



City of Lawrence

DAVID L. CORLISS
CITY MANAGER

City Offices
PO Box 708 66044-0708
www.lawrenceks.org

6 East 6th St
785-832-3000
FAX 785-832-3405

CITY COMMISSION

MAYOR
MICHAEL DEVER

COMMISSIONERS
MIKE AMYX
JEREMY FARMER
DR. TERRY RIORDAN
ROBERT J. SCHUMM

June 25, 2013

The Board of Commissioners of the City of Lawrence met in regular session at 6:35 p.m., in the City Commission Chambers in City Hall with Mayor Dever presiding and members Amyx, Farmer, Riordan and Schumm present.

A. RECOGNITION/PROCLAMATION/PRESENTATION: None

B. CONSENT AGENDA

Commissioner Schumm requested that consent agenda Item No. 5e and 5f be removed for a separate vote.

It was moved by Amyx, seconded by Farmer to approve the consent agenda as below minus Item No's 5e and 5f. Motion carried unanimously.

1. Received minutes from various boards and commissions:

Lawrence Douglas County Bicycle Advisory Committee meetings of 03/19/13 and 04/16/13

Sustainability Advisory Board meeting of 05/08/13

2. Approved claims to 200 vendors in the amount of \$1,317,374.38.

3. Approved the appointment of Jason Edmonds to the Destination Management Inc. Board, as recommended by the Mayor.

4. Bid and purchase items:

a) Set a bid date of July 16, 2013 for PW 1334 - Construction of Safety/Security around the two above ground storage tanks on the former Farmland Industries Plant site.

b) Awarded City Bid No. B1337, PW1301, (KLINK) Iowa Street, South City Limits to 29th Street, to Sunflower Paving, Inc., in the total amount of \$432,250.45



provided the contractor could meet the terms established in the contract documents.

- c) Waived the bidding requirements and authorized the purchase of 28 computers for the Lawrence Police Department off the State of Kansas contract for a total of \$30,765.56.
5. Adopted the following ordinances on second and final reading:
- a) Ordinance No. 8873, merging the current Environmental Code into the Property Maintenance Code at Chapter IX, Article 6 of the City Code, as *amended, and which would also provide for the promulgation of* regulations governing the treatment and eradication of bedbug infestations.
 - b) Ordinance No. 8874, establishing a 55 MPH speed limit on 23rd Street (K-10 Highway), between FF Street and Franklin Road.
 - c) Ordinance No. 8875, establishing a 40mph Speed Limit on Peterson Road between Kasold Drive and Monterey Way (approved by Traffic Safety Commission on 5/6/13 and by the City Commission on 6/11/13).
 - d) Ordinance No. 8876, allowing the possession and consumption of alcoholic liquor on 7th Street, from Kentucky Street to Tennessee Street, from 9:00 a.m. - midnight on 07/04/13, associated with the Lawrence Originals 4th of July event.
 - e) THIS ITEM WAS PULLED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. Joint City Ordinance No. 8869/County Resolution No. 13-19, for Comprehensive Plan Amendment (CPA-13-00067) to Horizon 2020 Chapter 6 Commercial Land Use and Chapter 14 Specific Plans, Revised Southern Development Plan, to expand the S. Iowa Street commercial corridor east along W. 31st Street to include 1900 W 31st Street and identify the area as a Regional Commercial Center. (PC Item 4; approved 6-3-1 on 5/20/13)
 - f) THIS ITEM WAS PULLED FROM THE CONSENT AGENDA FOR SEPARATE DISCUSSION. Ordinance No. 8870, to rezone (Z-13-00071) approximately 41.15 acres from RM12 (Multi-Dwelling Residential) to CR (Regional Commercial), located at 1900 W 31st Street. (PC Item 5; approved 6-3-1 on 5/20/13)
6. Authorized the City Manager to execute the Patrol Rifle Lease Agreements for police officers.
7. Authorized staff to send out a Request for Proposal for construction services needed to install a new roofing system and restoration of the parapet wall on the oldest section of the Carnegie Building.
8. Approved a street vendor license for Cryss and Dron's Tropical Sno, at the northeast corner of 10th Street and Massachusetts Street.
9. Authorized the Mayor to sign a Release of Mortgage for Gene G. and Dessie P. Bickford, 723 New York.

Commissioner Schumm requested that consent agenda Item No. 5e, joint City Ordinance No. 8869/County Resolution 13-19, for Comprehensive Plan Amendment (CPA-13-0067); and Item No. 5f, Ordinance No. 8870, the rezoning (Z-13-00071) for 1900 West 31st, be removed for a separate vote.

Mayor Dever called for public comment. None received.

Moved by Amyx, seconded by Farmer, to adopt on second and final reading, Joint City Ordinance No. 8869/County Resolution No. 13-19, for Comprehensive Plan Amendment (CPA-13-00067) to Horizon 2020 Chapter 6 Commercial Land Use and Chapter 14 Specific Plans, Revised Southern Development Plan, to expand the S. Iowa Street commercial corridor east along W. 31st Street to include 1900 W 31st Street and identify the area as a Regional Commercial Center. Aye: Amyx, Dever, Farmer, and Riordan. Nay: Schumm. Motion carried.

Moved by Amyx, seconded by Farmer, to adopt on second and final reading, Ordinance No. 8870, to rezone (Z-13-00071) approximately 41.15 acres from RM12 (Multi-Dwelling Residential) to CR (Regional Commercial), located at 1900 W 31st Street. Aye: Amyx, Dever, Farmer, and Riordan. Nay: Schumm. Motion carried.

C. CITY MANAGER'S REPORT:

David Corliss, City Manager, presented the report.

D. REGULAR AGENDA ITEMS:

1. **Received a report from Olsson & Associates regarding transit permanent hub location.**

Tom Worker-Braddock, Olsson & Associates, presented the report.

Amyx said regarding the 1101 Mississippi site, he asked how much weight was given to the amount of pedestrian traffic at that location.

Worker-Braddock said there were potential pedestrian conflicts at that site, but those conflicts also existed at other sites. A lot of students might be using the buses to get to campus.

