

**LOUISBURG CITY COUNCIL
REGULAR MEETING
JANUARY 19, 2021
6:30 P.M.**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. CONSENT AGENDA
 - A. Adopt Agenda
 - B. Approval of Minutes of the Regular Meeting January 4, 2020
Approval of Special Meeting January 11, 2021
 - C. Approval of the Bills
4. RECOGNITION OF SCHEDULED VISITOR
5. PUBLIC COMMENTS: Persons who wish to address the Mayor and City Council regarding items not on the agenda may do so at this time. Speakers will be limited to three (3) minutes. Any presentation is for informational purposes only.
6. DEPARTMENT REPORTS
7. CITY ATTORNEY'S REPORT
8. MAYOR'S REPORT
 - A. Executive Session for Non-Elected Personnel (at end of regular meeting)
9. ADMINISTRATOR'S REPORT
 - A. Wastewater Treatment Plant – Engineering Contract Amendment Continued
 - B. Personnel Pay Consideration
 - C. Master Planning Review Continued
 - D. Housing Incentive Options
 - E. Fire Department Part-Time Staffing Request
10. COUNCIL/COMMISSION REPORTS
11. ADJOURNMENT

**CITY OF LOUISBURG, KANSAS
MINUTES OF REGULAR MEETING
JANUARY 4, 2021**

The Council of the City of Louisburg, Kansas met at 6:30 p.m. in regular session in the City Hall Council Chambers. Mayor Marty Southard presiding.

Council Members Steve Town, Donna Cook, Thorvald McKiernan, Kalee Smith, Sandy Harris
City Administrator Nathan Law
City Clerk Traci Storey
City Attorney
Police Chief Tim Bauer
Fire Chief Gerald Rittinghouse
Communications Coordinator Jean Carder
Public Works Supervisor Craig Hufferd
Visitors Toby Cummings, Laura Gray

PLEDGE OF ALLEGIANCE

Councilmember Thorvald McKiernan led the pledge of allegiance.

APPROVAL OF CONSENT AGENDA

Councilmembers Donna Cook and McKiernan had questions that were on the bills list. City Administrator answered their questions. Councilmember Sandy Harris moved, seconded by Councilmember McKiernan and carried 5-0, to approve the consent agenda to include adoption of the agenda and approval of the regular meeting December 21, 2020 minutes.

VISITORS

Robert Tooley did not attend the meeting as requested. City Administrator Nathan Law presented a Resolution authorizing the Public Officer or Other Agents of the City to abate nuisance items located at 804 S. 10th Street in the City of Louisburg. Councilmembers all agreed this is long overdue and the neighbors should not have to live next to this. Councilmember Kalee Smith moved, seconded by Councilmember Harris and carried 5-0, to accept Resolution 1-4-2021.

PUBLIC COMMENTS

Toby Cummings of 800 S. 10th Street stated she lives next to the Tooley residence. She said this property has been a nuisance for a number of years. Once they get it cleaned up it is just a matter of time before it gets out of hand with trash and other items in the yard. The rodents are becoming a big problem. Councilmember McKiernan asked if there was a repeat offender's fee that could be looked into. Administrator Law said he would check and report back.

DEPARTMENT REPORTS

Fire Department: Fire Chief Gerald Rittinghouse reported that in 2020 the department had over 320 calls. The rural fire district area covered by the fire department has increased and will now service from county line to county line, so calls will increase.

Police Department: Councilmember Harris asked Chief Bauer about body cameras. Chief Bauer said the officers have had body cameras since 2016, but each vehicle will now have dash cams.

Public Works: Public Works Supervisor Craig Hufferd said the light poles on A field are up and should be operational as soon as Evergy can get to them.

Councilmember McKiernan asked about the leaf debris loader and trailer. Hufferd said it was working but with the water breaks and weather there are still leaves to haul away. McKiernan said adding a net will allow leaves to be stacked higher.

