



City of Lawrence

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CITY COMMISSION

MAYOR
ARON E. CROMWELL

COMMISSIONERS
ROBERT J. SCHUMM
MICHAEL DEVER
HUGH CARTER
MIKE AMYX

August 2, 2011

The Board of Commissioners of the City of Lawrence met in regular session at 5:00 p.m., in the City Commission Chambers in City Hall with Mayor Cromwell presiding and members Amyx, Carter, Dever and Schumm present.

A. EXECUTIVE SESSION

1. Consider motion to recess into executive session for approximately 15 minutes for the purpose of consultation with attorneys for the body which would be deemed privileged in the attorney-client relationship. The justification for the executive session is to keep matters confidential at this time.
2. Consider motion to recess into executive session for approximately one hour for the purpose of discussion of employer-employee negotiations. The justification for the executive session is to keep negotiations confidential at this time.

It was **moved by Schumm, seconded by Amyx**, to recess into executive session at 5:00 p.m. for approximately 15 minutes for the purpose of consultation with attorneys for the body which would be deemed privileged in the attorney-client relationship. The justification for the executive session is to keep matters confidential at this time. Also moved to recess into executive session for approximately one hour following the conclusion of the first executive session, for the purpose of discussion of employer-employee negotiations. The justification for the executive session is to keep negotiations confidential at this time. Motion carried unanimously.

The executive session concluded at 6:14 p.m. The City Commission recessed and after a short break, the City Commission reconvened in regular session at 6:35 p.m. in the City Commission Chambers.

Upon reconvening in regular session, it was **moved by Amyx, seconded by Schumm**, to set a public hearing for August 16, 2011, for the purpose of receiving evidence and an explanation of proposals from the City and its employee groups pursuant to Section 6 of Resolution 6817. Motion carried unanimously.

B. RECOGNITION/PROCLAMATION/PRESENTATION

1. None.

C. CONSENT AGENDA



It was moved by Schumm, seconded by Carter to approve the consent agenda as below. Motion carried unanimously.

1. Received minutes from various boards and commissions:
Historic Resources Commission meeting of 06/16/11
Planning Commission meeting of 06/20-22/11
2. Approved claims to 183 vendors in the amount of \$2,314,898.58, and payroll for 7/17/11 to 7/30/11 in the amount of \$1,831,931.08
3. Bid and purchase items:
 - a) Awarded bid for one rear load refuse trucks for Public Works Department to Downing Sales and Service for \$136,610.
4. Adopted on second and final reading, Ordinance No. 8649, adopting the 2011 Standard Traffic Ordinance, Edition 2011.

D. CITY MANAGER'S REPORT:

David Corliss, City Manager, presented the City Manager's Report.

Dave Wagner, Utilities Director, provided an update on water intake at the Kaw Water Treatment Plant.

E. REGULAR AGENDA ITEMS:

1. **Conduct public hearing on 2012 City budget and consider the following items related to the adoption of the City's 2012 budget:**

David Corliss, City Manager, presented the staff report.

Moved by Dever, seconded by Schumm to open the public hearing. Motion carried unanimously.

Bobbie Flory, Lawrence Homebuilders Association, thanked the Commissioners and staff for their work on the budget. She said she was here to comment on the system development charges. Previously she had testified against an increase in those charges due to the downward economic trends in the building industry. Two years later those conditions had not improved. She encouraged commissioners to reject this ordinance at this time. If the increase was unavoidable she wanted to be partners in understanding what the increase paid

for. She said there wasn't a clear understanding of the projects that would be funded with these charges. She said it would be nice to have a technical memorandum outlining what growth related projects were planned to be funded with system development charges.

Bob Schumm asked when the last time we had an increase in system development charges was. He also asked if the increase had been waived before.

Corliss said we did not increase the water or sewer rates for 2011. We did not increase the SDCs in 2010 either.

Mike Lawless, assistant director of utilities, said they had been increased in budget year 2009. Typically they had previously been increased annually according to the rate model. The model allows us to assume the SDC changes would be phased in over time.

Amyx asked what year the rate model had been done.

Lawless said in 2005 the model was created for us.

Amyx asked if this was the same study by Black and Veatch when we had issues with sewer capacity.

Corliss said the master plan and rate study had been conducted then but we now do those rate calculations in house.

Dave Wagner, Director of Utilities, said the master plan and rate plan had been done in the latter part of 2004. In 2004 Black and Veatch created a rate model that we could take in house. It was a separate product.

