



Voting Summary

City Council Meeting

6:30 PM - Tuesday, August 26, 2025
Council Room

8 CONSENT AGENDA

- 8.1 Consideration of Minutes
- 8.2 Assessment Ordinance for Nuisance Abatement
- 8.3 Street Closure for VW Show and Vendors Market
- 8.4 Derby High School Homecoming Parade
- 8.5 One-Step Plat: 87th Street Estates (County)
- 8.6 Second Reading: Zoning Regulation Amendments for Window Signage
- 8.7 Final Plat: Riverbend Acres Addition (County)

Nick Engle moved, seconded by Rick Coleman, to approve the Consent Agenda, as presented.

RESULT:	Carried (6-0 for Items 8.1, 8.2, 8.4, 8.5, 8.6, and 8.7; Item 8.3 was 5-0 with 1 abstention.)
MOVER:	Nick Engle
SECONDER:	Rick Coleman
AYES:	Kristi Truitt, Mike Neel, Nick Engle, Rick Coleman, Wayne Molt, Jr., and Larry Gould
ABSTAINED:	(Rick Coleman for Item 8.3 only)
ABSENT:	Elizabeth Stanton and Jenny Webster

9 NEW BUSINESS

- 9.1 2026 Budget - Revenue Neutral Rate Hearing

Nick Engle moved, seconded by Wayne Molt, Jr., to adopt a resolution of the City of Derby, Kansas to levy a property tax rate exceeding the Revenue Neutral Rate for the 2026 proposed budget.

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

- 9.2 2026 Budget and 2026-2030 Capital Improvement Plan

Nick Engle moved, seconded by Rick Coleman, to approve the 2026 Operating Budget as proposed to fund city services from January 1 to December 31, 2026; approve the 2026-2030 Capital Improvement Plan; and

approve the 2025 Amended Budgets for the Derby Difference Sales Tax, Water, and Wastewater Funds.

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

9.3 Public Hearing & Ordinance Levying Special Assessments

Rick Coleman moved, seconded by Wayne Molt, Jr., Approve an ordinance levying special assessments on certain property to pay the costs of internal improvements as authorized by the resolutions noted in the ordinance and providing for collection of such special assessments.

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

9.4 North Interceptor Force Main

Wayne Molt, Jr. moved, seconded by Nick Engle, to authorize the City Manager to enter into a contract with Nowak Construction in an amount not to exceed \$2,289,913.86 for construction of the North Interceptor force main project.

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



MINUTES

City Council Meeting

6:30 PM - Tuesday, August 26, 2025
Council Room

1 CALL MEETING TO ORDER

The Council meeting was called to order on August 26, 2025, at 6:30 p.m. in the Council Room.

2 FLAG SALUTE

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

3 INVOCATION

Pastor Jeff Jewett, Derby Church of the Nazarene, gave the invocation.

4 ROLL CALL

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

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

6 PRESENTATIONS

6.1 National Senior Center Month Proclamation

Mayor Mark Staats presented the Proclamation to Jenny Foster-Farquhar, Senior Services/Transportation Director, members of her staff, and members of the Senior Center Advisory Board.

BACKGROUND:

- National Senior Center Month is hosted by the National Council on Aging (NCOA) and the National Institute of Senior Centers (NISC).
- The first senior center was introduced in New York City in 1943 to provide social activities, nutritious meals, and case management to adults aged 60 and older, particularly those with low incomes.
- More than 75 years later, senior centers are some of the most widely used services supported by the Older American Act of 1965.
- There are more than 10,000 senior centers that support, millions of older adults from all walks of life as they continue to thrive in their communities.
- The Derby Senior Center has been an integral part of the Derby community since its modest roots in 1976 to its current status as the largest and only nationally accredited center in Sedgwick County.

6.2 2025 Smoke on the Plains Derby BBQ & Music Fest Report & McConnell Air Force Base Check Presentation

Andrea Walters, Communications Specialist, introduced Anna Hill from the Military & Family Readiness Center, McConnell Air Force Base, and presented her organization with a \$2,300 check from the City of Derby and the Derby Lions Club. Over the last 14 years of holding the BBQ Event, the City of Derby has been able to donate over \$24,000 to the Center.

