

SCANNED

11-21-07 *CD*

Minutes

BASEHOR CITY COUNCIL

November 5, 2007

6:00 p.m.

Basehor City Hall

Official Presiding: President Terry Thomas

Members Present: Iris Dysart, Terry Hill, Keith Sifford, Jim Washington (arrived at 7:00 p.m.)
Members Absent: Mayor Chris Garcia

Staff Present: Carl Slaugh, Mary Mogle, Gene Myracle, Dustin Smith, Sadie Robb

Newspaper: Lara Hastings, *Basehor Sentinel*

WORK SESSION – 6:00 P.M.

In the absence of Mayor Garcia, the work session was called to order by President Thomas. All council members were present with the exception of Councilmember Washington. The city attorney was not in attendance.

Discussion regarding agenda items.

The city administrator reported a presentation will be made by Greg Vahrenberg to give a perspective of how a bond agent or bond purchasing agents go through a bond rating and how it would relate to the Affinity Development project.

a. Consider special recognition of veterans and volunteer groups in general.

Mr. Slaugh reported the item was placed on the agenda to consider a possible donation to the local VFW organization. Mr. Slaugh stated there was a question of what type of organizations the City could appropriately donate funds. He referenced several articles in the LKM Governing Body handbook that explained a municipality should not use public funds for private clubs or organizations; however, the City may decide if they wish to set this precedent for future requests.

President Thomas stated there was a question as to where the City starts and stops with what group would receive funding.

Councilmember Dysart stated she requested a list of next year's contributions and read the list and asked if any of them were considered private. Mr. Slaugh stated the list was all public.

President Thomas stated when the VFW performs tasks for the City, they are representing their post and suggested contracting with the organization to do various jobs throughout the community.

Council discussed the definition of "private" and "public" organizations. President Thomas stated there was no doubt the VFW provides a service to the community, but then other organizations such as Kiwanis would be in the same situation.

Mr. Slaugh reported the City was making a donation for the use of their hall for the City holiday party. VFW member Ed Bush explained the various events the post performs throughout the year and future plans.

b. Consider ordinance authorizing the imposition of a Transportation Development District Sales Tax (TDD) in the City of Basehor, Kansas for the Wolf Creek Junction Transportation Development District and the collection and administration of such Transportation Development District Sales Tax.

Mr. Slaugh reported this ordinance would allow Kansas Department of Revenue to administer the Wolf Creek Transportation Development District tax and collection of the tax to start April 1, 2008. He explained the TDD area would collect an additional three-quarter cent sales tax that would go to pay for infrastructure in Wolf Creek Junction. Currently it is not anticipated that the grocery store will be ready by April 1, 2008.

c. & d. Consider a resolution declaring the eligibility of the City of Basehor to submit an application to the Kansas Department of Transportation for use of Transportation Enhancement Funds set forth by the Federal Transportation Equity Act for the 21st Century for the walking and biking trail project in the City of Basehor and authorizing the mayor to sign the application. (Basehor Elementary School to Park and Tomahawk Valley Trails)

Mr. Slaugh reported there are two trail projects ready for submittal, Basehor Elementary School to City Park and the Tomahawk Valley. The first project would run from Basehor Elementary School west to the city park with the City funding twenty-percent of project. He explained one of the property owners was not in favor of running the trail through his property because it would restrict him from getting to his back yard. His neighbors were also not in favor of having a sidewalk in their front yard. Mr. Slaugh had yet to confirm that with the neighbors. A seconded proposal was also presented that would move the sidewalk to the south side of Leavenworth Road; which would increase the cost to the city by \$5,000.

Mr. McIntosh stated he had not put in Metzger Meadows sidewalks and would be glad to put that money toward the project. Councilmember Sifford asked if the school had been contacted about the proposed project. Mr. Slaugh stated he has spoken with the school principal, Teri Holmes, and she and staff were favorable toward the project.

President Thomas stated there was a signalized sidewalk on the east side of the proposed location and suggested putting a signalized crosswalk at the park.