Laura Routh said the efforts to clean up Farmland were forward thinking and wise. She said she supported the repairs on the intake at the Kaw Plant. She said she was heartened by the efforts of the Solid Waste Task Force. She said the meeting schedule had been changed and was not up to date on the city's website. She said more should be spent in 2012 on sidewalks. We could not afford increases to the police department at this time. The police department had not provided adequate evidence that more officers were needed. The relative priorities of the department should be examined.

Joe Caldwell, representing the Parks and Recreation Advisory Board, said the board had some concerns. He recognized the difficulty in the budgeting process at this time. Going back to 1994, the sales tax approved by voters was largely done to fund parks and recreation projects. As the initial projects were paid off the department would move into second generation projects and he looked forward to seeing those projects. The cut to the parks and recreation maintenance budget was concerning. He said there was not a good plan for moving forward. Recently the northwest Lawrence recreation center had hit the radar and he thought this was critical to competing with other communities and attracting events and visitors. Several recent events had attracting large amounts of spending to the community. The benefits were both quality of life and economic. He said the board was asking for time with the commission at a study session to discuss community needs for the next five years.

Kevin Loos, Parks and Rec Advisory Board, said the department has done amazing things, doing more with less. He didn't want another year to go by without discussing long term direction. The public has spoken that more recreation space is needed. The board has identified alternative funding sources, but the board did not feel the full support of the commission. They would like more direction on what more the board should do. In addition to the long term plan, he would like to know the commission's direction on the new recreation center. They had lined up the opportunities and the support and didn't want the opportunities to pass us by.

Gwen Klingenberg said the budget was a major balancing act. She said she wanted to address the discussion of planning department staff. LAN had worked hard to improve the public processes in planning. She said LAN supported expansion of the rental registration process. She said Planning did a lot of things behind the scenes in site planning and other processes. There were a number of important plans that needed to be completed. She knew housing was down, but in 2010 we had more total development services requests for service than 2008. Development Services had a number of programs that were very important to residents, including emergency furnace loans and housing programs. The annual report listed

many of the things that the department did. She said the planners did a lot of after hours work with applicants and neighborhoods. Cutting the manpower in the department would either increase the hours planners worked or would cut the public out of the public processes. Cutting planning department jobs would be detrimental.

Luke Bell said he wanted to comment on system development charges. He said he wanted more information from the city regarding the need for the increases and what they would be funding.

Mike McAtee, Lawrence Police Officers Association, said he appreciated the work of staff and the commission on the budget. During this budget process the commission took two hours to listen to Chief Khatib's presentation of the needs of the police department. It was important to remember the chief's overall assessment of crime rates and his recommendation that the city needed 27 new police officers now. Guidance on how to accomplish that was needed in order to keep Lawrence a good place to live. He thanked the commission for their time.

Moved by Schumm, seconded by Amyx to close the public hearing. Motion carried unanimously.

Schumm said he was very concerned with keeping a balanced budget. From the commentary tonight it was clear that there were a lot of interests and people operated from sincere beliefs regarding was important to the community. He said he wanted to keep the mill levy stable with the exception of the additional mills mandated by the public for the construction and operation of the library. Other than that he wanted to keep the levy the same as last year. We were within .2 mills of doing that. Regarding the police department, there was annual turnover of 6-8 officers. The city manager's recommendation was to fill those positions, add four officers and keep the grant funded detective. Additionally there were plans to over hire to keep at full force with turnover.

Corliss said that was a fair summary. Additionally, some officers would begin on the payroll this year.

Schumm said in some organizations there was a tendency to do something big one year and then not do more for a number of years and then end up playing catch up. He said he would prefer an incremental approach, over hiring and hiring two new positions and retaining the detective. This would be a good start as well as let us stay at an even mill levy.

Cromwell said that as much as he was tempted to keep the mill levy flat, and recognizing that the budget was always balanced by the city, this was an occasion where we were pretty far behind and he was in favor of keeping the five new positions in the budget. He thought that even with that we would be behind in police staffing and he was okay with the mill levy increase for that purpose. More positions should be added in future years.

Carter said he agreed. Staff had done a good job at identifying cuts to minimize the mill levy. Some of those were difficult items. He was comfortable with 1.88 mills. The increased staff in the police department was intended to maintain service levels to the community. If it was the will of the commission to get to 1.7 mills there were other ways to do that, but he was hopeful that 1.88 was where we would end up.

