

**MERRIAM CITY COUNCIL MINUTES
CITY HALL
9001 WEST 62ND STREET
August 10, 2020
7:00 P.M.**

This was a virtual meeting via Zoom.

I. CALL TO ORDER - PLEDGE OF ALLEGIANCE

Mayor Ken Sissom called the meeting to order at 7:00 P.M.

II. ROLL CALL

The following Councilmembers were present via Zoom meeting:

Chris Evans Hands
Bruce Kaldahl
Brian Knaff
Bob Pape
Jason Silvers
Whitney Yadrich

Scott Diebold and David Neal were absent.

Staff present via Zoom meeting: Chris Engel, City Administrator; Ryan Denk, City Attorney; Meredith Hauck, Assistant City Administrator; Jim MacDonald, Public Works Director; Jenna Gant, Communication and Public Engagement Manager; Bryan Dyer, Community Development Director; Donna Oliver, Finance Director; and Juli Pinnick, City Clerk.

III. PUBLIC ITEMS

In response to COVID-19, public comment that normally occurs during the City Council meeting has been temporarily suspended. Members of the public are still encouraged to share comments about matters that may or may not appear on the agenda. **Please note: Public Comments will only be taken via email to the City Clerk at jpinnick@merriam.org prior to 6:00pm on the date of the meeting**

The City Clerk read the following Public Comments submitted:

Al Frisby, 10121 W 59 Terrace, commented, I'm reading from the Friday Kansas City Star. "On Thursday Missouri saw a record number of new cases for the 3rd day in a row and the Kansas City metro area set a record for a second straight day adding 605 new cases of Covid-19 virus. The metro currently has a 7 day rolling average of 430 new cases per day. On June 4 that average was a 102 new cases per day. At least 300 people have died from the virus in the Kansas City area."

I'm sending this information to the council because the virus is spiking in the Kansas City metro area. If we allow people to take off their masks when they are on a treadmill and then go to another exercising apparatus, we are allowing aerosols containing the virus to travel a distance of more than 6 feet and hang in the air for a number of hours; some research suggests 3 to 11 hours. This will be an unhealthy environment and I'm predicting we will have an outbreak here in Merriam.

Please think about this situation and save lives by shutting down certain areas at the community center that don't require the wearing of masks until a vaccine or 4 is/are discovered and easily available. I understand there will be up to 12 feet or so distancing between equipment, but the aerosols will surely overcome that distance. As a biologist I know a little bit about pandemics, including that knowledge in my AP Biology classes over 22 years. I don't understand exercising or going anywhere in the community center without a mask and physical distancing.

I am hopeful that the entire council has read the scientific journal page I sent about viral aerosols a couple of weeks ago. Please use this information to make informed decisions. Area Health officials from the "Core 4," including Jackson County, Johnson County, Kansas, Kansas City, Missouri, and Wyandotte County, said Friday that the COVID-19 spread is increasing at an alarming rate in the Kansas City metro area and they urge residents in a letter to take seriously the safety precautions in order to help stop the spread of the disease.

We are seeing a dramatic increase in the number of new cases across the entire metropolitan area, and our front-line workers are having difficulty keeping up with the vast and increasing numbers of COVID-19 cases," the letter continues. It will also be important to limit interactions in settings like bars, restaurants, and other places where people will have their masks off as in our community center.

Marvie Shoemake, 6014 Hadley St., commented, I have approached my 2 council people about why Merriam allows so may trash companies in Merriam. I have 4 different trash companies the come down my street and that means there is a possibility with them picking up trash, recycle and yard waste in both directions I could have 60 trucks a week going up and down my street as well as the cost is getting out of hand. It seems like Merriam could negotiate a price for all the city and we would all benefit for it as well as our street would not get the beating they are. I would not even mind if it was part of our taxes,

Matt Garrett, Lenexa, KS, commented, I'm a Lenexa resident and use Merriam to reach downtown Kansas City weekly on my bicycle along with hundreds of

other cyclists. KCK and KCMO have done a great job connecting bike lanes and sharrows to the Merriam city line. It would be amazing to see Merriam Drive connected into this system of cycling infrastructure similar also to what North Kansas City just did with Armour Road. Safer streets bring commerce and invite visitors to spend more time in Merriam.

