

**MINUTES OF THE REGULAR MEETING
OF THE CITY COUNCIL
OF THE CITY OF FAIRWAY, KANSAS**

The Council of the City of Fairway, Kansas, held their regular meeting at 6:30 P.M. at 5240 Belinder Road, Fairway, Kansas, on Monday, June 12, 2023.

Present: Council Members Jenna Brofsky, David Watkins, Jonalan Smith, Kelly-Ann Buszek, Jason Rogers, Dan Bailey, Joe Levin and Tanya Keys.

Absent: None.

Presiding: Mayor Melanie Hepperly.

Staff Present: Nathan Nogelmeier, City Administrator; Richard Cook, City Attorney; J.P. Thurlo, Police Chief; Bill Stogsdill, Director of Public Works (via Zoom); Brice Soeken, Director of Parks and Recreation (via Zoom).

Visitors: Jim Shull, Marr and Company, P.C., 1401 E. 104th St #100, Kansas City, Missouri (via Zoom).

CALL TO ORDER AND ANNOUNCEMENTS

Mayor Hepperly called the meeting to order.

PLEDGE OF ALLEGIANCE

Mayor Hepperly led the Council in the Pledge of Allegiance.

PROCLAMATION: PRIDE MONTH

Mayor Hepperly read a Proclamation proclaiming June as Pride Month in the City of Fairway, Kansas. She urged all residents to respect and honor Fairway's diverse community.

MONTHLY REPORTS OF STANDING COMMITTEES

CONSOLIDATED FIRE DISTRICT NO. 2, CHIEF CHICK

Mayor Hepperly stated that Chief Chick was not present at the meeting. She referred to the report in the packet, subject to questions.

ADMINISTRATION AND FINANCE COMMITTEE, MR. NOGELMEIER

Monthly Report

City Administrator Nogelmeier referred to the report in the packet, subject to questions. The report shows a strong cash balance. At its meeting on May 31, 2023, the Committee discussed the 2024 draft budget, which includes a flat mill

rate. The City will capture the increased revenues from property valuations to offset inflationary costs and capital projects.

The Committee is considering an increase to the stormwater utility fee from \$120 to \$240 per household. Currently, the stormwater utility revenues are used to pay off debt service related to stormwater. The CCTV study recently completed of the stormwater infrastructure identified priority one and priority two projects. The increase will be used to pay for new capital projects.

Finally, City Administrator Nogelmeier explained that transfers from the General Fund to the Capital Improvement Fund are close to \$1M. He pointed out that the City spends about \$1M on capital improvements each year so the City should be able to fund the capital improvement program through 2025 with its current revenue.

POLICE COMMITTEE, CHIEF THURLO

Monthly Report

Chief Thurlo referred to the report in the packet, subject to questions. He provided an overview of May, noting that the level of activity increased by more than 100 incidents over last May. He updated the Council that the individuals who vandalized the Mission Road Bridge were taken into custody. A burglary at a local restaurant is being investigated. There was no loss reported other than damage caused by the suspects entering the business. Fentanyl was again encountered in May, recovery of a stolen U-Haul, and criminal deprivation of property for individual that reported their car they loaned to another person was then loaned out to a third person and used for food delivery.

PUBLIC WORKS COMMITTEE, MR. STOGSDILL

Monthly Report

Director Stogsdill referred to the report in the packet, subject to questions. He reported that submittals are being received for the CIP project that will begin next month. The crosswalk at the Fairway Creamery has been repaired and is fully functional. In addition, he and Right-of-Way Specialist Rick Allen gave a presentation at the Heartland Council Alliance Meeting concerning the Tree Protection Ordinance. There was a large turnout at the meeting and a lot of great information was obtained by those in attendance.

PARKS AND RECREATION COMMITTEE, MR. SOEKEN

Monthly Report

Director Soeken referred the Council to the report in the packet, subject to questions. He reported that attendance at the pool has been sparse due to rain the

last few days. Revenues from pool memberships, swim team and programming have increased dramatically. Programming has exceeded the budget for the year.

MONTHLY REPORTS OF SPECIAL COMMITTEES

Tree Board

No report.

APPROVAL OF CONSENT AGENDA

Mayor Hepperly outlined the three items on the Consent Agenda. The Consent Agenda items include the following: (A) Minutes of Previous Regular City Council Meeting; (B) Claims and Appropriations – Ordinance #1783 – May 2023; (C) Mayoral Appointment of City Prosecutor.

Mayor Hepperly asked for public comment on the Consent Agenda items. Hearing none, she closed public comment on this item.

Mayor Hepperly asked for discussion from the Council.

Mayor Hepperly explained that the current City Prosecutor stepped down from the position for personal reasons. Josh Allen, who is being appointed as the City Prosecutor, has served as Pro Tem Prosecutor for the last few years and staff is pleased with his work. She plans to appoint a Pro Tem Prosecutor soon.

City Administrator Nogelmeier explained that Mr. Allen will be considered an independent contractor and the agreement covering the arrangement has been drafted by City Attorney Cook. Since the contract is well under the threshold, City Administrator Nogelmeier will execute the contract on behalf of the City.

Mayor Hepperly asked for additional discussion from the Council. Hearing none, she asked for a motion.

Councilman Watkins moved that the Council approve Consent Agenda items A through C. Councilman Bailey seconded the motion and the motion carried unanimously.