Riordan said Worker-Braddock had talked about mitigating the 925 Iowa site because the site was near a neighborhood and asked if it could be done without affecting the people who lived in that area

Worker-Braddock said that site could be mitigated by providing enough room for a vegetation barrier or physical sound walls. It should be noted that the site plans were conceptual at this point. He said once they moved on to a single site plan, it would be a lot more specific.

Schumm asked if those costs on the Mississippi site include re-aligning Fambrough Way.

Worker-Braddock said yes. The cost was approximately \$300,000 and it could be argued whether or not it should be included in the cost of the transit center since that could have been redirected anyway.

Schumm asked if KU had been present in discussions.

Worker-Braddock said KU had been a member of the study team and there was also a member of KU's Design and Construction Management that were present when they visited those sites to offer their input.

Bob Nugent, Public Transit Administrator, said they had conversations with KU and with the private property owners on the 3 top locations.

Worker-Braddock said the Mississippi site was the site of the current track and field activities for KU and there had been discussions about moving those activities out to Rock Chalk Park.

Riordan said he noticed that 1101 Mississippi was the best for synergy and asked to explain who that involved.

Worker-Braddock said for this study it could have been either KU or Destination Management for example, 925 Iowa scored high on synergy because it was near the Community Mercantile and transit riders would have a daily reason to go to the Merc. He said for the KU Park and Ride and for this site, it scored high on synergy because KU students were a large percentage of the transit population and there were already a high number of buses going to those locations.

Riordan asked how that would integrate with the KU System.

Worker-Braddock said they had not done a study, but they would continue to use the KU Park and Ride and use the buses to get on campus. He said for 1101 Mississippi, KU buses would stop at that location if it was convenient on the way to campus, but it wouldn't be the primary destination like for City buses.

Riordan said when talking to the neighbors, he asked about their comments.

Worker-Braddock said at this point they hadn't discussed it with the public yet, but had discussed the system with the property owners.

Farmer asked how the 1101 Mississippi site would affect KU football game days. He asked if KU Athletics took part in those conversations.

Worker-Braddock said KU buses went through that corridor during football games and it could be argued that there would be higher synergy because of KU football games and could conceivably park at Wal-Mart and take the bus to the football game.

Farmer said he was specifically thinking of tailgating.

Worker-Braddock said the Mississippi site was identified as a prime tailgating site and would remain available.

Amyx said when they had discussions about the depot on the east side a lot of the concerns raised, at that time, could be looked at in the same way as the Mississippi site. He asked how they would protect the property owners to the north. Obviously there was

open air to the south, but it seemed they would receive a lot of the same comments about adjacent property owners. He asked how they would take care of those problems.

Worker-Braddock said there were a variety of factors they could use to buffer it such as high vegetation walls, concrete or wooden fences. He said it should be noted that renters in that area might see this as an added attraction having a central transit center within walking distance.

Mayor Dever called for public comment.

Robert Lewis, resident in the area of the stadium, said they would fight this to the bitter end because they had buses coming up Emery Road now and when those buses kicked in, it created unbelievable noise. The streets were narrow and the residents at that time didn't think about the games, traffic and students.

Candace Davis, resident in the Oread neighborhood, said she was not clear what they meant by a hub and what that exactly entailed. She said just living less than two blocks away and on game day or other celebrations that the students had it was congested at that location. She personally liked the Iowa site near the Merc because it was open and near 9th Street.

Nugent said they had a low level service and were only operating at about a half hour or hourly service throughout their transit system. In order for people to get from one side of the community to the other, a hard transfer was needed. A hub was a place where a lot of buses come together intermittently so that people could get from one side of the town to the other by transferring from one bus to another. In the downtown area they had 7 buses at the hub at one time, but that was only 7 or 8 times a day that that happened. The rest of the time there were either 3 or 4 buses at that location.

Dever said if someone wanted to see how a hub worked, they could go to the downtown hub location and watch the movements and alignment of the buses.

Schumm said in all 3 of those locations, would there be a canopy or facilities for the riders.

Nugent said as they designed it right now, there would be a canopy over the entire pedestrian area. There were other things that could be done like putting windscreens up to keep wind out. There was a location now that was slated to have a driver's restroom area and were still contemplating a public restroom for those areas. He said right now it was just a canopy with benches and a restroom for drivers in the budget process.

Carol von Tersch, resident in the Hancock Historic District, said when she was listening to the criteria that was used to identify those 3 sites, she misunderstood and would like clarification. She said she thought the presenter stated that they avoided high density locations and this was right next to the densest area in the City. The presenter also stated that they avoided historic sites. She said even though there had been a change in some of the environs review law, this was within a historic site. She said she did not understand that criteria and would like it explained.

Worker-Braddock said the final criterion that was removed was if the actual parcel was a land use that was classified as multi-family residential. He said it wasn't that the general area was high density area. In the transit industry, you would want to focus service to those high density areas because that was where the ridership was. He said as far as the historical side, they did take parcels that were identified as historical properties off, but left the environs district. He said 1101 Mississippi did intrude on part of that environs district and would have to go through that process.

Dever said the Commission received the report and now needed to provide direction to staff. He said there had been some comments made about 1101 Mississippi being a more difficult site location and asked if there was any feedback from the Commission.

Schumm said anywhere a bus site was located there would always be conflicts. He said the site by the stadium offered the most amount of conflict of the 3 sites. He said he understood the relationship between high density, groups of people, and the bus because a bus could move people to that location, but he had attended game days where before and after games created gridlock traffic up and down those streets with people walking and drinking in the streets. He said there was a lot of potential pedestrian conflict. He said he did not know how you would keep a bus on schedule if that was the transfer point. There was a substantial amount of density in terms of residential dwellings and they would hear a lot more about the conflict and why the hub should not be located on the Mississippi site. The site that jumped out and looked most reasonable in terms of the least amount of conflict was the 9th and Iowa site. That site had the space and was underutilized. He said it might cost a little more but was a reasonable place. The south site would cost too much and be too far out of the way.

Riordan said he had similar views. He said when looking at this from a conflict point of view, knowing the City, the Mississippi site had high conflict. He said the best site was the Mississippi site from the bus point of view, but when looking at it from the citizen's view, the 925 Iowa site would be better because it's a good site and there would not be as much conflict. He said they were not ever going to find the perfect site, but thought the 925 Iowa site was the logical site.

