



# MINUTES

## City Council Meeting

6:30 PM - Tuesday, July 8, 2025  
Council Room

### 1 CALL MEETING TO ORDER

The City Council meeting was called to order on July 8, 2025, at 6:30 p.m. in the Council Room.

### 2 FLAG SALUTE

Council President **Nick Engle** led the flag salute.

### 3 INVOCATION

Pastor Zach Hurley, Life.Church Derby, gave the invocation.

### 4 ROLL CALL

<b>PRESENT:</b>	Council Member Mike Neel Council Member Elizabeth Stanton Council President Nick Engle Mayor Mark Staats Council Member Rick Coleman Council Member Wayne Molt, Jr.
<b>ABSENT:</b>	Council Member Kristi Truitt Council Member Jenny Webster

### 5 ACCEPTANCE OF AGENDA

#### 5.1 Adoption of the Agenda

**Nick Engle moved, seconded by Wayne Molt, Jr., to approve the meeting agenda, as presented.**

<b>RESULT:</b>	Carried
<b>MOVER:</b>	Nick Engle
<b>SECONDER:</b>	Wayne Molt, Jr.
<b>AYES:</b>	Mike Neel, Elizabeth Stanton, Nick Engle, Rick Coleman, and Wayne Molt, Jr.
<b>ABSENT:</b>	Kristi Truitt and Jenny Webster

### 6 PRESENTATIONS

#### 6.1 Presentation of MiniMPA Certificates

**Kiel Mangus, City Manager**, introduced Dr. Stephanie Newbold and Dr. Mercy Umeri from Wichita State University's Hugo Wall School of Public Affairs.

## **BACKGROUND:**

- The MiniMPA is an executive development program targeted to public and nonprofit sector professionals.
- The program provides intensive training for working professionals in local government who are ready to assume the next level of responsibility in their careers.
- The program is taught by faculty at the Hugo Wall School of Public Affairs at Wichita State University.
- Valerie Archer, Public Works Administrative Assistant, and Lynn Ciarleglio, City Clerk, participated in the 2025 program.
  - The involvement of both in the MiniMPA program benefits their departments and the City as a whole.
  - Participation in the program has increased their knowledge of how our organization fits into the broader landscape of our area's local governments and non-profit organizations.
  - The relationships created through the program will provide them a broader scope of expertise and assist in their continued success with the City of Derby.

**Dr. Stephanie Newbold, Director Hugo Wall School of Public Affairs**, gave an overview of the MiniMPA Program and the opportunities it offers as continuing education for those in public service. Dr. Newbold and Dr. Umeri presented Derby employees Valerie Archer and Lynn Ciarleglio with plaques to commemorate their completion of the program.

## **7 PUBLIC FORUM & ANNOUNCEMENTS**

**Council President Nick Engle** shared that WAMPO will conduct pedestrian and cyclist counts in September. Please consider volunteering to help in this effort; you can sign up at [wampo.org](http://wampo.org).

## **8 CONSENT AGENDA**

- 8.1 Consideration of Minutes**
- 8.2 Assessment Ordinance for Nuisance Abatement**

## **BACKGROUND:**

- City ordinance requires debris be removed from properties and lawns be maintained at 10 inches or less to protect the public health and safety.
- The City has incurred costs in abating two nuisances found to exist on one owner-occupied property.
- Because affected lots are often in foreclosure or in the process of being sold, timely assessment is important to an equitable recovery of City funds.

## **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- Costs total \$850, which include the City's debris removal costs plus administrative fees.

### **LEGAL CONSIDERATIONS:**

- City ordinance authorizes staff to mow excessively tall vegetation and remove debris when owners fail to do so. Staff seeks to collect reimbursement through informal efforts to avoid the need for formal remedies. Charges not timely paid may be assessed against the properties on which the work was performed.
- The City is authorized to recover costs incurred for mowing and/or debris removal by levying assessments against the respective lots and parcels upon which such remedial work was performed by or on behalf of the City.

### **RECOMMENDED MOTION**

Adopt an ordinance levying special assessment upon certain properties the costs incurred by the City of Derby in abating nuisances found to exist thereon.

### **8.3 Water, Stormwater, and Sanitary Sewer Improvements to Serve Foxfire Addition- Phase 2**

#### **BACKGROUND:**

- Foxfire Addition is generally located south of 55th Street South and directly east of the City's Public Works facility.
  - Recently, the City approved a zone change and replat of a portion of the Derby Corporate Park Addition into Foxfire Addition.
  - Approximately 63 acres of land was re-zoned and platted for 137 single-family residential lots.
- The land owner desired to develop the new subdivision in phases and has provided the required financial guarantees for installation of public improvements.
  - The 48 lots in the initial phase are completely built out.
  - A map of the new subdivision showing the public improvements for Phase 2 for an additional 48 buildable lots is attached.
- On June 17, the following bids for construction of water, stormwater, and sanitary sewer improvements were received and opened with the following results:

<b>Bidder</b>	<b>Bid Amount</b>
Barkley Construction	\$1,616,714
Nowak Construction	\$1,291,705
<b>Duling Construction</b>	<b>\$1,160,277</b>
Apex	\$1,979,990
Mies Construction	\$1,400,088
<i>Engineer's Estimate*</i>	\$1,462,005

\*Engineer's Estimate provided by Baughman Company, PA.

### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- In accordance with the City's Policy for Financing of Public Improvements, the cost of the improvements will be assessed entirely to the improvement districts.
- Paving improvements to serve Phase 2 are being designed and will be constructed following construction of the water, sewer and drainage improvements.

### **RECOMMENDED MOTION**

- Authorize execution of a contract in the amount of \$1,160,277 with Duling Construction for construction of public improvements to serve Phase 2 of Foxfire Addition.

## **8.4 School Resource Officer Agreement**

### **BACKGROUND:**

- The Derby Police Department provides five School Resource Officers (SROs) to USD 260.
- DHS has two SROs, DMS has one, DNMS has one, and one SRO covers all elementary schools in the City limits.
  - The SROs contribute to overall school security and conflict resolution, provide educational materials to students, serve as mentors/role models and support school staff at school functions.
  - The SROs also teach Drug Abuse Resistance Education (DARE) to 5th grade classes throughout the district.
  - The SROs are a visible deterrent to crime committed on school grounds and document events that occur at their respective schools through police reports.
- The agreement continues the split of the funding with a 60% USD 260/40% City split for all 5 SROs based on a full year (2080 hours).

### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- USD 260 and the City have a 60/40 salary split for each SRO assigned to the schools. The agreement covers 2080 hours per officer (1-year).
- The total amount the District will pay the City for the Fall 2025-Spring 2026 school year is \$313,980.37.
  - Total City of Derby costs will be \$209,320.24.

### **LEGAL CONSIDERATIONS:**

- This agreement has been reviewed by the City Attorney.
- The City is empowered to contract with the District to provide law enforcement officers to serve as SROs.
- The Board of Education approved the agreement at their May 27, 2025 meeting.

### **RECOMMENDED MOTION**

- Approve the 2025-2026 School Resource Officer Agreement with USD 260.

## **8.5 Notification of Emergency Purchase for Lift Station Pump Replacement**

### **BACKGROUND:**

- There are two wastewater pumps at the Warren Riverview Park Lift Station.
  - These pumps lift and move sewer to the Wastewater Treatment Facility when gravity flow of sewer is not possible.
- On May 19, due to an alarm of pump fail on Pump #1, Wastewater personnel pulled the pump and discovered a piece of metal was lodged in the portion of the pump that moves water called the impeller.
  - The pump was installed in 1998 and receives annual inspections and maintenance.
  - Pump #2 remains operational and can handle normal operational flows to the station for the time being.
- Staff transferred the pump to the local repair shop, JCI industries, in Wichita for diagnostics and troubleshooting.
  - Inspection of the pump discovered the piece of metal caused an internal seal and wear ring to fail.
- Prices for repair and replacement of the pump were requested.
- On May 29, the City manager approved emergency purchase of a replacement pump with a lead time of 8 - 10 weeks.
  - Staff recommended replacement of the pump due to age and nearing the end of the manufacturer life span of 20-30 years.

### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- Price for replacement of the pump was \$28,674.00 to JCI Industries.
  - JCI is considered the local distributor of Flygt pumps and sole source supplier in this area.
- Funding was available for this purchase in the Wastewater budget.

### **POLICY IMPLICATIONS:**

- The City's purchasing policy allows the City Manager to exercise discretion to authorize emergency purchase when deemed in the best interest of the City and report said decisions to the City Council at the next available meeting.

### **RECOMMENDED MOTION**

- Receive and file the report.

## **8.6 2025 Sidewalk Connection - Freedom St to N Whittier St**

### **BACKGROUND:**

- A key quality of life feature in Derby is walkability, which is largely provided by quality pedestrian and bicycle facilities.
- The Capital Improvement Plan (CIP) seeks to continue the City's commitment to eliminate gaps in the existing sidewalk system.

- This year's sidewalk project constructs a pedestrian connection from the Stone Creek Neighborhood to Derby North Middle School. See attached map.
  - Currently DNMS students have to walk a significant distance south to Patriot Ave., then east to Rock Rd. before proceeding back north to the school. The improvements will significantly reduce required walking distance.
- City staff worked with owners of the reserve west of Rock Regional Hospital and USD 260 to secure the necessary easements and support.
- City staff is also working to address concerns from the Stone Creek HOA board members, who have expressed reservation about the proposed sidewalk due to concerns about liability and maintenance.
- On June 17, the following bids were received and publicly opened:

<b>BIDDER</b>	<b>BID AMOUNT</b>
OPP Concrete	\$38,800.00
<b>Prado Construction</b>	<b>\$37,362.00</b>
Barkley Construction	\$65,770.00
Roston Construction LLC	\$41,029.50
NPL Construction Co.	\$67,345.00
<i>Engineer's Estimate*</i>	<i>\$83,905.00</i>

*\*Engineer's Estimate Provided by Derby Engineering Staff.*

- Typically, paving contractors with large crews and equipment are less competitive on a project with similar scope and budget; however, this is the highest bid opening turnout for a sidewalk project in several years.
- Prado Construction worked on several City of Derby's sidewalk projects including Woodlawn Hike and Bike and other gap infill projects. Staff has been pleased with the workmanship and working relationship with Prado.

#### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- The low bid is well under the current budget of \$85,000. Derby Difference Sales Tax will fund the project.
- Based on previous sidewalk projects, change orders are not uncommon which will be covered by the difference between the budgeted amount and the contracted amount.

#### **POLICY IMPLICATIONS:**

- Eliminating gaps in the sidewalk system improves public safety and accessibility.

#### **RECOMMENDED MOTION**

- Authorize execution of an agreement with Prado Construction for the 2025 Sidewalk Connection Project in an amount not to exceed \$37,362.

#### **8.7 Village Lake Addition Lot 3 Public Improvements – Resolution Amendments and Contract Authorization**

#### **BACKGROUND:**

- Village Lake Addition Lot 3 is located on the south of Red Powell Dr. between Nelson Dr. and Buckner St., directly east of Atwoods.
  - The 1.8-acre property has remained vacant since it was platted in 1983. (see attached map)
- In 2023, the Planning Commission approved a site plan to develop townhomes with 36 dwelling units on the property.
- On May 14, the following bids were opened for sanitary sewer, water and stormwater drain improvements.

<u>Bidder</u>	<u>Bid Amount</u>
Apex Excavating	\$623,725
<b>Mies Construction</b>	<b>\$350,000</b>
<i>Engineer's Estimate*</i>	\$321,500

*\*Engineer's Estimate Provided by Garver USA, Inc.*

- The low bids from Mies for sanitary and water improvements exceed the authorized funding allowed by the existing resolutions, therefore amendments to the associated resolutions are necessary.
- The developer has submitted petitions requesting the City to amend the original resolutions to accommodate the additional costs.
- Staff spoke with bidders, and they mentioned similar factors as were reported on the Oak Forest Duplexes water and sanitary sewer improvements that contributed to higher costs and significant variation in bids on this project:
  - The number of service lines and the significant need for flushed sand backfill on this project increased the cost of construction.
  - Contractors indicated government projects are plentiful and there were several major projects that were bid on the same week.
  - The project was a small project relative to other projects on similar schedules.
- As part of the bid evaluation, certain stormwater improvements were identified that could be completed privately as part of the site development.
  - Removing these items will reduce the project scope, save costs, and streamline construction for both the public and private portions of the development.
  - This change in scope results in a deduction of \$28,185 from the \$350,000 bid total.

#### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- The project costs will be paid 100% by the improvement district with no costs to the City-at-large.
- The reduction in scope of the stormwater project will result in a contract total of \$321,818.

#### **LEGAL CONSIDERATIONS:**

- The attached amending resolutions were prepared by the City's bond counsel Gilmore and Bell, P.C., in accordance with K.S.A. 12-6a01, et seq.

## **RECOMMENDED MOTION**

- Adopt resolutions amending Resolutions 11-2024 and 13-2024 and authorize execution of a contract with Mies Construction in the amount of \$321,818 for construction of sanitary sewer, water and stormwater drain improvements to serve Village Lake Townhomes.

### **8.8 Island Annexation: Water Treatment Facility and Well Site**

#### **BACKGROUND:**

**General Location:** North of 95th St. S. and east of Hillside Ave. (General Location Map and Specific Location Map attached).

**Applicant:** City of Derby (Property Owner)

**Reason for Request:** Complete the annexation process of a 12.8 acre tract of land not adjoining the city limits to facilitate the construction of a water treatment facility and two water wells.

#### **Background Information:**

- As the authorized representative of the owner of the subject property, the City Manager submitted a Request for Annexation by Consent for the subject property.
- The property does not directly adjoin the primary corporate limits of the City of Derby and is therefore considered an "island annexation."
  - The intent for the property is to develop a water treatment facility and two water wells.
  - Annexation of the property is proposed so that the water treatment facility and water wells can be constructed using Derby's zoning, subdivision, and building regulations rather than those of Sedgwick County.
- K.S.A. 12-520c requires the governing body of the city considering an island annexation to adopt a resolution requesting the Sedgwick County Board of County Commissioners (BOCC) make a finding that the annexation will not hinder or prevent the proper growth and development of the area or that of any other incorporated city located within the county.
  - The City Council adopted Resolution No. 08-2025 (attached) on May 13, 2025, requesting the BOCC make the requested finding.
  - The BOCC considered the request on June 4, 2025, and adopted Resolution No. 161-2025 (attached), determining that the annexation will not hinder or prevent the proper growth and development of the area or that of any other incorporated city in Sedgwick County.
- The final step is for the City Council to adopt an ordinance annexing the property into the corporate limits of the City.

## **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- Because the property is owned by the City it should qualify for exemption from taxes.

## **LEGAL CONSIDERATIONS:**

- With the adoptions of the City's Resolution No. 08-2025 and the County's Resolution No. 161-2025, the statutory prerequisites for annexation found in K.S.A. 12-520c have been satisfied.
- The road right-of-way of Hillside Ave. adjacent to the subject property will not be annexed as part of this annexation and will remain within unincorporated Sedgwick County.
- The subject property is not located within the service area of Sedgwick County Rural Water District No. 3.
- Per state law, an annexation cannot become effective within 60 days before certain elections; therefore, the effective date of the annexation will be August 6, 2025, the day following the primary election.
- Upon annexation and in accordance with the Zoning Regulations, the subject property will be incorporated into the city as a R-1 "Single-Family Residential" zoning district, as requested by the property owner.
  - Prior to construction, the subject property will need to be rezoned and platted to permit development of a water treatment facility and water wells.

## **POLICY IMPLICATIONS:**

- The Vision Derby 2040 Comprehensive Plan has a recommended implementation action that states, "add utility extensions and facilities to support the Future Land Use Map."
  - The Future Land Use map illustrates that the City likely will expand by 1,600 to 2,400 acres to accommodate growth through the year 2040.
  - Three major utility projects are underway to accomplish the recommended implementation action and support community growth.
    - Northeast sanitary sewer extension and lift station
    - Upgrade wastewater treatment facility
    - New water treatment facility and water wells
- Annexation of the subject property helps accomplish the recommended implementation action of the Vision Derby 2040 Comprehensive Plan.

## **RECOMMENDED MOTION**

- Adopt an ordinance annexing the subject property into the limits and boundaries of the City of Derby.
- 8.9 Request for Annexation by Consent (Southwest Corner of 55th St. South and Woodlawn Blvd.)**

## **BACKGROUND:**

**General Location:** Southwest corner of 55th St. South and Woodlawn Blvd. (Location Map attached).

**Applicant/Agent:**

- Applicant: Equity Trust Company (Property Owner)
- Agent: Philip Meyer, Baughman Company

**Reason for Request:** Annex five contiguous tracts of land totaling 50.8 acres that adjoin the city boundary pursuant to K.S.A. 12-520(a)(7).

**Background Information:**

- The property owner has requested annexation by consent of five contiguous tracts of land totaling 50.8 acres at the southwest corner of 55th St. South and Woodlawn Blvd.
  - The current land uses include farming/ranching operations. The house that once occupied the northeastern-most tract has since been demolished.
  - The eastern tracts are largely encumbered by floodway and floodplain.
  - The property owner has indicated a desire to develop the majority of the tracts as a two-family residential (duplex) subdivision. At this time, the applicant is requesting the property be zoned R-1A "Urban Density Residential" upon annexation. A future zone change to R-2 "Two-Family Residential" will be necessary to facilitate two-family residential development.
    - The property owner submitted a zone change application on June 23, 2025 to rezone a portion of the annexation area from R-1A to R-2. The zone change public hearing is scheduled for the August 7, 2025 Planning Commission meeting.
- The City received the request for annexation by consent on May 27, 2025 (attached).

**FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- The property, in its present use, does not require extension of any public infrastructure. However, a change in land uses and additional development may require extension of additional public infrastructure.
  - A 16 in. municipal water main exists along the north boundary of the property, along 55th St. South, and is capable of supporting the proposed development.
  - Sanitary sewer currently exists in the nearby Northbrook subdivision and can be reasonably extended across Woodlawn Blvd. to serve the proposed development. Alternatively, sewer is also available to the west in the nearby Foxfire subdivision. Cost to extend sewer service will be at the development's expense.
  - The subject tracts are currently within Sedgwick County Rural Water District No. 3's (RWD3) water servicing area. The City provided the required statutory notice to RWD3 on June 25,

- 2025, including the City's intent to serve the area consistent with the 2023 Transfer Agreement entered into between the City and RWD3.
- Other city services such as fire and police protection are available and currently serving areas adjacent to the property.
  - Preliminary estimates indicate that the City will receive approximately \$779 in property taxes upon annexation based on the land uses prior to the 2025 tax year (before the house was demolished on the tract directly at the corner of Woodlawn and 55th St. South). Actual tax revenue will be lower after the County appraisal records are updated to reflect the demolition of the house. Tax revenue will also change if the property is rezoned, redeveloped, and/or if the land use(s) change.

#### **LEGAL CONSIDERATIONS:**

- K.S.A. 12-520a(7) provides that property may be annexed without notice or hearing when the property adjoins the City and the owner requests or consents to annexation.
- Because the property adjoins the existing City boundary and the owner consents, the annexation does not require action by the Board of County Commissioners.
- State law also requires that the City notify Sedgwick County Rural Water District No.3 of the annexation. Notice was sent in accordance with state law on June 25, 2025.
  - In 2023, the City and the Board of Directors of RWD3 approved a transfer agreement allowing the City to provide water service to newly annexed properties and setting compensation for the territory transfer. As the property develops, the City and RWD3 will execute a formal service area transfer agreement.
- State law requires notice to RWD3 be given at least 60 days prior to the effective date of any annexation ordinance. The annexation will become effective on August 27, 2025.
- Upon annexation and in accordance with the Zoning Regulations, the subject property would be incorporated into the City as a R-1A "Urban Density Residential" zoned district, as requested by the property owner.

#### **POLICY IMPLICATIONS:**

- The Vision Derby 2040 Comprehensive Plan identifies the subject tracts as RR "Agricultural and Rural Residential." Rural residential areas are existing residential acreages that are not proposed for change in the planning horizon of the Vision Derby 2040 plan while agricultural areas are existing farms and crop cultivation that are also not proposed for change in the planning horizon.
  - Zoning districts identified as suitable for Agricultural and Rural Residential areas include the R-1 "Single-Family Residential," R-1B "Low Density Single-Family Residential," and the R-1C "Suburban Single-Family Residential."

- The surrounding land classifications identified in the plan are BP "Industrial/Business Park" to the west, RR to the south, and LDR "Low Density Residential" to the east.
- Surrounding land uses are single-family residences to the west (Foxfire and Kerfoot Additions), large-lot single-family to the south (Hillsdale Addition), single-family residences to the east (Northbrook Addition), and agricultural and rural residential to the north.
- The Future Land Use Map is intended to be general in nature and not intended to be interpreted with rigidity. An example within the general vicinity is Foxfire Addition, whose area is identified as BP "Industrial/Business Park" but was instead developed as a low-density single-family residential development.
- The LDR "Low Density Residential" classification can be reasonably extended to the subject tracts due to their close proximity to the Foxfire and Northbrook subdivisions.
  - Land uses identified as appropriate for the LDR classification include single-family detached, single-family attached, and duplexes. Appropriate zoning classifications include R-1 "Single-Family Residential," R-1A "Urban Density Residential," R-1B "Low-Density Single-Family Residential," R-1C Suburban Single-Family Residential," and R-2 "Two-Family Residential" when subject to Design Standards.

### **RECOMMENDED MOTION**

- Adopt an ordinance annexing the subject property into the limits and boundaries of the City of Derby.

## **8.10 Decarsky Park Phase II Gas Service**

### **BACKGROUND:**

- Decarsky Park Phase II concessions building requires gas service to operate furnaces, tankless water heaters, and gas ranges.
- A seven-year Main Extension Agreement (MEA) with Kansas Gas Service for the installation of a new gas main and service line is required.
- Kansas Gas Service will extend 1,660 feet of main line along Line Drive and 720 feet of service line.
- Once the City has fulfilled the minimum amount of gas required as part of the agreement, the City may request a refund of the unused deposit.
- KGS will schedule the work upon receipt of the deposit.

### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- Total cost estimated by Kansas Gas Service is \$53,409.91.
  - The project will require a refundable deposit in the amount of \$39,451.
  - Project will be funded with the Derby Difference Sales Tax.

### **RECOMMENDED MOTION**

- Authorize the City Manager to enter into a Main Extension Agreement with Kansas Gas Service for gas service installation to Decarsky Park Phase II in an amount not to exceed \$53,409.91.

**Nick Engle moved, seconded by Mike Neel, to approve the Consent Agenda, as presented.**

<b>RESULT:</b>	Carried
<b>MOVER:</b>	Nick Engle
<b>SECONDER:</b>	Mike Neel
<b>AYES:</b>	Mike Neel, Elizabeth Stanton, Nick Engle, Rick Coleman, and Wayne Molt, Jr.
<b>ABSENT:</b>	Kristi Truitt and Jenny Webster

## 9 NEW BUSINESS

### 9.1 Fee Resolution Update

**Megan Pater, Finance Director,** gave the agenda report.

#### BACKGROUND:

- Most of the City's fees and charges are accumulated into one resolution, which is periodically reviewed for sufficiency.
  - The most recent updates were made in April 2024 regarding Water Well Driller Licenses, Above Ground Swimming Pool Permits and Witness Fees.
- The changes proposed to the fee resolution are:
  - Section 2 - Add Temporary Membrane Structure Permit Fee, \$75 per structure/per event
    - This permit is currently reviewed by Fire and Planning and Engineering, and an inspection is done by Fire, but does not have a fee associated with it. This fee would not apply to the fireworks stands and would only apply to structures greater than 400 square feet).
  - Section 2 - Add Mobile Sales/Vending Vehicle Annual Inspection Fee, \$75 per vehicle/per year
    - Fire would perform these inspections, similar to Trash Truck inspections.
    - The City is considering participating in a regional coalition for food truck inspections which would honor a current inspection from another coalition member eliminating the need for that food truck to be inspected again to operate in the City limits. An additional application/fee would be required for food vending.
  - Section 2 - Updates Fingerprinting Fees
    - The Police Department currently processes fingerprints for non-court related purposes for Derby residents for a fee of \$20. This update increases that fee to \$30.
    - The fingerprinting service will now be available for non-court, non-residents for a fee of \$40.

