

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

**PLANNING AND ZONING AND
REGULAR SESSION
JUNE 28, 2018**

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in regular session Thursday, June 28, 2018, with ten members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Murguia, Commissioner Third District; Johnson, Commissioner Fourth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO, presiding. Kane, Commissioner Fifth District, was absent. The following officials were also in attendance: Doug Bach, County Administrator; Gordon Criswell, Joe Connor and Melissa Sieben, Assistant County Administrators; Angela Lawson, Deputy Chief Legal Counsel; Patrick Waters, Senior Attorney; Bridgette Cobbins, Unified Government Clerk; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Pam Kahao, Interim Accounting Manager; Zach Flanders, Planner; Janet Parker, Administrative Assistant; Jeff Fisher, Executive Director of Public Works; Maureen Mahoney, Chief of Staff in Mayor's Office; Lynn Melton, Assistant to the Mayor; Christal Watson, Deputy Chief of Staff in Mayor's Office; Emerick Cross, Commission Liaison; Kevin Shirley, Interim Chief of Fire Department; Jack Andrade, Senior Assistant Chief of Logistics of Fire Department; and Major Steve Haulmark, Sergeant-at-Arms.

Mayor Alvey called the meeting to order.

ROLL CALL: Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia, Alvey.

INVOCATION was given by Reverend Artrell Harris, Roswell Church of Christ.

Mayor Alvey asked I'd ask the Clerk if there are any revisions to tonight's agenda. **Bridgette Cobbins, UG Clerk**, said yes, Mayor, we do have a revision. Under the Administrator's Agenda we have a new item. Item No. 2 is regarding the SAFER Grant for the Fire Department.

Mayor Alvey said tonight we have two distinct parts to our meeting, the Planning and Zoning portion will be handled first, followed by the regular Commission meeting. I'd ask the Clerk to read the statement, required by state law, governing the Planning and Zoning portion of our meeting followed by the items on the Planning and Zoning Consent Agenda.

Bridgette Cobbins, UG Clerk, read the statement, required by law, governing the Planning and Zoning portion of the meeting.

PLANNING AND ZONING AGENDA

Bridgette Cobbins, UG Clerk, asked if any members of the Commission wished to disclose any contact with proponents or opponents on any item on the Planning and Zoning Agenda.

Commissioner Philbrook said I've been contacted about #SP-2018-1, opponents. **Commissioner Bynum** said prior to the return to tonight's agenda I had previously had contact with proponents of #SP-2018-1. I've had contact on the Planning and Zoning Non-Consent with proponents of #SP-2018-37. **Commissioner Markley** said I received email correspondence on #SP-2018-37. **Commissioner Burroughs** said I've had contact on #SP-2018-1, proponent. **Commissioner Walters** said I've also had contact on #SP-2018-1. **Commissioner Murguia** said, Mayor, my light must not be working, I apologize for interrupting. It's on here, but not on up there. I've had contact with #SP-2018-37, proponents and opponents.

Ms. Cobbins read the items on the Planning and Zoning Consent Agenda.

Mayor Alvey asked does any member of the Commission or anyone in attendance tonight wish to set aside any item on the Planning and Zoning Consent Agenda. If an item is not set aside, all items on the Planning and Zoning Consent Agenda will be voted on by one vote to follow the recommendation of the Planning Commission. Are there any set asides? **Cardelia Walker, 8701 Georgia Avenue**, said I received the notice about the property at 8833 Waverly Avenue. My property is within 200 feet of that property. I really more have a question than a concern. **Mayor Alvey** asked are you asking for us to set that aside and then you'll have an opportunity to address that when we come to that item. **Ms. Walker** said yeah. **Doug Bach, County Administrator**,

said, Mayor, for clarification that's #PR-2018-18. **Steven Marbut, 239 S. 72nd St.**, said I want to set aside #SP-2018-1. **Commissioner Bynum** asked should I set aside Regular Consent Item #1 at this time. **Mayor Alvey** said no, only Planning and Zoning.

Action: **Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve all the items except the ones set aside.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

CHANGE OF ZONE APPLICATION

ITEM NO. 1 – 18302...CHANGE OF ZONE APPLICATION #3162 – ANTHONY TUCKER

Synopsis: Change of Zone from R-1 Single Family District to A-G Agriculture District for an accessory structure at 4141 and 4244 North 67th Street, submitted by Robin Richardson, Director of Planning. The applicant is requesting to construct a pole barn. The Planning Commission voted 7 to 0 to recommend approval of Change of Zone Application #3162, subject to:

Urban Planning and Land Use Comments:

1. Height shall be no more than 2.5 stories or 35 feet.

Applicant Response: The pole barn will not be built higher than 35 feet.

2. The pole barn must be setback at least 50 feet from the street line.

Applicant Response: The pole barn will be built 50 feet set back from the street line.

3. Applicant will be responsible to apply for local building permits.

Applicant Response: I will do so before the barn is built.

Public Works Comments: none.

Conservation District Comments:

1. There are four major soil types identified: Gosport-Sogn complex, 7 to 35 percent slope, Onawa soils, occasionally flooded, over wash, Knox silt loam, 7 to 12 percent slopes and Knox silt loam, 18 to 30 percent slopes. These soil types are considered highly erodible when the surface is denuded of a protective cover.

2. As long as there is no major grading, there will not be any resource problems.
3. Shrink swell potential has been identified as a limiting factor for the development of dwellings. Shrinkage and swelling can cause damage to buildings, roads, other structures, and to plant roots. Special design is commonly needed.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve Change of Zone Application #3162, subject to the stipulations. Roll call was taken and there were nine “Ayes,” Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

SPECIAL USE PERMIT APPLICATIONS

ITEM NO. 1 – 18311...SPECIAL USE PERMIT APPLICATION #SP-2018-1 – STEVEN MARBUT

Synopsis: Special use permit to continue to keep a storage container at 239 South 72nd Street, submitted by Robin Richardson, Director of Planning. The applicant has stated that it is used for agricultural purposes such as keeping a tractor, gardening supplies, etc. The Planning Commission voted 7 to 0 to uphold its previous recommendation of denial of Special Use Permit Application #SP-2018-1.

Urban Planning and Land Use Comments:

1. How long has this storage container been on the property?
2. Please submit photographs of the storage container.
3. Length of time you anticipate the storage container will be needed on the property.
4. Description of all items stored in the container.

Staff Note: The applicant did not respond to the above questions in writing. The applicant stated at the meeting that he had sent the information; however, it was not received by staff. The applicant stated at the meeting that he wants an indefinite special use permit for the storage container, which is already located on the property. At the Board of Commissioners meeting the applicant’s daughter indicated it was for storage of tools, flowers and shrubs. The applicant submitted pictures of the storage container at the Board of Commissioners meeting.

If approved, the maximum term is two years.

Public Works Comments: none.

Code Enforcement Comments:

Structural violations, house in bad shape, needs roof repairs, missing siding in the rear, shed needs to be painted, large tree limbs hanging off the tree, vegetation growing in the fence line, and the property is in a tax sale.

Update- June 11, 2018:

This application was referred back to the City Planning Commission by the Unified Government Board of Commissioners on May 31, 2018 to determine if the storage container is agricultural use.

Per Sec. 27-340 *Agricultural use* refers to the use of land where such land is devoted to the production of plants, animals or horticultural products, including, but not limited to, forages, grains and feed crops, dairy animals and dairy products, poultry and poultry products, beef cattle, sheep, swine and horses, bees and apiary products, trees and forest products, fruits, nuts and berries, vegetables, or nursery, floral, ornamental and greenhouse products. The term “agricultural use” shall not include use of land for recreational purposes, suburban residential acreage, rural home sites or farm home sites and yard plots whose primary function is for residential or recreational purposes even though such properties may produce or maintain some of those plants or animals listed in the foregoing definition.

Staff’s determination is the use of the storage container is not an agricultural use as defined because the primary function of the land is for residential purposes even though there is vegetable gardening occurring on the premises.

One of the SOAR goals is to minimize and reduce blight in the neighborhoods and keeping shipping containers on properties will not help achieve that goal.

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June 28, 2018 Update:

Due to statements made at the June 11, 2018 City Planning Commission meeting, staff asked Code Enforcement about the status of this property. Below is the answer received from Code Enforcement Officer Ninoslava Tomasic:

“I went by the property and found that he has not replaced the siding in the back of the house, still missing shingles on the back roof, shed has not been painted, large dead tree branch still hanging on the tree, and the roof on the north side of the house has not been repaired still has a sway.”

Zach Flanders, Planner, said this case was sent back to the Planning Commission to determine whether the storage container was being used for agricultural purposes. This is really a two-part question. The first is, is the storage container being used as agricultural. If it is, then we do not have jurisdiction over it. If it's not, then it requires a special use permit. If it requires a special use permit, at that point we look at the factors in the Staff Report and make a decision for approval or denial based on those factors.

Since this has already been sent back to the Planning Commission, it cannot be sent back again. A decision has to be made on this. The Planning Commission determined that there was not enough evidence that this was being used for agriculture and, therefore, needed a special use permit, and then recommended denial of the special use permit.

Steven Marbut, 239 S. 72nd, said I live with my wife, Michelle Ladisec Marbut. I've got a few pictures here of items that are going to be kept in the storage. That's what I got it for was agricultural. I'm putting my tractors in there, brush hog, and other implements to keep out of the weather. I needed something that was durable and airtight. This equipment is not cheap.

According to the Code of Ordinances, Section 27-608, I've got a copy of it here, it states that “storage of equipment and machinery as necessary to raise crops and livestock, to carry out the farming business and to maintain the property.” Section (3) “Accessory buildings such as barns, silos, other exclusively agricultural structures, roadside stands, etc., provided that such structures are set back at least 50 feet from any street line.” is permitted. That's basically all I've got. I don't know how much proof they expect.

Mayor Alvey opened the public hearing and asked if there is anyone present who would like to speak in favor of #SP-2018-1. If so, please step to the podium at this time and give us your name and address.

Natasha Meyer, 253 N. 31st Street, said my parents are Michelle and Steven Marbut that reside at 239 S. 72nd.

As he just read, the container we're able to have as long as it's being used as agricultural purposes. They hay and plant all their own fruits and vegetables, things like that which are agriculture. As my dad stated, they did buy the storage bin to put anything that they need for their plants, fruits, brush hogs, things like that. Like he said, they're very expensive equipment that can't be, some that can't be left out in the weather. I don't know what more you guys are needing to prove that it's for agricultural purposes. His property is agricultural, which I don't see a problem with them having a storage bin. I don't see why it's went this far.

Mayor Alvey asked is there anyone else who would like to speak in favor. Seeing none, I would ask anyone who would like to speak in opposition, please come to the podium and state your comments. Give us your name and address. Seeing none, if there are no further comments or questions from the public, I'll close the public hearing.

Mayor Alvey closed the public hearing. Would the petitioner like to make any closing comments? Thank you very much. Would any members of the Commission have any questions or comments? Seeing none, I'll entertain a motion.

Action: **Commissioner Philbrook made a motion, seconded by Commissioner Walters, to deny Special Use Permit Application #SP-2018-1.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 2 – 18304...SPECIAL USE PERMIT APPLICATION #SP-2018-59 – JUSTIN BING WITH VICTOR LIQUOR, LLC

Synopsis: Application for a special use permit to expand an existing liquor store at 2819 S. 47th Street. The applicant proposes to expand the liquor store into the adjacent tenant space in a shopping center. This would expand the store by 843 square feet. The application has been submitted in conjunction with zoning appeal #2285 for a zoning variance to the minimum spacing requirements between a liquor store and a church, submitted by Robin Richardson, Director of Planning. The Planning Commission voted 7 to 0 to recommend approval of Special Use Permit Application #SP-2018-59, subject to:

Urban Planning and Land Use Comments:
Approval is for two years.

Public Works Comments: none.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve Special Use Permit Application #SP-2018-59 for two years, subject to the stipulations. Roll call was taken and there were nine “Ayes,” Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 3 – 18305...SPECIAL USE PERMIT APPLICATION #SP-2018-60 – BILLY COBB WITH BEAR REAL ESTATE, LLC

Synopsis: Special use permit for an Airbnb at 2810 West 42nd Avenue, submitted by Robin Richardson, Director of Planning. Applicant is applying to use two units in a multi-family apartment building as short-term rental spaces, rented through sites such as Airbnb and VRBO. This building is not the applicant’s primary residence. The Planning Commission voted 7 to 0 to recommend approval of Special Use Permit Application #SP-2018-60, subject to:

Urban Planning and Land Use Comments:

1. On the layout provided, where will the guest sleep?

Staff Note: See attached floor plan.

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2. How long have the other units had tenants in them under your operation?

Applicant Response: Tenants have been living in the building since June of 2017. All units were occupied except I had three tenants move out around January of 2018. Two of those units were re-leased and we intended to do Airbnb in the third unit - studio apartment 11.

3. As this is not your primary residence, where are you located?

Applicant Response: We live on the western edge of Lee's Summit at approximately 470 and View High Drive.

4. How often do you visit the property?

Applicant Response: My wife or I are at the property usually at least one time per week, either at this building or the second building we own/manage down the street on 43rd Avenue.

5. Who is responsible for issues that may arise when guests are in the unit, if neighbors have concerns, or to clean and prepare the house between guests?

Applicant Response: Any guest who would stay at the Airbnb will have our contact information. We live only 30 minutes away and if any problems arise, we are responsible for resolving it. In addition, I have a maintenance man who lives in Kansas City, KS approximately 15 minutes from the property.

6. Have you provided your surrounding neighbors with your contact information should they have concerns?

Applicant Response: All of the other tenants in the units have my direct contact information. If there are any issues as a result of a guest, they will likely be the first to contact me about it. I manage the entire apartment building and I want all tenants to be happy with their accommodations, not just Airbnb. The neighbor directly to the east has my cell phone number. The neighbor to the west of me does not. They don't speak much English, property is poorly maintained, and in general are rough, so I tend to keep my distance. We installed a privacy fence facing their property in summer 2017.

7. How long have you been operating the two units as Airbnbs?

Applicant Response: Business was in operation for one month in one studio apartment. We shut it down though after learning about the special use permit requirement.

8. Were neighbors consulted prior to opening the business?

Applicant Response: Neighbors were not consulted prior to its opening.

9. Do you have a business license?

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Applicant Response: No. Business license will be acquired after special use permit is approved.

10. Have you paid appropriate lodging taxes?

Applicant Response: Airbnb pays any lodging taxes.

11. How many rooms are rented?

Applicant Response: There are two separate studio units in an 11-unit building.

12. What is the maximum number of people that will be staying at any one time in each unit?

Applicant Response: Maximum guests are three, no pets allowed.

13. What is the maximum number of vehicles per unit and where will they park?

Applicant Response: One maximum vehicle. The property has one dedicated parking spot for each unit.

14. How often are guests in each unit?

Applicant Response: We expect 50-75% occupancy.

15. Do you have a rental license from the Unified Government for the facility?

Applicant Response: Yes, we have a rental license from the Unified Government.

16. Describe in detail the area(s) rented for Airbnb/other rental operations. Include bedrooms, bathrooms, common areas, etc.