CITY ATTORNEY'S REPORT

MAYOR'S REPORT

None

ADMINISTRATOR'S REPORT

Wastewater Treatment Plant – Engineering Change Order Continued: Laura Gray representing Lamp Rynearson said she was here to answer any questions from the Council. City Administrator Law discussed the breakdown of

costs for the change order for engineering on the wastewater treatment plant project. Councilmember Cook asked what the original cost of the project was. Law said the original estimate was \$10.5-11 million for the wastewater treatment plant. The City portion is \$8.4 million, which we have paid 85% of that amount already. Gray said this is an amendment to the engineering contract. It is proposed to be an hourly rate. Councilmember Cook said we shouldn't have to pay more than what was bid. Councilmember Smith said she would like City Attorney to take a look at this and stop the work on the project until it is reviewed. City Administrator Law said we may be out of compliance with KDHE or risk the loan forgiveness if it is stopped. Everyone agreed that they would like this project to be finished. Councilmember Smith said this is getting out of control and we are being backed into a corner. Nothing about this seems legit and we need someone to look at it, she said. Councilmembers had discussion. Administrator Law will bring this back to the January 19th meeting. Councilmember Town asked Gray how was this project compared to others. Gray said this is by far the most challenging project she has done due to the issues with the North Lagoons.

Master Planning Review Continued: City Administrator Law included as part of the administrative goals list a regular review of master planning projects, goals and objectives. This is the fourth section of the City Strategic Plan, as found within the Bright Future Comprehensive Plan.

Enhance Downtown Identity:

1. Maintain Downtown gateway arch and consider installing other arch treatments around Downtown as community gateway & wayfinding
2. Consider repainting or rebranding the water tower

The arch concept was copied and applied to the Welcome to Louisburg sign located adjacent to the Phillips 66 on K-68/Amity as traffic enters Louisburg on the west side. That was a relatively minor cost of the sign overhaul and is the same consideration as listed above. This could be included as well with the eventual replacement of the community sign. As for the repainting or rebranding of the water tower, as discussed during the previous meeting, that is on hold as of now. Without utilizing the water tower for storing water, there is less of a safety consideration for repainting the tower currently. There will be a time soon when that tower will need some form of maintenance to preserve the metal structure. That water tower serves as a large antenna location for several communications companies and would be costly to replace.

Councilmember Cook asked about the wayfinding signs. Councilmember McKiernan said he will continue to work on this. He is not in favor of the small wayfinding ones. Councilmember Town asked about an Amoco sign that would be coming soon and heard the monument sign could be interfering. Administrator Law said the new Amoco sign variance included a concern about that, but the variance was approved based on other considerations.

Water Leak Adjustment: City Administrator Nathan Law presented a water leak adjustment for Andrew Hill (3 S. Berkley) for \$224.48. Councilmember Steve Town moved, seconded by Councilmember McKiernan and carried 5-0, to approve the one-time leak adjustment to Andrew Hill Optometry.

Administrator Law presented a water leak adjustment for Megan Basore (1300 Sutherland Drive) for \$48.29. Councilmember McKiernan moved, seconded by Councilmember Smith and carried 5-0, to approve the one-time leak adjustment to Megan Basore. Councilmember Harris asked how we could warn homeowners of a leak. Administrator Law said when they read meters that is how leaks are usually caught. Councilmember McKiernan asked if the new radio reads would be able to help. Mr. Law said those meters are only read once a month. Councilmembers had discussion. Councilmember McKiernan would like to see a payment plan set up for those that may need help with a water leak. Administrator Law will look into it.

KDHE Recycled Tire Grant Application Authorization: City Administrator Law said staff is looking at another grant opportunity to replace existing picnic tables at various park locations with new tables made from recycled tires. Grant dollars are made available through KDHE and would reimburse 50% of the cost of the tables. Currently staff is seeking authorization to purchase eight (8) tables at a cost of \$7,162. The cost after reimbursement is \$3,581. If authorized, and if awarded, funds would be available through April of 2022, allowing for purchase either in 2021 or to budget and spend in 2022.

Councilmember Cook asked where the funding comes from. Mr. Law said from the Parks Department within the General Fund. If we did not get the grant, then we would not order the tables. Councilmember Town asked if the old tables could be used for Freedom Fest for the fireworks display personnel. Mr. Law said yes, we could keep a few. Councilmember McKiernan moved, seconded by Councilmember Harris and carried 5-0, to authorize staff to complete, sign and submit the application for KDHE recycled tire grant funds for eight picnic tables.

