

City of Spring Hill, Kansas
Minutes of City Council Regular Session
August 8, 2019

A Regular Session of the City Council was held in the Spring Hill Civic Center, 401 N. Madison, Council Chambers, Spring Hill, Kansas on August 8, 2019. The meeting convened at 7:00p.m. with Mayor Ellis presiding and Glenda Gerrity, City Clerk, recording.

Councilmembers in attendance: Chris Leaton attended via telephone
 Tim Pittman
 Floyd Koder
 Chad Eckert

Councilmembers absent: Andrea Hughes

Staff in attendance: Jim Hendershot, City Administrator
 Melanie Landis, Asst. City Administrator
 Cindy Henson, Chief of Police
 Jim Boyer, Utility Superintendent

Consultants in attendance: Frank Jenkins, City Attorney

INVOCATION

The invocation was given by Pastor Joel Atwell, Grace Community Church.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

The City Clerk called the roll of the City Council. With a quorum present, the meeting commenced.

APPROVAL OF THE AGENDA

The Mayor requested to change the Executive Session to Personnel Exception.

Motion by Koder, seconded by Pittman, to approve the agenda as revised. Motion carried 4-0-0.

CITIZEN PARTICIPATION

Steve Boswell, 504 N. Jackson, addressed the Governing Body about the process of administering codes enforcement and policies within the City. He requested that the City review the City codes and comply with its own rules. He also commented about budgeting funds for improving Webster Street.

PUBLIC HEARING

Consider issuing its Industrial Revenue Bonds (Taxable under Federal Law) (Mid-Am Building Supply), Series 2020

The City Administrator explained that Industrial Revenue Bonds (IRB's) are an economic development tool available to Kansas cities and counties. IRB's are offered under Kansas law (see K.S.A. 12-1740 and 79-201a) to provide financing for private business facilities and may be used to finance all or a portion of the project. Cities elect to offer the use of IRB financing to support economic development activities which offer the option of tax abatement and/or sales tax exemption on construction of the facility.

He stated that the City is in receipt of an IRB application for an addition to the commercial facility for Mid-Am Building Supply. The application request is for IRB's in the principal amount of approximately \$4,000,000, to finance a portion of the project, abatement of property taxes averaging 78% over ten (10) years and exemption of sales tax on construction of the project. Mid-Am currently pays approximately \$49,600/year in property taxes to the City. The resolution of intent is proposed under section fourteen (14) of the policy related to property tax abatement established under Resolution 538.

At 7:19p.m., the Mayor opened the public hearing.

Debbie Hickman (19401 W. 200th Street), stated that she is not against IRB's; however, the PILOT Agreement indicates 100% property tax abatement for the first seven years. She requested that the Governing Body keep the citizens in mind when granting tax exemptions to be fair and equitable.

David Fenley, representative for Mid-Am Building Supply from Dentons US LLP, was present to answer any questions.

With no further comments, the Mayor closed the public hearing at 7:21p.m.

PUBLIC HEARING

2020 Operating Budget and 2020-2024 Capital Improvement Program

At 7:22p.m., the Mayor opened the public hearing.

The City Administrator stated that the public hearing was published in the Miami County Republic on July 24, 2019. The published budget included a mill levy that can ultimately be lowered; however, cannot be increased from that number.

He reported that staff and the Mayor have been able to identify measures that allow the City to achieve the objectives while maintaining a mill levy that does not require an increase. This includes the utilization of the City's portion of the County Courthouse sales tax, as well as alternate phasing of vehicle purchases. Having received Council feedback on July 11th and on July 25th, it afforded staff the opportunity to take the real-time feedback and redirect revenue sources and provide a balanced budget without increasing the mill levy.

The City Administrator added that staff has received requests to provide a detailed line item budget. The concentration of line item details has not traditionally been accomplished until after the Governing Body has approved the budget. This provides staff direction and a clear vision of available funds, approved expenditures and expectations. He explained that during the early phases of budget development, department heads are asked to review individual department budgets and suggest adjustments based on a variety of factors such as staffing, expenditure history and projected expenses. There have been instances where this review resulted in budget decreases and shows the level of seriousness and responsibility of department heads. To provide line item information prior to the budget being approved would be information based on estimates rather than approved funding and could be interpreted as inaccurate. Traditionally, staff have not provided specific line item information as part of the budget process. Staff can do so going forward but requested direction to allow staff the opportunity to assimilate the information together in a manner that is acceptable to the Governing Body.