Amyx said we had an understanding of what the chief feels is necessary to staff the police department. It is impossible to address all of the priorities of the community at the same time but that it was the job of the commission to do the best possible. When it comes to the plan for the police department, he said if we really wanted to go through the budget page by page we could find money to fund the officers with enough time. We had a responsibility to ask if people were safe in Lawrence, KS. In the end we had a responsibility to taxpayers to meet priorities. It cost a little bit to have the best police department in the state. He thought we should maintain levels in the police department. The recommendation to over hire was a good one, with the addition of two new officers and retaining the detective. He would love to stay at 1.7 mills.

Dever said we had a couple of major points that came up today: Parks and Rec and public safety. The opportunity we have is that we have a new police chief and his vision for what is needed to keep the community safe. It was reasonable to respect and consider his professional opinion, as well as the Parks and Recreation Advisory Board. We had struggled for four years to keep the mill levy flat. We are committed to making Lawrence a better community. We have an opportunity to add police officers at the recommendation of the chief. He said Schumm's proposal was a reasonable thing to discuss. He said he was in favor of adding four officers and retaining the detective position. At this point rather than discussing layoffs he would support the city manager's recommended budget.

Cromwell noted that the budget had already been amended from the city manager's recommended budget. He did not want people to think we were whittling down parks and recreation. We were still spending 8.8 million dollars on parks and recreation. He hoped the commission could sit down and help the parks and recreation advisory board understand the direction the commission wanted to go and he wanted to make sure the board knew their work was appreciated. He said he appreciated the work of the commission and the staff on the budget, and the work to make Lawrence more fiscally secure than other communities in the state. The proposed increases were to increase services and that was a significant accomplishment.

Moved by Schumm, seconded by Amyx, to adopt on first reading, Ordinance Number 8650 amended to only include two new police officers and one detective position. Aye: Schumm and Amyx. Nay: Cromwell, Carter and Dever. Motion failed 2-3.

Amyx asked what the effect of the water and sewer rate increases did to the budget.

Corliss said debt would be issued for capital projects. The commission would decide if and how to proceed with projects as they were brought forward by the staff.

Schumm said the wastewater treatment plan would be sited at a later point.

Corliss said correct.

Amyx asked if we removed the site acquisition from the 2012 budget, what would be the effect.

Corliss said the debt proceeds could supplement another project or the rate increase could be smaller. The debt package is all of the projects together, and the proposed rate increases would fund those projects over time.

Amyx asked about the Kaw intake and whether we had a sand problem, and what we would do to take care of it.

Corliss said we would get consulting engineers in place to look at all the options, which may include dredging, new technologies, moving the intakes, or other options.

Amyx said as long as we looked at all the options, that would alleviate his concerns. He was not comfortable just looking at a new intake.

Cromwell said the budgeted funds included that study.

Corliss said yes, it would look at all those options.

Amyx asked regarding the SDCs, were we comfortable with that model.

Corliss said we felt that new connections buying into the system was good and defensible. It was ultimately a city commission choice regarding how we would pay for improvements.

Amyx asked what the consequences of not increasing the charges were.

Corliss said we would have fewer resources to improve the system. It was dependant on the level of development. Most communities looked at rate increases and impact fees when looking at how to pay for improvements. If we did not increase those fees now we would have a larger gap to fill at the time major improvements are needed.

Schumm said it was also fair to say that what we don't pick up in impact fees we pick up in rates.

Carter said he appreciated having those things quantified by staff. He knew that not raising those fees impacted our ability to fund future projects, but delaying the increase for one

year might be better from a perception and timing standpoint. Affordable housing in Lawrence was a challenge. We would like to see some signs of a turnaround. At that time the increases would also be more impactful. He said his thought was to hold off for one year and take another look at this next year when things hopefully begin to uptick.

Amyx asked if Ordinance 8647 were not improved, would we have to look at water and sewer rates again.

Corliss said no, but we would have to look harder at the capital improvement plan. We would have fewer resources and may have to raise the rates higher in future years. Capital projects also often took longer than anticipated, and he could not say exactly how the rates would have to increase.

Amyx said you either had impact fees or rates to fund projects. If we don't do the impact fees increases in 2012, would we have to increase rates?

Corliss said no, but we might have to look at which capital projects we can do now. We may have to increase the rates in later years.

Amyx asked if staff could provide information regarding the effect in 2013 and 2014 of not increasing SDCs this year.

Corliss said yes.

Schumm asked if we had waived SDC increases in past years.

Corliss said yes, and also the SDCs never met the full cost outlined in the model.

Amyx asked if the new master plan would include a rate model.