BACKGROUND:

- The City of Derby is pleased to present a gift of \$2,000 to the Military & Family Readiness Center at McConnell Air Force Base to support its mission. The Derby Lions Club has also donated \$300 for a total donation of \$2,300.
- The 14th Annual Smoke on the Plains Derby BBQ & Music Fest was held at High Park on June 13 & 14, 2025.
- The goal of the event is to attract new people to Derby and provide a fun, affordable event for Derby residents.
- The event featured four contests – KCBS (Kansas City BBQ Society) pro contest, Backyard BBQ contest, Kid's Que, and People's Choice Contest.
- The event had 36 pro teams, 24 backyard teams, 16 Kid's Que competitors and 32 PC entries with 751 tasting kits sold, an increase of more than 200 from last year.
- The Music Fest was highlighted by performances by Howard Mahan & Friends, Jed Harrelson, Road 23, Nuke Bushner, and Jade Hopkins.
- There were 18 food and drink vendors at the event spread across the park.
- The Derby Recreation Commission's Smokin' 5K had 173 registered runners and 37 volunteers.

- The Toss with a Boss Cornhole Tournament had 12 teams.
- The Derby Rotary Club Hot Wheels for Hot Meals Car Show for Saturday morning had to be rescheduled due to inclement weather. It will be occurring September 27 from 9 a.m. to 2 p.m. at 222 E. Madison Ave.
- The community events bring increased traffic to the park during the day Saturday where we had food trucks and Kids Corner activities (shortened time this year due to weather).
- The Derby Public Library held its 5th Annual Derby BBQ & Music Fest Medallion Hunt.
- The City held a free Military Appreciation Swimming Night on June 20 at Rock River Rapids. We had 575 military members and their families in attendance.
 - The event, sponsored by Evergy, included free drinks, snacks and cookies.
- We would like to thank our volunteers from the City Council, City staff, community members, and others for helping to make this event possible.
- Thank you to our 24 sponsors including AT&T, Don Hattan Derby, Smile Safari, Derby Orthodontics, Evergy, Security 1st Title, All States Home Improvement, BRG Precision Products, Woodbridge Home Solutions, Lamar Advertising, Wichita Army Recruiting Co, Hutton Design + Build, Advanced Physical Therapy, Renewal by Anderson, Grill Shak, Tailored Remodeling, Evolve Exteriors, Credit Union of America, Derby Community Foundation, K&S Liquor, Outdoor Adventures RV, Chick-fil-A, Gambino's, Starbucks
- Mark your calendars for the 15th Annual Smoke on the Plains Derby BBQ & Music Fest on June 12 & 13, 2026 at High Park.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- Our financial report includes revenue and expenses dating back three years. The 2025 revenue was \$22,948 in sponsorships and \$18,338 in team registration and vendor fees for a total of \$41,286.
 - Sponsorships were up \$4,446 because we had a presenting sponsor this year.
- Our total event expenses were \$97,586, which was just slightly over 2024 expenses. Prices remain higher post-COVID for the event.
 - Revenue
 - 2025: \$41,286
 - 2024: \$37,345
 - 2023: \$39,376
 - Expenses
 - 2025: \$97,586
 - 2024: \$93,926
 - 2023: \$101,323
 - Net cost to general fund
 - 2025: \$56,300
 - 2024: \$56,581
 - 2023: \$61,947

Anna Hill, Military & Family Readiness Center, expressed thanks for the generous donation and ongoing support from the City. This annual donation is earmarked for the Hearts Apart program which holds monthly events for deployed families, including a meal and an activity or outing. These events give a little bit of a break to these families and also allow those of us with the Center to have a chance to check in with them and see how they are doing or what else they may need.

Andrea Walters, Communications Specialist, recapped highlights of this year's event thanking all of the volunteers and sponsors who help make Derby's largest annual event such a success, even when weather does not cooperate. Rotary Club's Hot Wheels for Hot Meals Car Show has been rescheduled for September 27 at the USD 260 Education Support Center, 222 E. Madison. Mark your calendars now to be sure and attend next year's Smoke on the Plains BBQ and Music Fest on June 12 and 13, 2026, at High Park.