Tina Cheatham, no address provided, commented, are you trying to recover all the money put out on the great community center and new outdoor pond? It's not ok to increase city taxes because your staff was incompetent to budget this project. Why the increase were in a pandemic with a ton of people out of work. I strongly degree with this. The direction Merriam is going is not settling well with residents

Billy Croan, 6633 Wedd St., commented, On the first page of the 2021 draft budget memo before you today, you will see property tax collections from Merriam residents to the Merriam government are planned to increase by 5.7%. Not only do I see this an increase in property tax. It comes at a time when we need it the least. We have all lost income and incurred expenses to flatten the curve. We're not done yet. And many of our neighbors continue to risk their lives for every dollar they *do* earn. Now is not the time for a property tax increase. And before someone brings up the city's mill rate number not changing, I will point out that the value of each mill has gone up substantially this year, so we should need *fewer* of them to accomplish the same level of service.

I think that in our hearts we all understand very few people care what mill number their City chooses to budget for or how much a mill is worth. We care about, just how much money is going to go missing each year for permission to keep the homes we've already paid for. And that amount, my friends, will go up 5.7% for every one of us, if you do not direct staff to alter the budget from the draft before you tonight.

Now, you know I hate to complain without providing solutions so I read through all of the projects in the agenda as well and I did some math. City Hall exterior improvements are basically aesthetic. They were originally contemplated in fact, as one of our art projects. I'm not buying artwork for my home this year or next. This is an extra frill that we can safely strip from the budget next year, out of respect to those residents whose finances have suffered enormously. Cutting this project will reduce our mill levy by 1.46 in 2021.

Likewise, despite my enthusiasm last year to be on the committee planning it, I recognize in this post-covid world that building new park features on the 5701 property is not an urgent need and additional spending to build an amphitheater need not occur for a couple years if at all. Cutting this project will reduce our mill by 1.0 in 2021 and about 1.5-2 mills in 2022.

Regarding the 2021 Streamway Trail Expansion project, as much as I love our trail system, the 51st street section of that project could be cancelled. There is already a sidewalk in fact where the 'proposed trail' would go. If this cut the project in half, it would save 0.64 mills in the 2021 budget.

There's also a project to build curb/gutters on West Frontage Road between 67th and 75th street. That road has no homes on it and it's and over a mile long. Buildings along the street are typically hundreds of feet from it. And nobody's playing in the grass up there... Think about the additional flood water will be created every time it rains by adding gutters to the entirety of that street as opposed to letting that runoff be absorbed naturally by the grass and soil directly adjacent to the street as it is today. Skipping the gutter project on West Frontage will reduce flood liability in downtown Merriam, and reduce the mill levy by 0.49 mills in 2021, and a whopping 5.95 mills in 2022.

There are a couple expensive street projects slated for next year that utilize matching funds from the county and though they could probably be deferred by one year I would not want to do that because we would lose those matching county funds and now is not the time to waste money either. Any one of you have the power direct staff here today to cancel or delay projects currently slated for our 2021 budget. Just adding up the ones I've listed today with mill numbers adds up to 3.59 mills in 2021 and 7.95 mills in 2022.

But as I said earlier, I don't think mill numbers alone matter to people. They don't to me. The 3.59 mill reduction I prepared today will decrease the tax burden of the average household in Merriam by \$82.57. Some might dismiss that number as insignificant, but when my neighbors go out and risk their health to earn every one of those dollars, it's significant to me. And that savings is for each of our 4900 households. 4900 Merriam families. That's about 170 disposable masks for each family. And saving people that money by moving projects out of the 2021 budget reduces expenses by \$736,000.

This is a great opportunity to make a real difference in peoples' lives. I'm not living lavishly these days. I've asked my neighborhood, and none who responded wanted to see an increase in property tax increase. Only one was ok with leaving the mill where it was .All of us have trimmed our personal budgets this year due to

covid-19. Please consider saving Merriam families some money by making these cuts to next year's Merriam city budget.

IV. CONSENT AGENDA

All items listed under the heading are considered to be routine by the City Council and may be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which case that item will be removed from the Consent Agenda and considered separate

1. Consider approval of the minutes of the City Council meeting held July 27, 2020.
2. Consider approval of a bid award to Mayer Specialty Services for 55th St. (east of Switzer) storm drainage repairs.
3. Consider approval of an agreement with Johnson County Nutrition (Meals on Wheels) for 2021.

Councilmember Hands asked that item 2 be removed from the consent agenda.