Amyx agreed with the 925 Iowa site and thought the Mississippi site would be impossible to battle.

Farmer said the Iowa site was an underutilized space. He asked if two lanes on 9th Street adequate with the amount of traffic that would be going down that road. He asked if they would be looking at widening 9th Street if the transfer hub was located there.

Worker-Braddock said they hadn't done that level of analysis, but buses did go down that portion of 9th Street. At this point, they weren't looking at widening 9th Street. If looking at that site plan they made room to build a bus pullout on 9th Street.

Farmer said the Iowa site made the most sense and it would provide an opportunity to use a space that was going to sit as an empty parking lot. He said the synergy with KU was important and the other 2 locations would provide for that increase synergy, but the bottom line was that not frustrating folks in the neighborhoods was more important than perhaps creating that synergy with KU as far as placing a transit center at that location.

Amyx said regarding the elevations in the 9th and Iowa area, there were quite a bit of elevation changes especially on 9th Street which needed to be taken into consideration. He asked if they needed to be concerned about the slopes in the area.

Worker-Braddock said buses operated on those streets right now. He said there might be small issues in the winter, but generally not.

Dever asked about the actual slope in driving up to that parking area and back down.

Worker-Braddock said there might be some grading required. He said a lot of that elevation might have been a result of that parking lot not being resurfaced for a number of years. He said with all of those sites there would be some minor grading or re-grading involved.

Schumm said with this site in mind, he asked if they looked further to the east in that area.

Worker-Braddock said they didn't look at that specific area, but it would be a little bit too small for the type of structure.

Schumm said the reason he asked moving it to the east was that it would eliminate the mitigation problem with the residence across the street. He said as he recalled that parking lot east of the throat way was wide open.

Worker-Braddock said there was an existing building which was a pool hall and there might be a limit to how far east they could move it.

Schumm asked if they could look at that area.

Worker-Braddock said yes.

Schumm said he thought they wouldn't have quite the slope problems.

Riordan said driving by that area there were a lot of cars that parked in that parking lot on a daily basis.

Amyx suggesting looking at the site plan for Hillcrest Shopping Center.

Schumm said the further they could stay away from any residences, the better off they would be.

Farmer asked if Body Boutique was part of that conversation since it would be located right next door.

Nugent said they only talked to the actual property owners. He said they had not talked to any of the neighborhoods or other adjacent property owners.

Dever asked if the property owners were even interested in selling a parcel of property.

Nugent said the property owners were open to discussions.

Schumm said those property owners approached him when he was Mayor and suggested that was where the bus depot should go. At that time, they were interested in seeing that transit exchange take place at that location.

Dever asked about the operational cost and how was the City planning on paying for the additional cost associated with trying to steer clear of what would appear to be the most efficient from a financial standpoint for a place to locate that hub.

Nugent said for one, the money the City was receiving from the tax referendum. He said they were rolling some of that money over and money they were banking to place a higher level of service on a number of routes. He said the 925 Iowa location would probably cost a little more, but it could be absorbed through the money from the tax referendum. The also had a .05 which was for capital, vehicle replacement and utilizing that to fund part of that center. He said at this point they looked okay for funding to both build the facility and operate the facility. He said they were looking at 3 to 4 million dollars.

Dever said there was a consensus among the Commission to avoid as many conflicts as they could with neighbors, pedestrians, vehicles and current activities. He said this made a lot of sense from a geographic standpoint and sometimes this kind of action could revitalize a neighborhood in many ways. The more people that were there, the more likely some of those stores might become more viable. He said he wanted to make it clear to the public that the Commission wasn't just picking sites on a map and that they actually had communication with the people who might be charged with allowing the City to build at that location and selling their property.

Schumm said it was approximately 6 months ago that they had that conversation.

Dever said the site on Mississippi seemed to make sense from a redevelopment standpoint with KU's track and field, activities moving, with the street needing to be realigned and with the high level of use by KU students, it seemed like it made a lot of sense, but he respected what some people had pointed out. He said there was no sense in creating any disruption in the neighborhood if it was not something the neighbors wanted. He said he was in favor of looking into the Iowa site. If they could provide the level of service needed and vehicles could get to that location, it seemed like a reasonable location.

Nugent said whenever there was an area that served businesses he asked if taking out that parking lot would violate the site plan.

Scott McCullough, Planning and Development Services Director, said staff hadn't fully vetted that, short of the direction tonight. That would be the next step with any one of those sites. He said that appeared to be a site that had a good number of parking spaces.

Nugent said that part of the parking lot was never used.

McCullough said staff would do the due diligence on that part.

Schumm asked if the Commission had the option of amending the site plan.

McCullough said correct. In fact it would require a revised site plan process to install this transit bus hub center.

David Corliss, City Manager, said there was quite a bit of parking in that area. At one time it was a theater. He said staff would take a look at that location.

Moved by Amyx, seconded by Riordan, to receive the report from Olsson & Associates regarding transit permanent hub location; direct staff to investigate the 925 Iowa location as well as the area to the east on the north side of the shopping center; and, provide costs and information associated with those sites. Motion carried unanimously.

2. **City Auditor will present performance audit topics for audit plan.**

Michael Eglinski, City Auditor, presented his audit plan.

Mayor Dever called for public comment.

Laura Routh, speaking on behalf of the Community Sidewalk Taskforce, said they submitted a memo regarding the auditor's list of projects. She said sidewalks were important and she would appreciate the auditor's efforts and expertise in examining that project more closely.

Robert Lewis, member of the Community Sidewalk Taskforce, presented a map of the sidewalks which was dated April 11, 2013. He said it was unbelievable in the West Hills area and other part of the City of Lawrence, the condition of the sidewalks. In many cases the map indicated the sidewalks were good when many times those sidewalks were in terrible condition. He said there were many areas that did not have sidewalks and could

tell were used by the path in the grass such as the east side of Naismith Drive. He said it was time the map was brought up to date and a thorough study was done as well as the costs of establishing sidewalks at least on one side of the street.

Dever said the Commission needed to tax Eglinski with some additional analysis. He asked if the Commissioners had strong opinions about which audit topics were necessary immediately.