Mayor Mark Staats said thank you to our Communications staff for the huge amount of work it takes to put on this event. I want to especially point out and thank Janae Springer, who has served as the coordinator of this event for many years, for growing it into the wonderful event it has become. Ms. Walters did a fantastic job this year as her first year to coordinate the BBQ, and I'm sure it will continue to grow and become better under her leadership moving forward.

Council Member Kristi Truitt echoed Mayor Staats' comments saying Derby is lucky to have Ms. Walters heading up a great event the whole family can enjoy together in one of our great parks.

7 PUBLIC FORUM & ANNOUNCEMENTS

Kiel Mangus, City Manager, shared that Wichita has decided to lift Stage 2 drought restrictions in the near future and will implement permanent watering restrictions. As a wholesale purchaser of Wichita water, Derby will be required to follow those restrictions as well. The good news is the restriction is moving from allowing watering one day each week to allowing three days each week. As a wholesale customer, Derby will be allowed to determine our own schedule for when those three days will be, we will not have to follow Wichita's days for odds and evens according to the address. There will still not be any watering allowed during what is considered to be the heat of the day, 10 a.m. to 6 p.m. The restrictions will also be focused on spray irrigation, not hand-watering.

Mayor Mark Staats said I am glad to hear we will be able to pick our own watering days, rather than needing to follow Wichita's plan based on addresses.

Mr. Mangus clarified I believe Derby will simply designate three days each week city-wide, rather than dividing it up by area or address. Two of the days will be weekdays and one weekend day to allow flexibility for our residents.

Mayor Staats said I noticed Wichita will allow some variances for newly sod or seeded lawns and other special circumstances.

Mr. Mangus stated I anticipate we will also allow for such variances.

8 CONSENT AGENDA

Council Member Rick Coleman informed the Mayor he will abstain from voting on Item 8.3 since he is involved with the VW organization making the request.

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 nuisances found to exist on 18 properties (4 of these incurred multiple abatements): 10 owner-occupied, 2 rentals, 4 vacant lots, 1 vacant home, and 1 vacant commercial 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 \$8,150, which include the City's mowing and debris removal costs plus administrative fees.

LEGAL CONSIDERATIONS:

- City ordinance authorizes staff to mow excessively tall vegetation and remove debris when property 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 assessments upon certain properties the costs incurred by the City of Derby in abating nuisances found to exist thereon.

8.3 Street Closure for VW Show and Vendors Market

BACKGROUND:

- The Great Plains VW Show and Fall Vendors Market has submitted an application for a Temporary Use Permit for their event on September 6, 2025.
- Planning & Engineering staff have worked to obtain all the required documents for approval of the permit.
- The event will include a car show, Kids Activity Korner, and the Fall Vendors Market with food trucks and a fenced-in area for a beer garden.
- To ensure the safety of the entrants, vendors, and spectators, the hosting organization requests the closure of N. River Street just north of Madison from 7:00 a.m. to 5:00 p.m.
- All businesses along this section of River St. have been contacted in person regarding the closure, and signed acknowledgements from each business were submitted with the permit.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- Public Works will drop off the barricades in advance and later pick them up.

LEGAL CONSIDERATIONS:

- The City Council has authority to close roads for specific times to facilitate the safety of public events.

RECOMMENDED MOTION

- Approve the street closure as proposed.

8.4 Derby High School Homecoming Parade

BACKGROUND:

- The Derby High School Student Council requests approval for its annual homecoming parade on Thursday, October 2, 2025, at 6:00 p.m.
- The parade will start at the corner of Market and Westview and go west on Market Street to Georgie, north to Madison, and then east to Westview before going south and finishing at Westview and Market. See attached route map, which is the same as in years past.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- Derby Police Department will assist in traffic control, and Public Works will provide barricades for the street closures.

LEGAL CONSIDERATIONS:

- The City Council has authority to close roads for specific times to facilitate the safety of public events.

RECOMMENDED MOTION

- Approve the request to hold the annual homecoming parade on Thursday, October 2, 2025, at 6:00 p.m.

8.5 One-Step Plat: 87th Street Estates (County)

BACKGROUND:

General Location: 9002 E. 87th St. South, approximately 1/2 mile east of Rock Rd.(Location Map attached).