Mr. Slaugh showed the alignment of the trail proposed for Tomahawk Valley. He explained currently there was not an agreement with the property owner. President Thomas suggested trying to connect with the library's sidewalk on 158th Street. Mr. Slaugh reported he had also been in contact with the property owner north of Tomahawk Valley just in case an agreement could not be reached with Mr. Miles. The intent is to run the sidewalk west to 158th Street and connect with the new library.

Estimated City Share:

<i>Basehor Elementary School to city park</i>	<i>\$ 88,834</i>
<i>Tomahawk Valley</i>	<i>\$119,475</i>

Mr. Slaugh explained the proposed resolutions would authorize him to submit the grants for both trail sites and commit to cost participation.

g. Consider approval to adjust wages for new police officers based on years of service.

Mr. Slaugh explained at a previous meeting, Council approved a wage increase of fifty cents per hour more for police officers hired who possessed State certification and a year of previous service. The correct hourly wage should be \$13.53.

REGULAR MEETING – 7:00 p.m.

ROLL CALL BY MAYOR CHRIS GARCIA AND PLEDGE OF ALLEGIANCE

The regular meeting was called to order by President Thomas with all members present with the exception of Mayor Garcia and Councilmember Washington. The attorney was not in attendance.

CONSENT AGENDA

(Consent Agenda Items will be acted upon by one motion unless a Council Member requests an item be removed for discussion and separate action.)

- a. Approve Minutes
 1. October 29, 2007 Work Session and Regular Meeting
- b. Approve Treasurer's Report & Vendor Payments
- c. Approve investment recommendations
- d. Approve calendar of events

A motion was made by Councilmember Sifford and seconded by Councilmember Dysart to approve the Consent Agenda as presented. Mr. Slaugh asked if the Council wished to change the term for the proposed Certificate of Deposit. Council agreed the term would be six months as recommended in the report. A roll call vote was taken with all members voting in favor. Motion passed 4-0.

CALL TO PUBLIC

Members of the public are welcome to use this time to comment about any matter relating to City business that is listed on this Agenda. The comments that are discussed under "Call to Public" may or may not be acted upon by the Council during this meeting. There is a five-minute time limit. (Please wait to be recognized by the mayor then proceed to the podium; state your name and address).

a. Citizen Comments Regarding Agenda Items

Ed Bush (2606 N. 156th Terr.) addressed Business Item A. He expressed his appreciation for the special recognition shown to all veterans this evening and wanted to state he wanted everyone to know the VFW has not solicited donations from the City but would appreciate whatever the Council would contribute. He announced the VFW was hosting a free dinner on November 16th to members of the community who were 60 years of age and older.

Kevin Markley (159th & Briar Rd.), Wolf Creek Marketplace, reported he spoke with the mayor earlier this week and suggested a ground breaking ceremony be held for the grocery store and was willing to work with Council's schedule. Council agreed to November 10th at 10:00 a.m.

Donald Dyster, Basehor Cabinet Shop, thanked the City for their work on completing the 147th Street improvement project. His customer's are happy now that they have a good street to drive on.

Chuck Wilderson (14820 Parallel) appreciated the work on 147th Street as well and appreciated the farm entrance to his property. He also spoke in favor of the proposed resolutions for two trail locations and felt it would be an asset to the City. He reported PRIDE has also applied for a \$3,000 grant for a proposed trail from the elementary school to the park. He preferred going through Klamm Addition rather than south of Leavenworth Road but would support the Council's decision.

Public portion of the meeting closed.

Councilmember Dysart requested a discussion item be added to the agenda to consider a send a letter to the Kansas Corporation Commission opposing the proposed 37% rate increase for Suburban Water. President Thomas stated it would be added as scheduled discussion item 4b.

SCHEDULED DISCUSSION ITEMS

a. Presentation by Greg Vahrenberg, Piper Jaffray, on Basehor Town Center project

(Councilmember Washington arrived at 7:11 p.m.)

Greg Vahrenberg, Piper Jaffray, gave a presentation showing financial options and the financial condition of the City.