Personnel Pay Considerations: Each year staff requests pay consideration of Council through the budget process and any additional consideration at the beginning of the budget year to coincide with annual evaluations. Staff is seeking approval from Council for pay considerations for pay-for-performance totaling 3%, and Cost of Living Adjustment for 1%. The approved budget for 2021 currently includes 3% performance pay consideration. Each year staff reviews cost-of-living, basing any additional consideration on the year over-year information found within the Consumer Price Index for Urban areas (CPI-U). The most recent year-over-year information shows a 1.2% increase in consumer pricing, which is kept lower this year than previous because of the decreased energy index, presumably related to the pandemic.

General Fund bears 63% of all salaries, with each 1% equating to approximately \$12,000 in that fund; the remaining 37% is spread among the three enterprise funds. In total each 1% equates to approximately \$19,100 across all funds. As a directly tax supported fund, the General Fund is usually emphasized during these reviews.

Administrator Law suggested a salary survey be done as he is seeing a compression of pay grades especially for employees receiving certifications and other promotions. The last survey was completed five years ago through the League of Kansas Municipalities. A survey compares salaries in our region. He said a survey could be used to adjust pay scale grades as needed.

Councilmember Cook asked how many employees are there. Mr. Law stated around 35, which of those 3 are part time. Councilmember Cook asked if the evaluations have been done yet. Mr. Law replied they have. Councilmember Cook asked if everyone usually get the top percent. Mr. Law said it is up to the department head and is based on employee evaluations. Not everyone gets the max, but many do.

Councilmember Cook doesn't think all employees are worth 3%. Councilmember McKiernan said he thinks that a majority of employees always get the maximum allowed. He wants to set a limit on merit pay. He suggested to use a percentage method to limit the number of employees that may receive full consideration. Administrator Law said he would rather see a 2% allowance be granted and awarded based on the evaluation process, than make department heads pick who their top employees are. Councilmember Cook asked if this had to be decided

tonight. Councilmember Smith said she doesn't think 100% of employees are exceptional. Councilmembers had discussion.

Councilmember Town moved, seconded by Councilmember McKiearnan to have staff look into a salary survey. Councilmember McKiearnan would like to amend the motion and cap the survey cost to \$5,000. Administrator Law said he would bring back to Council a survey recommendation before initiating a contract. Councilmember McKiearnan then withdrew his amendment. The original motion passed 5-0.

Mayor Southard asked the Council what course of action they would like to take. Councilmember McKiearnan said it is not a merit raise if most employees get the same increase.

Mayor Southard asked what direction the Council would like to take. Councilmember Town moved to have a 1% COLA with a maximum of 2% for merit. Motion died for lack of a second.

Mayor Southard asked the Council what course of action they would like to take. Councilmember Smith doesn't want to cap increases at 2% because some employees deserve 3%. Councilmember Smith suggested that the matter be tabled to the next meeting. Councilmembers Smith and Cook both stated they plan to reach out to other communities to see how this process is handled elsewhere. Mayor Southard instructed Staff to add this item to the next agenda.

COUNCIL REPORTS

Councilmember Cook: Councilmember Cook asked if there is supposed to be another yield sign by Price Chopper. Administrator Law said that is on a private road.

She asked if any new information is available regarding the gravel drives on 5 acres. Law said the Council denial of that issue was returned to Planning Commission, along with a statement that Council will work to form specific recommendations for the Planning Commission regarding gravel drives. Planning Commission is waiting on Council direction.

Councilmember Harris: Councilmember Harris said we really need to find a way to warn people about water leaks, by finding some technology to warn people.

He thanked Public Works for doing a great job plowing the streets.

He asked if there is a way to go inside the home located on S. 10th Street. He said if the outside was as bad as the pictures the inside can't be good either. Administrator Law said the City focuses on the exterior of properties, adding that there is a different level of concern that will arise from interior review and inspection.

He thanked Councilmember McKiearnan for his service on the Council, his insight over the years, and for the advice and encouragement he received from McKiearnan.