Schumm said with the topics that were recommended, was there a concern or a problem with fats, oils and grease in the sewer system.

Eglinski said that project came up from staff in the Utilities Department. He said fats, oils and grease could get into the sewer system and cause blockages in the pipes. He said he talked to Utilities staff about the odd taste in the water and at that time, more information was given to him on the wastewater side.

Riordan asked if Eglinski could take on 3-5 audit topics.

Eglinski typically ask the City Commission to pick audit topics and he could usually research 4 audit topics a year, but he was willing to have more placed on his plate.

Riordan said that all of the audit topics would be helpful to investigate, but particularly would like the following audit topics studied:

1. Barriers to more performance measurement and reporting;
2. Financial indicators;
3. Recreation Center construction invoice controls; and,
4. Sidewalks

He said if there was a 5th topic, he suggested downtown parking.

Amyx said one other topic he would add in addition to Riordan's topics was the Police workload.

Farmer said sidewalks were a huge priority for this community when discussing physical activity and walkability. He said there were a lot of sidewalks in poor shape and

the onus was on the property owners to fix those sidewalks. He sensed that they had folks that spend a lot of money that they didn't have such as folks on fixed incomes and could not afford to spend \$1,500 on a sidewalk. He hoped that eventually they could look at figuring out what the community could do to essentially take that responsibility off of citizens and maintain sidewalks. He said he agreed with Riordan's suggestions of audit topics, downtown parking and with Amyx's suggestion on Police workload. He said if the police employees expressed concern that the workload was limiting their ability to do their jobs then that was a big concern. If he had to cut one audit topic, he would cut barriers to more performance measurement and reporting, in favor of police workload.

He said regarding the Rec Center construction invoice controls, he asked what was the potential of working with the City auditor as all of those things come in as opposed to doing it after the fact.

Corliss said that was an issue that they needed to be clear on if they proceed. He said he supported that thought and it made sense to have the review concurrent with the Commission's approval of the various expenses as opposed to after-the-fact. It was important to keep in mind there were a number of different streams that were involved in those payments. There were payments to the architect and other expenses that were up coming. He said they needed to make sure if it was the Recreation Center or the entire Rock Chalk Park project because they were reimbursing as an economic development rebate for the expenses that were incurred with building permits, system development charges and water and wastewater connections. Another expense was the payment for the purchase of the property that would be coming soon and it would be entirely appropriate to look at that payment. The major expenses were the recreation center and infrastructure. He said the question was whether the Commission wanted the auditor to look at that after it all happened or before the bills were paid. He said his preference was

to look at it before the bills were paid, but it raised an issue with how the auditor function was structured and Eglinski was much better to speak to that issue.

Dever asked if Eglinski could evaluate those invoices and compare those invoices to cost estimates and would it impede him from performing those other tasks.

Eglinski said when there was an on-going project it was tricky because under the audit standards he couldn't have an approval function of payments. The way the audit would be typically designed was to focus on the controls such as the policies and procedures in place and if those were reasonable. He said the Commission could look at if they were following those policies and procedures. The City Commission could direct him to do something that was contrary to audit standards. He said the scoping of a project to focus on the design of the controls was doable.

Dever said procedurally he could evaluate the process and determine if those controls were in order and established. Subsequent to the process Eglinski could evaluate the processes that had occurred and determine if those processes were followed. The on-going evaluation of costs and subsequent approval was not an acceptable audit procedure.

Eglinski said it was a good project and a high priority in his plan. He said there was a lot of work.

Schumm said he was interested in having as much accounting oversight on those particular invoices especially with regard to the infrastructure as could be gathered. The process was different than normally followed and estimated the infrastructure based on measures of quantities of like goods and services that were received under bid proposals for other projects in the City. He said they expected those invoice to be looked at carefully and determine if the City indeed received that much product and if the price was the correct price. He said he wanted that to go without a hitch. He said he understood Eglinski's situation, but in this particular case he would like to get as many eyes on this

and professional ability in-house to make sure the City was paying the right amount the first time and not be warned at the end that the City paid too much. He hoped to work some arrangement that would include Eglinski in the process of authorizing the payment of those goods or verifying the costs, quantities, and following the overall procedure to make sure the City was doing it correctly as they moved through this project. He said he wanted to make sure the city was getting the full value.

Eglinski said the normal audit approach to this on-going construction project was to focus on those controls and have they established practices that would catch those costs as opposed to the auditor trying to catch those costs. He said again, the City Commission could direct him to do things that were not consistent with audit standards.

Amyx said he asked that this item be placed on the audit list. He said he wanted to use Eglinski as a 3rd party auditor because the auditor worked directly for the City Commission. If he was placing Eglinski in a situation that didn't meet his qualifications as a performance auditor, he suggested making a specific audit program. He said his goal was to make sure the public knew where every penny was going.

Dever asked if Eglinski could accumulate a set of rules that the City should adhere to and then audit whether or not those rules were being followed.

Eglinski said in the audit standards he was allowed to prepare questions for the governing body that might be a way of getting at some of those questions. He said he could prepare 5 or 10 questions that the Commission might want to ask about the City's process.

Dever said he would like to see the controls laid out ahead of time. He said ultimately Eglinski worked for the public and did not have any other oversight other than the City Commission. The most transparent way to evaluate the process would be a 3rd party analysis. He said since Eglinski worked for the City Commission that would be the same and therefore Eglinski could evaluate the process after the fact, but also create

controls or make sure those controls were in place. He said they might already have controls in place and Eglinski could evaluate those controls. He said there needed to be a set of procedures in place and asked Eglinski to evaluate those and see that the procedures were put in place.

Eglinski said the way he could most easily work quickly was if he had a very defined question to start with.

Dever said in this case they would be evaluating actual payments and determining that they had a second and third check on those payments and that those payments had been evaluated.

Eglinski said those were the questions the City Commission should ask.

Dever said there was a reasonable request from the City Commission and they needed to make sure their comfortable and had those procedures in place.

Eglinski said he did not want to go outside of the audit standards and with some careful crafting some work could be done that was within the audit standards. It would take some phone calls to colleagues and studying some other work that had been done.