Applicant Response: The two studio units are located on the second and third floors of the building in the northeast corner of the building. Below the studio units on the ground floor is a common laundry/maintenance room. The building has a masonry wall separating the front half of the building from the back half of the building, so it feels more separated from the rest of the building. Building has two entry doors from the outside which leads you into the hallways. Each unit has its own entry door from the hallway. The studio units have a living/dining room, full kitchen, full bathroom, and a balcony facing the parking lot. There is a small bar opening into the kitchen from the living/dining room. The units are approximately 400 square feet. All finishes are new – kitchen, flooring, windows, bathroom fixtures. HVAC and HW heater is also new. Smoke/carbon monoxide alarm is near the living/dining room/kitchen. The only common area in the building would be any hallways and the laundry room on the first floor which also has a security camera. All hallways and exterior parking lots have CCTV security cameras.

17. Describe how you will maintain a safe environment.

Applicant Response: We will maintain a safe environment by:

a. Only renting to Airbnb guests who have good reviews.

- b. Limited to three guests maximum.
- c. No pets.
- d. No parties whatsoever.
- e. Deadbolt to the unit is a keypad and the code will be changed after each guest.
- f. CCTV security cameras in every hallway and parking lot.
- g. Rental licensing inspected all units in the building after renovations were complete in 2017.

Public Works Comments: none.

Staff Conclusion:

Staff believes that an Airbnb in a small studio apartment may be more appropriate in this neighborhood than Airbnbs in single-family homes. It is not contributing to the non-owner-occupied concern some have in the area. Because the units are only 400 square feet, with one double bed, one parking space, no yard, and a 3-guest maximum, it is not foreseen that these units will be overcrowded or used for parties.

While the applicant does not live in the building, the rest of the units are occupied with his tenants. The applicant has indicated that if there are any issues with the Airbnb guests, that his tenants have his contact information and will notify him. However, staff has been in contact with two tenants of this building, and neither were aware of the Airbnb being rented in their building. Staff would recommend the applicant inform all his tenants of his Airbnb and encourage them to contact him if any issues arise.

There has historically been a shortage of parking at this location, but the applicant has taken steps to improve it. During renovations, the applicant increased the amount of parking spaces so that each unit has an assigned parking space. While this is not the ideal amount of spaces, it is the most that can fit on the small lot. Renting the two studio units as Airbnbs at 50-75% occupancy with a one car limit may actually decrease the amount of traffic to the site and street parking, as opposed to the units being used as long-term rentals. For these reasons, staff recommends approval of this application.

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Stipulations of Approval:

1. Host will maintain a safe environment including:
 - Working smoke detectors in each bedroom plus each level of the unit/house
 - GFCI outlets are required in bathrooms.
 - Double keyed locks are not allowed
 - Copper cannot be used for gas supply lines
 - Windows must be operable, not blocked or boarded
 - Handrails are required at sets of four or more stairs/risers
 - Hot water tank and furnace must be vented properly and operational.
 - Electric panel and circuits must be safe.
2. Host will obtain a business license with the City.
3. Approval will be for one year.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve Special Use Permit Application #SP-2018-60 for one year, subject to the stipulations. Roll call was taken and there were nine “Ayes,” Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

PLAN REVIEW APPLICATIONS

ITEM NO. 1 – 18306...PLAN REVIEW APPLICATION #PR-2018-18 – BRIAN HILL WITH MKEC ENGINEERING

Synopsis: Preliminary plan review for an elementary school at 8833 Waverly Avenue, submitted by Robin Richardson, Director of Planning. The applicant, on behalf of the Kansas City Kansas Public Schools, wants to build a new 72,004 square foot school on 17.44 acres. The Planning Commission voted 7 to 0 to recommend approval of Plan Review Application #PR-2018-18, subject to:

Urban Planning and Land Use Comments:

1. The landscape plan does not include a legend indicating quantity or species.

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Applicant Response: Legend including quantities and species will be included with final development plan submittal once final landscaping has been determined. For additional landscaping added to southern property line, a revised Landscape Plan is included in this resubmittal.

2. One tree is required per 7,000 square feet of site area; therefore, 92 trees are required to be planted. This does not include street trees or parking lot islands. How many trees are included in the existing screening to the northwest and northwest of the proposed building?

Applicant Response: Over 92 trees currently exist and will be preserved to meet this requirement.

3. All rooftop mechanical equipment shall be screened from public view by the parapet. The public view extends to the boundary of the property line and public right-of-way.

Applicant Response: Rooftop mechanical equipment shall be located so it is typically not visible from the public right-of-way as confirmed by Rob Richardson previously. Rooftop equipment that is visible from the public right-of-way shall be screened by parapets or similar building elements.

The owner may, at their discretion, elect to provide equipment-mounted screens on RTU's which are otherwise not visible from the public right-of-way. Adjacent private property is not considered public right-of-way.

4. All utility connections must be screened with landscaping or an architecturally designed screen wall. All utilities mounted on the wall shall be painted to match the building.

Applicant Response: Comment acknowledged; all items will be screened with landscaping.

5. All downspouts will be internalized.

Applicant Response: Typically, downspouts will be internalized. There will be a few cases where proper building design renders this approach infeasible. In such cases, downspouts will be minimized visually and/or design by other building elements.

6. The parking lot islands shall not be hatched, instead they shall be curbed and landscaped.

Applicant Response: The site plan proposes a 28' landscaped median located in the center of the parking lot. The large median will exceed parking lot landscape requirements and is a more conducive location for landscaped than curbed islands. Also, snow removal will be plowed over the west curb line of the parking lot. The striped islands better allow for snow removal. We propose the site plan remain unchanged and is a better option aesthetically than adding additional smaller median.

7. All lighting, whether mounted on the wall or installed in the parking lot shall have 90-degree cutoff fixtures. Light fixtures mounted on the wall shall be decorative, including those above egress doors.

Applicant Response: Comment acknowledged.

8. The trash enclosure doors shall not be oriented towards the street. At the entrance into the site from the roundabout, the enclosure doors are in full view.

Applicant Response: The trash enclosure is currently outside of all the fenced play areas and is located in close proximity to the kitchen. Relocating the trash enclosure east would result in a potential truck conflict with students at play areas. The proposed site plan currently provides a landscape buffer along the perimeter of the enclosure, and the drive approach to the enclosure. The trash enclosure will be approximately 20' higher in elevation relative to the right-of-way at North 91st Street. In addition, the enclosure and doors will be made of materials consistent with the building. Due to the overall functionality of the site, and limited views from the street, we propose the enclosure location and orientation to remain unchanged.

Staff Response: The landscape buffer has been extended from the trash enclosure to shield the enclosure doors from North 91st Street.

9. A sidewalk shall be extended from Parallel Parkway to Georgia Avenue on 91st Street. This school is combining two schools in the area, White Church at 85th and Greeley Avenue, and Bethel Elementary School at 77th and Yecker Avenue.

Applicant Response: The District will be changing the standard bussing policy for Lowell W. Brune Elementary and will be providing bus service for all students attending Brune Elementary. The School District will build a sidewalk on District property across the 91st Street property frontage shown on the preliminary development plans.

Staff Response: There will be students walking to this elementary school along 91st Street as there are residences north towards Georgia Avenue. If this sidewalk extension is not approved with this project, it will be included in the Safe Routes to School Program which the City would likely need to be required to fund.

Public Works Comments:

1. Items that require plan revision or additional documentation before engineering can recommend approval:
 - Engineering comments are listed as stipulations below.
2. Items that are conditions of approval (stipulations):
 - Public Works staff is still evaluating the roundabout option. Further discussion with staff will need to occur prior to final plan submittal.
 - With final plan submittal, revise the detention outlet location so the flared end section or rip rap level spreader is not within the utility easement along the property line. With final plans provide all calculations and construction details for the rip rap level spreaders so they are acceptable to the UG.
 - As discussed with staff previously, extend the public sanitary sewer main north in order to serve the homes to the west of 91st Street.
 - Relocate the power pole that is illustrated to be reset nearly on top of the proposed public sanitary sewer.
 - Provide additional sewer easement along the east side of 91st Street because the ROW is only 6' from the proposed sanitary sewer. Per UG requirements, minimum sewer easement shall be 15' centered on the sewer line.
 - Construction plans shall meet UG standards and criteria and shall be reviewed and approved by UG prior to construction permit acquisition.
3. Comments that are not critical to engineer's recommendations for this specific submittal but may be helpful in preparing future documents: none.

Zach Flanders, Planner, said, Mayor, I have a number of items that I'd like to amend with the Staff Report under the Factors to Consider. Would you like me to address them now or after we hear from the public? **Mayor Alvey** said now. We'll take them first.

Mr. Flanders said this case was heard by the Planning Commission and recommended for approval. I wanted to make some adjustments and changes to the Factors to Consider.

Under No. 2, which is "The extent to which the proposed use would increase traffic or parking demand and ways that would adversely affect road capacity, safety, or create parking problems. Streets are designed to provide a safe and convenient functional system for vehicular

traffic, and having such width, gradient, location and structural quality as to accommodate prospective traffic as determined by existing and probably future land uses.” I think one of the major concerns about this project from staff is that it will force quite a bit of traffic onto 91st Street, that 91st Street is not designed to accommodate. Jeff Fisher with Public Works is here and can talk more about that.

One of the other major concerns is that it does not connect Waverly in the east. Right now, you have a traditional neighborhood to the east where there is a walkable school. Under this site plan, there’s no sidewalk or road or any other connection. People who live very close to this school property would have to walk. If they were to walk or bike, would have to walk all the way out to the collector, all the way out to the arterial. There’s no sidewalk on Parallel. They would be either in the street or walking along the roadway up to 91st and over.

I feel that is not convenient or functional. Jeff Fisher can come after I give my further comments to talk about the effect of the bus traffic on 91st Street.

One of the other factors I want to change is the degree of conformance of the proposed use to the Master Plan. Our Sidewalks and Trails Master Plan states that connections between educational facilities and neighborhoods are a number one priority of the public. This is based off of surveys and community meetings that were held. It said that the sidewalk network is intended to address basic pedestrian needs, including, but not limited to, connecting neighborhoods to schools, parks, and transit lines, and other important local destinations. It has an implementation item to proactively work with the school districts to leverage this plan to secure funding and resources through Safe Routes to School and other programs to address priority one connections between schools and the adjacent neighborhoods.

Due to these statements in the Master Plan, I do not believe that this proposed land use conforms to the Sidewalks and Trails Master Plan.

Number 4, the capacity of the proposed use to meet applicable ordinances and other requirements. Our Subdivision Code, under the Street Section, the first item, states that except for courts and cul-de-sacs, streets normally shall connect with other streets already dedicated and adjoining in adjacent subdivisions or provide for future connections to adjoining undivided tracts.

In this case, Indian Woods did build a street following this recommendation, this requirement in our Code, up to the property line. There’s a temporary cul-de-sac at the end of the street here. That was built that way to anticipate future growth of the neighborhood in a planned

and orderly fashion that would continue the growth into this area. The plan doesn't have any connection to that temporary cul-de-sac.

No. 9 (No. 7 on Factors to Be Considered), assurance that buildings, lots, blocks, parcels and streets are so arranged as to afford adequate light, open space or air, to facilitate fire protections, and to provide for long-term sustained real estate values. Particularly that last item, long-term sustained real estate values I want to address.

Real estate values are related to quality of life. Living in a neighborhood where your children can walk to school is a quality of life issue. Right now, this is a neighborhood where kids can walk to school. There's a school here that I'm sure many people who are listening or in the audience grew up and walked to school there. This plan would take that away.

According to the testimony at the Planning Commission, the plan is for all children to be delivered to the facility via vehicles, either bus or dropped off by their parents. This plan would make this neighborhood a less attractive place to live. It would not provide for the long-term sustained real estate values.

I prepared a diagram showing what a site plan could look like if you'd like to see it. **Mayor Alvey** said no, I think we'd like to hear from the applicant.

Doug Clements, Director of Physical Properties with the Kansas City, Kansas Public Schools, 2010 N. 59th Street, said I have several members of the design team: Brian Hill with MKEC Engineering, Gordon Kimble and Brittney Weiser of HTK Architects.

Frankly, I don't quite know how to respond to the comments concerning, these are about the first time that we've heard any of these through our conversations with the staff or the Planning and Zoning Commission process. I think we would like to work through these issues with the City to make sure that we're providing a quality project, which we think we are. I probably would disagree with the last comment about real estate values in the area for us to build, I won't go into the numbers, a brand-new school in the western area of the county. It is true there's an existing school there now. The new school won't fit on either of the two sites that we're going to combine on this site.

Having said that, like I said, I don't really know. We don't own the property between Waverly and our site. We attempted to purchase that property. Like I say, I don't really quite know how to respond. I think we probably need some time to work with City and the staff.

Mayor Alvey opened the public hearing and asked if there's anyone present who would like to speak in favor of #PR-2018-18. Seeing none, is there anyone else who would like to speak in opposition.

Cardelia Walker, 8701 Georgia Avenue, said I am broker/owner of Cardelia Walker Real Estate. I have worked in real estate in Wyandotte County for nearly 20 years.

My reason for coming tonight is when I'm wondering what's going to happen to my property value. When this property was purchased, if I'm understanding correctly and please correct me if I'm incorrect, 15 acres in Wyandotte County at 88th and Waverly purchased by the school district for \$670,000. That puts that property at over \$40,000 an acre. I got this letter because I'm within 200 feet of this property.

In probably, I guess 1996, I bought 22 acres, the same acreage that I live on right now, for \$18,000. I understand that real estate has gone up and down over the years. Being a real estate broker, I know the real estate values in Wyandotte County like the back of my hand. \$670,000 for 15 acres, I just don't understand how that is going to impact me. Number one, would I be able to sell mine for that much. I doubt that I could find someone, or what's going to happen to my taxes when you have purchased.

My house sets on five acres and the rest of the acreage is separated in terms of taxes. This property that was purchased for \$670,000, the UG last year, said the land over there was worth less than \$60,000. This year, our School District had purchased it for \$670,000. I'm just asking for clarification what should I be thinking as a property owner within 200 feet of \$40,000 per acre property. How will it affect me? **Mayor Alvey** said I don't know.

Commissioner Philbrook said in other words, I just want to clarify this, you're concerned about what it's going to do to re-evaluation of what your property is worth when it's time for yours to be re-evaluated. How is that going to affect you in the great scheme of things. Good question.

I'm sure it's not going to decrease it, but I think that would be a question that we would have to put through Kathy Briney and have her run it through our, the State's requirements to give you an idea because I have no idea. We don't, but it's a good point that you bring up. Anything that's bought around you that sold for a lot more than you is definitely going to affect you later

on. **Ms. Walker** said it's beyond a lot more than me. It's not even comparable. \$670,000 for 15 acres of land in Wyandotte County. It is absolutely unheard of. It has never been done.

I looked for comps. I'm a real estate broker. I have access to everything that's been sold in the last ten years. \$670,000 for vacant land and no one can tell me now, after having the School District having approved that, how it's going to affect me. **Commissioner Philbrook** said I made a recommendation. **Ms. Walker** said okay. I appreciate it. **Commissioner Philbrook** said that's the way I would go.

Ms. Walker asked how will I hear back on what happens with that. **Commissioner Philbrook** asked can we ask Kathy Briney to give her a call please. **Doug Bach, County Administrator**, said yes, we can.

Mayor Alvey asked is there anyone else would like to speak in opposition. Anyone with any questions or comments. There were none.

Mayor Alvey closed the public hearing. Would the petitioner like to make any closing comments? **Mr. Clements** said no, sir.