Applicant/Agent:

- Applicant: Eric Gilbert, Gilbert Properties, LLC
- Agent: Matthew Tucker, BHC Engineering

Reason for Request: Replat Lot 1, Block A, Boulett Addition into two lots to facilitate construction of a single-family residence.

Background Information:

- The subject property is approximately 9.5 acres in size and is located within unincorporated Sedgwick County within the City of Derby's subdivision jurisdiction. Properties within the subdivision jurisdiction are required to be platted in accordance with Derby's Subdivisions Regulations to ensure compliance with the regulations in the event the property is annexed.
- The property is platted as Lot 1, Block A, Boulett Addition, platted in 2009. The property is currently developed with one single-family residence, several accessory structures, and a swimming pool.
- The current property owner is seeking to split the lot into two lots to facilitate construction of a single-family residence on the east lot (Lot 2). The existing single-family residence and accessory structures will be on Lot 1.
 - The lots will continue to be accessed via an existing shared private driveway. The driveway is not only shared with the two proposed lots but also the larger property to the north, which is not part of this replat.
- The request qualifies for one-step review in accordance with Article 418 of the Subdivision Regulations.
 - Residential developments qualify for one-step plat approval if the plat contains no more than 20 lots and does not propose to dedicate a public street across the property.
- The proposed plat (Final Plat attached) would create two lots.
- The Derby Planning Commission voted unanimously to recommend City Council approval of the plat at its meeting on July 17, 2025 (excerpt of meeting minutes attached).

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- The applicant has not requested extension of City services to serve the property. If the applicant desires City services in the future, they are required to petition the City to extend services, which costs will be assessed in accordance with the City's public improvement finance policy.

LEGAL CONSIDERATIONS:

- In approving the plat, the Planning Commission determined the plat conforms to Kansas law and the City's subdivision regulations. The plat has been reviewed in accordance with both the City and the County zoning regulations to ensure compliance with each.
- As a multi-jurisdictional review, the Derby Planning Commission first reviews the plat, followed by the Derby City Council. If approved by the City Council, the plat will proceed to the Board of County Commissioners for final approval.
- The applicant is responsible for submitting any necessary documents or guarantees required by the County. Two additional documents will be recorded along with the plat:
 - A Utility and Ingress/Egress Easement to facilitate shared access and utility extensions for the proposed two lots and a property to the north through the existing private drive. The easement document states that the owners of the two lots will be responsible for maintaining the easement.
 - Declarations of Covenants, Conditions, and Restrictions detailing design and use restrictions for the two proposed lots. While the majority of the language is not pertinent to the City's review of the plat, there is language pertaining to the proposed floodway reserve easement which restricts development in the floodway and indicates that the lot owners are responsible for owning and maintaining their respective portion of the easement.
- Building permits and inspections will be administered through the Metropolitan Area Building and Construction Department (MABCD).

POLICY IMPLICATIONS:

- In accordance with Article 502.Q.10 of the 2021 Subdivision Regulations, language has been included on the plat that indicates that the property owners within the subdivision consent to future annexation by the City of Derby.

RECOMMENDED MOTION

- Approve the one-step plat of 87th Street Estates, authorize the Mayor to sign the plat, and direct staff to forward the plat to the Board of County Commissioners.

8.6 Second Reading: Zoning Regulation Amendments for Window Signage

BACKGROUND:

- On August 12, 2025, the City Council held a first reading of the attached ordinance adopting amendments to the zoning regulations for window signage and approved further consideration of the matter with a second reading.
- There are no substantive changes to the proposed ordinance since the first reading.
- The attached ordinance amends zoning regulations for window signage as follows:

- Windows no more than 12 feet above ground level that are covered by an awning or building overhang projecting from the building wall at least 18 inches can be entirely covered with signage without a permit.
- Any window regardless of height or presence of an overhang can be covered up to 25% by window signage without a permit.
- Window signage on windows more than 12 feet above ground level that cover more than 25% of the window are considered wall signs, require a permit, and are subject to the size limitations of wall signage.
- Signs of all types must be maintained to a high quality at all times, and if they are not, the City can provide a notice requiring sign repair within 30 days. If the sign repair is not completed in a timely manner, the City can cause the repair to occur and bill the sign owner.

