PRAIRIE VILLAGE
KANSAS

CITY COUNCIL
CITY OF PRAIRIE VILLAGE
OCTOBER 7, 2024

The City Council of Prairie Village, Kansas, met in regular session on Monday, October 7, at 6:00 p.m. Mayor Mikkelson presided.

ROLL CALL

Roll was called by the City Clerk with the following councilmembers in attendance: Cole Robinson, Terry O'Toole, Inga Selders, Ron Nelson, Lori Sharp, Chi Nguyen, Dave Robinson, Tyler Agniel, Greg Shelton, Nick Reddell, Ian Graves and Terrence Gallagher. Staff present: Eric McCullough, Deputy Chief of Police; Keith Bredehoeft, Director of Public Works; City Attorney Alex Aggen, Hunter Law Group; Nickie Lee, Deputy City Administrator; Tim Schwartzkopf, Assistant City Administrator; Meghan Buum, Assistant City Administrator; Jason Hannaman, Finance Director; Cindy Volanti, Human Resource Director; Adam Geffert, City Clerk.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Mr. Nelson made a motion to approve the agenda as presented. The motion was seconded by Mr. Shelton and passed unanimously.

INTRODUCTION OF STUDENTS AND SCOUTS

There were no students or scouts present at the meeting.

PRESENTATIONS

- Mr. Nelson read a proclamation declaring October as National Arts and Humanities Month. Jennifer Wampler, Board President of the Arts Council of Johnson County, shared data about the impact of the arts in the region and the nation.
- School Resource Officer Marandah Scott shared a presentation on scooter and bike safety given to schoolchildren in the City as part of the D.A.R.E. program.
- Staff from Evergy provided an update on electrical services in the City.

EXECUTIVE SESSION

At 7:10 p.m., Mr. Dave Robinson made the following motion:

"I move the City Council recess into executive session for a period of 30 minutes for the purpose of discussing matters related to security measures, including systems facilities or equipment used in the production, transmission, or distribution of energy services, as provided by K.S.A. 75-4319(b)(12)(A). The Governing Body, City Administrator, Deputy City Administrator, Assistant City Administrators, Public Works Director, City Attorney, and the following Evergy employees will be present: Scott Jones, Mohammad Abujubbeh, Chuck Tuttle, Daniel Wachter, Doug Lehmann, and Jennifer Foster. The open meeting will resume at 7:40 p.m."

Mr. Shelton seconded the motion, which passed unanimously.

The open meeting resumed at 7:40 p.m.

PUBLIC PARTICIPATION

- The following individuals expressed their opposition to short-term rentals in the City:
    - Pam Justus
    - Mary Cordill
    - Anna Gepson
    - Jim McGrath
- The following residents noted their support of short-term rentals in the City:
    - Tyler Shirk
    - Robert Haney
    - Nicholas Fuchs
    - Joy McMurray
    - Allison Crawford
    - Sheryl Vickers
- Mike Sherry and son Gabe Sherry requested that improvement be made to the basketball court located on the municipal campus
- Paul Gorelick noted his concern about misinformation being spread in the City

CONSENT AGENDA

Mayor Mikkelson asked if there were any items to be removed from the consent agenda for discussion:

1. Consider approval of regular City Council meeting minutes – September 16, 2024
2. Consider approval of expenditure ordinance #3042
3. Consider appointment to the Environmental Committee
4. Consider bid award for the 2024 tree trimming program
5. Consider agreement with the City of Mission Hills to accept funds for the Mission Road, 63rd Street to 67th Street project

Ms. Sharp requested that item #1 be removed for further discussion.

Mr. Reddell made a motion to approve items #2 - #5 on the consent agenda. A roll call vote was taken with the following votes cast: "aye": C. Robinson, O'Toole, Selders, Nelson, Sharp, Nguyen, D. Robinson, Agniel, Shelton, Reddell, Graves, Gallagher. The motion passed unanimously.

Ms. Sharp requested that the addresses of speakers during public participation no longer be included in meeting minutes due to safety concerns. Mayor Mikkelson and other councilmembers agreed to the change for future minutes, but noted that the current minutes would not be amended since they had already been published.

Mr. Nelson made a motion to approve the meeting minutes as presented. Mr. Agniel seconded the motion, which passed unanimously.