Action: **Commissioner Philbrook made a motion, seconded by Commissioner Walters, to return Plan Review Application #PR-2018-18 to the Planning Commission for further review at the request of the applicant.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

PLANNING AND ZONING NON-CONSENT AGENDA

SPECIAL USE PERMIT APPLICATION

ITEM NO. 1 – 18303...SPECIAL USE PERMIT APPLICATION #SP-2018-37 – CHAD BARTLETT WITH HOME REMEDY INVESTMENTS, LLC

Synopsis: Special use permit to use a single-family home as a short-term rental space, rented through sites such as Airbnb and RBO, located at 4448 Booth Street, submitted by Robin Richardson, AICP, Director of Planning. This home is not the applicant's primary residence. The

Planning Commission voted 6 to 1 to recommend denial of Special Use Permit Application #SP-2018-37 based on the neighborhood opposition.

Urban Planning and Land Use Comments:

1. How long has the short-term rental business been in operation?

Applicant Response: The short term began in October 2017.

2. Were neighbors consulted prior to opening the business?

Applicant Response: I did talk about it with the neighbors on either side of me.

3. Do you have a business license?

Applicant Response: No.

Staff Response: You are required to obtain a business license from Business Licensing.

4. Have you paid appropriate lodging taxes?

Applicant Response: Yes, they are calculated and paid via Airbnb.

5. How many rooms are rented?

Applicant Response: The whole house is rented.

6. What is the maximum number of people that will be staying at any one time?

Applicant Response: Eight guests.

Staff Response: Eight guests staying in a two-bedroom, one-bathroom home is too many. As with other Airbnb/bed and breakfast applicants, we have limited it to two occupants per bedroom, so in this case five adults should be the maximum.

7. What is the maximum number of vehicles and where will they park?

Applicant Response: Unknown, probably three.

Staff Response: Will vehicles be able to park in the driveway?

8. How often are guests in the residence?

Applicant Response: On average, once or twice a week.

9. Do you have a rental license from the Unified Government for the facility?

Applicant Response: Not for this property.

10. Describe in detail the area(s) rented for Airbnb/other rental operations. Include bedrooms, bathrooms, common areas, etc.

Applicant Response: This house has two bedrooms, one bathroom, living, dining, kitchen, basement and garage.

11. As this is not your primary residence, where are you located?

Applicant Response: I live in Overland Park and my office is in Overland Park, Kansas.

12. How often do you visit the property?

Applicant Response: I have a team member visit the property at least twice per week.

13. Who is responsible for issues that may arise when tenants are renting the house, if neighbors have concerns, or to clean and prepare the house between tenants?

Applicant Response: Those are my responsibility.

14. Have you provided your surrounding neighbors with your contact information should they have concerns?

Applicant Response: Yes, both neighbors on either side have my number, as well as everyone I mailed.

15. Please provide a floor plan as the one submitted with the application cannot be read by any format we have on our computers.

Applicant Response: See attached.

16. Please provide interior/exterior photos of the residence.

Applicant Response: See attached.

Airbnb and other short-term rental operators do not fall into the same category. In this instance, Mr. Bartlett rents out the entire home, while he lives eight miles from the property, and his team/company will visit the site at least twice per week. Staff has not received reports of issues from neighbors, and Mr. Bartlett appears to have sufficient parking to accommodate any tenants.

If approved, the following will be stipulations of approval:

1. Host will maintain a safe environment including:

- Working smoke detectors in each bedroom plus each level of the unit/house.
- GFCI outlets are required in bathrooms.
- Double keyed locks are not allowed.
- Copper cannot be used for gas supply lines.
- Windows must be operable, not blocked or boarded.
- Handrails are required at sets of four or more stairs/risers.

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- Hot water tank and furnace must be vented properly and operational.
 - Electric panel and circuits must be safe.
2. Host will obtain a business license with the City.
 3. The maximum number of guests is limited to five people (not including an infant/child).
 4. Only one additional (guest) car is permitted.
 5. House rules must include provisions indicating no parties or events (including, but not limited to bachelor/bachelorette, dinner parties, etc.) to be held on site.
 6. The advertisement listing / bio shall list the following:
 - a. The home is not to be used for parties or events, this is not a party house.
 - b. This home is situated in a quiet residential neighborhood.
 - c. Quiet hours in the home begins at 10:00 PM. Authorities may be called regarding noise complaints.
 7. The applicant shall provide his contact information (direct phone number and e-mail) to surrounding neighbors, so Mr. Bartlett is immediately made aware of any issues.
 8. Approval is for one year.
 9. If issues arise with adjacent property owners and are brought to staff's attention during the term, this special use permit can be submitted to the Unified Government Board of Commissioners for revocation.

Update – May 14, 2018:

The Board of Commissioners referred this petition back to the City Planning Commission on April 2, 2018 so the neighbor, Dana (Swedo) Bernal could talk to the applicant, Chad Bartlett, about the issues she had pertaining to his Airbnb.

On May 8, 2018, the applicant, Chad Bartlett, and his attorney, David Nachman, met with staff and neighbor, Dana Bernal. Ms. (Swedo) Bernal expressed concern about parties (bachelorette) that were ending around 3:00 AM, loud music that was coming from the home and lack of parking on the street. Her major concern was better regulation of his guests in the home. She would like Mr. Bartlett to build a privacy fence along the property line to protect her dogs from interacting with the occupants.

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Mr. Bartlett agreed that he would update his listing/bio to say this is not a party house, no house parties and/or events and the home is situated in a quiet neighborhood. Additionally, Mr. Bartlett said while he does not want police to be called regarding excessive noise after hours, Ms. (Swedo) Bernal can absolutely call them as that is her right to do so. At the end of the meeting, Mr. Bartlett asked Ms. (Swedo) Bernal if there was anything else that he could do to help the situation and Ms. (Swedo) Bernal simply stated that there should be no house parties and/or events and better regulation of the home.

Staff explained the special use permit revocation process to the applicant and neighbor, where if stipulations are not being followed, the Board of Commissioners may revoke the permit.

June 11, 2018 Update:

On May 31, 2018 the attorney for the applicant, David Nachman, contacted staff to explain that Mr. Bartlett would not be present at the meeting and to talk to staff about what is the next step the applicant needs to take. Staff received a letter from Mr. Nachman that described the Airbnb website showing that it had been updated as per the discussion of staff at their meeting prior to the May City Planning Commission. The staff continues to support its recommendation of denial; staff does not have any evidence that the applicant has met with the neighbors to address their concerns as the applicant requested at the May 14, 2018 meeting.

June 28, 2018 Update:

At the June 11, 2018 City Planning Commission meeting the applicant's attorney, David Nachman, stated that he walked the neighborhood and spoke to some of the neighbors.

Mayor Alvey said I have been advised that a valid Protest Petition has been filed with the Clerk's office. This will require nine votes by the Commission.

Zach Flanders, Planner, said this is an Airbnb in a single-family house, similar in a lot of ways to ones that we've seen in the past and approved. However, it's probably most similar to the one that we denied which was out west in, I forget the name of the neighborhood, Canaan Lake, on Canaan Lake Drive.

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The Canaan Lake one was denied based on the operation of the Airbnb, the fact that they were having large numbers of people there and that it was operated by somebody who was not in the immediate vicinity of the property. This one, I believe, is similar to that in that they reportedly have large numbers of people there and have created parking issues and other concerns for the neighborhood.

Staff recommended denial and the Planning Commission recommended denial of this application.

Mayor Alvey said at this time I'd ask the petitioner to come forward to present his application.

David Nachman, Attorney, 10990 Quivira Road, Suite 200, Overland Park, Kansas 66210, said thank you very much for your attention. I really appreciate that very much.

We're asking for a special use permit to allow short-term rentals in this home at 4448 Booth. This is a really cool block. There's 23 homes on this block. Everyone knows who lives in all the houses.

This house, 4448, was vacant for ten years. It was an eyesore. It was dilapidated. It had mice and birds living in it. Before Chad Bartlett, my client, bought it, there was crime there. There were three break-ins and one of the neighbors had to chase away an intruder. He bought the house last year and fully renovated it.

Chad's an army veteran. He's a father of four. He resides in Overland Park. He lives nearby and is a Kansas resident. For six years he's been finding dilapidated homes and rehabbing them into safe, clean, nice homes. By the way, he can't be here tonight because he's travelling with this family. He has a family outing that was pre-planned and pre-paid long ago, so he asked me to speak for him.

When Chad bought this house last year, many viewed it as a wonderful benefit for the neighborhood. He spent over \$100,000 purchasing and renovating the home. I've passed around pictures. Does everyone have the packet with the pictures?

I just want to show you some before and after pictures. You can see how on page four the exterior roof, the exterior was totally rehabbed, new roof, new painting. There's been foundation work, electrical, plumbing throughout the house. Pages five and six show a completely rehabilitated interior, all new surfaces, floors, ceilings, paint on the walls. All new appliances and granite countertops on page seven in the kitchen. Page eight is a renovation of the basement. What used to

be a vermin filled disaster is now a fully code-compliant home. It's charming. He's improved the neighborhood value and increased the tax base.

After the rehab, Chad listed the home on Airbnb in October 2017, before the City had any limitations on Airbnb. At that time, and since, ever since he's opened this up for Airbnb, he's never, never, been informed of any police calls or reports.

When the special use permit process came in for special uses, he filed his application. Since then he's been adding house rules since this process has been going on. He's added rules, house rules, to ensure fair treatment by his guests of the home and of the neighborhood. Since May, since last month, he has a posting on his Airbnb listing – this is not a party house. There's no parties or gatherings allowed. No more than five adults in the house. Quiet time after 10 o'clock. The authorities may be called if there's any violations. He's also adding personal contact with the guests to reiterate the importance of following the rules.

Admittedly, I'm going to go through some of the complaints that staff has heard and that you're going to hear from the neighbors. Those happened before, months ago. With these new rules and these new procedures in place, we do not, as staff suggested, have large gatherings of people there now. We don't have parties there anymore. Those things have been stopped.

Of course, when Chad made his application he notified all of the neighbors. He gave out his cell phone number to the neighbors. There was a sign in front. Through March, at the first hearing, there were no complaints. No one showed up to oppose the deal.

In April, at the City Commission, there was no reports or opposition beforehand, but one neighbor did come and express some concerns. The Commission referred us back to a mediation to work that out. On May 9, Chad and I sat down with City staff and the neighbor to hear what the concerns were. She was a next-door neighbor.

She had some concern about the parties at the house, admittedly. She didn't really complain about the noise because she said that she and her husband retire early. They close the window, put on the fan, and the noise really didn't bother them. She said that she had a concern for her dogs in her backyard. She also acknowledged that she opened the gate between her yard and our yard and let the dogs run into our yard to play with our guests.

She complained that some people had left pizza boxes out on the picnic table in the backyard. She said that someone left the house late at night. It was either she or another neighbor said that

there'd been some mowing of the grass sometime between 9:00 and 10:00 one night that was irksome.

So, the next-door neighbor asked us if we would install a privacy fence to help with some of her concerns, and we're agreeable with that. We're agreeable with building and installing a privacy fence.

We also learned at the May mediation talk that there was a petition that had been circulated around the neighbors saying we don't want to have any Airbnbs in the neighborhood. This was signed by a number of people. Interestingly, there are other Airbnbs in the neighborhood. One of the signors of that petition is the owner of that other Airbnb. I'm kind of wondering how reasonable that is.

There have been other complaints. I mentioned about the mower. There was a complaint about a bachelorette party. Again, we've stopped those. We're not having bachelorette parties. We're not having bachelor parties. We're not having gatherings. We're not having dinner parties. Those are prohibited under the house rules.

We were also informed that a neighbor counted 28 people walking into the house on Mother's Day for a gathering on May 13. Again, we are prohibiting gatherings like that any further.

On the last page of the handout, I'm showing you a listing of the guests and the purposes of the visits since April through either May or early June: visits to KU, a business meeting, going to a Royals game, daughter's wedding, travelling for work, travelling across the country and needing a night to stay in town, visiting family, business meetings, doctors' appointments. Most of the uses that have been there for the last couple of months have been for just normal, quiet uses.

Admittedly, and I did disclose on here, that there was a bachelorette party early May. We've stopped that. Those are no longer being allowed. Those are prohibited under the house rules.

It seems to me, based upon what I've heard in talking to the neighbors, that this is not a protest over illegal activity or having the police show up to stop problems, but the fact is that Chad's an outsider. He doesn't live in the neighborhood. They don't know him. They don't trust him. They think he's a stranger and he's aloof.

I don't know what to say. I don't think that's a standard for denying a special use permit that the neighbors think that the owner of the house is a stranger and is aloof. A special use permit is not a popularity contest. There's no requirement that the neighbors like the owner. If the applicant presents a reasonable application, it ought to be approved.

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I will say that this special use permit process is a positive way to fix the neighbors' concerns. We want to be a good neighbor. We want to take care of those concerns. The stipulations that the staff has presented are a way to fix that.

Chad was charged by the Planning Commission to meet with the neighbors to check out their concerns. He reached out to them and was unable, they wouldn't basically meet him. He asked when can I meet with you guys. They said, they gave him no date or time.

On June 9, I personally walked around the entire neighborhood. I walked this entire block, all 23 houses and three more houses back behind the house. I wanted to talk to the people and found out what they had to say.

I knocked on 24 doors and I actually talked to 10 people. Of those ten, five had no problems at all with the house. Two more people had no personal problems. Two more people had not seen any problems at all, but they had heard from other people that there were some concerns. Seven out of ten people that I talked to had no problems.

Three people had seen or heard something. They thought one of the parties was too noisy, or that there was mowing between 9:00 and 10:00, or some other issue. Again, the special use permit stipulations, I believe, will solve any of those issues.

Chad has given his telephone number to all of the neighbors as requested by the staff. He's been contacted periodically, and he promptly responds to the neighbor. If necessary, he has contacted and confronted the guests to make sure they're not doing anything wrong.

I talked to the next-door neighbor, adjacent on the other side, about what they felt about this house. They thought it was great that the house had been renovated, that there's no longer mice and birds living in the house. They've had no parking problems. They had no problems whatsoever.

I talked, two of the other neighbors on the block said they felt they had been pressured by some of the other neighbors to sign a protest petition, but they didn't want to take sides.

There are other Airbnbs in the neighborhood. One of the other neighbors that has an Airbnb had a bachelorette party at her house. I am not aware of any complaints about that one, but there was a complaint about our bachelorette party. It just seems like there's some inconsistency going on.

I talked to two people directly across the street from the house and they had no problems with the house. Two of the people living back behind the house had no problems with the house.

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Chad is using the screening process to make sure that there will be quality people, quality guests using the house under Airbnb. Airbnb has a screening process. You can find out how many guests are there. You can get their name, times of use, purpose of the visit, get personal data about them. In addition, he is checking their rating and reviews on Airbnb to make sure they haven't used Airbnbs for parties or improper uses. He's getting a copy of their drivers license so he can check them out further. He's also adding that any violations of the house, the authorities will be called.

This house is monitored constantly. After every guest, there's a cleanup crew that goes by to make sure the house is clean and tidy. He has a yard company, a lawn service, go by weekly to make sure that the yard's kept up. Either he or his project manager goes by periodically to make sure everything is in order or to check in on the guests.

Chad wants to do anything reasonable he can to accommodate the neighbor's concerns. He feels he's been very responsive whenever an issue's come up by a neighbor. As I mentioned, he's willing to install a privacy fence in the backyard as the next-door neighbor had requested. He is willing to add a security deposit with his guests so if the guests violate any of the rules, they have an economic incentive to comply with the rules. He's also willing to follow the staff stipulations. He puts this on the listing that the parking is to be in the driveway and only one extra car on the street to minimize any parking issues.