Riordan said this project was unusual in the way it had been done. He said he would like Eglinski to look at the process to make sure the items the City purchased and that the regular way they still did things was still adequate for this situation.

Eglinski said he thought he could craft something that would work. The basic questions weren't unique to a specific project in that you need to know what you're buying, if you received it, the quality of what you're buying and that there were no mathematical errors.

Dever said the City Commission would provide Eglinski with questions that they would like asked.

Eglinski said he was hearing that the Commission was interested in the topic and wanted him to look at some of the controls and costs for this project. He said the City

Commission would provide him input with the types of questions and risks that they were interested in. He said he could then craft a work plan or proposal and then bring it back to the City Commission.

Dever said the Commission was interested in 1) Financial indicators; 2) Police workload 3) Recreation Center construction Invoice Controls; 4) sidewalks; and, if time permitted, downtown parking. He said if downtown parking could not be included this year, he would like it at the top of the list next year.

Riordan said all of those projects were good, but he would like the topic of “barriers to more performance measurement and reporting” to be on the list next year.

Eglinski said he would come back to the City Commission with a memo on an approach that might work with the invoices and payment process. He said after the audit of the auditors they recommended a process for what to do to not follow the standards.

Moved by Schumm, seconded by Amyx, to approve the following audit topics. 1) Financial indicators; 2) Police workload 3) Recreation Center construction Invoice Controls; 4) sidewalks; and, if time permitted, downtown parking. Motion carried unanimously.

3. **Received staff memorandum on proposed rental registration program.**

Scott McCullough, Director of Planning/Development Services, presented the staff report.

Mayor Dever called for public comment.

Matt Hoy, attorney representing Lawrence Apartments Association, said he wanted to direct the City Commission’s attention to a couple of observations. One observation was that they’ve continued to have discussions about registration and inspection, but those were really two separate issues. He encouraged the Commission to consider those issues as two separate issues. He said licensing a rental unit was probably an appropriate government action much in the same way that professionals and other businesses were

licensed, but when considering the registration that needed to be rationally related to what was it that the government function was. In other words, he didn't understand what the rational relation would be to charging more for a property that had more units. He said from the City's prospective whether the City was registering a complex that had 10 units or 500 units, the same function occurred in registering that property. He said it was hard to justify and there was no rational relation to the increased expense of one property as opposed to another. The benefit would be to focus on registration at this point and allow the city to tabulate information, but has yet to be tabulated and they didn't know what the issues were in multi-family properties. He said registration would be a perfect tool to begin to tabulate what properties were problems, what specifically those problems were so that if the City needed to implement an inspection program, that could be narrowly tailored to the issues which the City had been able to receive specific information on and identify. The attention or focus should be on registration and in a way that was rationally related to the government function that the City would undertake in the registration. He said the City already had zoning and code and other enforcement ordinance available to address most, if not all, of the issues that had been addressed and had been brought up to the City Commission previously.

Tom Harper said this had been a long time coming and Mayor Dever and Commissioner Schumm had fulfilled their promise. It was the closest they had come to getting this rental registration passed. He said he preferred Option 1 in staff's memo which was \$10.00 per unit with no caps. He said it leveled the playing field for everyone that owned property. He said he did like the incentives where people who maintained their properties should be rewarded with an inspection every five years. He didn't like the idea of contracting inspection labor because there would be inconsistencies with that type of practice and would be a nightmare to maintain control and consistency. He said

inspections were needed for safety and this rental registration would improve the quality of life for many people in this community.

Marguerite Ermerling, representing Parkway Gardens Townhomes Association, said the townhomes were 60% owner/occupied and 40% were rental units. She said the people in Parkway Gardens Townhomes lived in a very controlled setting and already paid management fees. They also had a management individually for the properties that were under rental, architectural design entities, and so many bylaws that forced people live a certain way within this particular area that they felt registration wasn't so much of an issue for the landlords or potential landlords in that setting, but had a problem with the continued inspection process because it would additionally add to the cost of their management requirements for them to manage the properties and to get the inspectors in to do their job. She said she didn't know if there was another formulation that would permit that to happen through the management companies that were hired by some of those homeowners associations, but that perhaps might be collectively a little less expensive in the process by which the City Commission was looking at now.

Schumm asked if Ermerling owned and occupied her own space.

Ermerling said they had a unit they owned at that location where her mother lived in, but she sat on their board.

Schumm asked if that scenario was covered in this rental registration plan.

McCullough said yes. If a person had a rental unit as part of a townhouse condominium development and rented a unit and the next door neighbor owned their unit then that unit for rent would be part of the program.

Candice Davis, representing the Oread Residents Association, said they had been dealing with this rental registration for at least 5 years. She said she was extremely excited and pleased with staff. She said she agreed with Harper's comments. The only thing she would like to say was that she didn't own large units, but owned 3 units that she

rented out. She considered herself a really good landlord and spent a lot of money on her properties. She asked why option 2 and 3 had a sliding scale for those units that were large. She said more than one person lived in some of those larger units.

Rob Farha, stakeholder of all types of rental properties, said he agreed with Hoy in that there were two separate issues which were rental registration and inspection. The inspection should be left up to Brian Jimenez, Code Enforcement Manager's department because they knew where the problems were. He said regarding the registration side with those options and the \$10 fee, he asked if RS zoning district now go from 25 to 210 or would they stay at 25. He said he owned a condo complex and he agreed with Ermerling regarding exemptions. He said there were HOA dues and were already set at a higher standard. He said another exemption to think about was if doing a remodel and pulling a permit from the city within the last 5 or 10 years, possibly the inspection part of that be exempt. Overall, he thought the whole process was costly to the City when there were other projects on the table for that funding.