COUNCILMEMBER PAPE MOVED THAT THE COUNCIL APPROVE CONSENT AGENDA ITEMS 1 AND 3. COUNCILMEMBER HANDS SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.

Councilmember Hands asked if the City has worked with Mayer Specialty previously.

Public Works Director Jim MacDonald commented that the City has not worked with them before, however the City Engineer checked their references and they were all favorable.

COUNCILMEMBER HANDS MOVED THAT THE COUNCIL APPROVE A BID AWARD TO MAYER SPECIALTY SERVICES FOR 55TH STREET DRAINAGE REPAIRS. COUNCILMEMBER PAPE SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.

V. MAYOR'S REPORT

1. Employee Service Awards (2nd Qtr 2020).

Jason Reynolds - Police Department - 20 Years of service.

VII. COUNCIL ITEMS

A. Finance and Administration

1. 2021 Budget Update.

Finance Director Donna Oliver presented a 2021 budget update.

Changes to the budget include an adjustment to the 2020 sales tax projections as last month's receipts were \$535,000 more than anticipated. In addition, there were some miscellaneous revenue accounts scaled back \$59,000.

For the expenditure side, the City Council stipend that had been proposed was eliminated. As well 5701 Merriam Dr. was reduced for 2020 by \$500,000 since the bid came in so low. There was originally a budgeted amount of \$650,000 for that project.

When COVID-19 shut downs started, staff began to alter when some of the police vehicles and equipment would be replaced. This resulted in shifting the replacement of a police car back to 2021. The equipment expense that goes along with that replacement was not originally budgeted so that amount had to be added back in. There will be some changes to the budget for the school crossing guard expenditures which resulted in an additional \$10,000 needed for 2021.

These changes on both the revenue and expenditure side, result in the projected fund balance for the end of 2021 to be \$1 million more than projected, and this is very good news.

The public hearing notice for the 2021 budget will be published tomorrow, and at the August 24 City Council meeting there will be a Public Hearing and council will be asked to approve the budget resolution. The next day, the certification of the approved budget is due to the county clerk. Typically, councilmembers sign that budget certification. Because the council is not meeting in person, any councilmember who wants to sign the certification can come by City Hall between 7:30 -10:00 am on August 25. If anyone is unable to come to City Hall, but wants to sign the budget document, staff can bring the document to your home, but that will need to be scheduled in advance.

Mayor Sissom commented that there were some suggestions during the Public Comments about items the council could reconsider in regard to the 2021 budget. Some of these items like the City Hall exterior improvements have been pushed to the 2021 budget, and depending on what happens over the next year could get pushed

back again. There are no plans currently for an amphitheater at 5701 Merriam Dr.

City Administrator Chris Engel commented that there are several items that the council is prepared to move back into other budget years depending on the financial situation over the next 18 months. One of those would be the City Hall exterior improvements as well as the trail expansion. For 5701 Merriam Dr., the funds budgeted for that project are for the planning process and not construction funds.

Mr. Engel commented about the mill levy question that has referred to in Public Comments. He displayed a page from the city's Comprehensive Annual Financial Report (CAFR) that illustrated the city's mill levy for the past 10 years. The report shows the mill rate for the city and the mill rate all the other taxing entities such as the School Board, Junior College, State, County, and Merriam Drainage District which are also on the real estate tax assessment.

The city's mill rate has small fluctuations from year to year, but that is not because the council raised it - those fluctuations are final rates the county levies as a result of property tax protests. The mill rate that will be voted on next meeting is 27.765. This proposed rate could be a reduction in the rate from the previous year, but it depends on the number of people who protest their real estate assessment. If the number of protests is high, then the county will adjust the rate up to cover those amounts in protest.

Looking at the total rate of the mill which includes all the other taxing entities, the rate in 2010 was 118.782; in 2019 the rate was 118.786 so the total mill rate is essentially the same as it was 10 years ago. Property tax collections have increased over the past 10 years but that is because property values have increased over the past 10 years. Property valuation increases are a good for property owners, and the byproduct of increased property value is an increase in taxes.

Mayor Sissom commented that it is anticipated that there will be a significant reduction in revenue due to COVID-19. It is expected to be a 30% reduction. In regard to the suggestion to lower the mill levy rate, most people do not realize that lowering the rate this year will have an effect in future years. And at some point in those future years it will have to be increased, which will in fact raise everyone's taxes.