- Section 11 is where fingerprint fees for court-related purposes will be updated.
  - KBI now requires all individuals who come in contact with the court system to be fingerprinted, which will increase the volume of services. The City's current fingerprinting equipment and software needs upgraded, especially with the increased number of services and the increase in fees will go towards offsetting those costs.
- Section 4 - Updates to Contractor License Fees:
  - Class A - Increase from \$300 to \$500
  - Class D - Remove fee, no longer a valid license option
  - Trades licenses - Increase from \$60 to \$180
    - Gas Fitter, Drain Layer, Lawn Sprinkler, Water System, Swimming Pool, Fire Alarm Contractor, Fire Sprinkler Contractor
  - Trades licenses - Increase from \$70 to \$180
    - Concrete Flatwork, Roofing Contractor, Siding Contractor
  - Trades licenses - Increase from \$160 to \$180
    - Electrical Contractor, Mechanical Contractor, Plumbing Contractor
  - The increases listed above bring these license fee amounts to 50% of Metropolitan Area Building and Construction Department (Wichita/Sedgwick County) fees, which is consistent with our remaining license fees
- Section 5 - Updates to Fire Sprinkler System & Alarm Plan Review Fees:
  - Increases Fire Extinguishing System Permit from \$35 to \$75
  - Increases Fire Sprinkler System & Alarm Plan Review from \$35 to \$75
  - Update \$475 tier to include permits of 701 - 800 devices (previously 701 - 900 devices)
  - Update \$525 tier to include permits of 801 - 900 devices (previously 901 - 1,100 devices)
  - Update \$575 tier to include permits greater than 900 devices (previously greater than 1,100 devices)
- Section 5 - Add Flammable and Combustible Liquid Tank Permit Fees at Construction Sites
  - Less than 1,000 gallons-\$75 per tank, 1,000 Gallons or more-\$200 per tank
  - This will be a new permit, reviewed by Fire and Planning & Engineering, Fire will perform the inspections.
- Section 5 - Add Explosive Storage Permit/Inspection Fee
  - Outdoor Units \$150/year (propane refill/swap, backup generators greater than 250 gallons, gas tanks for welding/cutting, medical gas)
  - Indoor Units \$200/year (fireworks warehouse)
  - This will be a new permit, reviewed by Fire and Planning & Engineering, Fire will perform the inspections.
- Section 5 - Update Permit Re-Inspection Fee from \$30 to \$50

- Increasing amount allows fee to more adequately cover personnel costs to perform inspections. Required inspections are included in the permit fee, this fee is for inspections that have failed, which adds an additional trip to the job site or electronic review for the inspector.
- Section 11 - Update Fingerprinting (court case related) fee from \$20 to \$30
  - Additional updates to Section 11 are anticipated this fall when the traffic ordinance and offense code are considered.
- Add Section 15 - Utility Service Fees
  - In preparation for the dissolution of El Paso Water Company, the fees currently listed in the El Paso Water Company operations manual need to be moved to the City resolution. Fee amounts remain the same.
  - Account Connection/Transfer Fee \$25
  - Account Same-Day Service Fee \$30
  - Account Delinquency Fee \$30

### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- Making occasional adjustments to fees as we learn about the market, our costs, and the needs of our customers is consistent with prudent financial management.
- Fees, or charges for service, help offset costs of operations that would otherwise be covered by property tax or would require another sort of revenue to pay for.

### **RECOMMENDED MOTION**

- Approve the resolution as presented.

**Kiel Mangus, City Manager**, noted some of these updates were initiated by our Fire Marshal, Jon Marr, as he evaluated Fire operations and compared them to those of other communities. Other City departments also evaluate their fees and processes regularly, bringing any needed changes as proposed updates to Council 1-2x a year.

**Megan Pater, Finance Director**, added we also try to mirror the processes of MABCD, while many of our fees are only 50% of those charged by MABCD.

**Council Member Elizabeth Stanton** asked for an example of a Temporary Membrane Structure.

**John Turner, Fire Chief**, replied the dome at The Sandbox is an example. Other times stores may hold grand openings or big sales events that are held in a temporary tent-like structure.

**Mr. Mangus** said these are fairly rare, since this regulation and fee only apply to structures over 400 square feet.

**Council Member Rick Coleman** said if I were to put up three 10' x 20' pop-up canopies together in my yard, would I need to get a fee and inspection? What about a home wedding with a large tent set up for it?

**Chief Turner** clarified non-business, residential properties would not have this requirement.

**Council President Nick Engle** said the food truck inspections would be only from a fire safety standpoint, not regarding food safety, correct?

**Mr. Mangus** said yes. The Kansas Department of Agriculture is still the authority for conducting food handling inspections.

**Mr. Coleman** asked are the contractor fees applied to everyone who comes to do work in Derby?

**Mr. Mangus** said yes, any of these types of trades work require licensing with the City.

**Mr. Coleman** said for those contractors based in Derby, could there be a discount of 10% from what those outside of Derby pay? Is that something we could legally do? I feel these businesses are already supporting Derby by contributing to our tax base and should get a break if possible.

**Ms. Pater** replied, it is not a discount per se, but for contractors based in Derby, we waive the business registration fee when they obtain their contractor's license.

**Mr. Coleman** pointed out that business registration fee is not charged to outside contractors, so it really isn't a difference in price for those with their business in Derby.

**Ms. Pater** stated those contractors likely do pay a business registration fee to the City in which they are based. While that is not a fee paid to Derby, it is being paid somewhere.

**Jacque Butler, City Attorney**, noted I will need to look into the legality of creating a preference for contractor licenses. It is something we can do before we come back with the fee resolution again this fall.