Dan Dannenberg said the City should have had rental registration program years ago and it should have had code enforcement staff that could inspect properties and make sure they were safe and not blighted. He said the Lawrence City motto was "Neighborhood Decay the Lawrence Way." He said it should be "Neighborhood Blight in Lawrence it's Right." Recently, there was a situation at 2610 University Drive, the property was owned by a couple in Minnesota, the people who lived there were probably KU students and they thought the public right-of-way in front of their property was their own private landfill. He said he called Code Enforcement 3 or 4 times which cost the City money as well as the Police Department because of the noise. He said they needed something to protect residents who own their properties and lived in neighborhoods. He said they had a system that was geared toward the landlord and the non-resident property owner. The couple who lived in Minnesota were 1st class citizens, he lived down the street

from their property and was a 2nd class citizen. He said the Commission and previous Commissions had seen to that and that should stop. He said they recently had a situation involving a trailer park out north that had to be closed down because it was so dilapidated and unsafe. There was an apartment complex out south that had to be tended to because it was in such bad position. The City didn't have the money to hire lawyer to obscure the issue, the issue was security of neighborhoods. He said he proposed that if a rental registration program was adopted that it be coupled with a Code Enforcement program. He said he further proposed that code enforcement and the rental registration be overseen by a senior state district judge or a recently retired state district judge along with a board of 3 to 5 people who were not landlords or non-resident property owners. He said that way they could have some check and balance to make sure the program was being run with integrity and that they didn't have the entire City becoming an Oread Neighborhood.

Melinda Henderson said she supported this program. She had been a tenant in Lawrence and a homeowner and could see both sides of the issue. One of the places she was a tenant was Oread Neighborhood and had a good landlord. She said there were a lot of students in the area and she didn't like to think she lived in a seedy neighborhood. She said she didn't believe any of the Commissioners really want to see the City turn into a seedy neighborhood. She was pleased this issue had continued to move forward. She came to the stakeholder's meeting a few months ago and at that time she was representing the League of Women Voters and their position. She said she appreciated the support that Dever, Schumm, and Amyx had shown and continuing to move this rental registration forward and appreciated Riordan, and Farmers interest in this topic also. She said she knew that some people had a concern that this might increase the cost of rent for some tenants. She said if looking at the \$10 annual fee, even if it was just one person, that was less than \$1.00 a month to be added onto the rent if the landlord felt it was

necessary. She said it was \$1.00 well spent to ensure security and safety for tenants in this town.

Dever said part of the reason they had this discussion was to allow the new Commissioners to weigh in on this topic and to provide insight to Planning and Development Services on how to proceed.

Schumm said where the Commission started was quite higher in terms of what it would cost and the number of inspections to be performed. He said there had been a meeting with the stakeholders where they reached consensus about bonuses for good behavior and identified that they were not looking at the good landlords, but wanted to find the problem landlords. He said the idea was that this rental registration would be a revenue neutral item and should not cost the taxpayer's in money or the owners of the real estate any more than what was absolutely necessary in order to perform the service need. He said the rental registration program was about health, safety and welfare for the citizens. He said he thought this program was a very reasonable operation in terms of being able to inspect the number of units they needed to inspect. He said the amount of money to run the program was very low and KU indicated they were interested in helping market the properties that were found to be inspected and forming a list for students and parents coming to town.

Riordan said rental registration was a necessary action and he agreed that inspection and registration were different, but both were very important. He said although this rental registration might cost money, it was money well spent. He said public comment taken earlier was appropriate. He said there was one public commenter that was irrational and offensive, but he was still in favor of this rental registration program.

Farmer said this has been a process that had taken a long time. He said Farha had brought up some good points about evaluating with homeowners associations and about pulling building permits in the last few years. He said they were heading in the direction of compromise. He agreed with Hoy that registration and inspection were two entirely different things, but were related in a sense. The greater question to discuss was the role of government in registration versus inspections. He said he would like to continue to look at ways to compromise and make sure that everything was fair and equal, and not place the burden for paying for this program on their citizens.

Amyx said regarding inspection fees, he wondered what the effect it could cause on some renters. He said he didn't have a problem with the registration portion of this program, but regarding the mandatory inspections citizens had the right to call the code enforcement division where they would perform an inspection. If that property was not up to code, the City would intervene appropriately. He said at this time, he would like to just concentrate on the registration portion of this program and that inspections were available to tenants.

Riordan said under this program, the landlord would be charged \$50 every fifth year for inspections if they passed those inspections, which was \$10 year and would be less than \$2 a month.

Dever said the program had come a long way with all of the feedback the Commission received. He said the guidance from the City's professional staff and city inspectors was good. Creating additional burden of inspections was difficult and he questioned whether this could be pulled off, but he realized they had brought this program down to a manageable size which was his goal from a cost perspective and implementation standpoint. He asked if the auditor weighed in on the costs of the program.

McCullough said one of Englinski's primary findings was that the fee had been stagnant since inception and that the program costs today had grown past what the fee was in 2001 to keep this cost neutral.

Dever asked if McCullough would address the question of the \$25 fee versus \$10 fee.

McCullough said staff was proposing to roll the RS into a brand new program that would incorporate RS and would follow the same fee schedule.

Dever asked if they would still take a phased approach and bring in the concept of evaluating the age of structures initially to start the program and take in ideas on recently renovated or remodeled properties.

McCullough said staff thought they could get to all properties or percentage of units on all properties within a 3 or 4 year timeframe, concentrating on City Commission direction for those higher level properties.

Dever said regarding the costs, they needed to decide whether to do \$10 flat or a sliding scale. He said the Commission felt comfortable with not having a \$10 rate on the larger units, but he wanted to make sure the Commission was updated. The difference in fees was not a huge sum of money. He said regarding Hoy's question about a single cost per address or apartment dwelling complex whether it was a one unit or fifty units, there were variable costs. Those might not be directly a one to one relationship, but from his experience in doing inspections and evaluating what other cities had done, there was an indirect relationship between the number of units and the costs associated with the registration. There was a direct cost related to inspection. Obviously, they needed to fund this program, try to make the program cost neutral, and make it to where staff could be diligent and do a good job. Part of the program was to reduce the number of inspection, reduce the requirement on the quantities of the inspections and try and spread those costs over a base that would help create any cost neutral environment for the program. There

were some costs being captured by the registration process from a general standpoint, but they needed to address the concept of a one to one relationship on fee versus a sliding scale for larger complexes.

Riordan said he liked option 2, but he could live with any of the other options.