COMMITTEE REPORTS

- Insurance Committee
  - **Consideration of 2024 City health, dental vision, life/AD&D, short-term and long-term disability, EAP, flexible spending and COBRA administration providers, as recommended by the Insurance Committee**

    Ms. Volanti said that Holmes Murphy, the City's benefits consultant, had provided the renewal summary from Blue Cross Blue Shield Kansas City (BCBSKC) for 2025. She noted that the City was completing its first year with the carrier, and that a six month experience rating period from January 2024 to June 2024, was utilized for the report.

    During negotiations of the new plan for 2024, a rate cap of 12.5% for 2025 was included in the City's contract as long as 25% of eligible members were enrolled into the SPIRA Qualified High Deductible Plan. Employee enrollment successfully met this goal. Ms. Volanti said that BCBSKC initially quoted a 12.5% increase, which Holmes Murphy negotiated down to a 9.5% increase for 2025, approximately $35,000 below what had been budgeted.

    The BCBSKC plan would continue to include wellness incentive program funding up to $30,000 for employees to participate in wellness activities, a Blue Select SPIRA option with a specific network of care centers at a lower premium cost, and the Preferred Provider Organization (PPO) and Qualified High Deductible Health Plan (QHDHP) options.

    Erin Holland with Holmes Murphy shared a summary of the 2025 benefits plan. She noted that vision insurance coverage would move from Superior Vision to EyeMed, Life/AD&D, short-term and long-term disability would move from The Standard to Renaissance, and EAP services would move from LifeWorks to CuraLink.

Ms. Sharp made a motion to approve the City's employee insurance benefit package for 2025 as presented. The motion was seconded by Mr. Graves and passed unanimously.

- **Finance Committee**
  - **Discuss the recommendations of the Finance Committee regarding financial contributions from potential community center partners**

    Mr. Hannaman stated that the Finance Committee met on September 23, 2024, to review and discuss decision points specific to expected financial contributions from the Johnson County Library and the YMCA for the community center project. The library also sent a memo to City staff on September 12, 2024, asking for responses to outstanding items prior to a library board retreat on October 30, 2024. At the retreat, the board planned to present a staff recommendation for the replacement of the Corinth Library, and asked that the City make decisions on a number of non-negotiable items that would require agreement between both parties.

    Additionally, financial expectations needed to be determined between the City and the YMCA to maintain the timeline of the project. Staff requested guidance from the Finance Committee in order to continue to narrow the list of unresolved partnership decision points. Mr. Hannaman asked that action be taken on each of the decision points separately.

    - Library decision points
      Mr. Hannaman said that the Johnson County Library was interested in building a new branch that would be co-located with a community center, replacing the existing Corinth Library branch. Library staff outlined a number of non-negotiable items to be considered prior to making a recommendation to library board. Mr. Hannaman said that there were several items in their letter, but that three were most important for council discussion:

      1. The City will donate the land for the library building and associated drive-thru lane; the Board of Directors of the Johnson County Library must own this land.
      3. Size of building/lot – building - 25,000 sq ft, lot size - 2 acres
      8. Project timeline, including election/ballot timing and deadlines – The library needs to know the City's plan and timeline for voter consideration of a ballot measure.

      After review, the Finance Committee voted 6-0 to recommend the following responses to the library:

- The City will not convey the two acres at Harmon Park at no cost as requested. However, the City would accept a land transfer or "swap" with the land the library currently occupies on Mission Road
- The City would like the site development costs that the library has agreed to fund to be better defined and inclusive, but not limited to, demolition, parking lot construction, utilities, lighting, grading, etc.

Mr. Graves made a motion to move forward with the Finance Committee's recommendations. The motion was seconded by Mr. Reddell.

Ms. Sharp asked how the 25,000 square foot size of the proposed library building compared to the existing structure. Mr. Hannaman said that the current building was 20,000 square feet.

Mr. O'Toole said that all community center-related decisions should wait until after the public information meeting on October 15. Mayor Mikkelson said it would be beneficial to have financial information available for the public at the meeting. Mr. Jordan added that the Johnson County Election Office notified the City that ballot language would have to be provided no later than December in order to be placed on a special election ballot in the first quarter of 2025.

Ms. Selders stated that she felt the process was moving too quickly, and that the December deadline was too soon. Mr. Gallagher said no binding action was being taken; rather, the City was simply providing the library its agreement terms to consider.

Ms. Sharp asked how much a special election would cost. Mr. Jordan said it would likely cost between $60,000 and $65,000. Ms. Sharp said that she believed a vote on the community center project should be placed on a general election ballot so that more residents would participate.