Corliss said it would have a capital plan but not a rate model. A multi-year plan would have to be developed and rate impacts analyzed.

Amyx asked if we had to have the water and sewer rates set to meet budget requirements.

Corliss said yes. If we didn't adopt rate ordinances now we would have to discuss what we could do with the Kaw intakes.

Amyx asked if the rate model we have now allows us to calculate rates for 2012, regardless of the master plan.

Corliss said yes. The master plan would identify the capital projects needed and those would be plugged into the rate model.

Cromwell said we talked about the catch up we had to do with the roads. He said he would be opposed to doing anything to decrease the resources put toward infrastructure. It was a hard time for increases, but the data shows we are in line with other communities. The recommendation we have here is at the right level and is not overburdening.

Carter said as we considered significant costs in the future we would have to decide how much to put into the projects as a community in addition to the rates. He said he would be in favor of putting off the increases in SDCs for one year. This could be made up for in future years.

Moved by Schumm, seconded by Amyx, to adopt on first reading, Ordinance No. 8650, adopting and appropriating by fund the 2012 City of Lawrence budget. Motion carried unanimously.

Moved by Amyx, seconded by Schumm, to adopt on first reading, Ordinance No. 8651, attesting to the increase in property taxes levied for 2012. Motion carried unanimously.

Moved by Amyx, seconded by Schumm, to adopt on first reading, Ordinance No. 8643, establishing municipal court fees. Motion carried unanimously.

Moved by Amyx, seconded by Schumm, to adopt on first reading, Ordinance No. 8644, establishing solid waste service rates for 2012. Motion carried unanimously.

Moved by Amyx, seconded by Schumm, to adopt on first reading, Ordinance No. 8648, establishing water and sanitary sewer service rates, effective November 15, 2011. Motion carried unanimously.

Dever said one of the reasons we are at this point now is that we don't have a solid plan for system development charges. This was probably not a great time to raise rates without knowing the impact. If we had an opportunity to examine that information before adopting that on second reading that may be acceptable.

Amyx asked if this item had to be adopted tonight on first reading.

Corliss said no. The issue would be what projects could be funded and what the priorities would be, and letting the Commission decide if they wanted to do the rate increases.

Schumm said we didn't have to adopt it on second reading next week either.

Moved by Amyx, seconded by Schumm, to adopt on first reading, Ordinance No. 8647, establishing system development charges for water utility and wastewater utility connections for 2012, effective January 1, 2012. The ordinance will be considered on the regular agenda next week for second reading, with additional information provided by staff regarding the impact on water and waste water rates in future years of not adopting the increased system development charges for 2012. Motion carried 4-1 with Commissioner Dever in the negative.

2. **Receive report from City Auditor on Performance Audit: City Using Pavement Data to Improve Streets.**

Michael Eglinski, City Auditor, presented the staff report.

Mayor Cromwell called for public comment.

KT Walsh, East Lawrence Neighborhood Association, said the association wholeheartedly supported the establishment of a policy for maintaining and restoring brick streets, including stone curbs. She said 25% of the cost for installing brick streets was labor, and volunteers have been and could be utilized to reduce this cost. A large part of the cost was also the bricks, and other streets such as Osawatomie had large numbers of bricks left over that had been removed from their streets. Other communities had volunteer and job training

programs that could be a model for us. She recommended a task force to consider these issues.

Corliss said he supported the auditor's recommendations. He would like to look at the life cycle costs of brick streets. We would need to do something as we get to those streets. The value of brick streets had to be balanced with the cost of street maintenance. Staff would come back with a policy recommendation in the future.

Cromwell said brick streets also had a natural traffic calming effect.

Moved by Amyx, seconded by Carter, to receive the audit report. Motion carried unanimously.

F. PUBLIC COMMENT:

Mike Anderson said he had an idea for an event which would give back to the community. The event would be a 1980's themed parade.

G. FUTURE AGENDA ITEMS:

David Corliss, City Manager, outlined potential future agenda items.

H: COMMISSION ITEMS:

None.

I: CALENDAR:

David Corliss, City Manager, reviewed calendar items

J: CURRENT VACANCIES – BOARDS/COMMISSIONS:

Existing and upcoming vacancies on City of Lawrence Boards and Commissions were listed on the agenda.

Moved by Carter, seconded by Amyx, to adjourn at 8:44 p.m. Motion carried unanimously.

APPROVED:

Aron E. Cromwell, Mayor

ATTEST:

Jonathan M. Douglass, City Clerk