

MINUTES

The meeting was called to order with Roll Call by Mayor Rick Walker.

Roll Call:	Lane	Present	Ritter	Present
	Daniels	Present	Murdock	Present
	Honomichl	Present		

Mayor Walker led the Pledge of Allegiance. Citizens signed the book on page 41.

Mayor Walker proclaimed National Arbor Day in De Soto as Friday, April 27th, 2018.

Mayor Walker proclaimed National Day of Prayer in De Soto as Thursday, May 3rd, 2018.

Consent Agenda Items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.

1. Consent Agenda:
 - a. Approve Minutes of the Council Meeting April 5th, 2018.
 - b. Approve Pay Ordinance No. 829.

Councilman Daniels said there was an error in the Minutes of the April 5th, meeting pertaining to the roll call vote on the Pay Ordinance. He requested the change be made to reflect: Lane – Abstain and Daniels – Yes.

Motion by Council member Murdock to approve the Consent Agenda with the modifications to the Minutes made by Council member Daniels; second by

Roll Call:	Lane	Yes	Ritter	Yes
	Daniels	Yes	Murdock	Yes
	Honomichl	Yes		

Motion carried.

2. Call to Public:

“Members of the public are welcome to use this time to comment about any matter relating to City business not listed on this Agenda. The comments that are discussed under Call to Public may or may not be acted upon by the Council during this meeting. **There is a four-minute time limit.** Please stand and wait to be recognized by the Mayor. You must state your name and address.”

No one appeared.

3. Old Business: None

4. New Business:

- a. Consider Lease for Water Department Mini-Excavator. Administrator Brungardt stated this is next implementation of the Vehicle and Equipment Replacement Program. This machine is a new unit to the Water Department and will not replace any existing machine. Staff is recommending delaying the backhoe lease, and move forward with a 5-year lease on the mini-excavator. He reviewed the bids received through the MARC cooperative program.

Motion by Council member Murdock to authorize the City Administrator to accept the proposal from Murphy Tractor for the five-year lease for the John Deere min-excavator in the annual amount of \$10,192.04; second by Lane.

Roll Call:	Lane	Yes	Ritter	Yes
	Daniels	Yes	Murdock	Yes
	Honomichl	Yes		

Motion carried.

- b. Consider First Amended Agreement Related to Excise Tax for Subdivisions Developed by DVP, LLC (Arbor Ridge and Coker Estates). City Attorney Reavey provided the background information Council had approved earlier last year. He commented on the start time of the excise tax. Mr. Parr is requesting the clock on the two years begins on May 1, 2018. The second part of the Parr request is concerning the Coker Ridge Estates that DVP, LLC feels is a part of the Arbor Ridge Estates extension. Attorney Reavey reviewed the amendment that contains both requests. Council member Murdock and Attorney Reavey commented the excise tax will be suspended for the two years. Administrator Brungardt stated he had received an email from Council member Honomichl asking what the value of the tax would be. There are 46 lots if all 46 lots were built on during the next two years would amount to about \$85,000. The Coker plat would be two lots around \$20,000, and the remaining 18 duplex lots in the Arbor Ridge subdivision would be around \$41,000 for a total of \$146,500.

Attorney Reavey said the original agreement approved by the Council would still stand if Council doesn't agree on the amendment. Discussion ensued between Council member Honomichl and Attorney Reavey. Attorney Reavey stated Arbor Ridge was in bankruptcy for over ten (10) years until Mr. Parr was able to purchase the property and begin construction. Council member Daniels commented on the incentives the City had offered. Discussion among Mayor Walker and Council members.

Motion by Council member Honomichl to authorize the Mayor to sign the First Amended Agreement, with DVP, LLC, as written; second by Murdock.

Roll Call:	Lane	Yes	Ritter	Yes
	Daniels	Yes	Murdock	Yes
	Honomichl	Yes		

Motion carried.

- c. Consider entering into agreement with Green Play LLC for the Parks and Recreation Plan update. Planning Director Weisenburger commented on the evaluation committee's work in advertising for a consultant, and they reviewed and ranked the consultant bid packets.

