

**City of Westwood, Kansas
City Council Meeting
June 8, 2023 – 7:00 p.m.**

Council Present: David E. Waters, Mayor
Jeff Harris, Council President
Andrew Buckman, Councilmember
Jason Hannaman, Councilmember
Laura Steele, Councilmember
Holly Wimer, Councilmember

Council Absent: None

Staff Present: Leslie Herring, City Administrator
Curtis Mansell, Police Chief
John Sullivan, Public Works Director
Ryan Denk, City Attorney
Abby Schneweis, City Clerk

Call to Order

Mayor Waters called the meeting to order at 7:00 p.m. on June 8, 2023. The City Clerk called the roll. A quorum was present. The evening's meeting was held in a hybrid manner, with attendees joining both in person and via Zoom.

Approval of Agenda

Mayor Waters noted agenda item 10.C. will not be considered during the evening's meeting. Motion by Councilmember Harris to approve the June 8, 2023, City Council meeting agenda with the amendment that was referenced. Second by Councilmember Buckman. Motion carried by a 5-0 voice vote.

Public Comment

No comments were made by members of the public.

Presentations and Proclamations

Johnson County Library Update

Christopher Leitch, Community Relations Coordinator, and Anna Madrigal, Cedar Roe Branch Manager, provided an update about Johnson County Library services and operations.

Receive Recognition from Mid-America Regional Council

Cathy Boyer-Shesol presented the City with the Silver Level Community for All Ages designation.

Receive Recognition from the Northeast Johnson County Go Green! Environmental Fair Steering Committee

On behalf of the Northeast Johnson County Go Green! Environmental Fair Steering Committee Cathy Boyer-Shesol recognized the City for contributions to the event, which was recognized as the 2022 Green Event of the Year by the Mid America Regional Council.

Recognition of Retiring Police Sergeant Gary Baker for Outstanding Service to the City of Westwood

After 39 years serving the community, Sergeant Gary Baker will be retiring on June 30th. Sergeant Baker has served the cities of Shawnee and Prairie Village, and the Shawnee Mission School District as a School Resource Officer. Starting in 1998 Sergeant Baker served on the International Police Task Force as a police trainer and human rights investigator as part of the United Nations mission in Bosnia. Upon his return from Bosnia in 2000, Sergeant Baker began working as a part time officer with the Westwood Police Department and became a full-time officer in 2009.

Consent Agenda

All items listed below are considered to be routine by the Governing Body and will be enacted in one motion. There will be no separate discussion of these items unless a member of the Governing Body so requests, in which event the item will be removed from the consent agenda and considered separately following approval of the consent agenda.

- A. Consider May 11, 2023, City Council Meeting Minutes
- B. Consider Appropriations Ordinance 751

Motion by Councilmember Hannaman to approve the Consent Agenda as submitted. Second by Councilmember Wimer. The City Clerk conducted a roll call vote. Motion carried by a 5-0 vote.

Mayor's Report

No report was made by Mayor Waters.

Councilmember Reports

No reports were made by the members of the Council.

Staff Reports

Administrative Report

Mrs. Herring provided an overview of the May 2023 Administrative Report included in the agenda packet and offered to answer questions.

Public Works Report

Mr. Sullivan provided an overview of the May and June 2023 Public Works Report included in the agenda packet and offered to answer questions.

Public Safety Report

Chief Mansell provided an overview of the May 2023 Public Safety Report included in the agenda packet and offered to answer questions.

Treasurer's Report

The May 2023 Treasurer's Report was included in the agenda packet, no questions or comments were made about the report.

City Attorney's Report

Mr. Denk did not have any items to report.

Old Business

No Old Business items were considered.

New Business

Before the Governing Body began considering New Business items, Mayor Waters stated the Shawnee Mission School District (SMSD) School Board voted to approve the sale of the former Westwood View Elementary School site (2511 W 50th Street) during the May 22nd School Board meeting.