**Mr. Coleman** said I'd like to have it at least looked at for consideration.

**Mr. Mangus** explained why we are usually 50% of the Sedgwick County MABCD fees is we are a community of 26,000 while Wichita has 400,000. This means if a contractor wants to come work in Derby, they pay a \$500 fee and maybe do 3 or 4 jobs here; but in Wichita they may have 2,000 to 3,000 jobs. So, our fee is lower to encourage them to work in Derby and offer some competition.

**Ms. Butler** said I know there are some restrictions that exist regarding local preferences when it comes to certain vendors for purchasing, but I'm not sure if that extends to the area of licensing as well.

**Mayor Mark Staats** said I would also like Ms. Butler to look into the legality of offering a Derby discount. I agree somewhat with Mr. Coleman that we want to encourage and support businesses in Derby however we can, so let's see if that's something to try.

**Mr. Mangus** said we can fund government however the Council chooses. We have three main revenue streams: property tax, sales tax, and fees. Those sources can be mixed in different ways, but we need to be sure to balance relief in one area with an increase in others. If we want to keep lowering mills, we will need to increase some fees. We can certainly investigate what the impact of discounted fees would mean to the overall budget and share that with you.

**Ms. Pater** mentioned I looked at several other communities and most have fee structures very similar to ours. I will dig further and see if any of those offer a local discount.

**Mr. Engle** said regarding combustible tanks, the fees apply to large tanks placed on a construction site, not for a single welder who brings his tank onto the site for a certain and specific job or task?

**Chief Turner** said correct. This applies to larger scale and rarer projects.

**Mr. Coleman** said is this meant for large, 250-gallon tanks and won't apply to Walmart or other stores that have their little cage outside with grill-sized propane tanks?

**Chief Turner** confirmed this is just for the really large tanks; smaller consumer quantities should be fine.

**Mr. Engle** said I believe for tonight we are going to proceed with the resolution and await more information and other changes in the fall.

**Nick Engle moved, seconded by Rick Coleman, to approve the resolution as presented.**

<b>RESULT:</b>	<b>Carried</b>
<b>MOVER:</b>	Nick Engle
<b>SECONDER:</b>	Rick Coleman
<b>AYES:</b>	Mike Neel, Elizabeth Stanton, Nick Engle, Rick Coleman, and Wayne Molt, Jr.
<b>ABSENT:</b>	Kristi Truitt and Jenny Webster

## 9.2 Updates to Fireworks Ordinance

**Kiel Mangus, City Manager**, gave the agenda report.

### BACKGROUND:

- During the most recent legislative session the Kansas Legislature made changes to some state laws related to fireworks sales.
- Two main changes occurred:
  - First, the period during which seasonal fireworks stands are allowed to operate and sell fireworks has been increased from 9 to 18 days each year. The new season authorized by State law would run from June 20 to July 7.
    - Under State law cities still have the ability to regulate how and when fireworks can be used and sold in their community.
  - Second, a new type of fireworks retail license was created, the Permanent Fireworks Retailer. This retailer license is authorized to sell consumer fireworks year-round.
  - Unlike seasonal fireworks sales, these permanent retailers must register with the State Fire Marshal annually and will be required to operate from a permanent building that meets the requirements of the State Fire Marshal (NFPA 1124 and Kansas Fire Prevention Code).
- Council discussed changes to sale days and the discharge of fireworks at the Council Priority List Update on May 13, 2025.
  - Staff also previewed that Derby was monitoring Wichita in how they handle permanent fireworks retailers and would be coming back to discuss with Council based upon those results.
- The City of Derby currently allows fireworks to be sold during set hours between June 27-July 5 and allows discharge during those same dates (with different allowed times depending on the day).
- At the May 13 meeting, Council gave direction to not change the dates of temporary fireworks sales and discharge at this time.
- The City of Wichita passed an ordinance at their May 20 meeting banning the year-round sale of fireworks in Wichita.
- The Fire Marshal, Fire Chief, and other City staff reviewed State law and discussed permanent fireworks retailers.
- Some consideration City staff discussed included:
  - Enforcement:
    - The year-round sale of fireworks will inevitably lead to the discharging of fireworks more frequently in the City limits. Enforcement is a challenge as fireworks typically don't last long making it hard to catch in action. The City also doesn't have enough staff to enforce in an adequate manner.
  - Safety:
    - Permanent Fireworks Retailers will be required to meet rigorous standards of the State Fire Marshal for their facility, but by their nature will still be a very dangerous operation in a permanent structure. If something were to happen it could put Derby Fire and adjacent businesses/structures in danger.
  - Public sentiment:
    - Fireworks can be a very divisive issue for those who love them and those who loathe them. They can be very traumatic to pets and certain members of the community

- who may be sensitive to loud noises/explosions. Year-round sales can be very impactful to those populations and the current structure permitting temporary sales balances the different interests by allowing the discharge of fireworks but in a more limited timeframe.
- Consistency:
    - Derby is a metro area partner to the City of Wichita and people often travel between the two. Prohibiting the year-round sale of fireworks helps ensure that sales and use of fireworks are more consistent between the two cities, which also helps enforcement.
  - City staff recommends following the City of Wichita and prohibiting permanent fireworks retailers and the year-round sale of fireworks in the City of Derby.

### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- There will be minimal financial impacts from the consideration of this Ordinance.

### **LEGAL CONSIDERATIONS:**

- The City Attorney has reviewed and approved the proposed ordinance changes.
- Because the effect of the ordinance is to retain the City's current temporary fireworks season, this ordinance is recommended for approval without two readings. Additionally, with fireworks season approaching and Wichita's recent action, it makes sense to approve the ordinance at this time.

### **RECOMMENDED MOTION**

- Adopt an ordinance updating the City's fireworks restrictions to address the change in State law.

**Council President Nick Engle** said all the residents I have heard from on this matter have thanked Council for deciding to keep our fireworks dates as they have been. Do we know why the State decided to expand and allow year-round sales?