Dever said Option 2 was:

- Annual registration fee of \$10 per unit – capped according to the following schedule:
 - o 1-50 units (12,800 units) – no cap (\$128,000)
 - o 51-100 units (1,500 units) – 90% of total registration fee (\$13,500)
 - o 101-150 units (2,300 units) – 80% of total registration fee (\$18,400)
 - o 150+ units (3,400 units) – 70% of total registration fee (\$23,800)
- Inspection fee of \$50. (\$200,000)

Number of	Annual	Annual	Total	Cost of program
Units	License Fee Revenue per Scale	Inspection Fee Revenue	Revenue Generated	
20,000 (est.)	\$183,700	4,000 (est.) x \$50 per unit =\$200,000	\$383,700	\$386,000

Schumm said any of the options were okay, but was happy with Option 2.

Amyx asked if they were commenting on the registration portion of the program.

Dever said correct because the inspection fees was going to be \$50.

Schumm said that was discussed before. He said if you start reducing down the rental registration, then you'll need to increase the amount for the inspections.

Dever said it was a complex process. He said if shifting the burden to inspection, those costs go up as well.

Amyx said if you're just going to have a registration and the code enforcement division as it was now, the inspection would not need to be added because inspections were available at any time.

Schumm said they wouldn't be getting to a lot of the problems. He said there was rental inspection, but there was also intimidation that went along with tenants that turn people in. He said this way it was an on-going random inspection if you pick up all the rentals.

Dever said he was weighing the opposite direction, but he felt this process had come full circle where everyone had added in value to a point where there was a program that wasn't necessarily going to be punitive to landlords, in fact, it might improve the quality of the stock. He said they realized that more than half of the people in Lawrence lived in rental properties.

Amyx said he appreciated Dever and Schumm's work on this rental registration program, but the City had a good program and inspections in place right now, and the part that was missing was the registration portion of the program.

Dever said in their meeting they discussed \$10 per unit with a sliding scale. The larger unit complexes felt like that was something that they had arrived at as a resolution. He said he believed to be true to the discussions and consider the sliding scale options before moving forward.

Farmer said he liked option 2, but also thought that part of what he would recommend was to direct staff to look at specific exemptions for homeowner's associations and pulling recent building permits.

McCullough said they had talked about that issue of new construction. The last ordinance had a 3 year window where if it was new construction or renovated to the point of gutting and erecting brand new structures there would be a 3 year window, but would need to register. The exemptions staff had identified had more to do with whether it was a property that was part of a formalized inspection process such as Section 8 Housing or under some other State or Federal program and it was a rental property. It would be exempt because it was already being inspected through their process. He said getting into

HOA issues could be very complicated and confusing for both the City and the people the City was serving.

Dever said looking for loopholes.

Riordan said it could set up potential loopholes where people could setup a HOA and opt out and do nothing.

McCullough said the city had issues with HOA's. He said there was an extreme case with those rules which were private covenants.

Dever said if selecting option 2, he asked if they would then move them down the road of inspections. He said he wanted the Commission to understand that that would be the next logical step, the 10% for the number thrown out and agreed to, historical.

Riordan said that was 10% with a maximum of 15%.

Dever said yes, whatever was less.

Riordan and Farmer felt comfortable with that option.

McCullough said there was only one more issue that needed some direction and that was whether or not to have a one-time program development fee to help initiate the program and that could be a perpetual fee as a property moved into the program. The City's population growth was positive and there might be a desire to have that fee initiated and established for that reason.

Dever said he didn't remember the programs development fee.

McCullough said they had talked about the initial push to get the brunt of the properties licensed and inspected initially. He said it was laid out in their memo that the 1st or 2nd year was going to take at least 1 or 2 administrative staff, especially to do the scheduling and licensing. He said they had outlined a \$10 one-time fee. The first year of the program current and new properties would pay \$20 that year, \$10 license fee and \$10 for a program development fee.

Dever said he thought they had talked about not charging more, but phasing in the program and staff would collect the fees and then start rolling out the program subsequently. He asked if the math worked.

McCullough said that could be an option as well so that staff could start licensing properties in year one and forego hiring inspection staff and training until year two. Essentially getting everyone licensed in that first year.

Dever asked if that would be self-sustaining.

McCullough said a few more numbers needed to be looked at, but that would reduce that need for a program development fee because it would spread out the resources and effort over more years.

Schumm said he thought they reached a more genuine consensus with the stakeholders. He said he would rather not go the extra \$10 and stretch out the program to get it started. It seemed like it would take quite a while to get 20,000 units registered and categorized. He said maybe the second half staff could start some inspections. He said he would like the inspections as soon as possible, but on the other hand he was cognizant of the cost aspect.

Dever said he agreed.

Moved by Farmer, seconded by Schumm, to proceed with option 2 in staff's memo looking at associated costs and phasing in of rental properties; and, direct staff to draft an ordinance for first reading. Aye: Dever, Farmer, Riordan, and Schumm. Nay: Amyx. Motion carried.

4. **Receive staff update on proposed capital improvement project items for the 2014 budget. Consider authorizing staff to submit applications for the fiscal year 2015 KDOT ITS Set-Aside Program.**

David Corliss, City Manager, presented the staff report.

Amyx said regarding the turn-back, did it take into consideration 6th Street all the way west to the City limits.

Corliss said it was only between K-10 and Iowa which was almost at the end of City limits. He said the City had annexed, west of K-10 at the gateway addition, the church was on the south side and the church was not annexed into the city, but that would still be US40 and would not be undesignated.

Amxy said he remembered a stop light past that stretch of K-10 when the development was going to be on the property on the west side of K-10.

Corliss said that was not planned at this time. There were no improvements west of K-10 planned or contemplated with this agreement.

Riordan said this was good planning. He said he was not aware of the George Williams Way, but from public statements in the past the Police Facility and Santa Fe Station were extremely important and to use this money would be appropriate. The Fiber broadband he was in favor, and the signalization was an important necessity. He said he felt comfortable moving forward and spending those funds on those projects. He said he understood the city would not spend money later on, but some of those projects would cost the City now and asked if the City would need to use some of the money in reserve to tie the city over.