Councilmember McKiearnan: Councilmember McKiearnan said it has been a pleasure working on the Council, feeling that the City has made good strides, and noting it has been a learning experience. He commented he may be back.

He stated that while not much has been done, he would like to see the continuation of cleaning culverts.

He commended Public Works for plowing during the recent storm. He would like to see the piles of snow on Broadway moved to another location. This way it doesn't block parking spots.

He recommended hiring an asphalt company to complete crack seal on city streets this summer, noting the last work quality was not good.

ADJOURNMENT

At 8:18 p.m. Councilmember Smith moved, seconded by Councilmember McKiearnan and carried 5-0, to adjourn the meeting.

Approved:

Marty Southard, Mayor

Attest:

Traci Storey, City Clerk

**CITY OF LOUISBURG, KANSAS
MINUTES OF SPECIAL MEETING
JANUARY 11, 2021**

The Council of the City of Louisburg, Kansas met at 6:30 p.m. in special session in the City Hall Council Chambers. Mayor Marty Southard presiding. Councilmember Thorvald McKiernan was absent.

Council Members Steve Town, Sandy Harris, Kalee Smith, Donna Cook
City Administrator Nathan Law
City Clerk Traci Storey
Fire Chief Gerald Rittinghouse
Communications Coordinator Jean Carder
City Attorney

PLEDGE OF ALLEGIANCE

Councilmember Sandy Harris led the pledge of allegiance.

OATH OF OFFICE

The oath of office was administered by City Clerk Traci Storey to re-elected Councilmember Steve Town and newly elected Councilmember Kevin Vohs.

ADJOURNMENT

At 6:34 p.m. Councilmember Kalee Smith moved, seconded by Councilmember Donna Cook and carried 4-0, to adjourn the meeting.

Approved:

Marty Southard, Mayor

Attest:

Traci Storey, City Clerk

BILLS 01/19/2021

VENDOR	AMOUNT	DEPARTMENT
AD ASTRA REALTY	\$61.13	OVERPAYMENT REFUND
AMERICAN EQUIPMENT CO	\$5,024.00	SALT/SAND SPREADER - STREETS
BLUE VALLEY TRACTOR	\$775.02	EQUIPMENT - PWD
CITY OF LOUISBURG	\$75.00	GAS SURVEY WINNER #1161301
COMMENCO, INC.	\$300.00	RADIO REPAIRS - FIRE
CONRAD FIRE EQUIPMENT	\$56.38	EQUIPMENT - FIRE
CORE & MAIN	\$2,439.46	EQUIPMENT - PWD
CROSSLAND HEAVY CONTRACTORS	\$393,254.55	WWTP C20-2010-01 SRF APP #22
DELTA DENTAL OF KANSAS	\$2,687.53	INSURANCE - ALL
FAMILY CENTER OF PAOLA	\$87.92	EQUIPMENT, SUPPLIES - PUA,PWD
FREEMAN BAPTIST CHURCH	\$75.00	IN MEMORY OF DONALD SUTCLIFFE
GRAINGER W.W.INC	\$250.86	SUPPLIES - PUA
GRIGSBY CONSULTING	\$987.50	INSPECTIONS - BZ
HEARTLAND PRINT & DESIGN	\$943.20	PRINTING, SHIPPING, SUPPLIES
HICKEY, KRAIG	\$200.00	SERVICES - CEMETERY
HOME DEPOT CRC	\$1,240.55	EQUIPMENT,SUPPLIES - FIRE, PWD
INDELCO	\$342.09	EQUIPMENT - PUA
JOHNSON COUNTY WASTEWATER	\$463.00	TESTING - SEWER
KANSAS MUNICIPAL GAS	\$103,217.79	NATURAL GAS
KANSAS ONE CALL SYSTEM	\$217.20	LOCATES - PWD
KANSAS STATE TREASURER	\$681.50	COURT COLLECTIONS - ALL
KS ASSOC OF CITY/COUNTY	\$200.00	MEMBERSHIP DUES - ADMIN
KS DEPARTMENT OF REVENUE	\$1,948.00	WATER PROTECTION FEE - WATER
LANDS END	\$9.49	SUPPLIES - ADMIN
LOUISBURG BARBERSHOP	\$5,875.28	CDBG SPARK GRANT
LOUISBURG FORD	\$886.91	VEHICLE MAINTENANCE - ALL
LOUISBURG MUNICIPAL UTILITIES	\$1,364.29	MUNICIPAL UTILITIES
MACQUEEN EMERGENCY	\$24,378.60	BUNKER GEAR (10 SETS)-FIRE
MANSON DWIGHT	\$500.00	FLIP GRANT
MCI	\$81.31	TELEPHONE - ALL
MIAMI COUNTY KANSAS	\$4,462.50	METCALF 2.0 - INF IMPROVEMENT
NAPA AUTO PARTS	\$133.97	SUPPLIES - PWD
NATIONAL SIGN CO INC	\$2,814.75	SIGN, EQUIPMENT - STREETS
NEW DIRECTIONS	\$1,130.84	INSURANCE - ALL
NPG NEWSPAPERS	\$314.00	PUBLICATIONS - ADMIN
OLSSON ASSOCIATES	\$7,350.00	STORMWATER PROJECT 020-3040
O'REILLY AUTO PARTS	\$660.35	SUPPLIES - FIRE,PUA,PWD
PAOLA HARDWARE	\$10.78	SUPPLIES - PUA
PEREGRINE CORP.	\$1,152.60	UTILITY BILLING - GS,SW,WT
PRAXAIR DIST. INC.	\$198.69	EQUIPMENT - GAS
PRICE BUSINESS ENTERPRISE	\$1,397.48	SERVICES AND EQUIPMENT - ADMIN
PRINCIPAL LIFE INSURANCE	\$245.85	INSURANCE - ALL
QUADIENT FINANCE USA INC	\$300.00	POSTAGE - ADMIN
ROMANS OUTDOOR POWER	\$950.00	EQUIPMENT - PWD
RURAL WATER DISTRICT #2	\$93.08	WATER - PARKS
SHEAR BEAUTY	\$11,167.76	CDBG SPARK GRANTS
SI FUNERAL SERVICES	\$1,230.00	OPEN/CLOSE SERVICES-CEMETERY
SIMMONS DEVELOPMENT CO	\$3,150.00	214, 206 BROADMOOR, 620 DANFORD

STAPLES ADVANTAGE	\$344.21
SUMNER ONE	\$124.00
USA BLUE BOOK	\$527.81
WASTE MANAGEMENT	\$321.98
WORTHEY CHARLEY	\$150.00
	\$586,854.21

OFFICE SUPPLIES - ADMIN
COPY SERVICES - ADMIN
EQUIPMENT - PUA
TRASH SERVICES - ALL
DEPOSIT REFUND

Memo

To: Louisburg Governing Body

From: Nathan Law

Date: January 14, 2021

Re: Wastewater Treatment Plant – Engineering Contract Amendment Continued

Background: This item is a continuation from the previous two Council meetings. Representative(s) with Lamp Rynearson will be present to speak with Council again about a contract amendment for engineering services on the wastewater treatment plant project.

Since the last Council meeting, staff sought and received legal review of the engineering contract for the ability to request this consideration. The following is the response provided from Justin R. Watkins, Polsinelli.

As I understand, Engineer has requested additional compensation for additional services to be performed under their contract, a copy of which is attached. Those additional services include additional Construction Phase Engineering and Resident Project Representative services required, according to the Engineer, based on extension of the timeframe and change in scope of the Wastewater Treatment Plant. Engineer has proposed Amendment No. 2 to the contract with the Engineer to address the additional compensation and services, a copy of which is attached.

As a general rule, if a design professional is required to provide additional services beyond those originally contemplated under the design professional agreement, the design professional will be entitled to additional compensation. Typically, the additional compensation is paid based on applicable hourly rates.