**Kiel Mangus, City Manager**, said I believe a lot of it was spurred by the border war in the Kansas City area, since on the Missouri side it is allowed. There have also been very active lobbyists for the fireworks industry working on our State legislators on the topic for quite a while.

**Nick Engle moved, seconded by Mike Neel, to adopt an ordinance updating the City's fireworks restrictions to address the change in State law.**

<b>RESULT:</b>	<b>Carried</b>
<b>MOVER:</b>	Nick Engle
<b>SECONDER:</b>	Mike Neel
<b>AYES:</b>	Mike Neel, Elizabeth Stanton, Nick Engle, Rick Coleman, and Wayne Molt, Jr.

### 9.3 2026 Recommended Budget

**Kiel Mangus, City Manager**, gave the agenda report.

#### **BACKGROUND:**

- Each year, the City Manager recommends and the City Council approves a balanced budget for providing services to the community.
- This budget document is a plan; it is the framework for how the City will allocate its resources to assure continuing excellence in the community's quality of life.
- The City tries to utilize certain principles when budgeting:
  - Fund on-going expenditures with on-going revenues & focus one-time revenues for one-time expenditures
  - Maintain sufficient reserve balances to address unforeseen events
  - Use a conservative approach to revenue estimation
  - Be proactive vs reactive in planning ahead for equipment and capital expenses.
- During budget workshops in late May and June, the Council heard about departmental budget and CIP requests along with discussions on budget revenue and expenditure drivers, Derby Difference Sales Tax fund projects, and utility fund updates.
  - Since then, revenue estimates have been further updated after receiving information from Sedgwick County, questions from Council members have been answered, and the budget has been worked to be more balanced in the context of a five-year financial plan.
- 2026 Budget Highlights:
  - 5th straight year of lowering the mill levy.
  - 2% GPA and 3% Merit pool for City employees.
  - Nine new FT positions. 3 firefighters (grant dependent), Police Training Captain, Asst. Director Senior Services, Street Operator, 2 Groundskeepers, and a Senior Wastewater Operator. Also, a title position change to a Cyber Security Administrator position.
  - Major facility/utility projects & equipment in 2025/2026 include:
    - Courts & City Hall & Police Remodel
    - High Park Phase I
    - Derby Dash Van Replacement
    - Fire Engine #83
    - Enterprise GIS Software
    - Amber Ridge Park
    - Wastewater master Plan Phase 1A Construction
    - Water Reuse Study
    - Water Treatment Plant Construction Phase A
    - Buckner Water Tower Coating Replacement
    - South City Hall Roof Replacement
    - Hila Street Culvert and English Street Box Culvert Improvements
  - Major street projects include:

- North Woodlawn Reconstruction
  - N. Rock Road Reconstruction
  - Oak Forest Signal Replacement
- The new Derby Difference went into effect January 1, 2025, and will run until December 31, 2034.
- The sales tax will be used to pay for street and sidewalk maintenance and improvements, parks and trail maintenance and improvements, and public safety equipment and capital improvements.
- Several capital projects in 2026 and further in the five-year plan are being funded using Derby Difference sales tax dollars that would otherwise had to have been paid for using property tax funds.
  - Larger projects underway or in the near future:
    - Decarsky Park Phase II, High Park Phase I, McIntosh Road, North Woodlawn Road, Amber Ridge Park, Derby Police and Courts remodel, and North Rock Road.
  - Larger equipment purchases in 2026 include:
    - Parks Bulldozer
    - Streets Single Axle Dump Truck
    - (3) Parks 3/4 Ton Pickups
    - Police Patrol Vehicle
    - Police Training Captain Vehicle
    - Police Axon Contract

#### **FINANCIAL/SUSTAINABILITY CONSIDERATIONS:**

- The proposed 2026 budget totals \$76,677,688, which is a decrease of \$10,042,939 (11.58%) from revised 2025 expenditures of \$86,720,627.
  - This amount does not include cash reserves, transfers between funds, or bond proceeds.
  - The primary driver of the decrease from 2025 revised budget to 2026 proposed budget is the funding of several larger capital improvement projects in 2025 (mostly utility fund projects with associated debt issuances) and also some 2024 capital improvement projects that are being completed in 2025, along with the purchase of Fire Engine 83 in 2025.
- The revised 2025 budget is 41.4% higher than the 2025 budget approved in August 2024, largely due to the addition of utility capital improvement projects, specifically the Wastewater Treatment Plant Master Plan Phase 1A Construction (\$16.8M).
- Assessed valuation is projected to grow 7.161% in 2025 to fund the 2026 budget.
  - Assessed valuation growth due to changes in valuation of existing properties is estimated to be ~5.84%.
  - New construction and redevelopment is estimated to be ~0.797%.
  - Annexations of property is estimated to be ~0.524%.
- In 2021, the Kansas Legislature repealed the tax lid and in its place put a requirement to give notice of intent to exceed a Revenue Neutral Rate (RNR) in the subsequent budget.

- The RNR is calculated by the County Clerk and is essentially the number of mills to levy the same amount of property tax dollars as the prior year.
  - The County Clerk has calculated the 2026 RNR for Derby at 42.457.
    - The RNR is lower than the 2025 levy of 45.498 mills because the City's assessed valuation has grown.
- The amount of ad valorem tax projected to be levied for the 2026 budget is \$16,356,633 based on 45.123 mills, which is a 0.375 mill reduction from the current 45.498 mills.
  - The City Manager will be required to notify the County Clerk by July 20 (per state law) that the City intends to exceed the RNR.
- Maximum budgeted expenditures would be \$96,646,497.
  - This amount includes the General Fund cash reserve and transfers between all funds but does not reflect reserve funds (CIP Reserve, Wastewater CIP, and Equipment Reserve Funds) and non-budgeted funds (Capital Projects and LETF funds).
  - The budget differs from the statutory budget maximum because it is reduced by the amount of transfers between funds and cash reserves.
- Three funds will need amendments of the 2025 budget: Derby Difference Sales Tax fund, Water Fund, and the Wastewater Fund.
  - The Derby Difference Sales Tax Fund is requested to increase by \$934,293 due High Park and Decarsky Park Phase II design costs being carried over from 2024.
  - The Water Fund is requested to increase by \$2,924,160 due to Water Treatment Plant design costs moving from 2024 to 2025 and the planned moving of El Paso Water Company Expenses into the fund.
  - The Wastewater Fund is requested to increase by \$19,221,809 due to Phase I and Phase IA construction costs.