I do want to point out that the things that the neighbors have pointed out that you're going to hear from are concerns that the neighbors have. That's their perception. That's fine, but we're not talking about illegal activity. The police haven't been called to come out to round up any wrongdoers. The kinds of things you're going to hear are things that an owner could lawfully do in their house or that a long-term renter could do in their house, things like smoking outside, leaving pizza boxes on the table, parking on the street, having people over, having cars over. Those are all things that are irksome to the neighbors, admittedly, but those are all things that an owner or a long-term renter might do.

Chad also realizes that if you grant the special use permit, it is subject to revocation. He has great incentive to make sure he complies with all the stipulations of the City.

As to the eight legal standards for approval of a special use permit which the Staff Report reviews, there's only one that is debatable that is an issue. That's the one that says whether the proposed use is reasonably necessary for the convenience and welfare of the public and will not substantially or permanently injure the appropriate use of adjoining properties. I believe this

Commission has already determined that Airbnb short-term rentals are reasonably necessary for the convenience and welfare of the public.

This property is near KU Hospital. As you see from our list of guests, many of our guests are family members of patients and they want to be near their family in the hospital. Other guests have been, have business meetings at the hospital. Other guests are travelling across country and want to spend a night on their way across the country.

We believe that this short-term use is reasonable and appropriate and is needed in the community. There's no substantial and permanent injury to any adjoining property. I, therefore, respectfully request that the Commission grant the special use permit and render findings of fact in support of this decision.

Mayor Alvey opened the public hearing and asked if there is anyone present who would like to speak in favor of Special Use Permit #SP-2018-37. This is in support, anyone in support. Seeing none, is there anyone present in opposition.

Edward J. Bernall said I live right next door to Chad's residence. I called him numerous times about a break-in in the backyard. He told me if there's a break-in they're going to be fired, whoever his helpers are. I called him about the marijuana in the backyard. He called me at 2:30 in the morning his first month there.

At 2:30 in the morning when I've got to wake up at 5:00, I'm a union pipefitter, Local 533. He calls me at 3:00 a.m. and says who is parked in my driveway. I'm sorry, is it time to get up. He says no, who's parked in my driveway. I said I'm sorry, who is this. This is Chad. I live next door and he's outside in his residence. Then I tell him who's parked in his driveway, my neighbor, only because they've been taking care of Johnny's property for ten years and nobody's parked there. He goes over to Oscar's, our other neighbor's house, pounds on the door, wakes them at up at 2:30 in the morning. Then they have to move their car.

What kind of neighbor is that? He's not a good neighbor. He doesn't even live here. It's ridiculous. I'm sorry, that's all I've got to say.

Reginald Odom, 4440 Springfield, said the reason I'm here is that this gentleman is supposed to have been coming back meeting the people in our neighborhood to talk about these situations. He's never came to us. He's never came to the Neighborhood Association meetings.

Here's the situation. There are other Airbnb's. I didn't even know about them. Why did I know about his?

We worked hard to clean up our neighborhood. I have three little girls who run around that neighborhood. They don't need to be in this type of mess in their neighborhood.

We used to have break-ins in our neighborhood. We don't have break-ins no more. I know everybody in our neighborhood and everybody knows me. When this situation came about, I have to stick with my neighbors because that's all we have. We worked hard for this thing.

I'm not saying this man is a bad man. I'm saying this man came over and done some things that we, as a neighborhood, don't want in our neighborhood. That's all I have.

Dana Swedo, 4446 Booth, said Chad has not enforced the recommended rules the Zoning Commission has directed. Please help us save our neighborhood. It is clear Chad cannot monitor the Airbnb because he does not live in the neighborhood. If you look at the back document that I've just given you, he has moved to Guatemala.

On his statement on his Facebook page, he owns 30 other properties. He is happily practicing minimalistic lifestyle with his family and going to be moving forward and travelling using, I guess, his Airbnbs here in the states as his primary form of income.

Mayor, you are calling for a new focus on the neighborhood, calling for a better quality of life for Kansas City, Kansas residents. We must attend more clearly to our traditional neighborhoods because our neighbors deserve a better quality of life. I had mentioned, also in the information, that there are numerous bachelorette parties and a listing of the police, the graduation party. I'm sorry, there was one time the police were called.

Living next to an Airbnb is like living next to a trailer park. The constant stream of people coming and going all hours of the night, noise, parties, disturbances. My family immigrated to Strawberry Hill in the 1930s. My grandparents owned a watch repair shop on Minnesota Avenue for 30 years, also owned property on 118th Street by the Speedway. I purchased my home in 2001. I have supported Wyandotte County for years. Please listen to the Mayor's agenda and keep with the traditional neighborhood. We deserve a better quality of life.

Florence Jackman, 4453 Springfield Street, said the back of my property goes to his. Chad is not a good neighbor. The other BNBs you don't even know they're there. He is not a good neighbor.

The attorney said that he talked to the neighbor next door. Mr. Laskin is handicapped. He wanted me to correct the statement that he made. He said he told the attorney that he was glad they fixed up the house, but he doesn't like the traffic going back and forth. He worries about his son getting into it with the neighbors. His son used to be a policeman. He spends the day with his dad and goes home when his dad goes to bed at night.

He said, you know there were five guys over there the other night smoking pot. Anthony called them. Nothing gets done. Nothing gets done because Chad's not here. He doesn't care about our neighborhood. For 54 years we worked hard to keep that neighborhood nice. It's not been an easy job because right across 43rd Street we have a bad element. We worked together to keep the neighborhood.

We support our policemen. He says well, they didn't call the policemen. Well, we have two policemen on the street. They're shorthanded. We're not going to call them because of minor things that are going on. There were some things that were going on if Mark had been home I would have run across the street and said go do something. He would be here tonight if he wasn't working.

What I'm saying is that we have a decent neighborhood and we want to keep it that way. Mark is travelling around the world doing whatever he's doing. He doesn't care about us and we don't want him there. If you're going to put a BNB in our neighborhood, then they need to be like it started out where it's their house that they live in, or they live close so they can monitor it, not people from the outside coming in and just having a party house.

Carol Hill, 4472 Booth, said I've lived in the neighborhood for 27 years. We have the most wonderful little neighborhood. We have babies. We have little children. We have a three-year old, we have a five-year old, that play in the street. Many times, there are so many cars down there and they're up and down the street. It's really dangerous.

I want you to know the house was not dilapidated. There was an elderly lady that lived there. Her children lived around. She didn't want to sell the house until she had passed, so they kept it. The neighbors mowed it, everybody kept it. There has been nothing done on the outside of that

house since the day he bought it. He may have fixed up the inside, but he did nothing on the outside. He's done nothing to improve our neighborhood.

We love our neighborhood. We're all family in the neighborhood. If it was someone compliant, but they're not. I've been down there. There's been beer bottles. They've been standing on the front porch. There's music. We don't have loud music. We respect each other in our neighborhood. We love where we live, and I hope you will let us continue to love it.

Karen Main, 4465 Booth, said I'm a new resident to the neighborhood, having been there about six months. The reason I purchased a home there was the friendly environment that I felt.

Someone mowed my lawn the first day I moved in. It was Reggie. That was just an amazing thing to me that a stranger would come and mow my lawn. There's a great deal of caring for each other there. I wouldn't want to see that destroyed.

It isn't the issue of Airbnbs, but it's the kind of Airbnb that is in the neighborhood that's destroying the peace and quiet that we deserve and that we've built on.

Je T'aime Taylor, Rosedale Development Association, 1403 Southwest Boulevard, said the nearby neighbors in this property are the best ones to tell you about the impact that this business is having on their lives and their neighborhood. I'd like to talk about what makes this proposal different than the other proposals that have come before you.

When this proposal first came to the Planning Commission in March, there were like seven Rosedale short-term rentals also on the agenda. RDA supported all seven proposals because they were supported by the immediate neighbors and because short-term rentals, when operated appropriately, have a positive way for residents to make some money, but also provide a service to those who are visiting Rosedale.

This proposal is a little different for two important reasons. First, the issue of proximity and accountability. The other short-term rentals in the area were either owner-occupied or the owner or a family member was in the residential area. There are issues with this property. The issues with this is that essentially this owner is not being held accountable since he just visits instead of lives in the neighborhood.

The second issue is the scale of the business. During the March Planning Commission, one of the Planning Commissioners commented that this proposal was different than the other proposals.

It appeared to operate like a business, if I remember correctly is what was said, and voted against the proposal. 4448 Booth is an LLC that owns and operates other short-term rentals as well, which combined with the issue of proximity and accountability, makes this operation more like a hotel or your traditional bed and breakfast. Hotels and small local businesses are essential to the neighborhood, but in the middle of a single-family home is not an appropriate location for the business.

I recognize that there's a lot of feelings that are running high with the neighbors in this community. I think that what you're seeing is just the frustration of them knowing that they have a quiet neighborhood and then realizing that there's a business running in the middle of it. We appreciate and thank you for listening to the neighborhood's opinions and thoughts.

Mayor Alvey asked is there anyone else who would like to speak in opposition. Any questions or comments?

Mayor Alvey closed the public hearing. I'd ask the petitioner if he'd like to make any final replies.

Mr. Nachman said I think as you can hear, there are complaints by neighbors about various items, not about things that rise to the level of illegal activity or where police need to be called. The stipulations from the City, Chad will agree to the stipulations from the City because those will solve all the things that they're talking about. A lot of things they've been talking about are historical things. He's been implementing the new rules that are posted on his Airbnb site. I believe that is in your materials with the Staff Report.

By having those restrictions and being able to screen his guests and follow up with them, he'll be able to have guests who will be quiet. There won't be too many people. The staff has even said this Airbnb is okay with up to five adults. We agree with that. A guest could have up to five adults and maybe a couple of kids some night, but the cars have to be in the driveway and one car on the street, which is not disruptive of the neighborhood. We're agreeable with the staff recommendations for those kinds of things.

We realize if we don't comply with those things, we're subject to revocation. We wouldn't want to start this thing just to come right back and have a revocation. We're ready and willing and able to meet the requirements of the staff recommendations.

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Mayor Alvey asked do any members of the Commission have any questions or comments.

Commissioner Murguia said I have a couple of staff questions. You said this is a valid petition that you verified that. Are all of the petitioners that signed this, do they reside in this resident? Is this their home and they reside there?

Mr. Flanders said the way that we evaluate whether it's a valid protest petition is whether the signature, the name of the signature, matches what we have as the owner of record at the Appraiser's website. If there are multiple owners listed, it has to be both owners that sign.

You'll see that it was 33% of the area within the notice area, which is 200 feet from the property, had that valid protest where both, either there's one owner and they signed, or both owners signed. There were other properties where either one or the other owners signed, but not both, and those were not included.

Commissioner Murguia said you can't tell me whether or not the people that signed this protest petition actually live at this address. **Mr. Flanders** said it's possible that the owner does not live there and rents it. In that case, it's the owner that would need to sign it and not the renter. **Commissioner Murguia** said not necessarily the person that lives there. **Mr. Flanders** said correct.

Commissioner Murguia said you are aware that 80% of Rosedale is rental, correct. **Mr. Flanders** said I am aware there's a large amount of rentals, yes. **Commissioner Murguia** said it's unfortunate, but I would like to know the number of these people that signed this petition that actually reside in the neighborhood or if they are landlords, also, that don't live in the county. They just rent their property. I'm not sure how we do that, but I'd be curious about that.

The Airbnbs that are currently in this particular neighborhood, do the owners of those Airbnbs also either live in the home and rent a room, or do they live in the neighborhood nearby? **Mr. Flanders** said all of them either it's their primary residence and there's one where they live within a couple of blocks. **Commissioner Murguia** said okay, so that's the Airbnb piece of it.

In our policy, I know that we did a re-write in regard to our policy in regard to Airbnbs. Does our policy require an Airbnb operator to live in a neighborhood or close by to the Airbnb in order to get this kind of, I guess you would call it a license? **Mr. Flanders** said I don't think that we have a clear written policy specific to Airbnbs. We've been following the special use permit procedures which applies to all commercial businesses in a residential area. We've been sticking to the Factors

to Consider which are listed in the Staff Report, and that's how we evaluate each one of these on an individual basis based on those factors.

Commissioner Murguia asked those factors, are those the factors that we refer to as the golden factors. **Mr. Flanders** said yes. **Commissioner Murguia** said okay. Within those golden factors, the reason when we deny something, we have to be able to justify the denial by identifying a golden factor, that's correct? **Mr. Flanders** said I think that's correct. I'm looking at our attorney. **Angela Lawson, Deputy Chief Legal Counsel**, said that's correct.

Commissioner Murguia asked we just don't have the discretion to deny unless it relates to one of those golden factors, correct. **Mayor Alvey** said that's correct. **Commissioner Murguia** said before when residents haven't liked something, and we have supported the residents wishes, we've been taken to court, and it's been overturned by our District Court. Is that correct? **Ms. Lawson** said that's happened.

Commissioner Murguia said this is my district. This is what I have to say. I appreciate all that you do to make your neighborhood great and safe and I want to continue to be supportive of the people that live in that neighborhood. As a result of that, I am going to support your wishes that you do not want this Airbnb in your neighborhood, but I will tell you this. Let me give you some advice in my district.

It is not your issue that our Police Department is understaffed. It is not your job to take policing issues into your own hands or disturbances into your own hands. It is your job to pick up the phone and call 911 and get it reported. Then it's documented and there is something documented that demonstrates that this home or this property owner has been an issue for the community. Right now, there is no evidence of that other than your testimony which is a he said/she said game which isn't necessarily going to work in court. I think that's an issue also.

In regard to your concerns about parking, parking is an issue all over Rosedale, in every side neighborhood that's over there. Too me, in that particular neighborhood, that would be a hard argument to say that parking could be an issue. I do agree with the petitioner that anything that he is holding there currently any one of you could be holding at your own home and creating the same kind of problem. I don't really see that there's a factor to consider there either.

My politics have always been to support the people that I represent. That's what I intend to do, but I would not be surprised if this decision was overturned by our District Court. It would not surprise me. I'm trying to give you some friendly advice and say if you want to deny Airbnbs or

rental property in the future within your neighborhood, you need to have the evidence in order to get the Commission to support that in the future.

Action: **Commissioner Murguia made a motion, seconded by Commissioner McKiernan, to uphold the Planning and Zoning decision and in support of the neighborhood petition for denial of Special Use Permit Application #SP-2018-37.**

Commissioner Murguia said, again, I'm not sure that qualifies as a golden factor, but frankly, I don't have anything else. **Commissioner Bynum** said I appreciate the motion. I would like to just draw staff's attention, and maybe the applicant's attention, within our Agenda packet, it's on page 133 if anybody cares, it speaks about previous actions regarding this item. It states that at the April 5 Board of Commission meeting we referred it back to Planning so that the neighbor and the applicant could discuss concerns. Then there was testimony in May at the Planning and Zoning meeting at which time the applicant asked that it be held over again for one month to work through the issues.

Based on what's been provided to us by the neighbors, if I were an applicant at an April 5 meeting of the Board of Commissioners, and had my item sent back for the concerns of neighbors, I'd start working on those concerns on April 6. Instead what we see is on April 6 there was a party, and six more incidents after that according to the documentation of the neighborhood, leading up through apparently just last weekend. I'm going to support Commissioner Murguia's statements, but I'm not having a hard time doing it.

Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

Mayor Alvey said that concludes the Planning and Zoning portion of tonight's meeting. We will now move to the regular portion of our Agenda.

REGULAR AGENDA

MAYOR'S AGENDA

No items

REGULAR CONSENT AGENDA

Mayor Alvey asked does any member of the Commission or anyone in attendance tonight wish to set aside any item on the regular Consent Agenda. If an item is not set aside, all items on the Consent Agenda will be voted on by one vote.

Action: **Commissioner McKiernan made a motion to approve all items, seconded by Commissioner Murguia.**

Commissioner Bynum said I would request that we briefly set aside Regular Consent Item No. 1.

Action: **Commissioner McKiernan made a motion to approve all remaining items, seconded by Commissioner Murguia.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 1 – 18290...RESOLUTION: PUMP STATION 61 FORCE MAIN IMPROVEMENTS

Synopsis: A resolution declaring that this project is a necessary and valid improvement project. This project will run from Donahoo & 123rd St. north along N. 123rd St. before cutting over to N. 123rd Terrace and ending at Wingfoot Drive, submitted by Ken Moore, Chief Counsel. On June 18, 2018, the Public Works and Safety Standing Committee, chaired by Commissioner Bynum, voted unanimously to approve and forward to full commission.

Commissioner Bynum said I just wanted to set it aside very quickly because I wanted to clarify for anyone here and anyone watching, on this particular item there have been concerns about the property that might need to be acquired. We have Jeff Fisher here, our Director of Public Works.

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If you could just take 30 seconds to a minute to explain that it is not our understanding or intent that any actual homes are needed.

Jeff Fisher, Director of Public Works, said that's right, no homes. This will pass between houses and along roadsides. Some easement needed, but no homes.

Action: **RESOLUTION NO. R-27-18**, "A resolution declaring the necessity and authorizing a survey and descriptions of lands necessary to be condemned for the construction, maintenance, operation, use and repair of the Pump Station 61 Force Main Improvements (CMIP 6303), the construction of a new force main to replace the existing undersize line, all in Wyandotte County, Kansas." **Commissioner Bynum made a motion, seconded by Commissioner McKiernan, to adopt the resolution.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 2 – 18292...RESOLUTION: HUTTON ROAD SANITARY SEWER MAIN EXTENSION – CMIP 6001

Synopsis: A resolution declaring that this project is a necessary and valid improvement project, submitted by Ken Moore, Chief Counsel. On June 18, 2018, the Public Works and Safety Standing Committee, chaired by Commissioner Bynum, voted unanimously to approve and forward to full commission.

Action: **RESOLUTION NO. R-28-18**, "A resolution declaring the necessity and authorizing a survey and descriptions of lands necessary to be condemned for the construction, maintenance, operation, use and repair of the Hutton Road Sanitary Sewer Main Extension (CMIP 6001), the construction of a sewer main extension for development on east side of Hutton Road, all in Wyandotte County, Kansas." **Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to adopt the resolution.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 3 – 18297...NOMINATION: BOARDS AND COMMISSIONS

Synopsis: Nomination for Boards and Commissions:

Law Enforcement Advisory Board, Don Jolley, 6/28/18 to 6/30/20, submitted by Commissioner Markley

Action: Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve. Roll call was taken and there were nine “Ayes,” Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 4 – MINUTES

Synopsis: Minutes from special sessions of May 24 and 31 and June 14, 2018; and regular session May 31, 2018.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to approve. Roll call was taken and there were nine “Ayes,” Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

ITEM NO. 5 – WEEKLY BUSINESS MATERIAL

Synopsis: Weekly business material dated June 14 and 21, 2018.

Action: Commissioner McKiernan made a motion, seconded by Commissioner Murguia, to receive and file. Roll call was taken and there were nine “Ayes,” Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

PUBLIC HEARING AGENDA

No items

STANDING COMMITTEES’ AGENDA

No items

ADMINISTRATOR'S AGENDA

ITEM NO. 1 – 18301... REPORT: COMPREHENSIVE ANNUAL FINANCIAL REPORT

Synopsis: Presentation by the Unified Government's external financial auditors of the required financial statements and reports for the fiscal year ended December 31, 2017. Presentation will be from Kathleen VonAchen, Chief Financial Officer; Pam Kahao, Interim Accounting Manager; Tara Laughlin, Vice President, Assurance; Allen, Gibbs & Houlik, L.C.

Doug Bach, County Administrator, said as we do annually, we have our outside audit conducted. This evening I will turn this over to our Chief Financial Officer, Kathleen VonAchen, and let her begin the presentation.



1

Kathleen VonAchen, Chief Financial Officer, said annually we do our financial audit. I'd like to report the results of this audit.

What is a Comprehensive Annual Financial Report (CAFR)?

- Set of financial statements for a government
 - Comply with GAAP and GASB
 - Audited by independent auditor
 - Consists of three sections:
 - **Introductory** section
 - **Financial** section
 - “High points” in Management Discussion and Analysis (MD&A) that describes previous year’s results and key factors influencing results.
 - **Statistical** section provides 24 tables of data
- UG’s CAFR located in Accounting departmental directory of UG’s public website: <http://www.wycokck.org/Accounting.aspx>



2

Before I do so, I want to explain a little bit of what is a Comprehensive Annual Financial Report which we’re going to shorten and call it a CAFR.

It’s a set of financial statements for a government. It’s in compliance with two accounting standards boards. It’s the Generally Accepted Accounting Principles and the Governmental Accounting Standards Board. The financial information is audited by an independent auditor who will be talking with us tonight. She utilizes Generally Accepted Governmental Auditing standards.

Within the Comprehensive Annual Financial Report there are three sections. First is the introductory section that orients and guides the reader of the report. Then there’s the Financial section which includes a number of items. It includes the management’s discussion and analysis which presents a summary of all of the information contained in the 220 page report. There’s also the basic financial statements, the notes to the financial statements which are about 80 pages of very detailed information about the Unified Government’s financial position and its liabilities and assets. There’s also all of the combining statements. The last section is the statistical report. We have 24 tables with a lot of detailed information over the last ten years.

If you want to get the report, yourselves, it’s located on our Accounting Department website.

Why is it important?

- Better Transparency
 - The act of being easily seen through or recognized; open, frank, candid
- Accountants let the numbers “*tell the story*”
 - CAFR reports **actual** financial results of the prior year
 - Differs from a budget which is a fiscal **plan** for the future
- Financial statements required by State law and bond documents
 - Stakeholders need to know how we are doing
 - (i.e., citizens, bondholders, grant providers, donors)

Why is this important? It’s important to have the CAFR because it provides transparency to our residents. It makes it more accessible. We provide all the information about our financial performance in this report.

Secondly, accountants let the numbers do the talking or tell the story. The CAFR reports actual financial results of the prior year, which is different than the budget, which is a fiscal plan for the future year.

Lastly, financial statements are required by state law and bond documents. Some of the stakeholders include citizens, bondholders, grant providers, donors, credit rating agencies and the like.

2017 CAFR Highlights – Key Take-aways

- Re-stated retiree health (OPEB) decreases liability by \$26.5M *(pgs. 59; 86-88)*
 - from \$100.4M to \$84.5M
 - GASB 75 and changes in OPEB actuarial assumptions
- Net Pension liability decreases by \$7.2M *(pgs. 77-81)*
 - from \$180.6M to \$173.4M
- General obligation debt grew by \$38.4M, \$29.4 M for governmental and \$9.0M for sewer enterprise *(pg. 59-69)*
- First year of STAR revenue to fund operations

4

I have two slides that kind of highlight some of the major items of the CAFR this year, they're kind of key takeaways.

First of all, and I might use a few acronyms here I'll try to explain. First of all, we restated the retiree health which we call OPEB, Other Post-Employment Benefits. We restated that liability so that it declined by \$26.5M. You can see that on page 59 or 86 through 88 of the CAFR.

The reason for the decline was because we implemented GASB 75 which caused us to change our actuarial assumptions. The GASB 75 statement made it so that all municipalities basically use a uniform basis for determining the liability for retiree health. It turns out that the actuary reports that we had been utilizing previously had actuarial assumptions which were overly conservative. As a result, our retiree health dropped from \$100.4M to \$84.5M at the end of the year.

The second highlight is that our net pension liability also declined by \$7M, that's on page 77. It declined from \$180M to \$173M. That's good news, although we still have that liability outstanding.

The third item is that general obligation debt grew by \$36M, \$29M of it is governmental and \$9M of it is Sewer Enterprise. That discussion can be found on 59 through 69.

Also, 2017 is the first year that the STAR revenues were funding operations. Previously we were collecting STAR revenues, but those were going toward paying the debt service on those STAR bonds. Now they're being reflected in three of our governmental operating accounts.

2017 CAFR Highlights – MD&A *(continued)*

- Governmental Funds' deficit net position improved by \$28.7M *(pg. 24)*
 - although still in a deficit position of \$14.7M
- Modest \$388K increase in General Fund property tax revenue due to:
 - assessed value increase
 - two City-General Fund mill decrease
- Fund Balance of General Fund grew by \$9.2M *(pg. 27)*
- Dedicated sales tax of \$10M for public safety and infrastructure *(pg. 114)*
 - set to expire June 2020-taxpayers will vote to renew August 8th



Additional highlights include that the governmental funds deficit net position improved by \$28.7M. Although we still have a deficit position of \$14M, it's not as much as it was last year, which was around \$43M as a deficit.

There was a modest increase of \$388,000 in the General Fund, Property Tax Revenue, compared to the prior year. That modest increase reflects a net activity of the assessed value increase in 2017 minus the reduction in our mill rate for the City General Fund.

The fund balance in the General Fund, it grew by \$9.2M. You can see that on page 27. As we go through our budget process, we'll talk about that in more detail. Basically, as I mentioned in other workshops, our revenues came in roughly \$3 or \$4M higher than we budgeted or estimated. Then, our expenses were about \$3 or \$4M lower than expected. That's why that happened in our General Fund.

Lastly, as we've talked in other workshops, the Dedicated Sales Tax revenue was \$10M which is dedicated for public safety and infrastructure. You can see that on page 114. That tax is set to expire on June 2020. Taxpayers will be voting to renew this tax on August 8 or 7.

Mayor Alvey said I have a question. Could you just quickly explain the top item, governmental funds' deficit net position improved by \$28.7M although still in a deficit position of \$14.7M. What are the implications of remaining in a deficit position of that amount?

Ms. VonAchen said the deficit position last year was a deficit 43 and now it's 14. Of course, an improvement is always much better. In the future as we work to reduce our liabilities,

that deficit position will dissipate. Many of the local governments throughout the United States have deficit positions because in the last two years we had to implement or record the full value of our pension liability as well as the full value of our retiree health liability. It's not uncommon for local governments throughout the United States to find themselves in a deficit position.

2017 Financial Results

Two perspectives for consideration

1. Near term position
Traditional fund statements
2. Financial position
Government-wide financial statements



6

Now we're going to talk a little bit about the financial results. I'm going to show a series of graphs. When we do a financial results discussion, you have to keep in mind that we're using various accounting basis. The near term is basically the traditional fund statements which are on a modified accrual basis. Then, the full value or full accrual basis is found in the government-wide financial statements.

Public Sector Challenge

- Primary goal of private-sector is to make a profit.
- Governments have economic goals, but their principal objective is societal – to provide service to citizens.



7

It's kind of a public-sector challenge because the primary goal of private sector is to make a profit; whereas, government has an economic goal. They do have economic goals, but the principal objective is societal, to provide services to citizens. That explains why there's kind of a difference in the accounting basis throughout the document.

Near-term Financing Perspective

Traditional Fund
Statements
(UG only)



8

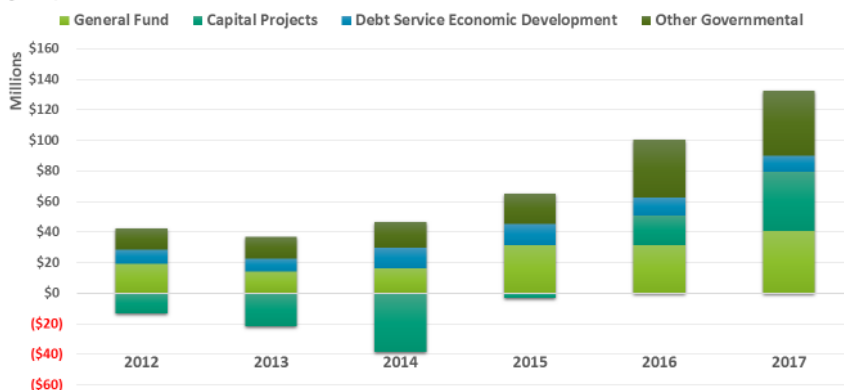
First, the traditional fund statements. Now, we're only going to talk about the Unified Government. The BPU is an agency of the Unified Government. We include BPU activity in the Enterprise Fund or business-type activity columns of the statements. For purposes of this presentation, we're only going to talk about the UG, without the BPU.

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Near-term Financing

Governmental Fund Balances

(Page 25)



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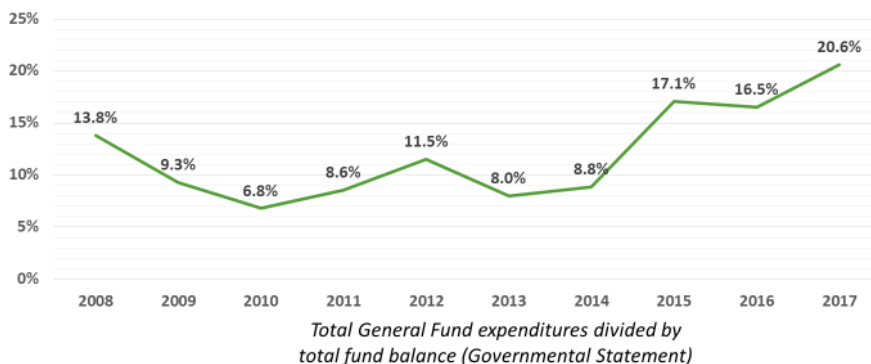
Near-term Financing – Governmental Fund Balances. This is a graph that starts from 2012 through 2017. It basically breaks up the financial activity or the bottom line fund balances by the category of the activity. You have General Fund, Capital Projects, Debt Service Fund for Economic Development, and Other Governmental. You can see over time, especially in the last three years, that we are in the positive. This is near-term fund balances.

The kind of lime green color is the General Fund. That number's been growing. The deficit positions in 2013 and 2014 are a result of timing related to our temp notes and the use of the temp notes and the fact that cash had been drawn down during that period, but the temp note liability was still in place. That's the reason for this.

Near-term Financing

General Fund – Fund Balance

(Page 27)



This is a graph that shows since 2008 the fund balances of the General Fund. As you can see, back in 2008 we started out with a 13.8% fund balance. What that means is that the fund balance amount was 13.8% of the total expenditures and transfers.

During the recession, it dropped down to 6.8. It picked back up around 2012. It dropped a little bit in 2013 and 2014. Now we've been building our fund balance to a level that is above the Government Finance Officers' Association recommended level, which is two months of operating at 17%. We're doing better here in terms of providing sufficient reserves in order to meet our operating expenses and liquidity needs.