Corliss said that was a good question because it looked like there was a contemporaneous exchange of funds or credits. He said this would probably play out over a 24 or 36 month period. The City had fund balance and reserves where they could carry certain projects. KDOT had that on a much larger scale. What KDOT cared about was if the community was following through on its commitments. He said he didn't think the City would have too much of a timing issue in working with KDOT. The actual turn-back, taking off the Highway 40 signs, wasn't going to happen until all of those other things were accomplished which was a couple of years away. He said they wanted to stay true and what had made the City successful in that bond and interest fund which roughly was to

manage debt at 5.5 or 6 million dollar a year. He said the City had a healthy fund balance which was good to have in managing those projects.

Riordan said there might be a temporary draw down on the fund balance, but within 24 to 36 months it would be made whole again.

Corliss said correct or that time period the City would be in good shape. He said the turn-back meant the City would not be eligible for that \$40,000 a year or certain geometric improvements, but again staff thought the road was in good shape in that regard. He said the STP funds through KDOT could be spent on undesignated state highways, but the city had a lot of other needs in the community. The fact that the city was losing that opportunity for the KLINK money, the \$200,000 a year that they used for state highways, KDOT would still provide the City with \$200,000 a year, but it would go on fewer roads which was better. He said this was a wise approach and particularly when he was trying to balance the value of not raising the mil levy for those great projects. He said he hadn't heard from the City Commission the desire to launch the police facility with a new revenue source, but the City had the ability to make a substantial statement as to where they would want that facility and have the design, costs and other attributes nailed down so that it would make proceeding with that project more meritorious.

Schumm said this had been a very good negotiation with the turn-back. The road was in good shape and they didn't need to do much more to that road. He said the City would receive a bunch of bucks to do the things they talked about at their goal setting with the Santa Fe, the Police Facility, Broadband, and the traffic signal. He said he would like to direct staff to move ahead with the 4 items in staff's memo which was to do the following:

- 1) Preparation of the necessary KDOT-City agreements to accomplish the above turn-back proposal.
- 2) Direction for staff to communicate with Douglas County officials concerning their participation in two upcoming capital projects which are currently budgeted in

2016: participation in the improvement of 19th Street between Harper and the former Farmland property, and the rehabilitation of Fire Station No. 1 (8th and Kentucky)

3) Direction to work with BNSF railroad on acquisition of the Santa Fe station.

4) Direction to pursue site acquisition review and activities related to police facility.

Farmer said he was excited about the site acquisition and designing the next steps at the Police Facility.

Mayor Dever called for public comment.

Rob Farha said it was a great presentation. He said he was a member of the Lawrence Police Foundation and an advocate for the new police facility. The biggest hurdle was the land and the location. He said taking this step would help facilitate, once they knew the location, a decision could be made.

Dever said they mentioned other potential allocations of some of that money in their agenda review meeting such as money for sidewalks.

Corliss said what might make sense was coming back with a proposed program as to what that would be. One of the comments about sidewalks was that they could build sidewalks and repair sidewalks as a one-time item, but might want to have recurring revenue for some of those sidewalk repairs.

Moved by Schumm , seconded by Farmer, to approve staff's recommendation for capital improvement projects for the 2014 budget; authorize staff to submit applications for fiscal year 2015 KDOT ITS Set-Aside Program; and direct staff to prepare an additional staff memo on sidewalk repair and installation, contingent upon acceptance from KDOT. Motion carried unanimously.

E. PUBLIC COMMENT:

Ted Boyle, President, North Lawrence Improvement Association, said regarding Schumm's comments about North Lawrence and rental registration, he said they didn't

have a problem with rental registration in North Lawrence since only 22% of the homes in North Lawrence were rental property. He said with the problems they had, they called the Code Enforcement Manager and had those problems taken care of. One involved more than 3 unrelated individuals in a new home built in the northeast corner. The other involved older rental properties that were converted into apartments that were dilapidated which were taken care of by City staff. He said with 78% of the homes in North Lawrence owner/occupied, they didn't have much of a problem, but were in favor of rental registration and inspection. He said another concern involved emergency responders in North Lawrence. He said he had attended a meeting with the Mayor, City Manager, and the Fire Chief. A comment was made if they would rather have a fire truck or ambulance in North Lawrence and they chose the ambulance. He asked when the process of stationing an ambulance would take place.

Dan Dannenberg said to continue his irrational, obnoxious, and offensive comment, during the afternoon of January 9, 2012 he walked through Oread Neighborhood, south of 10th Street just to see what it was like and in his perambulations, he came across 1146 Tennessee and notice that both the front and side doors were opened. He said he approached the side door and was overwhelmed by petroleum fumes. He said after he shouted to see if anyone was in the building no one came out so he contacted the police. The officer went into the house which was putting himself in jeopardy with the amount of fumes coming from the building and found no one present. He said he wondered why there wasn't adequate code enforcement so that situation would never come about. The police officer said it was a flop house. He said another issue was with problems on University Drive, 2604, 2606 and the legendary 2901 University Drive, the famous spot zoning for a six-plex. A guy who was renting the property would open the garage door and play drums, he called police and code enforcement and nothing happened. Finally, the President of Sunset Hill Neighborhood Association got in touch

with the wife of the owner of the property and resolved the situation. He said at 2604 and 2606 University Drive there was problems with grass not being mowed and the places were a mess. Again, the City didn't do anything. The neighborhood association president got in touch with the person managing the place and they were able to get something worked out.

F. FUTURE AGENDA ITEMS:

David Corliss, City Manager, outlined potential future agenda items.

G: COMMISSION ITEMS:

H: CALENDAR:

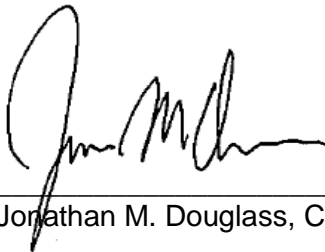
David Corliss, City Manager, reviewed calendar items

I: CURRENT VACANCIES – BOARDS/COMMISSIONS:

Existing and upcoming vacancies on City of Lawrence Boards and Commissions were listed on the agenda.

Moved by Schumm, seconded by Riordan, to adjourn at 9:45 p.m. Motion carried unanimously.

MINUTES APPROVED BY THE CITY COMMISSION ON JULY 16, 2013.



Jonathan M. Douglass, City Clerk