Mayor Waters said entering into a real estate purchase agreement with SMSD and Karbank Holdings LLC is the first step that will allow the City to do its due diligence on the former Westwood View Elementary site, and would allow Karbank Holdings LLC, to do the same for the 5000 Rainbow Blvd & 5050 Rainbow Blvd. properties. Mayor Waters stated that there were no plans being considered that evening, and there will be no rezoning, development plans, site plans on the evening's agenda.

Real Estate Purchase Agreement with Shawnee Mission School District

The action for Council's consideration is approval of and authorization granted to the Mayor to enter into a Real Estate Purchase Agreement with the Shawnee Mission School District ("SMSD Agreement") for the purchase of two parcels of land totaling 4.97 acres at the former Westwood View (temporarily Rushton School) site (the "SMSD Property"). The SMSD Property was previously the subject of an Option Agreement between the City and the SMSD Property which contemplated that the City would have an option to purchase the SMSD Property after the new Westwood View School was constructed. The role of the SMSD Property is further discussed in the Message from Mayor Waters relating to the City's proposed construction of a City park on the Western portion of the property and a portion of the property being used to serve the Karbank development.

The terms of the SMSD Agreement generally provide for the City to acquire the SMSD Property for the purchase price of \$2.65M. Upon entering into the SMSD Agreement, the City has a 6-month due diligence period. This due diligence period will overlap with Karbank's due diligence period relating to the acquisition of the four city owned parcels which front on Rainbow Boulevard. During the due diligence periods, several approvals and satisfaction of conditions precedent must be met to the satisfaction of the City and Karbank to put the City in a position to close on the SMSD property. Most importantly for the City's acquisition of the SMSD Property is the donation of sufficient funds to allow the City to pay the purchase price and close. If the City did not receive such funding, it would be permitted to cancel the SMSD Agreement. Other necessary approvals during the due diligence period include planning and zoning approvals for the Karbank project and site studies to demonstrate to the parties that the properties in question are conducive to the proposed uses – i.e. environmental, geotechnical, surveys, etc. At a subsequent date, a Donation Agreement will come before the Council for consideration laying out the terms and conditions of the donation of funds to allow the City to acquire the SMSD Property and to demolish the on-site improvements. Generally speaking, the donating foundations will require that the donated funds are used to acquire the SMSD Property, demolish the existing improvements and that the City commit to the use of the Western portion to be retained by the City for park purposes. Such use restriction would be in the form of covenants and restrictions filed upon the property restricting the use to park purposes under the terms stated in the covenant. The Declaration of Covenants and restrictions will come before the Council for consideration at the time that the Donation Agreement is to be considered.

Closing on the SMSD Property under the terms of the SMSD Agreement would occur in January, 2024. Because the School District anticipates the need to continue to occupy the school for the continued operation of Rushton Elementary, the SMSD Agreement provides for a lease back of the SMSD Property through the end of July, 2024. Accordingly, from the time that the SMSD Property closed until the end

of the lease term, the City would own all 4.97 acres and would lease the same back to the District. As outlined in the Karbank Real Estate Purchase Agreement, the deed for the agreed upon Eastern portion of the SMSD Property to become part of the Karbank development would be executed at Closing in January of 2024 and held in escrow until the School District vacates the property at the end of July 2024, at which time it would be filed and become effective. Remaining details relating to the funding of park improvements and other aspects of the overall project will be more specifically detailed in later documents for Council and public consideration.

Councilmember Harris said the City wisely positioned itself to have the right to purchase the SMSD property many years ago, and the purchase price and redevelopment of the land is very costly to the City. Mayor Waters noted the purchase price of the SMSD property would increase the mill levy by 5 mills. Councilmember Harris said that while the Governing Body is not finalizing anything that evening, it is taking another step toward the redevelopment of the property. Councilmember Harris said moving forward with the Purchase Agreement is financially feasible and takes the City in the direction that has been talked about during various planning processes.

