Yes  No

- If "yes," has the Johnson County Health Department been contacted to determine whether there are additional regulations governing an outdoor food court?

Yes  No

- Is adequate parking available?

Yes  No

- Is it agreed there will be no interference with the normal flow of traffic on public roadways?

Yes  No

- If the event is to be held on public property, the City requires a certificate of liability insurance with the City of Mission named as an additional insured.

**Certificate of Insurance required:**  Yes  No

- If event is to be held on public property, user is responsible for complete clean-up following event and restoration of property to its original state.

**Yes, I agree:**

*Dennis Costlow*

## Objections to Issuance

- **You MUST contact adjacent neighbors/businesses and address any objections or concerns.**

**Objections to issuance:**  Yes  No



If "yes," please list and explain how objections will be addressed:

Date: \* 7/25/2023

Signature of Person in Charge: \*

A rectangular box containing a handwritten signature in cursive script that reads "Dennis Costlow".

Title of Person in Charge: \* Lt, MDA/Dept chairperson

- *The Mission Police Department MUST be contacted at **913-676-8301** for regulations governing traffic or noise control and/or restrictions. This is required in order for the Chief of Police to sign below.*

**For Office Use Only:**

Reviewed by Police Chief: \_\_\_\_\_ Date:

Reviewed by Patrol Captain: \_\_\_\_\_ Date:

Reviewed by Public Works: \_\_\_\_\_ Date:

# City Council Budget Discussion

## Finance & Administration Committee

August 2, 2023

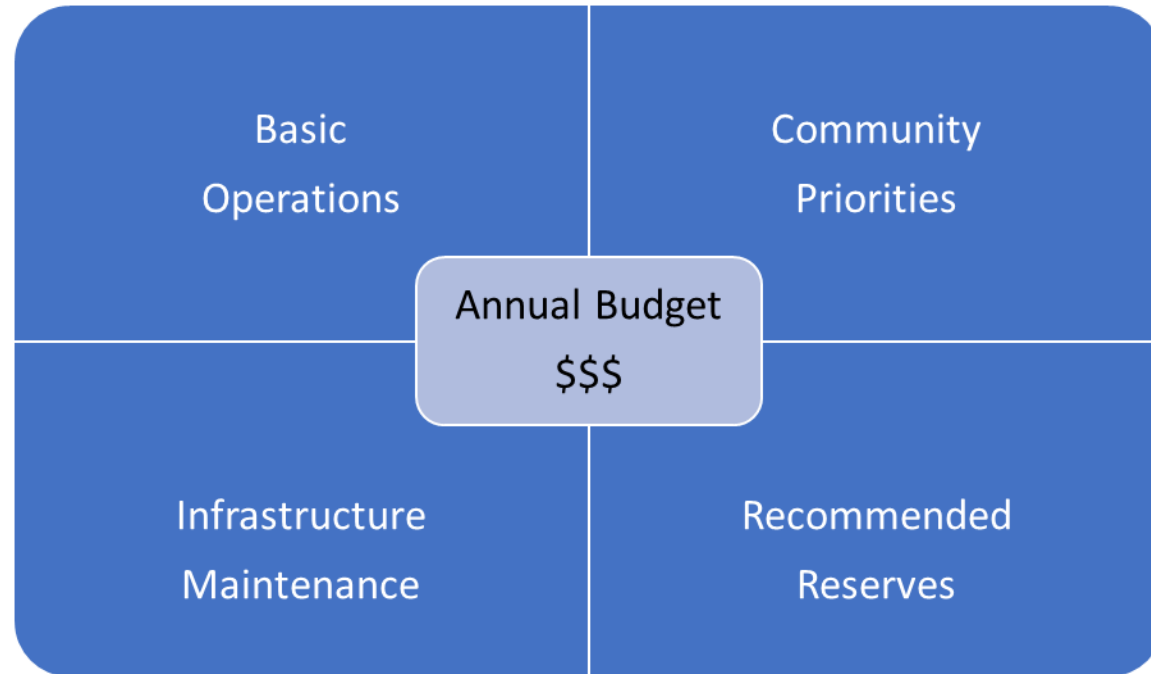


# Agenda

- What Does the Budget Pay For?
- What are We Doing to Manage the Budget?
- Expense Management
- General Fund Reserves
- Property Tax Considerations
- Things Within Our Control
- Remaining steps in Budget process
- Questions/Discussion