LEGAL CONSIDERATIONS:

- K.S.A. 12-749 sets out the procedure for adoption of zoning regulation amendments. All conditions precedent to the Council's consideration of adoption of the recommended amendments have been satisfied.
- In accordance with state law, the Council may take one of the following three actions when considering adoption of the recommended amendments:
 - Adopt the recommendation of the Planning Commission and adopt the amendments by ordinance by a majority vote (5 votes).
 - Override the recommendation of the Planning Commission and disapprove or modify the amendments by a 2/3 majority vote (6 votes).
 - Return the recommendation to the Planning Commission with a statement specifying the basis for the Council's failure to approve or disapprove (5 votes).
- If approved, the amendments will become effective after publication of the adopting ordinance in the official city newspaper.

RECOMMENDED MOTION

- Adopt an ordinance amending the zoning regulations for window signage.

8.7 Final Plat: Riverbend Acres Addition (County)

BACKGROUND:

General Location: North of 83rd St. South and Mattox Arena, south of the Arkansas River, east of Hancock Acres (Location Map attached).

Applicant/Agent:

- Applicants: Emad Barakeh, Barakeh Property LLC
- Agent: Josh White, K.E. Miller Engineering P.A.

Reason for Request: Plat the subject property into seven lots for single-family housing development.

Background Information:

- The subject property is 18.62 acres in size, located within unincorporated Sedgwick County and within the City of Derby's subdivision jurisdiction. Properties within the subdivision jurisdiction are required to be platted in accordance with Derby's Subdivisions Regulations to ensure compliance with the regulations in the event the property is annexed into the City.
 - The roughly triangular shaped property is undeveloped and currently utilized for ranch and agricultural purposes.
 - The property is located in close proximity to the Arkansas River but only the eastern tip of the property is encumbered by the AH zone (special flood hazard area).
 - The Federal Emergency Management Agency (FEMA) defines the AH zone as an area with a 1% annual chance of shallow flooding, usually in the form of a pond. These areas have a 25% chance of flooding over the life of a 30-year mortgage and are required to have flood insurance if they have a federally backed mortgage.
- The applicant is proposing to subdivide the property into seven lots for single-family residential development (final plat attached). Access to the subdivision will be through the Hancock Acres Addition via the existing street stub for Haven Dr.
- The subject area is affected by frequent groundwater infiltration due to its close proximity to the Arkansas River. Basements being inundated by groundwater has been an issue with homes in the vicinity.
 - In order to avoid this issue, the applicant/property owner has voluntarily elected to prohibit the construction of basements on the subject lots.
 - This language is included on the face of the plat as well as reiterated in a separate restrictive covenant that will be included in the title work of lot buyers.
- The Derby Planning Commission voted unanimously to recommend City Council approval of the plat at its meeting on August 7, 2025 (excerpt of staff report attached).

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- The applicant has not requested extension of City services to serve the property. If the applicant desires City services in the future, they are required to petition the City to extend services, which costs will be assessed in accordance with the City's public improvement finance policy.

LEGAL CONSIDERATIONS:

- In approving the plat, the Planning Commission determined the plat conforms to Kansas law and the City's subdivision regulations. The plat has been reviewed in accordance with both the City and the County zoning regulations to ensure compliance with each.
- As a multi-jurisdictional review, the Derby Planning Commission first reviews the plat, followed by the Derby City Council. If approved by the

- City Council, the plat will proceed to the Board of County Commissioners for final approval.
- The applicant is responsible for submitting any necessary documents or guarantees required by the County. Two additional documents will be recorded along with the plat:
 - A Floodway Easement detailing the restrictions, ownership, and maintenance responsibilities of the Floodway Easement over Lots 3 and 4. This Floodway Easement is coextensive with the AH Flood Zone and the easement dedication prohibits construction, change of grade, and other work within the easement without the approval of the appropriate governing bodies. The easement document also explains that the owners of Lots 3 and 4 shall be responsible for owning and maintaining the portions of the floodway easement within their respective properties.
 - The Restrictive Covenant document reiterates the prohibition of the construction of buildings with basements. The document will be part of each lot's title work and in turn will be a notice to lot purchasers that basements cannot be constructed on the lots.
 - Building permits and inspections will be administered through the Metropolitan Area Building and Construction Department (MABCD).