Financial Options:

- General Obligation Bonds and Temporary Notes (city-at-large funding)
- Utility System Revenue Bonds (payable only from utility revenues)
- Sales Tax Bonds (common source of revenues, can count against debt limit)
- Public Building Commission Revenue Bonds (allows City to set up a commission to issue bonds and lease project back to City equal to payments of bond issue)
- State Revolving Loan Funds (low interest loan from Kansas Dept. of Health & Environment – does not count against debt limit)
- Leasing Financing/Certificates of Participation (form of lease financing and not common for large projects, riskier to investor since it would be budgeted on an annual basis and higher interest rate)
- TIF and TDD Revenue Bonds (assessing an additional sales tax on an area to assist with infrastructure)
- Industrial Revenue Bonds (payable only from revenues paid by the company or corporation, City is not obligated to pay on the bonds and does not affect debt limit)

Financial Condition:

The City of Basehor is currently not rated; however, they could acquire a bond rating by paying a fee. Once that rating is secured, it must be maintained (*Tape 1, Side B*). A rating allows the City to obtain a lower interest rate.

The City's net debt per capita is currently at \$1,645 with an overall net debt per capita of \$2,364.

President Thomas questioned the net debt of Cities under 10,000 (page 10) with net debt range from \$121 to \$69,325. Mr. Vahrenberg said it was hard to say what affected the rating of \$69,325. He noticed Basehor's valuation per capita was higher than several cities. He also noted the City of Basehor should concentrate on lowering the term of their bonds from twenty years to ten years or pay additional principal and interest on existing bonds when funding is available. A bond company must review the City's major taxpayer to make sure they are able to pay special assessments and taxes and if they default, it becomes the burden of the City to make up the difference in taxes.

Recommendations to strengthen financial condition of the City:

- Prudent use of bonds and other financing instruments
- Accelerate payout of principal when possible
- Develop and maintain reasonable fund balances
- Monitor debt limit and future projects
- Develop debt policy and fund balance policy
- Evaluate development and Benefit District projects.

Development Project Financial Considerations:

- Financial impact on City
- Requirements of developer for City to finance various components of project.
- Ability of developer to complete project.
- Formation of Benefit District under KSA 12-6a01
- Use of TIF and TDD financing

Mr. Vahrenberg suggested requiring a Letter of Credit from developers; which would help limit the City's financial exposure. He noted benefit districts are very popular and does not count against the City's debt limit.

Benefit District Project Considerations:

- Impact of Benefit District on City's debit limit.
- Use of General Obligation Bonds or Special Obligation Bonds
- Ability of Developer to complete project
- Financial capacity of developer to pay special assessments during completion of project.
- Financial exposure to City-at-large from special assessments
- Requirements for Developer Letter-of-Credit during construction
- Develop policy for benefit district projects.

Mr. Vahrenberg reported this information was not specific to the downtown project since he did not have enough information about the development.

b. Discussion regarding Suburban Water rate increase.

Councilmember Dysart felt the City should take a position on the 37% increase requested by Suburban Water. She felt the City was reducing their chances for development, noting the library and school district recently passed bonds issues which would place an additional burden on the taxpayers.

Councilmember Washington stated he researched the proposal and as a citizen was going to oppose the increase at the public hearing. He referenced a report from Black & Veatch and found the most expensive City was Seattle with a rate of \$99 for water and wastewater. Suburban Water customers will be paying \$135 per month for the first 7500 gallons of water used. He noted Suburban Water shows their operating cost as \$1.71 per 1,000 gallons and they were asking for an increase to \$7.00 per 1,000 gallons. He felt it was incumbent upon the Council to protect their citizens and appear before the Kansas Corporation Commission in opposition to the rate increase. He requested the city administrator appear on behalf of the City with a resolution opposing the rate increase. Mr. Slaugh stated he would be out of town the night of the hearing.

Councilmember Sifford stated he was not sure this was the best way of handling the situation. He felt the residents in Suburban Water area should rally and attend the hearing and was not convinced it was a City issue and was not convinced a letter from the City would make a difference. Councilmember Washington asked why the City did not take the same position in the case of the 24/40 Highway Corridor. Councilmember Sifford stated it was not the same, the stoplights on 24/40 Highway affects all citizens. Councilmember Washington did not agree and felt the City should support the residents.