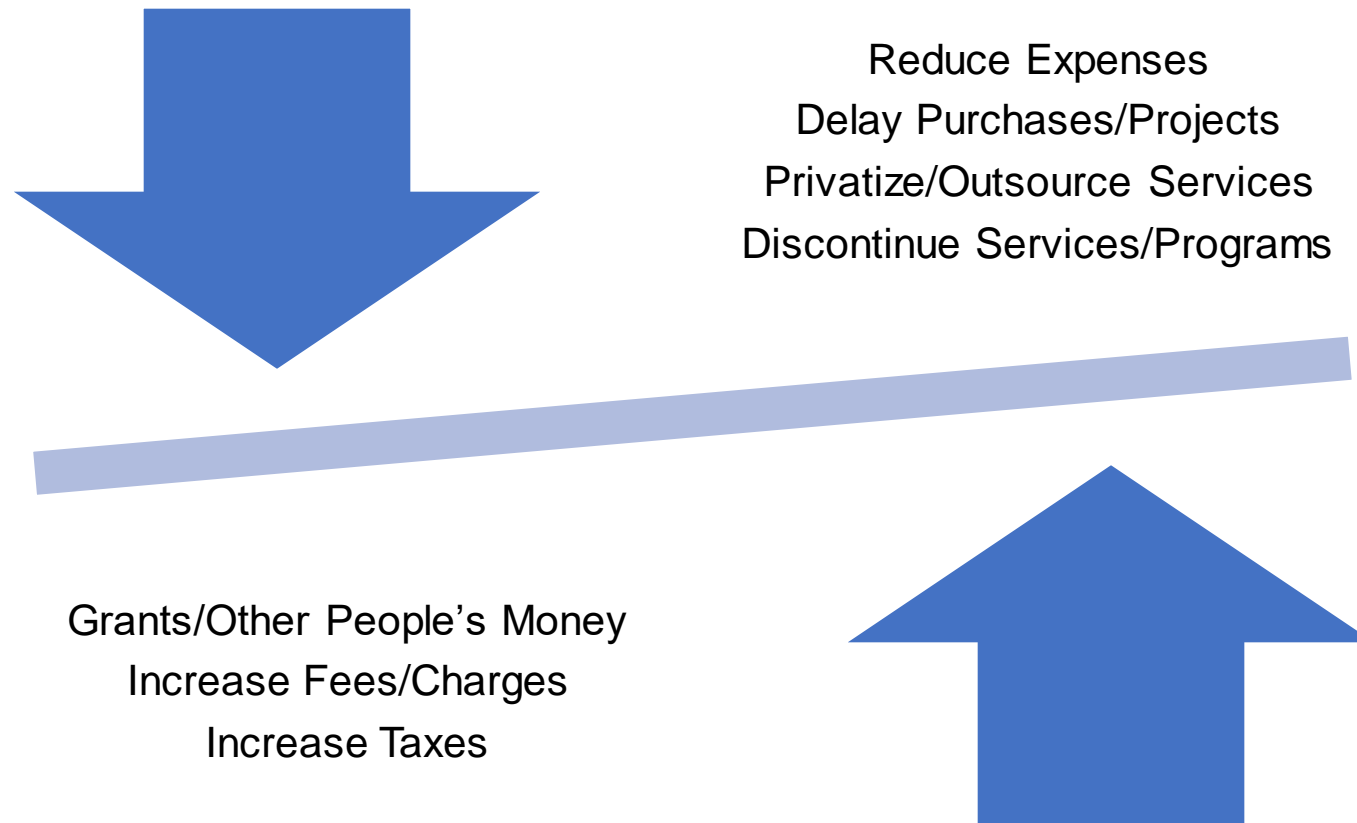
# What does a budget really pay for?





**What Are We Doing to Manage the Budget?**

# As stewards of public resources, we must continually ask ourselves this question.



# Expense Considerations

Department	Budgeted/Authorized Employees 2024 Proposed Budget
Administration	6 FT, 2 PT
Municipal Court	2 FT
Public Works	12 FT, 1 PT
Community Development	7 FT
Parks and Recreation	13 FT, 3 PT
Police	33 FT, 1 PT
Total	73 FT, 7 PT

- Competition from public/private sector continues to present challenges in recruiting and retaining employees
- Need to keep employees appropriately aligned with respect to both external (market) and internal considerations
- Personnel costs are 62% of General Fund Budget expenditures (target is 60%-65%)
- Personnel cost increases alone exceed total annual increase in revenues
- Recommendation to reduce one FTE in 2024 Budget



Careful and consistent management of Department Budgets resulted in savings of over \$500,000 in 2022 despite the following:

- 20% health insurance increase
- Rising costs of good and services
- Increasing pressure on employee recruitment and retention
- Supply chain/scarcity issues resulting in higher costs



# Where is the balance?

What can we defer?