Near-term Financing

General Fund – Fund Balance Policy

(Page 85)

- *Proposed Policy Revision - It shall be the goal of the Unified Government to maintain a minimum fund balance in the General Fund of 2-months of expenditures and transfers (17%).*
- *GFOA Best Practice = 17 percent (2-months operating expenditures)*
- *Unified Government proposed policy also includes an 1-month operating reserve for economic uncertainty and emergencies, to be accumulated over the future five years.*

2017 General Fund Balance	\$40,957,000
2017 General Fund Actual expenditures and transfers	\$198,847,000
17% of 2017 General Fund Actual expenditures and transfers	\$33,804,000
Fund balance as a percent of 2017 General Fund expenditures and transfers	20.6%
Fund balance above policy minimum	\$7,153,000

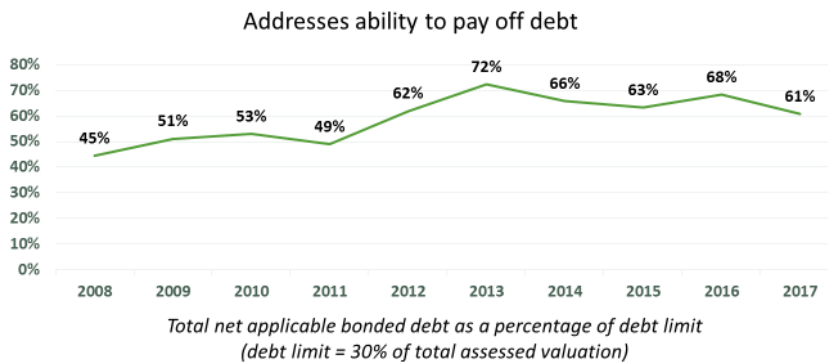
I wanted to talk briefly about the Fund Balance Policy. Currently, at the Economic Development and Finance Committee, we are discussing potential proposed revisions to our Fund Balance Policy. The proposed revision is that it shall be the goal of the Unified Government to maintain a minimum fund balance in the General Fund of two months of expenditures and transfers, which equates to 17%. That is a best practice of GFOA. Also, in the proposed policy, we put in an aspirational provision that we achieve over the next five years potentially one more month of operating expenditures to help us mitigate any risk of economic uncertainty or emergencies.

For this 2017 CAFR, just to give you a little bit of detail, the General Fund fund balance is \$40.9M. Actual expenditures and transfers are \$198.8M. 17% of that is \$33.8M. The actual \$40.9M into the expenditures actually equates to 20.6%, which is above the 17% level. It's above that 17% level by \$7M. We have more in our fund balance currently above the 17% of a total of \$7M.

Financial Position

Debt Capacity

(Page 189)



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We often look at this one, it's Debt Capacity. Right now, state law requires that we cannot exceed the amount of applicable debt, General Obligation and other applicable debt, that total cannot exceed 30% of our assessed value. Right now, at the end of 2017, the total amount of applicable debt in relation to the assessed value at 2017 totaled 61% of that debt limit amount. It has been growing.

The increase in 2013 was because of a change in the accounting practices that took place during that financial audit. Previously, the state portion of the STAR bonds that had an annual

appropriation clause had not been included in the financial statements. Beginning in 2013, it did. That's partly why that increased during that year.

Mayor Alvey said, just to be clear, we're at 61% of the 30% limit. **Ms. VonAchen** said that's correct, yes.

Financial Position

Government-wide Financial Statements (both UG and BPU)



13

Here's the government-wide financial statements. Now, these statements are basically set up as if it were a private business, so they're full accrual accounting. These statements include both the UG and the BPU.

Financial Position Composition of Net Position (Page 23)



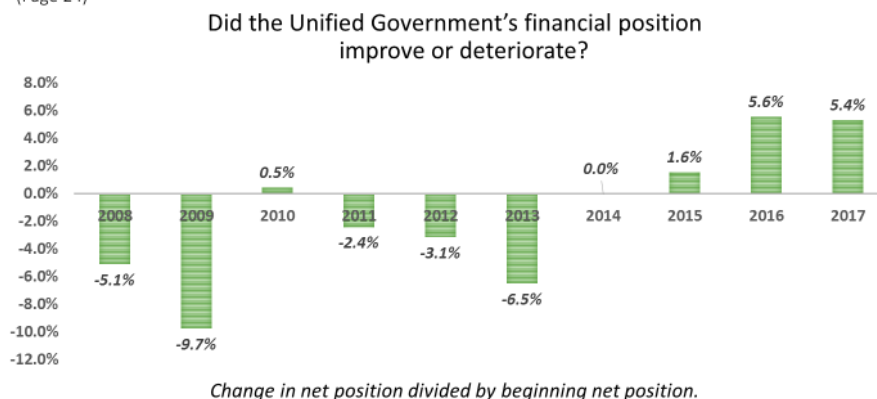
14

June 28, 2018

This is total net position of the entire Unified Government, broken up by unrestricted, restricted and then net investment in capital assets. As I mentioned, overall the net position of the Unified Government is in the deficit position. The deficit amount is in the unrestricted category.

Financial Position

(Page 24)



15

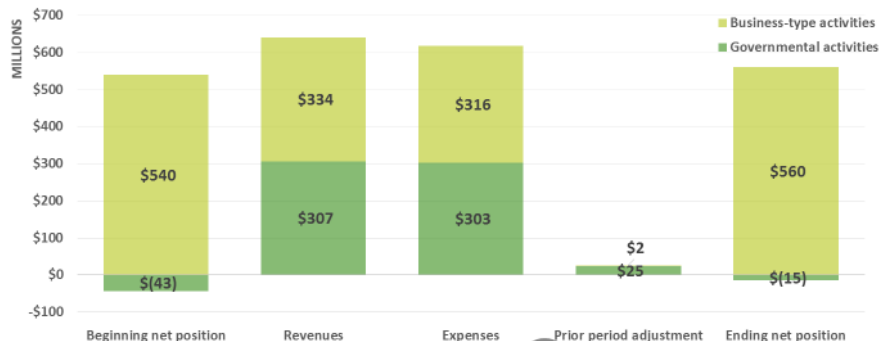
Did the Unified Government's financial position improve or deteriorate? You can see that this is basically a change in net position divided by beginning net position. Over the last three years, our net position has been improving.

Financial Position

Statement of Activities-2017

(Page 24)

• Composition



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June 28, 2018

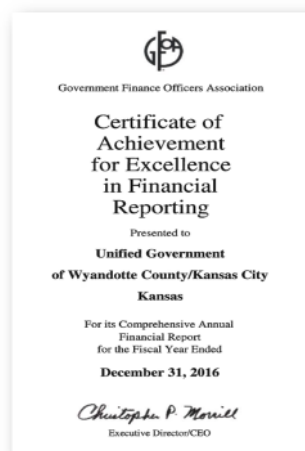
This shows the statement of activities, which is another word for income statement. Basically, what we've done is divided up sort of the activity by kind of the activity category.

Beginning at January 1, 2017, we had, and this is broken up by business-type activity and governmental activity. So, you can see that the business-type activity is quite a bit larger than the governmental activity. That's because we have the BPU portion included there.

At the beginning of the year, we had a deficit position in our governmental activity of a negative \$43M. On the business-type activity, it was \$540M. During the year, we collected the revenue in the second column. The governmental collection activity was \$307M, and the business-type was \$334M. That was offset by expenses which are in the third column.

I mentioned that we had that prior period adjustment due to the Other Post-Employment or Retiree Health. As a result, the final net position is \$560M for our business-type activity and then a deficit of, it's \$15M rounded.

Unified Government Recipient of:
Government Finance Officers Association
***Certificate of Achievement for Excellence
in Financial Reporting***
18 Consecutive Years



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Over the past 18 years the Unified Government's Accounting Division has been submitting their Annual Financial Report to the Government Finance Officers Association for a Certificate of Achievement for Excellence in Financial Reporting. Over those past 18 years, we have been awarded that certificate. For the past 18 consecutive years we've had that. This is a very important award. It means a lot to our credit rating agencies. It also demonstrates that not only are we in full compliance with the best practices, but that we are committed to the transparency that I mentioned earlier.

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Recognition

- Unified Government Board of Commissioners
- Unified Government Departmental Staff
- Doug Bach, County Administrator
- Pamela Kahao, Acting Accounting Manager
- Kathleen VonAchen, Chief Financial Officer
- Deborah Jonscher, Deputy Chief Financial Officer
- Accounting Division Staff
- Rick Mikesic, County Treasurer
- Ron Green, Payroll Manager
- Reginald Lindsey, Budget Manager
- External Audit Team: Allen, Gibbs & Houlik, L.C.



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I want to thank you, as the Commission, for your support of the prudent financial practices. I'd like to thank all of the Unified Government Department staff who are very important and integral in the accounting cycle, in the paying of bills, payroll, and so forth. They're very helpful. To Doug Bach, our County Administrator, for his support. I'd also like to especially thank Pamela Kahao, our Acting Accounting Manager, which is sitting over there in the corner tonight. I shouldn't have included myself, I guess.

Then there's Deborah Jonscher who is our Deputy Chief Financial Officer, also sitting over there next to Pam tonight, all of the Accounting Division staff. Then a special thanks to some of my other division heads. Rick Mikesic was the Accounting Manager for all of the 2017 fiscal year. Then, in February, he accepted the position of County Treasurer for the Unified Government. Ron Green, our Payroll Manager, is very important in our accounting cycle, and Reginald Lindsey, the Budget Manager.

Finally, I'd like to thank our external audit team at Allen, Gibbs & Houlik.

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INTRODUCTION Allen, Gibbs, & Houlik, L.C. Ms. Tara Laughlin, Vice President, Assurance

AGH, L.C. Required Communications

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At this point, I'd like to introduce Tara Laughlin, who is the vice-president of Assurance, the audit firm that we use, unless there's any questions.

Tara Laughlin, Vice President Assurance with Allen, Gibbs & Houlik, said as Kathleen mentioned, I'm Tara Laughlin with AGH. I am the Vice President in our government practice at our audit firm. I oversee the external audit for the Unified Government.

I am here tonight to present some required communications that under auditing standards we have to annually present to those charged with governance. Those can be found in a letter that was provided to you that has "Required Communications" kind of in the front of it. I'm going to highlight on the main new pieces of this communication letter for this year's audit, just to briefly go over these communications tonight.

The first thing I do want to cover is, as Kathleen has already mentioned, the Unified Government did implement a new accounting standard this year with GASB Statement 75 that does cover that retiree health, the Other Post Employment Benefit liability. This statement changed how the prior OPEB liability was to be valued. As Kathleen mentioned, that actually provided a benefit to the Unified Government in that that liability was reduced by roughly \$26M under the new evaluation process.

The standard also added quite a few footnotes to the CAFR. As you're looking at this year's CAFR, you're going to notice that the OPEB plan footnotes are a few pages longer than they were last year, and you're going to notice that they look very similar to the footnotes that were already

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presented for the pension plan. Now both of those retiree-related liabilities provide the same information within the financial statements.

Not all numbers within the financial statements are hard known numbers. Sometimes estimates do have to be made. There are five significant accounting estimates that are within the Unified Government's CAFR. These five estimates are the same estimates that have been included in the CAFR in prior years, with the only minor change of how that OPEB liability is being recorded because that is one of the significant estimates as well.

In regard to estimates, we do inquire management about how those estimates are determined. We receive all the supporting information that goes into developing those estimates, and through all of that work, we determine that these estimates are being reasonably calculated and reported within the financial statements.

Throughout the audit process we did have a few audit adjustments that we have listed in detail within the letter, but very high level for those adjustments related to the receivable revenue side of the financial statements. Three of them related to long-term liability adjustments. These adjustments were done to properly reflect activity throughout the year. I'll touch base on these audit adjustments, again, here shortly as well.

The last audit adjustment we did during the year was related to capital asset recording, particularly recording construction-in-process projects within the financial statements.

We had one uncorrected misstatement. I always think that's kind of a bad term. All an uncorrected misstatement is, is something that we identify during the audit, usually toward the end of the audit process, that management did not determine significant enough to actually post the entry and reflect it within the financial statements. We agreed that it didn't significantly impact the financial statements. Those uncorrected misstatements tend to resolve themselves naturally in the next fiscal year, so this issue will be just naturally resolved during fiscal year 2018.

Kind of buried in the middle of this letter you're going to see a few disclosures. They kind of get lost, so I always like to point them out because I think they're important.

We had no disagreements with management, no issues, no concerns working with management. Kathleen, Debbie, Pam at the Accounting and Finance Departments, as well as a handful of other departments that we actually do work with during the financial statement audit. Everyone is great to work with and cooperates with our questions and our requests for information and helps us get through the audit process efficiently.

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Tonight, I do have one significant deficiency that we are required to communicate. This relates to the year-end accounting and financial reporting process so it's at the year-end to prepare the Comprehensive Annual Financial Report itself. For those that have been involved for years, this is a finding that the Unified Government has had in prior years. Many years ago, this was a material weakness which is more severe than a significant deficiency. That got downgraded for a few years to a significant deficiency which is the first level of deficiency we're required to communicate to the board level.

Last year that was resolved. This year, as I mentioned about the audit adjustments, with the transition of the Accounting Manager transitioning over to the Treasury Department during the time that all of this work has to take place, not only was there a loss of resources, but more importantly, there was a loss of experience as a lot of these audit adjustments only happen once a year. It's not part of the reoccurring operations. It's usually only done to get the financial report pulled together.

There is also attached to this letter an Appendix A, which is Management's response to this finding. They already have an action plan in place in order to address this moving forward.

At the end of our required communications, we do have just a few risk areas that we like to communicate to all of our boards for all entities. I'm going to highlight one of those. It's related to information security governance and the IT world today. There's just a lot of risk out there. We like to provide some information about what's going on just to help you start thinking about some of those risks that might be applicable to the Unified Government.

I am going to switch gears just a bit and actually report on our report on the Comprehensive Financial Statement. Out of this 200 and some page report, our piece of it's two pages long. It's the opinion on the financial statements. As in prior years, we have issued an unmodified opinion relating to the CAFR, which is also known as a clean opinion. It means that the information provided within this report is materially stated and can be relied upon by users of the financial statements.

One thing you might notice in our opinion that's a little bit different than last year is we have an emphasis of a matter paragraph. That's related to the implementation of the new accounting standard because it did have significant impact on the financial statements. We like to put that in our opinion to give readers kind of a heads up before they get into the document that there's going to be a reason why some items aren't comparable because there was a new standard implemented.

That is part of my required communications. Is there any question specifically for me related to the 2017 audit?

Commissioner McKiernan asked regarding that one finding that we've had, and then it went away, and then it came back, as I look at your two-page letter, is that documented. Is that item documented in this and I'm just not seeing it? **Ms. Laughlin** said yes. It is on page four and onto page five. Oh, it's not in the opinion, no. It's not in the financial statements. It doesn't impact the financial statement numbers. It's a control issue, so it's part of this letter that we give to the board that has required communications. **Commissioner McKiernan** said my electronic version of this document does have the entirety of that letter, correct? All I see from AGH is an Independent Auditor's Report that's two pages long. **Ms. Laughlin** said you should also have a letter that has required communications. **Commissioner McKiernan** asked is that letter in my electronic version.

Mr. Bach said, Commissioner, I don't know that I can answer that. Did you upload this letter with it when you did the initial CAFR-end of the document on Monday? So, no it's not. We'll need to get that officially with the Clerk. This was just completed the end of the week, so we'll need to get that added to as part of the formal agenda. **Commissioner McKiernan** said thank you. If I could just receive a copy of that, I would appreciate it.