The agreement between Engineer and the City of Louisburg (the “Agreement”) follows the general rule. In paragraph 3.02.B., “[i]f, through no fault of Engineer, such periods of time or dates [for completion of services] are changed, or the orderly and continuous progress of Engineer’s services is impaired, or Engineer’s services are delayed or suspended, then the time for completion of Engineer’s services, and the rates and amounts of Engineer’s compensation, shall be adjusted equitably.” And, in paragraph 3.02.C., the Agreement provides that “If Owner authorizes changes in the scope, extent, or character of the Project, then the time for completion

of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably."

Exhibit A to the Agreement also addresses what are considered "Additional Services". In Exhibit A, Section A2.01, the Agreement provides that Engineer will furnish Additional Services if authorized in writing by Owner. Those Additional Services include, under subparagraph 3, "Services resulting from significant changes in the scope, extent, or character of the portions of the Project designed or specified by Engineer or its design requirements including, but not limited to, changes in size, complexity, Owner's schedule..." Additional Services also include, under subparagraph 10.e, providing Construction Phase Engineering services. Last, Additional Services also include, under subparagraph 11, Resident Project Representative services.

In Exhibit A, Section A2.02 identifies additional categories of Additional Services that Engineer can commence to perform without written authorization, unless Owner instructs Engineer not to perform the Services. This category of Additional Services includes "Services in connection with ... change orders to reflect changes requested by Owner," under subparagraph A. 1, and "Services during the Construction Phase rendered after the original date for completion of the Work."

Pursuant to Exhibit C of the Agreement, Section C1.05.A.1, Owner is required to compensate Engineer for Additional Services "in an amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates for each applicable billing class for all Additional Services performed on the Project, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any." This is further stated in C1.05.C. Engineer's standard hourly rates, which are subject to adjustment annually, are set forth in C1.07.

Based on the above, it looks like there is a contractual basis for Engineer's request for additional services. The request appears valid, provided that it is in fact accurate that there has been an extension of the timeframe and change in scope of the Wastewater Treatment Plant, and also that the extension and change in scope was not caused by an error or omission of the Engineer.

Financial: None.

Legal: None.

Recommendation: Discuss as desired.

Memo

To: Louisburg Governing Body

From: Nathan Law

Date: January 14, 2021

Re: Personnel Pay Consideration

Background: As presented at the last Council meeting, each year staff requests pay consideration of Council through the budget process and any additional consideration at the beginning of the budget year to coincide with annual evaluations. Staff is seeking approval from Council for pay considerations for pay-for-performance totaling 3%, and Cost-of-living adjustment for 1%. The approved budget for 2021 currently includes maximum of 3% performance pay consideration. Each year staff reviews cost-of-living, basing any additional consideration on the year-over-year information found within the Consumer Price Index for Urban areas (CPI-U). The most recent year-over-year information shows a 1.2% increase in consumer pricing, which is kept lower this year than previous because of the decreased energy index, presumably related to the pandemic.

Financial: General Fund bears 63% of all salaries, with each 1% equating to approximately \$12,000 in that fund; the remaining 37% is spread among the three enterprise funds. In total each 1% equates to approximately \$19,100 across all funds. As a directly tax supported fund, the General Fund is usually emphasized during these reviews.

Legal: None.

Recommendation: Discuss pay considerations as desired and direct staff accordingly.

Memo

To: Louisburg Governing Body

From: Nathan Law

Date: January 14, 2021

Re: Master Planning Review Continued

Background: Included as part of the administrative goals list is a regular review of master planning projects, goals and objectives. This is the fifth section of the City Strategic Plan, as found within the Bright Future Comprehensive Plan.

Enhance Neighborhood Livability:

1. Identify funding source and explore a residential property improvement incentive
2. Identify funding source and prepare a neighborhood design manual
3. Organize a neighborhood green-up and clean-up event in traditional neighborhoods
4. Prepare a neighborhood CIP that prioritizes sidewalk, street and other infrastructure enhancement needs
5. Explore steps in which Louisburg can become a Certified Local Government with the Kansas State Historic Preservation Office, a division of the Kansas Historical Society; gaining CLG status could be explored with Miami County
6. Upon gaining CLG status, apply for CLG grant to conduct architectural and historical survey of traditional neighborhoods and downtown