After further discussion, A roll call vote was taken with the following votes cast: "aye": C. Robinson, Nelson, Sharp, Nguyen, D. Robinson, Agniel, Shelton, Reddell, Graves, Gallagher; "nay" O'Toole, Selders. The motion passed 10-2.

- <u>YMCA decision points</u>
  Mr. Hannaman said that the YMCA had been in discussion with the City for many years to be the operator of a potential community center that would replace the Paul Henson YMCA. YMCA staff made several

presentations at both Finance Committee and City Council meetings related to the future of the existing facility and their expectations of operating a City-owned community center. The Finance Committee reviewed several items that had been publicly presented, focusing on site location, the YMCA's financial pro forma, and capital contributions from the YMCA in entering the partnership. The Finance Committee voted 5-1 to recommend the following responses to the YMCA:

- The YMCA will need to cover operational losses – the City would not provide a subsidy if the facility does not recover operational costs
- The YMCA will need to contribute $7.5 million within two years of opening towards capital expenses (contributed land is not included in this number)
- The City is inclined to accept the 15% management fee as presented
- The YMCA would need to reimburse the City for facility maintenance to include a City employee as assigned.

Mr. Hannaman stated that like the library, the council's decision would be taken to the YMCA for further consideration.

Mr. Reddell made a motion to end consideration of the community center project and a partnership with the YMCA entirely. Mr. Agniel seconded the motion.

Mr. Dave Robinson said he had concerns with the community center project, and wanted to ensure the City remained a good partner with the library. Mayor Mikkelson stated that it was important to hear further from residents, and that killing the project at its current state would be premature. Mr. Shelton agreed, noting that residents had already been told they could attend the public information meeting on October 15.

Ms. Sharp stated that the estimated cost of the project had increased dramatically since it was first considered. Mr. Gallagher said the cost of the project was too significant, and that he did not think the YMCA would agree to the City's terms.

Mr. Graves expressed concern that ending the community center project would also affect the City's relationship with the library.

After further discussion, A roll call vote was taken with the following votes cast: "aye": O'Toole, Selders, Sharp, Agniel, Reddell, Gallagher; "nay": C. Robinson, Nelson, Nguyen, D. Robinson,

Shelton, Graves, Mikkelson. The motion failed 7-6 with Mayor Mikkelson serving as a tiebreaker.

Mr. Cole Robinson made a motion to move forward with the Finance Committee's recommendations as presented. Mr. Graves seconded the motion. A roll call vote was taken with the following votes cast: "aye": C. Robinson, O'Toole, Selders, Nelson, Sharp, Nguyen, D. Robinson, Agniel, Shelton, Reddell, Graves, Gallagher. The motion passed unanimously.

- Funding decision points

  Mr. Hannaman noted that the community center would be constructed and owned by the City. In order to finance the estimated $55,000,000 construction cost, the City would need to issue general obligation (G.O.) bonds, which would be repaid through an increase to the City's sales tax rate (as opposed to a mill levy increase). In accordance with KSA 12-187, doing so would require a public vote before it could be implemented.

  The exact cost of debt service would depend on final construction costs and interest rates at the time of bond issuance. Staff worked with the City's municipal financial advisor, Columbia Capital, to estimate repayment amounts and the level of sales tax increase needed to generate sufficient revenue. Current estimates for 30-year G.O. bonds would require annual debt service of roughly $3,085,000, making total repayment $92.5 million over 30 years. This would require approximately a 5/8% to 3/4% sales tax increase.

  Mr. Hannaman stated that the City's current total sales tax rate was 8.975%, and was made up of several taxing districts:

Prairie Village
Total Sales Tax Rate

6.500%	State of Kansas
1.000%	City Of Prairie Village
1.350%	Johnson County
0.125%	Johnson Co. Research Triangle
8.975%	Total

  He added that an existing 1% CID tax made the total rate 9.975% at the Prairie Village Shops and Corinth Shopping Center. An increase of 5/8% or 3/4% to the City's 1.0% sales tax rate would take the City's portion of the sales tax rate to 1.625% - 1.75%, and the total sales tax rate in the City to 9.6% to 9.725% (10.6% to 10.725% in the two shopping districts).

According to Columbia Capital, borrowing the $55,000,000 necessary for construction costs would likely lower the City's credit rating from AAA to AA+. The reduction would not impact rates on existing debt. In addition, there would need to be various debt and financial policy updates.

The Finance Committee voted 5-1 to recommend that the community center project move forward, and to plan for a public vote asking for a sales tax increase of either 5/8% or 3/4%.