Mayor Alvey asked there is no action required, is that correct. **Mr. Bach** said that is correct, Mayor. The Commission just receives the Annual Audit and the information that's just presented with it. There's no approval on your part of that item.

Action: **For information only.**

ITEM NO. 2 – 18312... REPORT: SAFER GRANT FOR FIRE DEPARTMENT

Synopsis: The Fire Department submitted an application to the Staffing for Adequate Fire and Emergency Response (SAFER) Grant for the FY 2017 FEMA grant cycle. In order to complete the application, FEMA requires from all applicants a letter from their governing body committing to the maintenance of current staffing levels and no layoffs during the three-year grant period. Originally, we thought we had until August to file the letter of financial support for this grant; however, we just received notice that this letter is due to FEMA no later than June 30, 2018.

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The application is requesting an additional 24 firefighters and will require matching funds of \$1,487,308 for the three-year grant period. The matching funds are not currently budgeted. While not a grant requirement, the cost to retain the additional firefighters at the end of the grant period will be \$2,500,000 annually. The purpose of the additional staff is to provide a fourth firefighter on engine companies strategically located and identified through a risk assessment in our response area.

The SAFER Grant has been an annual opportunity and we anticipate that it will be available in future years. As we have not presented a strategy for the future alignment of fire stations or companies in our city and due to the fact that this grant binds the city financially to obligate additional dollars to the Fire Department budget at a time when we are trying to direct funding toward capital equipment and infrastructure, Administration does not recommend this additional funding as part of our 2019 budget. Resources would be better directed to infrastructure and equipment for the Fire Department that we need now and continue working on the best strategy for personnel needs before we spend tax dollars, submitted by Doug Bach, County Administrator

Action Requested: Approval of grant application and commitment letter.

Mayor Alvey said this item was blue-sheeted. I'd like to just begin as it explains here. I want to thank, first of all, Chief Shirley and his staff, for putting together the application. I specifically requested that this be brought before the Commission. I felt it was necessary for, and actually the plan was, that we would bring the SAFER application through the budget process itself, so that we could see it in the context of the larger budget, our requirements, what our constraints are in terms of our financials. I thought that it would be important to see this application for additional funding in the larger context.

Part of the grant application is that there has to be a Letter of Support from the governing body that we would match the funds over the course of the application period, of the grant period. That's what we would be voting for today would be whether we would, the sense of the governing body we would support the application. That letter would then go forward.

Having said that, I'd like to pass this on to Mr. Bach.

Doug Bach, County Administrator, said I appreciate the clarification of going into the reason this came on the agenda this week, as this requirement came down earlier than we anticipated to have to have a letter of recommendation with it. I also recognize staff, Chief Shirley and his staff, appreciate putting the effort forward to get this document done so it was in in time in the event we decided to move forward with it.

The application, as submitted, requests 24 firefighters. It has a three-year commitment to us, which would be about \$1.5M in funding. As I go through and prepare the annual budget, I will say the emphasis that I'm working on this year in the budget is how we can purchase equipment for the Fire Department in terms of pumpers, trucks that'll be there, bunker gear much needed for the safety of our firefighters that we currently have on staff, and also working on our future facilities plan that we're working with. In that all in line with the Commission's directive, too, to reduce our overall reliance on the mill rate.

As this grant and the staffing requirements that's put forth in this require us to have, it doesn't require us. Afterward, there's really no identified way that we would offset the \$2.5M annual funding request to maintain or sustain the staffing. Also, as I look at this, this so far has been an annual grant opportunity that we can look at. My feeling is that we would be better served to work through our strategy of where we are financially, the direction we're going with the Fire Department, and how we can look at ways that we would be able to sustain our staffing levels in the future if we were to increase them in a given year.

With that, and in coordination with the budget that I'm looking to present next month, I would not recommend that we submit this grant application this year.

Mayor Alvey asked any comments or questions from the Commission.

Commissioner Murguia said just so I'm clear, County Administrator Bach, you're recommending we do not make the application, but it's on the agenda because the Fire Department wants to make the application. **Mr. Bach** said the Fire Department made the application, as many departments do, to look forward to the opportunity to do it. I would not have moved forward with it. The Mayor asked that he thought it would be a good idea to bring it before the full Commission, explain where we are today in relation to the overall budget since we're not able to work through the budget process. Yes, that's correct, we typically don't bring grants forward to say don't submit them, but

felt that that was the right way to bring it forward this evening and let you understand the strategy on what we have right now.

Mayor Alvey said just to be clear, Commissioner. I guess I didn't finish my thoughts before. We wanted to submit the application. We understood that we could proceed with the application, but that we would not need to provide a Letter of Support from the Commission until August, late August, which would have allowed us to bring this proposal and any other proposal for funding from other places to the Commission to consider all the budget requests in the context of the budget. From that point, be able to make a decision whether we would support this.

Last week Chief Shirley was notified that they had to have the letter by the end of this month. That's why it was blue-sheeted to this meeting.

Commissioner Bynum said, Commissioner Murguia, I didn't want to take the floor if you still had....**Commissioner Murguia** said I do have a follow-up question.

Have we applied for this grant before? I think so. **Mr. Bach** said yes, we have. **Commissioner Murguia** asked how many times. Do you know roughly? **Mr. Bach** said I think we've had it twice. **Commissioner Murguia** asked if you've applied twice, have you received it twice. **Mr. Bach** said yes. **Commissioner Murguia** asked both times you've applied, you've gotten it. **Mr. Bach** said yes. **Commissioner Murguia** said okay, thank you. Go ahead Commissioner Bynum.

Commissioner Bynum said I'm a little confused. My time here so far with items like this, including a major grant through the Police Department, and any grant that requires a match, comes through a process. That process in this case would have been, at a minimum, at some point appearing in front of Public Works and Safety. That never happened and I don't know why.

I can appreciate wanting to put it in front of us. I guess that it's unfortunate that it's in front of us ahead of a budget discussion. Again, it takes me back to the process. We have processes in place for things just like this. I don't know why none of them seem to have been followed. I don't know why. I've never seen the grant until I walked in here at 7:00 p.m. It troubles me knowing what we are hoping to bring forward in terms of further tax reduction through our mill levy.

It's a concern. It's a concern about committing us to the level of local required match. It is significant. If we applied for it in the past, and it sounds like maybe been successful with that

application, then it sounds like chances are good we could be successful again. It's just really hard for me when I have no analysis of what the problem is this grant application tries to solve. I just have a really hard time moving forward with that, especially ahead of us working on our budget. We would have, in a normal process, worked through all of this ahead. It just leaves me a little confused and a little unclear. That's it.

Mayor Alvey said I would suggest to state that if it was supposed to go through, whether it was required to go through the standing committee, that's on me. I'll take responsibility for that.

The way this was presented to us, Chief Shirley proceeded with the grant application. There was an opportunity for us to proceed with it. There was a time constraint on the application itself, when it had to be turned in. The thought was that it would go through the process, through the normal budget process and be brought forward. Because of the letter that was received last week saying we needed to have the Letter of Support from the governing body, if we're going to provide one, by the end of the month, that's why it's here tonight. If you would rack that up to a rookie mistake.

Commissioner Murguia asked does this grant address our minimum manning requirement that we keep hearing about. **Mr. Bach** said it would take steps to go toward that, yes. **Commissioner Murguia** asked let me see, I like Commissioner Bynum, am just seeing this. I just have a couple of questions about the grant.

This is a federal grant, correct, first of all? **Mr. Bach** said yes. **Commissioner Murguia** asked what it says is that if we get the grant, help me here, we'll have to hire those firefighters in 2019 or 2020. **Mayor Alvey** said within 180 days. **Commissioner Murguia** asked of receiving the grant. **Mr. Bach** said yes.

Commissioner Murguia asked when do we anticipate hearing back on the grant if it's submitted. **Mr. Bach** said, Chief Shirley, correct me if I'm wrong, end of September. **Kevin Shirley, Interim Chief of the Fire Department**, said the idea behind the grant is that they notified us that they want the Letter of Support on the 30th because they are going to start the awards shortly. I don't have a timetable. I don't know September. I don't know August. I'm thinking it's July, I don't know that for certain. It is coming. We are there.

Commissioner Murguia said that's okay. Let's just make up, it's this year then. **Interim Chief Shirley** said correct. **Commissioner Murguia** said let's just say September. From September, how much time does the grant allow you to hire these 24 officers. **Interim Chief Shirley** said we have 180 days from the time the grant is awarded. **Commissioner Murguia** said you have 180 days to hire 24 new firemen. **Interim Chief Shirley** said that is correct.

Commissioner Murguia said we're required for the federal match to maintain this level of staffing for two years, it sounds like. **Interim Chief Shirley** said no, for three years. After three years there is no requirement. **Commissioner Murguia** said after three years then? **Interim Chief Shirley** said attrition, termination.

Commissioner Murguia said the total cost of that over three years for us, is that the \$2M you have in here? **Mr. Bach** said no, that's \$1.5M. **Commissioner Murguia** said our cost is \$1.5M over three years. **Interim Chief Shirley** said correct. **Commissioner Murguia** said to meet the minimum manning requirements? **Mr. Bach** said to meet the additional 24 staff members. **Interim Chief Shirley** said we will not meet the entire minimum standard throughout the Fire Department with 24 firefighters, but we will make significant gains. That's what we're shooting for.

Commissioner Murguia said it's tempting to begin negotiations with you right now. Can you stop me if I can't ask this question, or can Legal stop me? I'm not sure what I can ask and what I can't ask of our Fire Chief.

Commissioner Murguia asked would the Fire Department agree, if we approve this grant for the next three years, that for the next three years that would suffice for minimum manning. **Interim Chief Shirley** said I can't say that. **Commissioner Murguia** asked who can say that. **Interim Chief Shirley** said I think we have to look at, like I said, we are not going to minimum man all the rigs with this 24. There won't be enough. **Commissioner Murguia** said I hear you, and I get that. I think it's very important, but it's a giant step in the right direction. **Interim Chief Shirley** said absolutely, it's a giant step in the right direction. **Commissioner Murguia** asked just for three years, would the Fire Department agree that that would suffice for minimum manning for the next three years. **Interim Chief Shirley** said I think the Fire Department would say that we are moving toward minimum manning. It's a giant step. You're absolutely right, just like the manning of the aerals, the manning of the quints with four was a giant step. Now we're ready to move for six more to move forward.

Commissioner Murguia said, Chief, this is my position on the deal, and I've talked to the Union about this as well. I'm all about the minimum manning requirements. I really want to get us there, but we have, as the other Commissioners have expressed, so many other financial demands placed on us. I do believe sort of the philosophy has been over the last eight years, at least, is those projects that are grant funded should become a priority. What I would hate to see happen, though, is that we approve this and say let's try to figure this out over the next three years. Then, immediately, the Fire Department's still coming back at the government for minimum manning. I think this is a step in the right direction. For me, if we could meet some sort of compromise for the next three years that right now this is all we have to dedicate to additional firefighters, but we are in agreement that we're all moving in the right direction. If we could come to some sort of an agreement, I'm only speaking for myself, that would be very impactful on how I would vote.

Commissioner Philbrook said I just want to make it really clear because I'm still going, okay, we now want a bunch of money all of a sudden. Money that we already knew that, as the Mayor said, we're looking for money to take care of everything. Now, all of a sudden, we're asked for another bunch of money that we hadn't even planned on. We're already looking for stuff. That threw me off.

The other thing is does that mean \$500,000 a year or does that mean \$1.5M a year. **Interim Chief Shirley** said total. **Commissioner Philbrook** said total over the three years. I'm just trying to make sure. I thought I heard that, but I don't like to assume anything. **Mr. Bach** said it's a percentage a year and it goes up a little bit each year. It's lower in the first year and then it goes up each year after that. **Commissioner Murguia** asked what are those amounts. Sorry, Commissioner, while you're on it I was wondering. What are those amounts every year?

Mr. Bach asked do you know them offhand, Chief. **Interim Chief Shirley** said it's 75%, 75% and 35%, that's what the federal government will pay, 75%, 75% and 35%. The first year for this grant is \$383,000 for 24 firefighters for the first year. Next year, \$384,000. I believe that is correct, right Chief? So, for the first year that's what it is. For the second year, that's what it is. Finally, the third year is \$840,000.

Commissioner Philbrook said I appreciate that information. I think that my biggest problem with this is that not whether we should have it or not, not that whether we need additional firefighters, but our problem as elected officials is that we have to listen also to people who talk to

us about how we're spending our money. It's not just one persuasion. There are a lot of different folks out there. We have to listen to all of them. If we're to make a decision like this that quickly before we've had a chance to actually review this and go through the right steps, the steps that we've taken in the past, I already know they're not happy.

You bringing it forward you feel is your job. You did what your job was. Now, we have a job to decide how we're going to deal with your request. Does that make sense? **Interim Chief Shirley** said it does make sense. I understand that. I had no idea that I was going to receive this letter that said it had to be done by the 30th.

I had submitted that a Letter of Support must be done before we can accept the grant. Wherever that, if I put somewhere that is was August 30, my apologies because I didn't do it on purpose. I would have never done that. **Commissioner Philbrook** said I don't believe that you did anything on purpose. **Interim Chief Shirley** said I guess what I'm getting at is that the idea that we need to, it's \$383,000, that's not gonna buy our fire station. Let's be reasonable. It's not going to buy two fire stations. It's not going to do anything for our fire stations.

We can't buy a pumper with that \$383,000. That's not enough. We can't buy a truck with that \$383,000, but we could get 24 guys. **Commissioner Philbrook** said I appreciate all of that. As I said though, it becomes an issue around us actually following policy that we put into effect because of last minute requests. That's why we try to put into effect going over our budget and really honing it down. This becomes a big fly in the ointment because there's a lot of other places that need the money too.

Commissioner McKiernan said well, like Commissioner Philbrook, I'm on record more than once as saying that I don't like to get information at the last minute, not have a chance to see how it fits into the overall strategic plan that we might have, to consider alternatives, to consider options, and to be forced to make a decision. Having said that, I do have a question.

We have received two prior grants, correct? **Interim Chief Shirley** said that's correct, as far as I remember. I know we applied for many. **Commissioner McKiernan** said in each case were there 24 people brought on with each of those? **Interim Chief Shirley** said no, it was dependent upon what we felt we could possibly get and utilize. **Commissioner McKiernan** said you just said a moment ago that we didn't need to keep those people, that they could brought on as

a function of the grant, but that numbers could return to prior levels due to attrition and other factors that would affect personnel numbers. Is that correct? **Interim Chief Shirley** said that is correct.

Commissioner McKiernan asked do we know, do we have a net increase. What's our net position in terms of firefighters based on the ones that we added by receiving the other grants? **Interim Chief Shirley** said I'd be reluctant to tell you that because I don't have a good, I've never even considered that.

Senior Assistant Chief Jack Andrade, Kansas City Kansas Fire Department, said in 2007 we went through a recession. Everybody should remember that. At that time, we went down 44 firefighters in 2008. In 2009, we put a grant in for SAFER to try to replenish those. We got a 25 personnel grant from that SAFER Grant, the first one. That got us back to our staffing number of 420, which was 16 less. So, we're still short at that time in 2010.

In 2012 we put in another SAFER Grant to replenish the other 16, which got us back to 436, that original number in 2007. FACETS came in and figured out that, you know, that grant money was going away. We needed to figure out a way to save those positions. We were told we couldn't do that. We couldn't absorb it in our budget, so we lost those through attrition. Today, our manning is 420 personnel.