There currently exists a modest residential property improvement incentive by way of the FLIP. A neighborhood design manual would be used to provide aesthetic and infrastructure guidelines for new or existing neighborhoods. While there may be benefit to developing such a guide, staff believes that to be lower priority at this time. Currently there are local groups that organize park clean-up events, there are instances where those groups have taken on efforts to help clean-up properties for those that are unable to do so themselves. A neighborhood CIP would pull from existing master planning documents to prioritize projects and future funding. Staff is able to accommodate this item if desired by Council for ongoing budget processes. Staff is aware of past efforts to work toward CLG status for Louisburg but believe that effort stopped short of finalizing the certification. Staff is working with the Historic Preservation Commission to either complete the previous process or begin the process again. The last item would be assisted by staff but would be the charge of the Historic Preservation Commission.

Financial Consideration: None.

Legal Consideration: None.

Recommendation: Discuss as desired and direct accordingly.

Memo

To: Louisburg Governing Body

From: Nathan Law

Date: January 14, 2021

Re: Housing Incentive Options

Background: Following the request made by Roger Campbell at a previous Council meeting, staff was asked to summarize incentives and provide information to Council. The following is brief information for several incentives, some specifically allowed within the City of Louisburg Incentive Policy, some simply allowed separately by statute. You will see in the briefs that few apply to housing or non-commercial development.

Tax Increment Financing – This applies to infrastructure only and is a reimbursement of the cost of public infrastructure paid from the collection and direct distribution of increased property taxes realized from the development. Mr. Campbell's property already has most, if not all, of the infrastructure in place.

Industrial Revenue Bond – Our policy is specific to job creation, and state statute limits use to commercial, industrial, agricultural, etc., not to residential development. Aside from this limitation, there is an inherent risk associated with issuing bonds to pay for development, but that can be offset with contractual arrangements.

Reimburse Taxes – While not a specified incentive, there could be the option to reimburse the taxes collected for the new property valuation. The issue is that the City would only be able to control its portion of the overall taxes. If the City were to reimburse all other taxes, from all other entities, then the City would be providing an incentive that is greater than the taxes collected.

Neighborhood Revitalization Program – If this property was located within a neighborhood revitalization program area, the taxes could be abated for a specified timeframe.

Constitutional Tax Abatement – Used for business development and creation of jobs only.

Affordable Housing Fund – The City of Lawrence developed a fund for affordable housing that in the past has received funding from property taxes by way of the General Fund and is now receiving funds from a

sales tax dedicated to that effort. The City of Louisburg could consider forming some sort of in-house offering like this but would be harder pressed to produce significant funding in the short-term. The City would also need to form a Housing Board. Staff is currently not sure if this requires some additional authority such as a Land Bank or other state approval.

Housing Incentive - This incentive tool can be crafted very specifically to minimize the years of qualification, the types of costs that can be included for incremental tax reimbursement and can be written in such a way to provide incentive only for limited uses. The incentive tool is intended to bolster creation of housing similar to what Mr. Campbell is requesting. Council could direct that any development in approved areas be allowed up to a maximum number of years of 100% property tax reimbursement for only the cost of infrastructure and construction. This incentive tool is specifically designed to address the requested consideration.

Waive Direct City Costs – The City charges for building permits (waived for single-family housing in 2021), utility connect fees, monthly utility base fee, and monthly utility variable fee.

Example of Costs for new Single-Family Residence:

Building Permit	\$1,250
Water Connect	\$3,150
Sewer Connect	\$2,500
Gas Connect	\$113.03
Monthly Water:	
Flat Rate	\$25
Variable	\$7.45/1,000 gal.
Monthly Sewer:	
Flat Rate	\$27
Variable	\$9.75/1,000 gal.
Monthly Gas:	
Flat Rate	\$18
Variable	0-999 therms - \$0.76575 1,000-3,999 therms - \$0.73250 4,000 or more therms - \$0.69975
Monthly Stormwater:	
Flat Rate	\$4
Variable	N/A

If the City waived all permit and connect fees – approximate savings of \$7,013.03/unit. Waiving permit and connect fees is equivalent to over one year of property taxes of similar housing units in the same area, an average of \$6,270.67. For eight units, this would equate to approximately nine years in total of the average property taxes.