Mr. Shelton asked when the CIDs would expire at the two shopping centers. Mr. Hannaman said they had been approved in 2011 and would expire in 2032. Mr. Shelton and Mr. Graves agreed that having the financing information available for the public meeting was important.

Mr. Graves made a motion to move forward with the Finance Committee's recommendations. Mr. Graves seconded the motion.

Mr. Dave Robinson expressed concern about the City's credit rating falling below AAA.

After further discussion, a roll call vote was taken with the following votes cast: "aye": C. Robinson, Selders, Nelson, Nguyen, Shelton, Reddell, Graves, Gallagher; "nay": O'Toole, Sharp, D. Robinson, Agniel. The motion passed 8-4.

- Ms. Selders noted that October was Learning Disabilities and Dyslexia Awareness Month.
- Mr. Graves shared a summary of the Hispanic Heritage Month celebration that had been held on September 21. He also noted that a town hall discussion focused on voting rights would be held on October 10.
- Mr. O'Toole provided information about the Planning Commission's approval of construction work that would soon begin at the old Macy's building in the Prairie Village Shops.

<u>MAYOR'S REPORT</u>

- The Mayor noted following events that had taken place since the September 16 council meeting:
  - A fundraiser for the Johnson County Library
  - A Prairie Village Foundation meeting

- A MARC Board meeting
- A United Community Services Board meeting
- The Prairie Village Police Department's alumni lunch
- A Coffee With a Cop event at Starbucks
- A retirement party for executive assistant Jennifer Wright

- The Mayor shared the following upcoming events:
  - The Shawnee Mission Education Foundation annual fundraiser on October 9
  - A Johnson County / Wyandotte County Mayors meeting on October 9
  - A Northeast Johnson County Mayors meeting on October 18
  - The third community center public engagement meeting on October 15
  - A MARC First Suburbs Coalition meeting on October 18

STAFF REPORTS

Deputy Chief McCullough reported that Community Services Officer Courtney Sievers had been deployed to assist with animal search and rescue operations in areas affected by Hurricane Helene in North Carolina.

OLD BUSINESS

None.

NEW BUSINESS

COU2024-52 Consider amendment to Council Policy 29 – President of the Council

Mr. Aggen said that at the September 3, 2024, and September 16, 2024, Council Committee of the Whole meetings, councilmembers considered potential changes to the eligibility, timing, and voting procedures surrounding the election of the president of the council. After discussion at the September 16 meeting, staff was asked to draft a proposed new policy containing the following elements:

A. An annual election will occur at the first January City Council meeting.
B. Only councilmembers who attend that meeting will be eligible to nominate, be nominated, or vote for the proposed president of the council.
C. Nominated councilmembers must accept the nomination before a vote can be taken.
D. Councilmembers who have not served as a councilmember for at least one year are ineligible for nomination.
E. Councilmembers who have served as the president of the council during their current term are ineligible for nomination.
F. Councilmembers who serve in the same ward as the current sitting president of the council are ineligible for nomination.

G. Councilmembers cannot serve as president of the council for two consecutive years.
H. The election of a nominated councilmember who meets the above criteria shall be approved and confirmed by a simple majority of the City Council.
I. In the event that no councilmember meets the above criteria, or no councilmember meets the above criteria who accepts a nomination, any councilmember may be nominated. That councilmember must still accept the nomination, and that election shall be approved and confirmed by a simple majority of the City Council.
J. In the event that a sitting president of the council resigns from the position of president of the council, resigns or otherwise no longer serves as a councilmember, or otherwise is unable to serve as president of the council, an interim election will occur at the next regularly scheduled City Council meeting. That interim election will follow all of these procedures and criteria, except that the newly elected president of the council shall only serve through the upcoming January.

Mr. Aggen added that the policy also sought to provide certain contingencies in the event that no single councilmember might meet all requisite elements, as well as a potential mid-term vacancy in the president of the council position. If adopted, the council would select the president of the council at its first January meeting, with that individual commencing their year of service at the first meeting in February.

Mr. Nelson made a motion to approve the revisions to Council Policy 29 as presented. The motion was seconded by Mr. Agniel and passed 11-1, with Ms. Selders in opposition.

Mr. Reddell made a motion for the City Council to move to the Council Committee of the Whole portion of the meeting. The motion was seconded by Mr. Shelton and passed unanimously.