Motion by Council member Ritter to approve Green Play LLC to complete the De Soto Park and Recreation Plan update with a fee not to exceed \$30,000; second by Daniels.

Roll Call:	Lane	Yes	Ritter	Yes
	Daniels	Yes	Murdock	Yes
	Honomichl	Yes		

Motion carried.

- d. Consider Curb replacement project on Commerce Drive. Planning Director Weisenburger

commented on the poor condition of Commerce Drive. The project was put out to bid with ten (10) bids received. He provided the results of the bid information. Discussion ensued between Council member Murdock and Administrator Brungardt. Council member Lane asked if any prior work had been done on the curbs previously. The bids did come in under budget. Council member Lane said the railroad tracks are getting rough to drive over. Administrator Brungardt said Staff has looked at the railroad crossing and are aware of it.

Motion by Council member Honomichl to accept the bid from Freeman Concrete in the amount of \$53,005.00 for curb replacement on Commerce Drive and authorize the City Administrator to execute the contract; second by Ritter.

Roll Call:	Lane	Yes	Ritter	Yes
	Daniels	Yes	Murdock	Yes
	Honomichl	Yes		

Motion carried.

- e. Consider Seal Coat project in Timber Trails subdivision. Planning Director Weisenburger said this project scope is similar to the prior project, and was approved by the Council in the 2018 CIP program for street repairs. Only two bids were received, and both bids were a bit over budget. He stated both companies have done work in the City. The CIP funding is on track for this year.

Motion by Council member Murdock to accept the bid from Pavement Management in the amount of \$109,820.50 for seal coat work in Timber Trails; second by Lane.

Roll Call:	Lane	Yes	Ritter	Yes
	Daniels	Yes	Murdock	Yes
	Honomichl	Yes		

Motion carried.

- f. Discuss Draft 2019 Budget. Administrator Brungardt provided Council with a copy of his slide presentation. He commented on the calculation error in a spreadsheet that was found, and explained the formula and how it affected the projection for 2024. The percentages were adjusted and the 2019 budget draft was adjusted accordingly. He commented on the sheet replacements for the 2019 Budget. The 2019 budget draft presents some discussions for consideration and how to allocate some unspecified funds. The City is projecting a general fund increase. The City is still owed \$650,000 in assessments from the Cherokee Woods property from the impending tax sale of the property.

Administrator Brungardt outlined the 2018 projections based on the current data available. The county-assessed valuation for De Soto in 2017 is \$71,254,404, representing an 8.6% increase over the 2017 valuation of \$65,579,433. He commented on the sales tax revenue and the sales tax conservative assumption for the next year. Administrator Brungardt explained the franchise fees and other revenue sources showing the projection for 2019. He provided Council with the General Fund Expenditures and the 'budgeted' vs 'spent' trends.

Administrator Brungardt provided a list of items included in the proposed draft budget and the impact to the General Fund as proposed for 2019 for Council's consideration. He further commented on the Unspecified Initiatives that could be included in the General Fund Budget. The Vehicle & Equipment Replacement Program for the 2019 budget was explained. The Capital Improvements Fund was explained and the funding that has been transferred from other funds. The 2019 budget assumes a \$750,000 CARS grant. Administrator Brungardt commented on the 2019 CIP projects Council has previously approved.

Administrator Brungardt continued with the explanation of the 2019 budget draft with showing the Debt Service Schedule and the Debt Service Fund. He showed the revenues that come into the Debt Service Funds. There is a suggestion in the proposed 2019 budget draft to reduce the Mill Levy from 4.94 to 4.25.

The Law Enforcement Fund reflects the contract and the inflationary increase for 2019. The Water Fund has been reviewed and a 2% rate increase for 2018, and a 2.5% rate increase for 2019. This will be re-evaluated toward the end of the year. The Sewer Fund will also be re-evaluated toward the end of the year with a possible 3.5% rate increase.