POLICY IMPLICATIONS:

- In accordance with Article 502.Q.10 of the 2021 Subdivision Regulations, language has been included on the plat that indicates that the property owners within the subdivision consent to future annexation by the City of Derby.

RECOMMENDED MOTION

- Approve the final plat of Riverbend Acres Addition, authorize the Mayor to sign the plat, and direct staff to forward the plat to the Board of County Commissioners.

Nick Engle moved, seconded by Rick Coleman, to approve the Consent Agenda, as presented.

RESULT:	Carried (6-0 for Items 8.1, 8.2, 8.4, 8.5, 8.6, and 8.7; Item 8.3 was 5-0 with 1 abstention.)
MOVER:	Nick Engle
SECONDER:	Rick Coleman
AYES:	Kristi Truitt, Mike Neel, Nick Engle, Rick Coleman, Wayne Molt, Jr., and Larry Gould
ABSTAINED:	(Rick Coleman for Item 8.3 only)
ABSENT:	Elizabeth Stanton and Jenny Webster

9 NEW BUSINESS

9.1 2026 Budget - Revenue Neutral Rate Hearing

Megan Pater, Finance Director, gave the agenda report.

BACKGROUND:

- In 2021, the Kansas Legislature repealed the tax lid and in its place established a requirement to provide notice of intent to exceed a Revenue Neutral Rate (RNR) in the subsequent budget.
- The RNR is calculated by the County Clerk. RNR is not about changing tax rates (mills) but rather about revenue amounts in the budget. It is essentially the number of mills needed to levy the same amount of property tax dollars as the prior year.
- Derby has experienced property value growth and new construction growth which generates more revenue without changes to the tax rate. In order to capture that revenue for budget items, the city must have a public hearing and vote to exceed the RNR.
- The County Clerk has calculated Derby's 2026 RNR at 42.457 mills.
- The RNR is lower than the 2024 levy of 45.498 mills because the City's estimated assessed valuation has grown.
 - 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 total 5.840%.
 - New construction and changed use of property totals 1.321%.
- At the July 8 City Council meeting, the RNR was discussed along with the Manager's Recommended Budget. Following the discussion, the Council authorized publication of notice to exceed the RNR.
- Per state law, the County Clerk was notified prior to July 20th of the City's intent to exceed the RNR for the 2026 budget.
- Per state law, a public hearing is required to exceed the revenue neutral rate of 42.457.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- The amount of ad valorem tax projected to be levied for the 2026 budget is \$16,311,326 based on 44.998 mills, which is a reduction from the current 45.498 mills.
- The ad valorem taxes to be levied increased \$921,418.

LEGAL CONSIDERATIONS:

- State statute governs the timetable for budget preparation, including publications, public hearing, adoption and certification.
- The Notice of Hearing to Exceed the Revenue Neutral Rate and Budget Hearing was published in the Derby Informer on August 6th and posted to the City's website in accordance with state law.
- State law requires a roll call vote for adoption of the RNR resolution.

POLICY IMPLICATIONS:

- The public hearing to exceed the RNR must be held before the Budget Hearing.
- Before the public hearing to exceed the RNR has closed, a resolution must be adopted to affirm that the RNR will be exceeded. If the resolution is not adopted, the proposed 2026 budget will be reduced by \$921,418.

- The 2026 budget as presented fulfills the City's mission to create vibrant neighborhoods, nurture a strong business community, and preserve beautiful green spaces.
- This budget invests in the infrastructure, people, and equipment necessary to meet the needs of an expanding and maturing community.

RECOMMENDED MOTION

- Adopt a resolution of the City of Derby, Kansas to levy a property tax rate exceeding the Revenue Neutral Rate for the 2026 proposed budget.

Mayor Mark Staats opened the Public Hearing at 6:59 p.m.