<u>COUNCIL COMMITTEE OF THE WHOLE</u>

Short-term rental ban ordinance

Mr. Aggen said that at its May 6, 2024, meeting, council discussed potential options for short-term rentals (STRs), which ranged from adding new regulations and fees to a ban for rentals under 30 days. While the council discussed several options, direction was given to staff to provide information about potentially banning rentals for under 30 days. At the September 4, 2024, council meeting, staff provided information about the proposal. At its September 16, 2024, meeting, council discussed the revenue potential for collecting a transient guest tax on short-term rental stays. After hearing from the public and having further discussion, council directed staff to draft a ban on rentals under 30 days, and to bring back a recommendation for a phase-out approach.

Mr. Aggen said that currently, STRs (including Airbnb, VRBO, etc.) were required to obtain a rental license to operate in Prairie Village. The rental license process was the same for both long-term and short-term rentals, and included a $77 annual renewal fee and an annual exterior inspection to ensure compliance with property maintenance code. Any property owned by someone outside of Johnson County, Kansas required a local resident agent/manager. He noted that there were 833 active or pending rental licenses in City, and though not tracked specifically, staff estimated that approximately 30 were STRs.

Based on council's direction and staff discussion, two potential consequences for violations were developed. First, violations would result in a fine up to $500.00 per day. Second, violations could result in a denial of a prospective license or a revocation or suspension of an existing license. In the second case, an owner could appeal the city clerk's decision, which would come before the governing body for a hearing.

Mr. Aggen proposed that the following language be added to the Prairie Village City Code Section 5-706, after the existing language stating that a rental license was required. The new Section 5-706 would read in its entirety:

(a) No residential structure used for rental purposes shall be occupied without the owner first making application to the City for the occupation license required herein and maintaining such license in force and effect. No residential structure may be occupied if the occupational license for the residential structure is revoked. The city clerk may declare a residential structure used for rental purposes to be uninhabitable if a valid occupational license for such structure is not in effect and, at the direction of the governing body, may commence civil actions to evict persons residing in such structures.

(b) *Short-Term Rental Prohibited.* No person, firm or corporation shall lease or rent, or offer for lease or rent, a lot or any structure thereon (including without limitation a dwelling, garage, or pool house), or any portion of the same (e.g., a room or rooms within a dwelling) for a period of less than 30 days. Owners who are in violation of this section shall be punished by a fine of up to $500.00. Each day that a violation continues shall constitute a separate offense. A license shall not be granted and may be suspended or revoked by the city clerk if the owner violates this subsection (b). The finality and potential appeal of such a denial, suspension, or revocation shall be governed by the procedure of Section 5-708(c).

Mr. Aggen noted that if the council decided to move forward with a ban, staff recommended an enactment date of November 1, 2025. The code would not be in force and short-term rentals would continue to be permitted until that time, while still subject to all other City codes, including nuisance codes. Doing so would accomplish the following:

- Allow dissemination of information concerning the upcoming change
- Provide property owners ample time to choose to change the use of their property or consider divestment of the property

- Allow those who have existing bookings to have those bookings honored through that time period
- Minimize difficulties and uncertainties for both staff and property owners in considering any form of phase out, rolling enforcement based on license renewal date, or refund processes for rental licenses

Once published, City communications would share this information, and the specific rental application form would also include a notice of the upcoming enactment. During the months from publication until the effective date, staff would gather from each renewal and new application whether an owner intended to use their property as a short-term rental to more effectively communicate the ban. Further, staff could follow up closer to the effective date with such license holders. Mr. Aggen added that if the ban was passed, staff would contact third-party platforms that specialize in short-term rentals, and work with those platforms to seek their compliance in only offering rentals for a minimum of 30 days.

Mr. Graves made a motion to send the recommendation to council for final approval. Mr. O'Toole seconded the motion.

Mr. Cole Robinson stated that he struggled with an outright ban, particularly since there was little evidence that short-term rental properties were more problematic than other properties in the City.

Ms. Nguyen stated that she was in favor of the ban for properties owners that resided outside of Prairie Village.

Mr. Dave Robinson said that he preferred stricter guidelines for short-term rentals rather than a ban.

After further discussion, the motion passed 10-2, with Mr. Cole Robinson and Mr. Dave Robinson in opposition.

Mr. Shelton moved that the City Council end the Council Committee of the Whole portion of the meeting. The motion was seconded by Mr. Nelson and passed unanimously.

ANNOUNCEMENTS

Announcements were included in the Council meeting packet.

ADJOURNMENT

Mayor Mikkelson declared the meeting adjourned at 11:07 p.m.

Adam Geffert
City Clerk