Councilmember Hannaman said there are specific items to come that are important to him and the community that need to be worked out. Councilmember Hannaman said he is hopeful that these items can be worked out in a way that is beneficial to all parties. Councilmember Hannaman said he is grateful for the work done by his predecessors on the Governing Body to put the City in its current position with SMSD and Karbank Holdings, LLC.

Councilmember Wimer said she has many questions and a few concerns and is looking forward to addressing them all during the due diligence process.

Motion by Councilmember Hannaman to approve the Real Estate Purchase Agreement with the Shawnee Mission School District and authorize the Mayor to execute the same. Second by Councilmember Steele. Motion carried by a 5-0 voice vote.

Consider Real Estate Purchase Agreement with Karbank Holdings, LLC for Real Property at 5000 Rainbow Blvd. and 5050 Rainbow Blvd.

The action for Council's consideration is approval of and authorization granted to the Mayor to enter into a Real Estate Purchase Agreement with Karbank Holdings, LLC ("Karbank Agreement") for the purchase of four city owned parcels bounded by Rainbow Blvd. on the East, W. 51st Street on the South, the Rushton School on the West and W. 50th Street on the North comprising 2.8144 acres in the aggregate ("City Property") and the purchase of approximately 1.47 acres of land immediately West of the City Property from land to be acquired by the City from the Shawnee Mission School District ("SMSD") ("Lot Line Adjustment Parcel"). Following the conveyance of the Lot Line Adjustment Parcel, the City would retain 3.5 acres to be used for a City park. The City still has outstanding debt on the former Westwood Christian Church parcels with the common address of 5050 Rainbow Blvd. in the form of a Lease with an option to purchase held by Security Bank of Kansas City ("Security Bank Lease"). The option to purchase permits the City to discharge the Lease and acquire the property free and clear by the City's payment of the remaining principal of \$275,000. Pursuant to the Karbank Agreement, Karbank agrees to pay this principal and discharge this Lease as the purchase price for the City Property and the Lot Line Adjustment Parcel.

The due diligence period under the Karbank Agreement mirrors that within the SMSD Agreement, meaning that there will be a six-month due diligence period terminating in December 2023 and a

scheduled closing in early January 2024. During the due diligence period, several approvals and satisfaction of conditions precedent must be met to the satisfaction of the parties including site studies to determine the sufficiency of the real property for Karbank's proposed redevelopment as well as necessary planning and zoning approvals and replatting.

The closing on this land transaction is to occur simultaneously with the closing on the SMSD Agreement providing for the City's purchase of the 4.97 acres of the former Westwood View School site (currently being used as the Rushton School) ("SMSD Property"). The closing on the Karbank Agreement is expressly contingent upon the City's receipt of sufficient funding for and the closing on the SMSD Agreement. If these events do not occur, then the City is permitted to terminate the Karbank Agreement. A donation agreement will be brought to Council for consideration at a subsequent meeting providing for the donation of sufficient funding to allow the City to acquire the SMSD Property and to allow for demolition of currently existing on-site improvements. Closing on the City Property will occur in January 2024. The actual conveyance of the Lot Line Adjustment Parcel will not occur until the School District vacates the Rushton School site which is scheduled to occur on July 31, 2024. Although there will be a delayed closing on the Lot Line Adjustment Parcel, pursuant to the Karbank Agreement the City is still required, at the time of closing on the City Property, to execute a deed conveying the Lot Line Adjustment Parcel to Karbank and to deposit the same into escrow under terms providing that such executed deed will be filed following the School District's vacation and surrender of the Rushton School site.

Additionally, a Development Agreement will also be brought to Council for consideration at a subsequent meeting detailing the parties' respective rights and responsibilities relative to the overall development and the financing thereof.

Motion by Councilmember Hannaman to approve the Real Estate Purchase Agreement with Karbank Holdings, LLC and authorize the Mayor to execute the same. Second by Councilmember Wimer. Motion carried by a 5-0 voice vote.