What can we eliminate?

What is the long-term impact?

- Quality of life for residents?
- Impacts to service delivery?

It's all a matter of time and money.





# General Fund Reserves

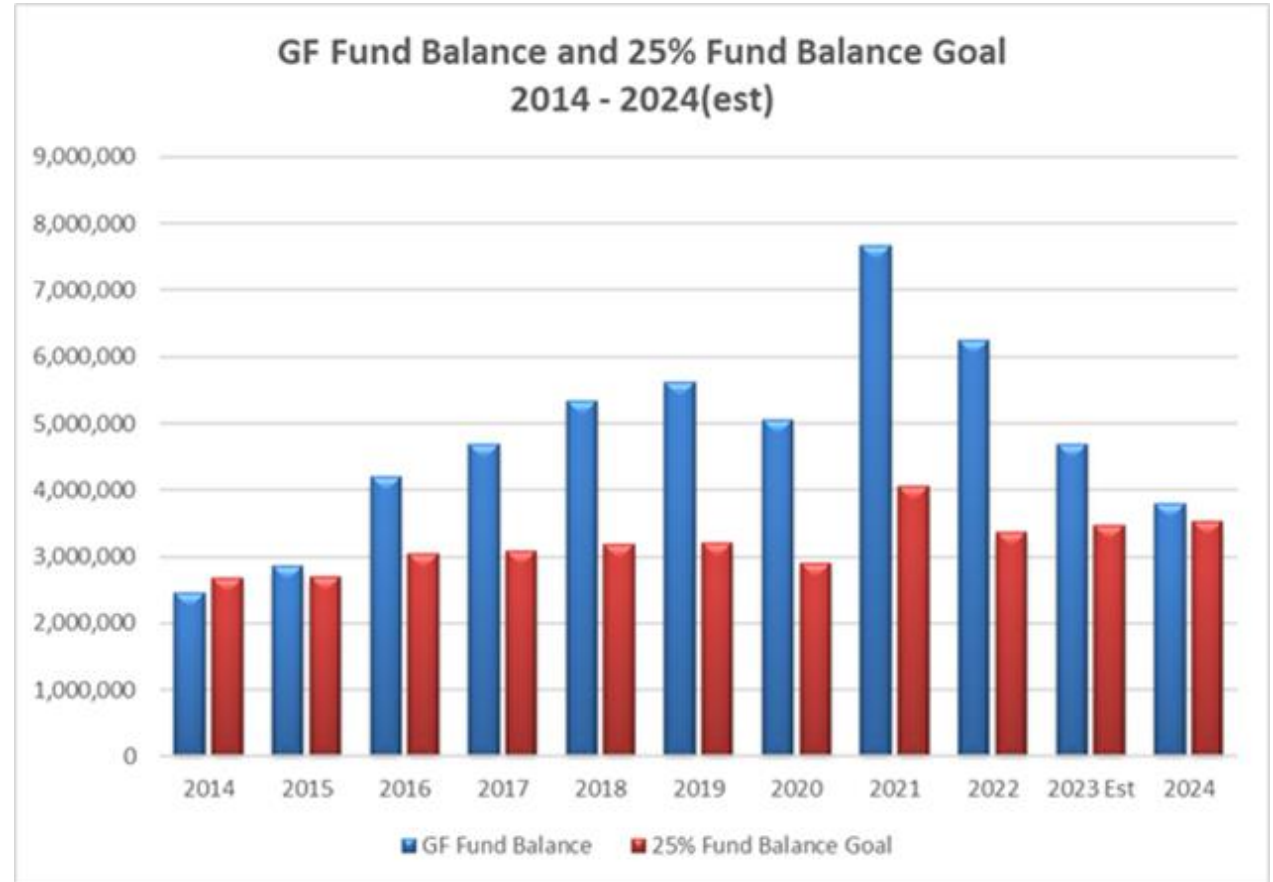
GFOA Recommends no less than 2 months of operating reserves

City Council Policy is 25% of annual General Fund Revenues

Designed to mitigate revenue shortfalls, unanticipated expenditures and to ensure stable tax rates

Can be used to balance the budget or help fund unanticipated or unique expenses

## How much is too much?



Any increase in General Fund revenues increases the amount of fund balance required to meet the 25% policy goal.