These 24 positions that we're asking for today is to try to comply with NFPA 17-10 that states that we need four, 90% response times at four minutes 90% of the time with four people on those rigs, on the scene, at that moment. Today, we don't do that.

I have some statistics here. In 2017, 90% of the incidents, we made it in 4 minutes and 59 seconds. The standard states that we should make it within a four-minute period. Out of 30,000 calls, we made it on the scene 90% of the time, 4 minutes and 59 seconds. **Commissioner McKiernan** asked, Chief, if I could, how does number of personnel affect that time. **Senior Assistant Chief Andrade** said the number of personnel on the scene of a structure fire, or a medical call, or a specialized call, we need four personnel to operate at a higher standard. We're not meeting that standard. **Commissioner McKiernan** said that's the amount of time it took to get those four people on the scene. **Senior Assistant Chief Andrade** said that's correct. Currently today, we have 14 pumpers that have three men on it throughout the city.

What we're looking at is trying to put six additional pumpers with an extra man so that we're targeting high hazard areas. For example, KU, the railroad system, we'd like to staff a couple of pumpers there with four men, Fairfax, Headquarters.

Commissioner McKiernan said, Chief, if this is a known commodity, is this, and you're saying we need more firefighters, was that included as part of a strategic plan? Was that included as part of an initial budget proposal for the 2019 budget? If we need to go up, did we just wait for this grant, or was there already a plan in place to begin achieving what you say is necessary? **Senior Assistant Chief Andrade** said in December of 2018, excuse me 2017, we asked to apply for the SAFER Grant to start meeting that minimum requirement. In 2015, when FACETS came out, they stated that we needed to try to figure out a way to comply with NFPA 17-10. That's what we're trying to do without there being such a big financial hit right off the bat.

To put 14 firefighters on the streets today, or 14 pumpers with four men on it, times our staffing factor of 4.1, it's going to take at least 58 personnel to do that. We understand that that's a real undertaking, that's too many personnel to even ask for. That was for the NFPA standard that was the 2015 standard. The standard changed in 2016 where it calls for additional personnel on certain specialized rigs.

Commissioner McKiernan asked your estimate is that it'll take \$2.5M per year to sustain those 24 people beyond the time of the grant. **Mr. Bach** said I believe that was the number we were seeking. **Commissioner McKiernan** asked it will take an annual personnel expenditure of \$2.5M to sustain those 24 firefighters after the grant has expired. **Mr. Bach** said correct. **Commissioner McKiernan** said and we're no longer getting the match. **Senior Assistant Chief Andrade** said that's correct.

In the first year, the federal government puts 75% towards those 24 personnel and we pay the other portion, which is \$323,000. **Commissioner McKiernan** asked this is an attempt by the federal government to help local fire departments to staff up by mitigating the upfront costs and allowing them time, I guess, to find where the money's going to come from. **Senior Assistant Chief Andrade** said that's correct. In 2010 and 2012, those SAFER Grants were 100% federal government funded. Now, they've figure out, hey, you know what, we got to get our municipalities to figure out how they can keep those firefighters in year four. **Commissioner McKiernan** said I guess my continuing question that I haven't answered for myself is, I get it, we're going to get a match for the first three years. Where do we find the money after the grant has expired and we desire to keep those bodies in the fire house. I'm at a loss as to where we get that. It's significant money. **Senior Assistant Chief Andrade** said right.

Mr. Bach said, Commissioner, I think that's where my concern is with it, not that it wouldn't be good to have additional firefighters come on, but it's a matter of looking at it from the perspective of what's our long-range strategic plan that we're going to do. If we think this is a good idea now, how do we sustain it going forward. Is it a priority over other things we want to put financially or not? Right now, as I'm structuring the budget, it's not, but then we can move away from some of the other items that we're looking to fund if that's the direction you want to go.

Commissioner McKiernan said I guess that's my question. If we decide to go for this, we're going to need to make a strategic decision in our budget planning sessions of the next month as to what we would chose not to fund. You're presenting a balanced budget. We would need to strategically find what it is we're not going to fund to be able to fund this in the short run. Then, start ramping up and planning for longer term, larger dollar funding as we move.

Mr. Bach said I think with the Commission direction to move in the area of mill reduction, that longer term one is one that gives me considerable concern because one or two mills is a couple of million dollars. If I'm going to add that much to the long-term expectation, if that is the expectation, then I'm going to need a lot more than just a few hundred thousand. **Commissioner McKiernan** said, Chief, thank you very much.

Commissioner Markley said I just had one question. At one point, you might need to come back up for this, I'm not sure, but maybe. At one point, you mentioned in the prior years when we applied for a grant, we applied for a smaller number of positions because that was what we thought we could handle. Is that a possibility with this, or is the 24 what you have to apply for? **Interim Chief Shirley** said no, the 24 are what we applied for and that's what will be given to us unless there's a hardship of some kind. I just want to make it clear that there was nothing ever done by the Fire Department. Chief Andrade did an excellent job getting this grant together, a lot of work involved. This is a competitive grant against all fire departments in the United States, volunteer and professional. To be given this opportunity is one we don't want to squander. I appreciate your careful thought on it.

Commissioner Bynum said I appreciate the effort that you've put into the grant and, frankly, everything that you do. I've just got to get my head around what we're dealing with. I'm sorry that we're doing that at 9:00 in the evening.

Mayor, to your point about taking the blame and responsibility for a misstep in a process, I appreciate that, but you don't work on an island here. There are a lot of people here who do know the processes of these actions. I appreciate what you're saying. It looks like this application process started in Marchish that I can see on the application.

I've got a couple of questions. I want to make sure I heard correctly the dollar figure that we're asking for, or we've best anticipated for, after three years then the local figure is \$2.5M annual? **Mr. Bach** said yes. **Commissioner Bynum** said that factors in the potential attrition that we've been speaking of? **Mr. Bach** said no. **Commissioner Bynum** said that's just the cost of 24 firefighters. **Mr. Bach** said that factors in if we were to maintain our current staffing level, that 420, and then add an additional 24 to it. **Commissioner Bynum** said earlier we spoke about some of the cost being mitigated because through attrition and retirements we wouldn't bear the full cost of the 24, so I really need to understand that better.

Mr. Bach said, as the Chief said, at 180 days out from the day you start this process, so if they awarded end of this year, somewhere in the first of next year, we would staff up the 24. We would need to be staffed up to the level to hit our 420 plus the additional 24. Then, for the next three years, so it would be years '19, '20 and '21. It works on whole years, that makes it easier, we would need to be staffed at that level of 444.

Then after the date that the grant would end, so somewhere in January of 2022, then you could start to allow attrition, if that were the direction we deemed we wanted to do in 2022, to let, you could let some numbers go down. **Commissioner Bynum** asked that would be mostly because of retirements, I'm assuming, I don't know. **Mr. Bach** said I would assume that. I certainly would not assume we'd go forward with this with any thought of termination. **Commissioner Bynum** said okay, I mean correct. Other than those two, I don't know of very many ways folks leave employ in the Fire Department, fortunately for us.

I got to back up to the 2008-2009 prior SAFER Grants that you were speaking of. In 2008, we got hit with the recession. In 2009, we were able to apply and receive a SAFER Grant and add 25 personnel. **Senior Assistant Chief Andrade** said that's correct.

Commissioner Bynum asked what happened between 2008 and 2009. **Senior Assistant Chief Andrade** said just attrition. **Commissioner Bynum** said just normal retirements. **Senior Assistant Chief Andrade** said just attrition and we couldn't hire between those years. **Commissioner Bynum** said because we were in an economic crunch. **Senior Assistant Chief**

Andrade said that's correct. **Commissioner Bynum** said okay, I was just wanting to make sure I understood the correlation there.

We hired the 25. Then did we get another one after that that you spoke of? **Senior Assistant Chief Andrade** said in 2012. **Commissioner Bynum** asked and hired how many. **Senior Assistant Chief Andrade** said an additional 16 to get us back to our regular number of 436. **Commission Bynum** said today we're at 420. **Senior Assistant Chief Andrade** said 420.

Commissioner Bynum asked you would say, then, that from SAFER Grant number two to now, back down to the 420 because of the attrition. **Senior Assistant Chief Andrade** said because of attrition. **Commissioner Bynum** so then we could say that in the current one going forward, that would be seven or eight years, maybe. I don't know what else we have to go by that attrition over time would transpire. Now, I'm trying to get at \$2.5M a year annual for.... **Senior Assistant Chief Andrade** said correct. Between 2015 and 2018, we had a lot of retirements.

Commissioner Bynum said we do know that we are in our baby boomer cycle of folks retiring. It's potential that we could see more now than we did then. That's a possibility just because people are aging and retiring. I'm just trying to get myself to a good clear understanding of what we're dealing with.

Commissioner Burroughs said thank you, Commissioner Bynum. You walked through a very solid scenario there as to the financial as well as the employee status that we will be dealing with.

I do want to bring to the Commission's attention and the public's attention, we won't, this grant is \$383,000 the first year. **Senior Assistant Chief Andrade** said \$323,000. **Commissioner Burroughs** said \$323,000 for the first two years. That's just under \$700,000. The third year we're going to take a bite of \$800 plus a thousand. It's not until the fourth year that we will see the full cost of these firefighters.

We were talking about a three-year scenario where we lost 16 firefighters over the last grant period. To go out and try to recruit those number of firefighters without assistance from a federal agency that's willing to partner with local governments would be quite a fiscal challenge for us. I'm one that wants to ensure that our public safety servants are well maintained at a level that is safe. I want to ensure that the equipment you have is well maintained and safe.

We are faced with a tremendous challenge here with the budget moving forward. I would hope that we go back during this budget process and give strong consideration to the future needs

of our community. We're bringing in more industry, more residential growth. We should have nothing less than a first-class Fire Department and the responding process in place as a Unified Government. That should be our mission, to provide the service. It should be efficient. It should be effective, and it should be financially fiscally sound. The worst thing I would hate to see is we bring on 24 and then in four years, we have to make cuts, whether it be financial or whether it be an economic downturn.

Help us help you in identifying what we can do. It can happen within the ranks. It can happen across the community in looking at some procedures in place to find a growth process that it's not such a fiscal impact on us in four years.

We don't know that 17-10, you keep quoting 17-10. That's the four-man service. I have to echo Commissioner McKiernan's comment that it's a little hard for laymen to understand how adding a fourth person to a truck eliminates the timeframe and makes it quicker. That's your profession.

I want to be a good partner. I'm sure every commissioner up here wants to be a good partner with our public safety. I truly believe that \$383,000 is a great deal to put trained, responsible people on the road for public safety. The fiscal aspect is what I struggle with. Mayor, I would hope that we have strong discussions in reference to that come the budget process.

Commissioner Townsend said I won't go over a lot of the good points that I've heard already from my fellow commissioners. I do want to highlight a couple.

One, Chief Shirley, you just used the term careful thought. That is what is leading me to want to support the recommendation of our Administrator, given everything I've heard here. I, for one, and I don't think anyone here wants to do this in a vacuum and still be good partners as Commissioner Burroughs said. Commissioner Bynum made a great point just about the process. I, for one, just feel that we would be doing this in a vacuum, almost, not having had the overall discussions that we're planning for the budget cycle. Once we get them, as Commissioner Burroughs said, I have a concern that we don't want to be hit with having to decrease that number when we're trying to get to the number.

I'm also encouraged by the fact that the Administrator, in the plan we expect to hear, is putting money toward the infrastructure and equipment for the Fire Department. We are considering the Fire Department already.

The other thing on this summary sheet indicates that this will probably not be the only opportunity we have to get a SAFER Grant. Those things encourage me to make the motion to follow the recommendation here since we are pre-budget discussion cycle, to not go forward with this at this time. Hopefully, come back and look at it at a later time.

Action: Commissioner Townsend made a motion, seconded by Commissioner Philbrook, to follow the recommendation of the County Administrator and not proceed forward with the application.

Mayor Alvey said I'd just like to offer a few comments. The other thing, again, the ideal situation would have been for this to actually proceed through the budget process in the context of all the other demands upon our limited means.

Also, I think, as we know we're in the process of hiring a new Fire Chief. I think that there are several issues that this Fire Chief is going to have to address, as we know. It's going to be at what level are we able to meet 17-10. We're going to have to, again, look at the fire stations themselves. We have to look at the placement of those stations. There's a lot on this person's desk as soon as they come in. I'm of the mind and the opinion that we're better off leaving, letting this person come in and address all those things in their way and present to us, as their responsibility, their recommendations for making sure that we provide the best quality fire service to our community and, obviously, in a fiscally sustainable way.

My sense is, if I thought we could not go back out for the SAFER Grant, I might be of a different mind, but I think I'm deferring to next year at the earliest.

Commissioner Burroughs said I apologize to the Commission for taking a second bite at the apple here. Are we on a hard deadline here? **Interim Chief Shirley** said absolutely. **Commissioner Burroughs** asked the hard deadline is tomorrow. **Interim Chief Shirley** said the 30th. **Commissioner Burroughs** said the 30th. **Interim Chief Shirley** said the letter has to be in.

Commissioner Burroughs asked without the letter, what happens then. **Interim Chief Shirley** said we are done. We are out of it. **Commissioner Burroughs** asked for a year. **Interim Chief Shirley** said yeah. I don't know how the peer reviewers are going to accept that. I don't know that. You're asking me how they do their grants at that point. I don't know.

Going through all this, we passed through the peer technical review, we're passing through the peer review right now. They're asking us for information. Are you going to support? They asked a question about uniforms, just those type of things. That means we are in the process. It doesn't necessarily mean we're going to get it, but they wrote specifically the 30th is the due date for that letter.

Commissioner Burroughs asked has that been the same timeframe in the previous grants. **Interim Chief Shirley** said no. There were always timeframes, but last time the letters, as I remember them, were strictly hey, these would help your process if you wanted to put them in. It wasn't mandatory. Now I think they're asking that the different ones, the governments will support that. I think that's what they're after, that they're not giving these grants out and nobody's taking them. They're trying to avoid that.

Roll call was taken and there were six "Ayes," Johnson, Markley, Philbrook, Bynum, Townsend, McKiernan; and three "nos," Walters, Burroughs, Murguia.

COMMISSIONERS' AGENDA

ITEM NO. 1 – 18298... RECOMMENDATIONS: UG/HOLLYWOOD CASINO/SVV CASINO GRANTS

Synopsis: The recommendations for the UG/Hollywood Casino/SVV Grants being submitted for your approval, submitted by Emerick Cross, UG Commission Liaison.

Doug Bach, County Administrator, said you have before you in your packets the recommendations that were submitted to Mr. Cross as he assembled them for what the commissioners recommended where they be awarded for Hollywood and Schlitterbahn Vacation Village casino grant money. Notifications, upon approval by the Commission, will go out to these awardees on July 6. If you would like, I could have Mr. Cross go through this and provide a presentation on it.

Action: **Commissioner Bynum made a motion, seconded by Commissioner Walters, to approve.** Roll call was taken and there were nine "Ayes," Johnson, Markley, Walters, Philbrook, Bynum, Burroughs, Townsend, McKiernan, Murguia.

June 28, 2018

LAND BANK BOARD OF TRUSTEES' AGENDA

No items

PUBLIC ANNOUNCEMENTS

No items

**MAYOR ALVEY ADJOURNED THE MEETING
AT 9:45 P. M.**

Bridgette D. Cobbins
Unified Government Clerk

mls

June 28, 2018