In closing, Mr. Hendershot stated that staff will address the Governing Body for formal action regarding adoption of the budget. Options for consideration include adoption of the budget or table action until the August 22nd meeting.

Debbie Hickman, 19401 W. 200th Street, stated that the July 25th meeting minutes state that it was the consensus of the City Council to a 1 mill increase, which is allowed per the tax lid. She was confused about the proposed budget, which did not include a mill increase. The Mayor explained that with further review of all revenue sources, financing options, funds that were not earmarked, the objectives for additional police officers and the broadband project, the City is able to maintain a level mill levy. He added that it was better to publish the higher mill levy number, as recommended by the City Council, with the option of lowering that number.

Steve Owen, 19401 W. 200th Street, stated that it sounds like there are changes to the budget (that was published); however, wanted to voice his concern about the lack of the budget process and no line item budget. Staff advised that a line item budget is not available, only summary numbers. Mr. Owen asked how you can approve a budget without the details and requested that the budget be tabled and requested a line item budget.

Rodolfo Arevalo, 19419 W. 200th Street, thanked the Governing Body for the opportunity to speak and his comments are related to the budget that was published. The General Fund mill increase is 3.174; total expenditure increases 62% over 2019; believes there is an error in Line Item 13. of page 2; requested greater detail of the General Fund listed on page 7, specifically regarding Salaries & Wages, Future Projects, and Additional Requests Considered. Mr. Arevalo requested to consider further detail before the budget is approved.

With no further comments, the Mayor closed the public hearing at 7:39p.m.

CONSENT AGENDA

Motion by Koder, seconded by Eckert, to approve the Consent Agenda:

1. **Approval of Minutes: July 25, 2019**
2. **Appropriation Order 2019-08-08**
3. **Consider Approval of Contract: Services for Crossing Guards, All City Management Services**
4. **Consider Approval of Improvement Agreement: Foxwood Ranch, 2nd Plat, FP-06-19, 189th St & Skyview Lance, Phelps Engineering, Inc.**
5. **Consider Approval of Final Plat: Foxwood Ranch, 2nd Plat, FP-06-19, 189th St & Skyview Lance, Phelps Engineering, Inc.**
6. **Consider Approval of Improvement Agreement: Dayton Creek, 6th Plat, Dayton Creek Elementary School, NE corner of 191st & US 169 Hwy, Polsinelli PC**
7. **Consider Approval of Final Plat: Dayton Creek, 6th Plat, Dayton Creek Elementary School, NE corner of 191st & US 169 Hwy, Polsinelli PC**

Motion carried 4-0-0.

FORMAL COUNCIL ACTION

8. **Consider Approval of Appointment of Community Development Director**

The City Administrator reported that per Section III-2.A of the Employee Handbook, the Mayor with consent of the Council, may appoint officers including a Community Development Director. The previous position of Assistant City Administrator for Public Works and Community Development has been re-evaluated with a determination to divide the duties between a Community Development Director and Public Works Director. As a result, the position of Project Coordinator/Assistant Planner will not be filled. This action results in no overall increase in salaries and is within the annual budget.

Mr. Hendershot respectfully recommended to the Mayor the hiring of Patrick Burton for the position of Community Development Director. Mr. Burton has successfully passed the required background check and expressed his desire to commence employment with the City of Spring Hill on August 12, 2019. This recommendation includes a salary at the 50th percentile of the established range.

The Mayor was pleased to request the appointment of Mr. Patrick Burton to Community Development Director for the City of Spring Hill, Kansas.

Motion by Pittman, seconded by Eckert, to approve the Mayor's appointment of Mr. Burton. Motion carried 4-0-0.

Mr. Burton was present at the meeting and thanked the Governing Body for their support and is looking forward to the challenge.

9. **Resolution No. 2019-R-15: Resolution of Intent for Industrial Revenue Bonds, Mid-Am Building Supply**

The City Administrator presented the Resolution determining the intent of the City to issue its industrial revenue bonds (taxable under federal law) in the approximate principal amount of \$4,000,000 to pay the cost of constructing and equipping a commercial facility within the city and approving the form of a payment in lieu of tax agreement in connection with a property tax exemption for the property financed with the proceeds of the bonds (Mid-Am Building Supply).

The city is in receipt of an IRB application for an addition to the commercial facility for Mid-Am Building Supply. The application request is for IRB's to finance a portion of the project, abatement of property taxes averaging seventy-eight percent (78%) over ten (10) years and exemption of sales tax on construction of the project. The resolution of intent is proposed under section fourteen (14) of the policy related to property tax abatement established under Resolution 538.