For example, for a revenue increase of \$500,000, only \$375,000 is available to “spend” and \$125,000 is “saved” in General Fund reserves.



# Leveraging Outside Resources

*One of the most effective things we can do to stretch taxpayer dollars is to leverage outside resources or “other people’s money.”*



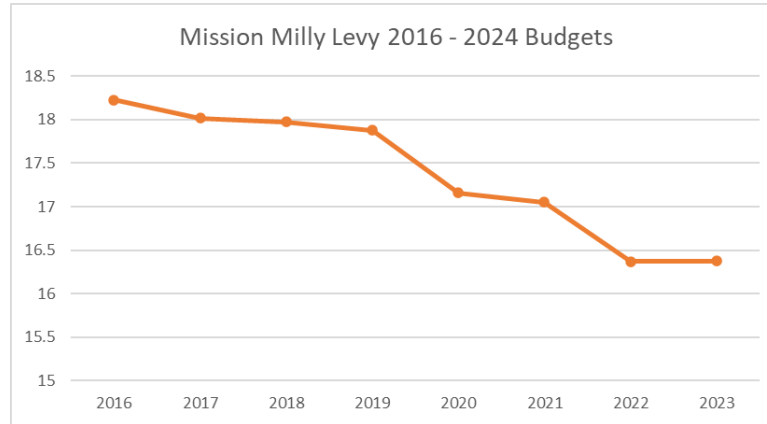
Since 2020, the City has successfully leveraged \$11,080,848 in Federal, State and County funds

We anticipate the potential for an additional \$4-5 million before the targeted projects move to construction.



# Property Tax Revenues

<i>2022 Final</i>	<i>2023 Projected</i>	
<u>Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Change</u>
\$199,769,960	\$213,632,383	\$13,862,423 (7%)



- Current Mill Rate: 16.374
- One Mill = \$199,770 in 2023 Budget and \$213,632 in 2024 Budget
- Mill levy decrease since 2016 = 1.645 mills

Budget Year	Mill Levy	Total Tax Revenue Generated	Increase over 2023 Budget
2023	16.374	\$3,271,034	\$0
2024	16.374	\$3,498,010	\$226,976
2024	18.500	\$3,952,192	\$454,182



# How far does an increase in property tax revenue really go?

Budget Year	Mill Levy	Total Tax Revenue Generated	Increase over Prior Yr Budget
2022	16.369	\$2,952,362	-
2023	16.374	\$3,271,034	\$318,672
2024	16.374	\$3,498,010	\$226,976
2024	18.500	\$3,952,192	\$454,182

Estimated Increase in Property Tax Revenues 2022 to 2023

\$ 318,000

- 79,668 (Reserves)
- 150,000 (Dark Store Refund)
- 65,000 (Limb Pick-up est)

\$ 24,004 (Revenues Available)

Estimated Increase in Property Tax Revenues 2024 (hold mill levy constant)

\$ 226,976

- 56,744 (Reserves)

\$ 170,232 (Revenues Available)

Estimated Increase in Property Tax Revenues 2024 (18.500 mills)

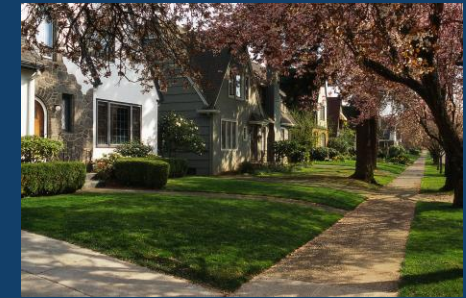
\$ 454,182

- 115,546 (Reserves)

\$ 338,636 (Revenues Available)



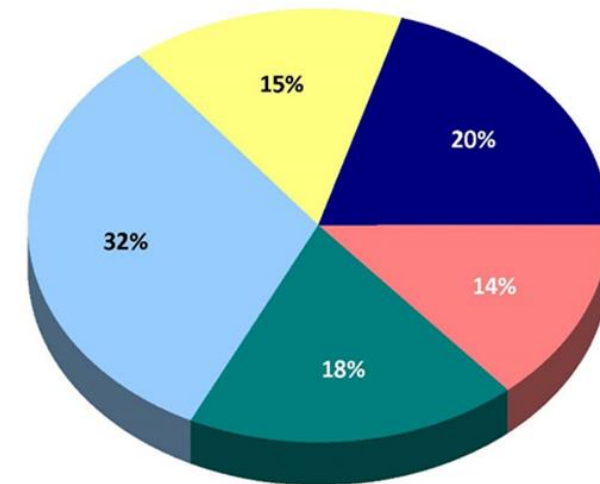
# Mill Levy Scenarios and Considerations