Mayor Sissom further commented that when he was elected in 2009 he made a pledge to not raise property taxes. He does not feel there is a need to raise property taxes and he does not want to put the city

in a position to have to raise property taxes down the road, because it was decided to be lowered this year.

Councilmember Silvers asked if the mill rate is lowered this year and it's discovered that we would need to raise in in a future year does that require a vote of the residents to raise it.

Mr. Engel commented that it depends on what we were raising the taxes for, but at the very least it would require a Public Hearing and a vote of the council to raise taxes.

Mayor Sissom commented that cities have a cap limiting how much they can raise taxes.

Councilmember Hands commented that where the proposed budget states that the city will collect 5.7% more in property taxes that includes commercial properties as well. It does not mean that each resident's property taxes will go up 5.7%. There are many new commercial buildings that have been built or improved which is part of that 5.7%, it is not exclusively residential.

2. Community Center Update.

Assistant City Administrator Meredith Hauck provided the monthly community center update.

The project is in the final stage and the project is on budget. There are a few more invoices to pay, but that should all be wrapped up in a couple of months. The center is open and work continues on the indoor pool, which is anticipated to be completed by Labor Day.

Open swim is anticipated to begin in October and staff has been conferring with other local municipalities with indoor pools to understand what is working for them as we all try to operate an indoor pool with COVID still going on.

Landscaping continues on the site even with the recent rains. The sidewalk on Slater is being installed along with the landscaping. The public art pieces are nearly complete but the challenge now is getting the art delivered as when anyone comes to Kansas they are required to quarantine for two weeks. The company is not able to afford to have employees quarantined for two weeks so they are unable to deliver right now.

There are a few furniture pieces have not arrived yet, however, there was a large furniture delivery last week. Now that the building is open and the furniture is in, there are additional graphics that will be added to the walls. Right now the locations for those graphics are being identified and will be added.

Councilmember Knaff asked how much money is left in the contingency.

Ms. Hauck responded that McCarthy's contingency has been depleted but the city's contingency has about \$500,000 left. It is anticipated that some of that money will be returned to the City at the end of the project.

B. Community Development/Public Works/CIP

1. CIP Update.

Public Works Director Jim MacDonald provided the following CIP Updates:

Street & Storm Drainage - Johnson Dr. (BNSF to East City Limits) - Johnson Dr. westbound east of Antioch Rd. all substandard curbs, ADA ramps, and driveway approaches have been replaced. The contractor has started replacing sidewalks, ADA ramps, curbs, and driveway approaches eastbound Johnson Dr. starting at the East City Limits.

On August 3rd Johnson Dr. was closed at the railroad crossing to allow for BNSF to raise the east tracks, and to allow our contractor to match the grade of the crossing. Signal upgrades and curbs also were completed during this time. The road is now open and the drive over the tracks is much smother. The Johnson Dr. contract completion date is October 15.

Mastin St. Improvements (Johnson Drive to Shawnee Mission Parkway) - Mastin Street is substantially complete, all curbs, sidewalks, storm drainage repairs, new asphalt surface, and pavement markings have been completed. Weather permitting, sod on Mastin is scheduled to be placed after September 1.

55th Street Drainage Improvements - Bids were opened July 21, with Mayer Specialty Services, LLC being the low bidder. The bid award was approved was just approved tonight. Now that the bid has been

approved, a notice to proceed will be issued to the contractor. This should be a two-week project with little disruption to the neighborhood.

2. Update on Merriam Pointe Redevelopment.

City Administrator Chris Engel updated the council on the Merriam Pointe redevelopment.

The tract B site at Merriam Pointe, which was the big ditch that was filled in and was part of a TIF redevelopment agreement with Richard Webb to bring an additional dealership to the site, has had a change in its development plan. The city council extended the timeframe for that new dealership to be operational by December 31, 2021. The TIF agreement would reimburse the property owner, Mr. Richard Webb, up to \$6 million in TIF reimbursements for improvements to the site. The agreement allows him to receive \$4 million with an additional \$1 million when the dealership opens and the other \$1 million at the one year anniversary of the dealership being open. The dealership is to be a single brand dealership not currently in Merriam. The current agreement has the TIF in effect until December 31, 2023.