Councilmember Hill said he agreed with the matter in theory, but questioned if it was the City's role. Councilmember Washington explained the State has created a committee Citizen Utility Rate Board (CURB) (~~KERA~~ amended 11/19/07) to oversee water rate issues in an effort to stop situations such as this from happening.

President Thomas reported this item would be added to the agenda as Business Item "h".

BUSINESS

a. Consider special recognition of veterans and volunteer groups in general.

Mr. Slaugh asked for Council to take formal action as to whether they wanted to make a donation to the VFW.

A motion was made by Councilmember Dysart and seconded by Councilmember Washington in special recognition of Veterans Day and Bob Wiley Post #11499 to have the City make an annual donation in the amount of \$1,000 to the VFW which may be reconsidered each year if Council wishes. A roll call vote was taken with all members voting in favor with the exception of Sifford and Thomas. Motion passed 3-2.

b. Consider ordinance authorizing the imposition of a Transportation Development District Sales Tax in the city of Basehor, Kansas for the Wolf Creek Junction Transportation Development District and the collection and administration of such Transportation Development District Sales Tax.

A motion was made by Councilmember Sifford and seconded by Councilmember Hill to approve the ordinance authorizing the imposition of a Transportation Development District Sales Tax for Wolf Creek Junction Transportation Development District and the collection and administration of such Transportation Development District Sales Tax (to commence April 1, 2008). Discussion followed. Councilmember Washington asked the city administrator to give a brief summary of the proposed ordinance. Mr. Slaugh explained the ordinance noting it was spurred by a request from Kansas Department of Revenue to grant them authorization to administer the TDD and set a date for collection of the sales tax. A roll call vote was taken with all members voting in favor with the exception of Councilmember Washington. Motion passed 4-1.

- c. Consider a resolution declaring the eligibility of the City of Basehor to submit an application to the Kansas Department of Transportation for use of Transportation Enhancement Funds set forth by the Federal Transportation Equity Act for the 21st Century for the walking and biking trail project in the City of Basehor and authorizing the mayor to sign the application. (Tomahawk Valley Trail)***

A motion was made by Councilmember Sifford and seconded by Councilmember Hill to approve the proposed resolution declaring the eligibility of the City of Basehor to submit an application to Kansas Dept. of Transportation for use of Transportation Enhancement Funds for a walking and biking trail (commonly known as Tomahawk Valley Trail) and authorizing the mayor to sign the application. Discussion followed. Dysart asked if the City was obligated to go with the grant if awarded. Mr. Slaugh stated the City would be obligated; however, they give some leeway if the route needed to be redirected. Councilmember Dysart stated she was concerned that the developer has not agreed to the project. Mr. Slaugh stated the grant allows the City to obtain easements and rights-of-way prior to receiving funds in year 2010.

President Thomas noted the thought process was the developer was putting in a trail when he developed and the City would participate. Mr. Slaugh reported he also spoke with the developer north just in case an agreement could not be made with the Tomahawk Valley developer. Criteria for a trail grant was discussed. Councilmember Dysart felt the railroad right-of-way had historical significance and should be taken into consideration. Mr. Slaugh stated the developer of Basehor Town Center has an opportunity to apply for a grant as well. Councilmember Dysart questioned if the City would be liable for design and engineering cost of the projects and if so, the documents were not correct and should be revised prior to submittal. Councilmember Washington noted the cost estimate showed \$50,000 for engineering design and construction cost. A roll call vote was taken with all members voting in favor with the exception of Councilmember Dysart. Motion passed 4-1.