If allowed a housing incentive of five years, inclusive of all taxing entities allowable, that would equate to an estimated tax incentive of \$38,366.38 (\$6,270.67 x 5 years). The return value being the regular utility payments made by tenants, sales tax on local spending, base student aid per pupil, and eventual inclusion of property to tax rolls.

In addition to the incentive tools listed above, there is a traditional approach to new infrastructure extension that provides for debt issuance by the City and repayment from development through

assessments. While this does not directly apply to the current request, this is useful information for any additional new development request received in the future. The information for this is as follows.

Debt Issuance and Assessments – This has been used in the past where the City will debt the cost of extending infrastructure based on a written agreement with a developer, having the infrastructure installed, and allowing for assessments against the properties over 10 or 20 years to pay back the cost to the City. This process is specifically allowable by Cities under the general improvement and assessment law and is arranged as a debt issuance. The drawback of this tool is that infrastructure costs are directly borne by the eventual property owner once a home is built and sold.

A way to make debt issuance and assessment an incentive would be to consider a split of the overall cost that may be carried by the City, rather than being assessed against the property. A policy may be created to allow for such a split.

Excise Tax and Park Land Fee – Separate from building fees and construction cost are the excise tax on platting properties and the park land fee in lieu of dedicating public park land in a new subdivision.

Excise Tax – Ordinance 821 was approved in 2003 and assigns an excise tax on the square footage of real property, not only on area to be developed but on the entire property. This tax is common in this area of the state, and the amount of \$0.12/sf is lower than the amount charged in cities to the north. Excise tax is calculated during the preliminary plat process but charged when a final plat is approved. Credits to reduce this tax can be from required street installation or improvements, dedication of public park land to the City, or dedicated public space to be kept and used by a homeowners association.

Park Land Fee – Where no homeowners association or other public park is allotted, multi-family properties are issued a cost of \$200 per unit. Subdivision developments are required to contribute either park land or fees in lieu of park land, the calculation for the latter is based upon a licensed real estate appraiser determining the market value of land that would have been required dedicated as park land and that value is paid to the City. Those funds are required to be kept in a separate escrow account and shall only be used for park and recreational purposes within one mile of the area in which the funds were received.

Financial: None.

Legal: None.

Recommendation: Discuss incentive tools and costs controlled by the City as desired. Direct staff regarding incentives desired to be utilized for the current project, as well as on future projects.

Memo

To: Louisburg Governing Body

From: Nathan Law

Date: January 14, 2021

Re: Fire Department Part-Time Staffing Request

Background: Chief Rittinghouse has requested staff bring forth a request for consideration of part-time firefighter assistance at the Fire Station. Currently two part-time firefighters have been helping to ensure the station and equipment are cleaned and sanitized as part of pandemic response. Those two positions previously were reimbursed through state funding. That funding ceased as of December 31, 2020, whereas the need for this assistance has not.

Chief Rittinghouse provided that the benefits of having part-time firefighters at the station include:

- Reduction of response time to fire calls reduced from four or five minutes down to one minute
- These individuals help limit exposure to select few firefighters as opposed to various responding personnel
- Decontamination is considerably easier due to limiting responding personnel
- Weekly equipment checks are compatible from week to week
- Working with emergency medical service (EMS) crews on a daily basis instead of various responding personnel and greater familiarity with the sometimes daily changes for personal protective equipment (PPE) requirements of different nursing homes in this district
- Qualifications for part-time assistance is limited to those with five years' experience in the field as certified firefighter and emergency medical technician (EMT)

The part-time individuals will be expected to help also with Fire Prevention Week and general community outreach, as well as assisting with the smoke detector program. The smoke detector program is the provision and installation of detectors for Louisburg citizens, as well as changing batteries on a regular basis.

Financial: The cost of this request for two part-time firefighters is approximately \$36,000 annually. For 2021 that would increase the personnel costs of the Fire Department by approximately 16.8%, estimated to total \$250,364.22.

Legal: None.

Recommendation: Chief Rittinghouse requests that Council please give great consideration to this request due to the added value for the Fire Department during pandemic response and ideally into the future.