A cost-benefit analysis was conducted by the State of Kansas and provided to the Administrative Review Committee. The Administrative Review Committee reviewed the application and cost-benefit analysis and voted to recommend approval.

Staff and the Review Committee recommended to approve Resolution No. 2019-R-15 determining the intent of the City of Spring Hill, KS to issue its industrial revenue bonds (taxable under federal law) in the approximate principal amount of \$4,000,000 to pay the cost of constructing and equipping a commercial facility within the city and approving the form of a payment in lieu of tax agreement in connection with a property tax exemption for the property financed with the proceeds of the bonds (Mid-Am Building Supply).

Motion by Koder, seconded by Pittman, to approve Resolution No. 2019-R-15. Motion carried 4-0-0.

10. Consider Adoption of the 2020 Operating Budget

The Mayor requested to table this item until the August 22, 2019 meeting.

Motion by Pittman, seconded by Eckert, to table the budget approval to the August 22, 2019 meeting. Motion carried 4-0-0.

11. Resolution No. 2019-R-16: Adopting 2020-2024 Capital Improvement Program (CIP)

Motion by Pittman, seconded by Eckert, to table to the CIP until the August 22, 2019 meeting. Motion carried 4-0-0.

12. Resolution No. 2019-R-17: Authorizing and directing execution of Cemetery Settlement Agreement with lot owners

The Assistant City Administrator reported that the Cemetery Board, at an uncertain time, re-sold two lots marked as block 11A, spaces 6 and 7. The original deeds belong to Michael and Debra Thompson. The Cemetery Board met with the Thomsons and offered several alternative solutions. The Thomsons have requested compensation in amount of \$2,000 for the two lots in return for the original deeds. The proposed settlement agreement and release outlines the details of the settlement and release as well as the details regarding future burial in block 10A, space 7.

The sum of \$2,000 will be paid from the Cemetery Board checking account and funds will be available only after the consideration and approval of the City Council. The resolution, settlement agreement and release were prepared by Frank Jenkins, City Attorney. The Thomsons have signed the agreement.

Staff recommended approval of Resolution No. 2019-R-17 authorizing and directing execution of the settlement agreement and release.

Motion by Koder, seconded by Pittman, to approve Resolution No. 2019-R-17. Motion carried 4-0-0.

13. Board Appointments:

- **Board of Zoning Appeals**
- **Spring Hill Recreation Commission**

The Mayor presented the following slate of appointments for the Board of Zoning Appeals and Spring Hill Recreation Commission:

Spring Hill Recreation Commission

Re-appoint Troy Mitchell to June ~~2021~~2023 (corrected in amended motion)

Board of Zoning Appeals

Re-appoint Brian King to June 2021

Re-appoint Brian Haupt to June 2021

Re-appoint Wendy North to June 2022

Appoint Adam McDonald to June 2022

Re-appoint Valerie Houpt to June 2020

Motion by Koder, seconded by Pittman, to approve the slate of appointments.

Discussion: The City Clerk requested a correction to Mr. Mitchell's appointment to the Spring Hill Recreation Commission. This is a 4-year term; therefore, will end 2023, not 2021.

Motion amended by Koder, seconded by Pittman, to correct the term of Mr. Mitchell to 2023. Motion carried 4-0-0.

DISCUSSION

14. Request for Proposals (RFP): Spring Hill Broadband Initiative

The Assistant City Administrator presented the Request for Proposal (RFP) for Partnership for Deployment of a Fiber-to-Premises (FTTP) Network. Ms. Landis gave an overview of the entire process that the Broadband Task Force worked on with the goal to bring better internet service to the residents and businesses of Spring Hill. She reported that the 2020 Capital Improvement Program has slated \$350,000 to begin this project, with payments over 10 years. Ms. Landis thanked the members of the Task Force, staff and Councilmember Hughes for the time and effort they gave to this project. Mayor Ellis echoed these comments.

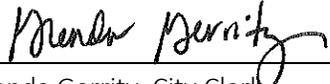
EXECUTIVE SESSION – Personnel Exception

The Executive Session was deleted.

ADJOURN

Motion by Pittman, seconded by Koder, to adjourn.

The meeting adjourned at 8:12p.m.



Glenda Gerrity, City Clerk

Approved by the Governing Body on August 22, 2019.