- d. Consider a resolution declaring the eligibility of the City of Basehor to submit an application to the Kansas Department of Transportation for use of Transportation Enhancement Funds set forth by the Federal Transportation Equity Act for the 21st***

Century for the walking and biking trail project in the City of Basehor and authorizing the mayor to sign the application. (Basehor Elementary School to Park)

A motion was made by Councilmember Washington and seconded by Councilmember Sifford to approve the proposed resolution declaring the eligibility of the City of Basehor to submit an application to Kansas Dept. of Transportation for use of Transportation Enhancement Funds for a walking and biking trail (commonly known as Basehor Elementary School west to city park) and authorizing the mayor to sign. Mr. Slaugh asked for clarification on the location. Council agreed the trail would be constructed on the south side of Leavenworth Road. A roll call vote was taken with all members voting in favor. Motion passed 5-0.

- e. Consider adoption of ordinance giving Kansas Dept. of Revenue authority to administer Wolf Creek Transportation Development District and set April 1 as the official collection date.***

Duplicated. See Business Item "b".

- f. Consider approval of payment #2 to H.E. Miller Construction for work on the 147th Street Project and change order No. 4 in the amount of \$228,928.53.***

A motion was made by Councilmember Sifford and seconded by Councilmember Hill to approve not to exceed \$169,498.51, less change order No. 4 and less 10% retainage. Councilmember Washington asked about the design of 147th Street for a 35 mph design speed and expressed his concern with the hill noting it appeared to be short going south. President Thomas suggested putting in a sign that said "Hill blocks view". Mr. Slaugh stated they normally post those types of signs for higher speed limits. A roll call vote was taken with all members voting in favor with the exception of Councilmember Washington. Motion passed 4-1.

- g. Consider approval to adjust wages for new police officers based on years of service.***

(Tape 2, Side A)

A motion was made by Councilmember Sifford and seconded by Councilmember Washington to approve an adjustment in wages for new police officers based on years of service (from \$13.14/hr) to \$13.53 per hour. A roll call vote was taken with all members voting in favor. Motion passed 5-0.

- g. (delete, duplicated above, amended 11/19/07)***

- h. Consider resolution to oppose rate increase for Suburban Water.***

Councilmember Washington moved to direct the city administrator to write a letter to the Kansas Corporation Commission opposing the rate increase of Suburban Water as being excessive and detrimental to the City of Basehor or words to that effect. A roll call vote was taken with all members voting in favor with the exception of Councilmember Sifford. Motion passed 4-1.

CITY ADMINISTRATOR REPORT

- City Administrator will attend KACM conference November 7 through the 9th.
- Reminded council that the work session would remain on November 12th, rather than moved to the 15th. The major topics of discussion would be annexation, boundary, and 24/40 corridor issues.

Mr. Slaugh reported the 24/40 Corridor project management team met earlier in the day. KDOT has agreed to finalize the project document which was close to completion.

President Thomas requested the planning director provide maps of the annexation area at the November 12th work session.

- Meeting was held with Springsted, a financial consulting firm, to gain financial and feasibility advice regarding the municipal facility downtown project.

MAYOR'S REPORT

(Mayor was not in attendance)

COUNCIL MEMBER REPORTS

Iris Dysart

Councilmember Dysart asked when the Sewer District No. 7 information would be available and if it was necessary to schedule another meeting with the County Commissioners. Mr. Slaugh stated he had not received any information but would follow up. She also questioned if the city administrator had received any information regarding the Cedar Falls maintenance bond. Mr. Slaugh stated he sent an email as a follow up to his letter but has not received a response to date and hoped to have a response in a week or so.

EXECUTIVE SESSION

A motion was made by Councilmember Washington and seconded by Councilmember Dysart to convene into an Executive Session not to exceed fifteen minutes to discuss information security and asked that the city administrator and city clerk attend. (8:37 p.m.)

At 8:50 p.m., President Thomas called the regular meeting back to order.

ADJOURNMENT

A motion was made by Councilmember Sifford and seconded by Councilmember Dysart to adjourn the meeting. A roll call vote was taken with all members voting in favor. Motion passed 5-0. Meeting adjourned at 8:52 p.m.

Submitted for Council approval with/without corrections or additions this 19th day of November, 2007.



Mayor Chris Garcia

Attest:

Mary A. Mogle, CMC, City Clerk

(2 audio tapes)

COMM. 2
NOV 14 2007