With the development of the Reed Chrysler, Dodge Jeep, Ram dealership on 67th St., the city was approached to see if there was a way to incorporate the tract B site into the new Reed dealership for an outdoor show room, which is essentially a parking lot for new cars. Without the outdoor showroom, the new Reed dealership will have to shuttle cars from Lenexa. The cars sell better when they are on the lot where the customer is and the shuttling of cars over will result in less cars being sold. Randy Reed owns the Hyundai dealership in Merriam and allowing him to expand his business onto the other lot is supporting existing businesses, which is a council goal.

In order to allow Mr. Webb to sell the tract B to Reed Automotive, the TIF agreement between the city and Mr. Webb will need to be terminated. Because the improvements to the site have been completed, Mr. Webb is entitled to the up to \$5 million reimbursement, which is \$1 million less than the total potential funds he was to receive. Those funds would not be transferred to Mr. Webb until the Reed Chrysler, Dodge, Jeep Ram dealership is operational which is anticipated to be December 31 2020. By doing this, the TIF will end one year earlier.

Once that TIF is terminated, the ultimate goal is to take Merriam Pointe and Aristocrat out of TIF. This will get the real estate back on the tax rolls, which allows the generated property taxes to be

changed from the restricted TIF fund to the unrestricted general fund. Both parties are in negotiations to transfer the property and agree on a purchase price, but with the TIF redevelopment agreement attached to the property, Mr. Webb cannot get a clean title to transfer the property.

At the August 24 City Council meeting, staff will be bringing forth an agreement to terminate the redevelopment agreement with Richard Webb.

Councilmember Silvers asked if TIF was tied to the sales tax.

Mr. Engel commented that the TIF is not tied to sales tax; the property taxes generated from the property has to go into a TIF fund and can only be used within that TIF district. Once that agreement is gone that property is pulled out of the TIF area and the property taxes can go into our general fund which are unrestricted and can be used for anything the city desires.

Councilmember Pape asked how much money is going into the TIF fund.

Mr. Engel responded it is likely several hundred thousand dollars. He indicated he would try to get an estimate of what that amount is and share with the council at the next meeting.

Mayor Sissom commented that another thing to consider by terminating the TIF early, not only does the city receive the unrestricted money but the other taxing entities will begin to receive their portion of property taxes on those properties. Right now when the TIF is in place, those entities such as the school district, county and state, are not receiving those tax dollars. Once it is terminated, they will begin to receive those funds a year or two earlier than when the TIF was in place.

Councilmember Pape asked if there is an estimate on the increased number of vehicles Reed will be able to sell by having the vehicles on the lot as opposed to shuttling them in from Lenexa.

Mr. Engel responded that they have indicated that approximately 20% more cars will be sold by having them on the lot. More cars sold, means more sales tax for the city.

VIII. STAFF ITEMS

City Administrator Chris Engel commented that the notice to proceed has been issued for the demolition of 5701 Merriam Drive. The contractor has removed the corner stone, and the one mosaic has been removed. The corner stone contained some documents and staff is working on a media story about the contents found. Asbestos removal will begin soon.

Councilmember Pape asked if the mosaic came off in one piece.

Mr. Engel responded that there are about 12 pallets of stone that will be transported to public works. The mosaic did not come off in one piece, but all the brick was salvaged and can be re-assembled.

City staff has been working with County officials to get some CARES funding for reimbursement of expenses related to COVID-19. There is a committee consisting of county and city representatives who have worked out phases for disbursement of the funds. The first phase is reimbursement for costs incurred for PPE, disinfection services and other expenses that were beyond our regularly budgeted items. The second phase will be related to preventative and planning costs, which would include items that will improve the city's mobility, if things are shut down again. This would include cost for iPads, laptops, Wi-Fi pucks and other mobile devices, as well as costs to conduct on-line meetings and transactions for staff and the public. Any funding that is left after the first two phases would be used to reimburse personnel costs. The city has been tracking personnel costs since March and there are some overtime costs incurred from the pandemic that would not have normally occurred. So possibly there will be a reimbursement for those expenses if there is funding still available after the first two phases.

IX. NEW BUSINESS

X. EXECUTIVE SESSION

XI. ADJOURNMENT

**THERE BEING NO FURTHER TO COME BEFORE THE COUNCIL,
COUNCILMEMBER PAPE MOVED TO ADJOURN AT 8:39 PM.
COUNCILMEMBER HANDS SECONDED AND THE MOTION WAS
UNANIMOUSLY APPROVED.**

APPROVED: August 24, 2020

Respectfully submitted,

Juliana Pinnick

Juliana Pinnick
City Clerk