NEW BUSINESS

- A. Ordinance #1784 – An Ordinance Granting to Google Fiber, Kansas, LLC, a Contract Franchise to Construct, Operate, and Maintain Communications Services Facilities in the Public Right-of-Way of the City of Fairway, Kansas, and Prescribing the Terms Thereof.

City Attorney Cook explained that this item was originally before the Council in April and was held because Google wanted to get its approval stamp on the document itself. The new Ordinance is required because Google Fiber has ceased

to provide video services and now only provides internet services. The new Ordinance reflects recent changes to the Kansas Statutes related to franchise agreements and extends to 2033 with four two-year renewal periods.

Mayor Hepperly asked for public comment. Hearing none, she closed public comment on this item.

Mayor Hepperly asked for discussion from the Council. Hearing none, she asked for a motion.

Councilman Levin moved that the Council approve Ordinance #1784 – An Ordinance Granting to Google Fiber, Kansas, LLC, a Contract Franchise to Construct, Operate, and Maintain Communications Services Facilities in the Public Right-of-Way of the City of Fairway, Kansas, and Prescribing the Terms Thereof. Councilwoman Keys seconded the motion and the motion carried unanimously.

B. Consider Building Permit Extension for 3904 Shawnee Mission Parkway as Submitted by Gregg Rizzotto, Authorized Representative, for Glen Ross Contracting, Inc.

City Administrator Nogelmeier reported that the extension is required because the builder had delays getting materials. Staff reviewed the extension and recommends approval. The extension will require a fee of one half of the original cost of the building permit.

Mayor Hepperly asked for public comment. Hearing none, she closed public comment on this item.

Mayor Hepperly asked for discussion from the Council. Hearing none, she asked for a motion.

Councilman Watkins moved that the Council approve the building permit extension for 3904 Shawnee Mission Parkway, as submitted by Gregg Rizzotto, Authorized Representative, for Glen Ross Contracting, Inc. Councilman Smith seconded the motion and the motion carried unanimously.

C. Presentation: 2022 Financial Audit Report.

Jim Shull, Marr and Company, P.C., 1401 E. 104th St #100, Kansas City, Missouri, presented the 2022 Audit. He provided a brief description of the audit process, which looks at the year's activities and then determines appropriate audit tests if there are areas that might deserve more attention. The audit process is not 100 percent verification.

While the auditor's report is substantial, the most important thing for the City is the auditor's unmodified opinion, which indicates that the auditors have taken no exception to the accounting reporting. This is the highest level of assurance.

Mr. Shull explained that for governments, there are two sets of financial statements using two different reporting perspectives. The more business-like model begins on page 10 and includes the City's capital assets and long-term debt and KPERS pension liability. He explained the OPEB (Other Post-Employment Benefits) liability, stating that retirees or other participants get somewhat of a subsidy from the City for premiums because they do not pay the full rate. There is a pension cost effect involved and the standards require that those amounts appear in the City's financial statements. The actuarial amount for pension liability increased almost \$1M dollars in 2022, like what has occurred for other cities. The current market's downturn on investments conversely increases the liabilities. While the amount looks significant, the City will never liquidate that liability as it is paid out over time and shown only for financial reporting purposes.

Mr. Shull referred to the MDA (Management's Discussion and Analysis), which sets out the financial highlights for the year. The MDA discusses differences from the prior year, including that sales tax revenues continue strong, the donation of the Kathryn Lyon Flora Park, the benefits of the ARPA (American Rescue Plan Act) funds received by the City, and significant transfers made to the Capital Improvement Fund. The MDA also sets out income and expenses. Expenses are allocated to departments and the expenditure attributed to Public Works is large because it is the default department for the majority of the City's capital assets, i.e., roads, streets and bridges. Revenue increased for both property and sales taxes. He referred to a pie chart showing from where the City's revenues came.

City Administrator Nogelmeier noted that when the budget was drafted for 2022, property tax was budgeted to be about 42 percent of the City's revenue. In actuality, the sales tax brought in more revenue than budgeted. This resulted in the pie chart being more balanced. Councilman Levin has always advocated for revenues of 1/3, 1/3, 1/3 in terms of revenue source. The pie chart indicates that in 2022, property tax, sales taxes and other miscellaneous revenues were equally split with 1/3 to each revenue source. This makes the City's revenues very diverse compared to some neighboring cities where sometimes 80 percent of their revenue is reliant on sales tax.

Mr. Shull also reviewed sections of the MDA that relate to the City's capital assets, long term debt, outstanding General Obligation Bonds, financial statements, notes and required supplementary information in the report.

Mr. Shull stated that he appreciates all the assistance from staff and is always pleased to be able to serve the City. He offered to answer questions.

Mayor Hepperly asked if there were questions for Mr. Shull. Hearing none, she asked for public comment on this item. Hearing none, she closed public comment on this item.

Mayor Hepperly thanked Mr. Shull for the audit report. She also thanked City Administrator Nogelmeier and his staff for their assistance through the audit process.

Mayor Hepperly asked for a motion.

Councilman Levin moved that the Council accept the 2022 Audit. Councilman Watkins seconded the motion and the motion unanimously.

COMMENTS BY GOVERNING BODY

Mayor Hepperly asked for comments by the Governing Body. Hearing none, she closed Governing Body comments.

PUBLIC COMMENT

Mayor Hepperly asked for public comment for items not listed on the agenda. Hearing none, she closed public comment.

ADJOURNMENT

Councilman Watkins moved to adjourn. Councilman Bailey seconded the motion and the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at 7:27 P.M.

Mayor Melanie Hepperly

Attest:

Barb Fox, Recording Secretary