Administrator Brungardt provided a page for the 2019 Budget and the Strategic Plan initiatives. He provided Council members with some items for policy discussions. He gave Council a proposed schedule for the budget process and the August filing deadline.

Council member Honomichl asked about the sales tax projection and the 'normal' projection going forward. He said it is interesting to see the increase and he would like to know what is driving the increase. Council member Honomichl asked about the property tax revenue and the excise tax for building residential incentives. Discussion ensued that the Cherokee Woods property sale could be used for the broadband initiative that citizens requested in the strategic planning process.

Executive Session: None.

5. Advisory Reports:

- a. City Administrator, Mike Brungardt, asked about the Monday packet delivery. Council member Lane said he would like to see it out on Friday. Discussion. Administrator Brungardt said he will work on it. The auditors will be here at the next Council meeting to present their audit. He said he has two proposals for the AV upgrades in the Council Chamber.
- b. City Attorney, Patrick Reavey, no report.
- c. City Planner, Brad Weisenburger, said he had a meeting with the architects on the rehabilitation of the Water Plant. He hopes to have the bids out the end of the Month. On May 8th there will be meetings on the first round of the Comprehensive Plan.
- d. City Clerk, Lana McPherson, no report.

6. Council & Mayor Comments:

Council members Honomichl and Murdock had nothing further to report.

Council member Daniels said he will be attending the LKM Governing Body meeting this weekend. He said there are some items that have come up during the past several meetings and he knows the Council is governed by rules and regulations. Council member Daniels said he was concerned at the February council meeting when a developer, Mr. Vielhauer, had a proposed annexation agreement before the Council. Council member Daniels said he did not agree with how Mr. Vielhauer was treated at the meeting. They had come in and met with City Staff, followed all the rules and regulations and then came to the Council meeting and were derailed by unknown requirements that were brought about by a Council member's comments. Council member Daniels said these details had not been shared with the Council members and that Council member's requests were not a part of the City's current code. He said he had talked with Mayor Walker after the meeting.

Council member Daniels read a statement concerning Charter Communications. He further commented on a discussion with Council member Honomichl regarding broadband service in the community. The Council has since approved an amendment to the City's subdivision regulations concerning broadband infrastructure. Council member Daniels asked what kind of Council do we want to be? We need to be sure we are following the rules of the Open Meetings Act in all discussions. He said currently there is not a citizen or business owner serving on the broadband committee. Council needs to be informed with all the information before being asked to vote on something. We need to be sure we are doing things right and decisions are being thoroughly thought out. Council member Daniels said he would like to see the Planning Commission meetings are recorded.

Council member Honomichl commented on the broadband conversation. Discussion.

Council member Daniels said he is happy serving on the Council and he is sure everyone can work together and move forward.

Mayor Walker said he knows Council doesn't go against the recommendations of Staff and this is not a Council that is 'wheeling and dealing'. Council relies on Staff for direction.

Council member Daniels said he feels that the applicant should be treated fairly and we should be working with them.

Council member Ritter said he would like to comment on the 2019 budget concerning the signal at the at Lexington and Commerce turn lane. Administrator Brungardt said he could engage an engineer to get the design work done this year.

Discussion between Mayor Walker and Administrator Brungardt on the peak study at the 91st Street intersection.

Council member Lane said he talked to Administrator Brungardt about the trucks on Cedar Creek Road losing debris along the roadway. He did get the name of the trucking companies and gave those to Administrator Brungardt. Council member Lane said this evening the road had been cleaned and scraped off and the road is clean now.

Mayor Walker said the MARC Planning Sustainable Places grant applications will be out May 1st. The grants range from \$50,000 to \$120,000 and the City would have a match of 20% to 50% match. Discussion that this could be a trail or park connection plan. Planning Director Weisenburger said the forthcoming parks plan will be looking at the trails and connecting the parks. Discussion.

No further business or comments were heard.

Motion by Council member Murdock to adjourn at 8:48 p.m.; second by Honomichl.

All Council approved by "ayes."

Motion carried.

Respectfully submitted:

Lana R. McPherson, MMC, City Clerk