Total mills	Cost for Avg Homeowner	Increase over current (per month)	Increase over current (per year)
16.374	\$585.53/yr → \$49/mo	\$3	\$36
18.500	\$661.56/yr → \$55/mo	\$9	\$108

## Q21. Maximum Amount Respondent Households Would be Willing to Invest to Make Improvements

by percentage of respondents (excluding "not provided")

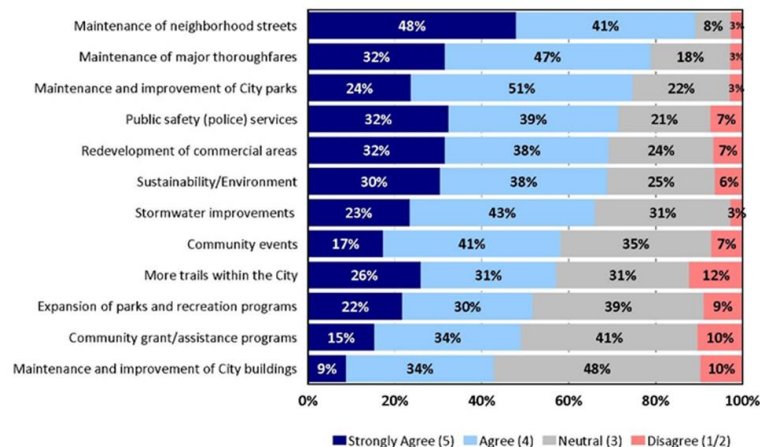


■ \$16 - \$20 per month ■ \$11 - \$15 per month ■ \$6 - \$10 per month ■ \$1 - \$5 per month ■ None

ETC Institute (2021)

## Q19. Agreement with Statements of Support for Increased City Investment in Current and Future Unmet Needs

by percentage of respondents who rated the item as a 1 to 5 on a 5-point scale (excluding "don't know")



ETC Institute (2021)

Page 27

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# How do you mitigate the impact?

- No increase in residential solid waste fees
- Changes to Community Rebate Program
- Communicate continued progress on resident priorities
- Other?

Mission Community Rebate Program History 2006 - 2023		
Budget Years	Average # Applications	Average \$ Rebate
2006-2010	108/year	\$241
2011-2015	49/year	\$268
2016-2020	32/year	\$480
2021-2023	21/year	\$585



# Supplemental Requests

- Council, Staff, and advisory Board's Supplemental Lists typically exceed revenues in any one fiscal year
- Requests are evaluated and eventually funded based on department needs, Council/community priorities, policy goals and objectives, and resources available.
- Supplemental requests can be funded in any of the City's funds including: General Fund, Equipment Reserve and Replacement Fund, MCVB Fund, Stormwater Utility Fund, Capital Improvement Fund and the Parks + Recreation Sales Tax Fund
- Even with mill levy at 18.5 mills, **\$385,500** is still required to fund the highest priority supplemental requests which include:
  - Front line Police Patrol Fleet
  - Two Ford F550s with plows and spreaders
  - Floor Scrubber for Public Works
  - Laptop/Computer Replacement Citywide



# What other things are within our control?

## Transfer to CIP for Streets

- Currently 41% of annual property tax revenues
- Can be set annually, but we know street project costs are escalating
- Keeping pace with 10-year program has been a priority



## Earmarks in General Fund

- \$230,000 in funds from Locale developer
- \$200,000 earmark for dog park at Streamway Park



How do we stay positioned to continue to build upon our success?







# Remaining Budget Calendar

- |                    |  |
|--------------------|--|
| <b>August 16</b>   | <b>Work Session/Community Dialogue on 2024 Budget</b><br><i>Present recommended 2024 Budget</i>  |
| <b>September 6</b> | <b>Special City Council Meeting</b><br><i>Public Hearing on 2024 Budget and Intent to Exceed Revenue Neutral Rate</i><br><i>Adoption of 2023 Revised and 2024 Budgets (Mission, Rock Creek Drainage #1 and #2)</i> |
| <b>October 1</b>   | <b>Deadline to submit certified budget to the County</b>   |

# Questions/Discussion?