#### **LEGAL CONSIDERATIONS:**

- It is the City Manager's responsibility to present an annual budget that not only meets the needs of the City but also complies with state laws governing municipal budgeting.
- The motion authorizes publication of the notices of budget and RNR hearings in The Derby Informer. Publication is planned for August 6 which allows for notice ten days prior to the public hearing (per state law).

#### **POLICY IMPLICATIONS:**

- On August 26, following the Public Hearing, the Council will be asked to approve the 2026 budget and CIP, and amendment of the 2025 budget.

#### **RECOMMENDED MOTION**

- Authorize publication of the Notice of Hearing to Exceed Revenue Neutral Rate & Budget Hearing and a Notice of Budget Hearing for Amending the 2025 Budget.

**Council Member Rick Coleman** said having bonds included in the reported budget numbers is confusing. Is there some way to pull out the bonds and bring us a report of the actual operational expenses over the last five years? Having those figures will make it a lot easier to explain to constituents.

**Megan Pater, Finance Director**, added bonds that are used for non-utility funds are treated a bit differently because they are out of a non-budgeted fund. It is the bonds from utility funds that cause the big swings. To issue the bonds and begin the projects, you have to have budget authority for those projects. I can go back and find what the bonds were for each utility and report back on those.

**Mr. Coleman** remarked on property values, stating if you compare similar homes in Derby and in Wichita, the valuation on the Derby property is always significantly higher, which leads to higher taxes

**Mr. Mangus** said that may likely be the case; property valuations are administered through the County. That difference speaks to the quality-of-life and desirability of living in Derby.

**Mr. Coleman** asked to view the chart showing debt service less offsetting revenue again. On this chart, what is the property tax spike showing in 2034 to 2035?

**Ms. Pater** replied that is where the Derby Difference Sales Tax ends, and some of those projects with ten-year bonds paid back by Derby Difference don't end until 2035. Derby Difference is helping fund bond and interest in the meantime.

**Mr. Mangus** said we try to forecast and plan very conservatively. When we get as far out as 2035, the reality is our continued growth will make the spike disappear; B&I will be able to absorb it.

**Council Member Wayne Molt, Jr.** thanked Ms. Pater and the Finance Staff for all the work they put into anticipating and answering our questions throughout the budget process. The amount of preparation and effort is appreciated. I think this presents a good story for Derby. We continue to grow while still being able to lower the mill levy.

**Wayne Molt, Jr. moved, seconded by Nick Engle, to authorize publication of the Notice of Hearing to Exceed Revenue Neutral Rate & Budget Hearing and a Notice of Budget Hearing for Amending the 2025 Budget.**

**Council President Nick Engle** agreed and added his own thanks. The budget is one of our greatest responsibilities in local government, so I'm happy we spend so much time discussing and deciding on it. I feel we have worked to continue balancing things well, especially considering all the large projects currently underway. I wish we could say yes to every ask and never raise taxes, but that is not reality. We continue to lower the mill levy, which is no small thing. Every year

since RNR began, we have had the goal of finding a way to factor in inflation and growth while still getting close to RNR. We continue moving in the right direction.

**Mr. Coleman** said we need the RNR to allow us to capture growth. It will be important in the coming year to work closely with the legislature to see some changes to the process.

**Mr. Mangus** said I believe this year they got really close. The house version took into account new growth, but there were still issues. We hope to help educate them on our need to have a formula that allows for new growth, inflation, annexation, and other changes taken into account. This year, there was a lot of focus on the property valuation, which we do not handle, the County does, but we have concerns about a 3% or 4% cap from the perspective of housing prices and scarcity over time. I think next year something will probably pass; they worked really hard on it right up to the last minute this year.

**Mr. Coleman** stated we also need to work with the County because we get punished on the sales tax share when we lower our mills.

**Mr. Mangus** agreed, commenting we have lost around \$190,000 in sales tax over the last few years by lowering our mill levy. I've reached out to Mr. Stoltz, the County Manager, asking to allow us to be at the table for those discussions. The formula they were considering was advantageous to them, but detrimental to cities. We definitely want to take part in those discussions and decisions.

**Mr. Coleman** said the mill rate has gone up quite a lot since 2022, from \$262,650 to \$362,474 per mill. Even decreasing our mill levy as a City, Derby has capitalized \$4.5 million on the mill rate increase. I'd like to see the 2026 budget lower by 1/2 a mill, rather than the 0.375 proposed. That is not what we are voting on tonight, though, so I'll wait to have that discussion with the full Council as we vote on it. Thank you, Ms. Pater, and staff for working tirelessly to make the complexities of the budget easier for everyone, either on Council or in the community, to understand.

**Mr. Mangus** stated RNR notices will go out after July 20th. This year's notice has been updated slightly, but I'm not sure it will be any easier to understand. Anyone with questions about their notice, please call our offices here at City Hall; we will be happy to go over it with you because it is confusing.

<b>RESULT:</b>	<b>Carried</b>
<b>MOVER:</b>	Wayne Molt, Jr.
<b>SECONDER:</b>	Nick Engle
<b>AYES:</b>	Mike Neel, Elizabeth Stanton, Nick Engle, Rick Coleman, and Wayne Molt, Jr.
<b>ABSENT:</b>	Kristi Truitt and Jenny Webster

## 10 ADJOURNMENT

**Nick Engle moved, seconded by Wayne Molt, Jr., to adjourn the meeting at 7:57 p.m.**

<b>RESULT:</b>	<b>Carried</b>
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<b>MOVER:</b>	Nick Engle
<b>SECONDER:</b>	Wayne Molt, Jr.
<b>AYES:</b>	Mike Neel, Elizabeth Stanton, Nick Engle, Rick Coleman, and Wayne Molt, Jr.
<b>ABSENT:</b>	Kristi Truitt and Jenny Webster

City Clerk

Mayor

DRAFT