Consider Passing Resolution No. 118-2023 Waiving the GAAP Requirement for Financial Reporting

The State of Kansas requires audits for cities and their financial statements be based on Generally Accepted Accounting Principles (GAAP), which has proven to be a very cumbersome and expensive accounting standard to comply with for smaller municipalities.

The provisions of K.S.A. 75-1120A(A) do allow for cities to adopt the Cash Receipts and Disbursements method of accounting for the audit, where the audit testing procedures remain the same and it allows cities to report an audit based on the annual budget cycle.

As has been the past practice of the City of Westwood, waiving the requirements of GAAP principles during the annual financial audit is recommended to allow for a more straightforward auditing process.

Motion by Councilmember Buckman to approve Resolution No. 118-2023 waiving the requirements of K.S.A. 75-1120A(A) as they apply to the City of Westwood for the fiscal year that ended December 31, 2022. Second by Councilmember Steele. Motion carried by a 5-0 voice vote.

Receive Presentation of 2022 Independent Financial Audit

John Martin, Higdon & Hale, presented his findings of the FY2022 audit he conducted for the City. Mr. Martin shared that the City received a clean report and no irregularities were detected by Higdon & Hale

staff. Mr. Martin shared that there were no disagreements between Higdon & Hale staff and members of City staff.

Staff Presentation of FY2024 Budget: Projects & Equipment

The Governing Body gave staff the direction to focus on three matters when drafting the FY2024 budget:

1. Begin chipping away at deferred maintenance needs on city owned buildings;
2. Accelerating implementation of the streets, sidewalk, stormwater, and streetlights program;
3. Increase the City's competitiveness in the labor market with employee wages and benefits.

City staff has worked to create a set of plans that illustrate a full picture of the infrastructure needs and goals of the City. The City does not currently have enough funds to implement the entire plan on a ten-year timeline. However, the City Council has the authority to increase revenue streams to the extent politically acceptable, extend the timeline to one that's politically acceptable, or both. Mrs. Herring said that this plan can be subject to change if infrastructures fail sooner than anticipated, and the priority of each street may change over time.

Councilmember Wimer referred to the sidewalk plan in the presentation and asked about the possibility of sidewalks on 47th Terrace and 48th Street East of Rainbow Blvd. Mr. Sullivan said it was feasible, but costly as the street would need to be completely torn out and redone. Mrs. Herring said there has not been a consensus from residents living on the two streets on whether sidewalks are desired or not, and was left off the long term sidewalk plan.

Councilmember Buckman asked if there was risk that the City will not have matching streetlights due to vendor or supply issues. Mr. Sullivan said that Sternberg, the City's streetlight vendor, is a long running business that started producing gas streetlamps in 1923. Sternberg has ensured the City that they can produce any streetlight they have ever sold. Additionally, the City also selected a streetlight model that is relatively common model that is not likely to be dropped from Sternberg's product line.

City staff developed a list of the most pressing needs for City facilities based on the 2022 facilities assessment, and the projects were included in the presentation.

Upcoming major equipment purchases for FY2024 will be a leaf vacuum for the leaf pickup program, a water wagon for street landscaping, a police patrol vehicle and tasers. These purchases will be purchased using Equipment Reserve funds.

The Governing Body gave direction to Staff to keep the mill levy flat and explore the possibility of increasing stormwater utility fees to cover increasing costs of materials and labor.

Announcements/Governing Body Comments

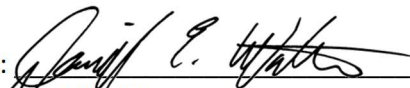
Councilmember Hannaman congratulated Councilmember Steele for recently completing the Unbound Gravel Race in the Flint Hills.


Executive Session

No matters required an Executive Session during this meeting.

Adjournment

Motion by Councilmember Harris to adjourn the meeting. Second by Councilmember Wimer. Motion carried by a 5-0 voice vote. The meeting adjourned at 9:45 p.m.

APPROVED: 
David E. Waters, Mayor

ATTEST: 
Abby Schneweis, City Clerk