Bob Hohl, 1431 Warren Ct., said I'm retired from the Air Force, and I do not understand adding nearly \$1 million to the budget and increasing my taxes by 12%. What do I get for that? I do not see anything of value being given back to me or other taxpayers for this big increase. Seniors on a fixed income cannot afford for our taxes to keep going up and up. I do not know anyone who gets a 12% increase in their pay; most are lucky to see 1% or 2% per year. Add another almost \$1 million because you hired more people or whatever. I don't get my road plowed in the winter or my lawn mowed in the summer. I do see growth and Derby is doing well, but it is just tax increase after tax increase. We should be taxed less. Figure out how to pay for it some other way. We just saw where a lot of people volunteer and help out in many ways, which is great. Then the government comes in, be it the County or the State, or the U.S.A. and they reach into my pocket, saying "Give me a little more and a little more." What am I getting out of it? Nothing at all. I brought my Revenue Neutral notice, and it shows an additional \$966,000 in the budget. What is happening that we need that? I'm just aghast at an increase of 12%. I see growth and things happening, but how many people is it really affecting?

Council Member Rick Coleman said I'll make my annual statement about the flaws of the RNR process. It does not account for growth or inflation at all. I hope that the next City Council will continue to advocate for making it fair to cities who are growing. Mr. Hohl mentioned an increase this year of around \$966,000. Our budget as a whole since 2021 has increased over 30%. A lot of people see "Derby" on their tax statement, but that is not all City taxes. I brought my statement for reference. The majority of it is USD 260. This year, the DRC chose to raise their portion 17%. We need to work with our other taxing entities to combat this trend of continual increases. Not only have budgets increased, but the value of a mill has also increased. In 2022, the value of a mill was around \$262,000. This year it is estimated at \$362,000. So even if our mill stays flat, that is an increase of around \$4 million just due to the increased value of a mill. There has been a 12.5 mill increase, but we've only given around a 1/2-mill reduction each year. It is ridiculous. People are losing their homes across the country because they cannot keep up with rising expenses and taxes. I guarantee no one in this room got a 12% to 15% raise this year. I hope the next Council can combat this and figure out when enough tax is enough tax. We went to the 1-cent sales tax this January. With the increased value of a mill and the new sales tax,

we should be able to decrease by 3 or 4 mills, but this year we are only lowering around 0.38 mills.

Kiel Mangus, City Manager, clarified we will cover it in the budget item, but we are lowering 0.5 mills this year.

Mr. Coleman said, okay 1/2 a mill then. To sit up here and say we are not increasing taxes is a lie. The Revenue Neutral process needs to be fixed at the State level. It is frustrating they passed a law they do not have to follow themselves with their budget. I really hope next year's Council can work to get the State and the County to figure out not only a better sales tax formula, but also a fair resolution to the Revenue Neutral process.

Council President Nick Engle said I have similar sentiments to Mr. Coleman regarding the Revenue Neutral process and formula. I certainly understand why they transitioned away from the tax lid program to the RNR process. It is a move in the right direction, but it has its own set of issues. I would like to see us be able to get to Revenue Neutral plus CPI and include growth through the year as well. I think we are making progress but still have a way to go. Derby is completely revamping our wastewater facility and building a freshwater treatment facility among a myriad of other large-scale projects. As we continue to expand our economy of scale, it will get better over time. I wish we could fast-forward to that point in time where we are adjusted revenue neutral. I think we need to continue to do the hard work to move in that direction because it is important. I doubt we will ever get to completely revenue neutral where exact dollars spent does not increase because that would mean we shrank. I think we are headed in a positive direction.

Mr. Mangus added there has been a lot of discussion at the State level regarding property tax over the last couple of years. The reality is the City Council has only one tax it gets to vote on, and that is property tax. We don't get to discuss sales tax or income tax. We need to work with the State on what are the branches of how we want to fund our local government and what that mix of sales and property tax looks like. I guarantee if it were opened up for municipalities to allow more options on sales tax where governing bodies could vote on it, then you would see mill levies drop. I expect it will continue to be a discussion at the State this year. It was battled until the very last minute last year, but they just could not come to terms between the House and the Senate. I think Mr. Coleman also made a good point related to sales tax. When we lower our mill levy, that negatively impacts our portion of sales tax received, so that formula also needs some adjustment.

Mr. Engle said I also want to point out inflation has been significantly problematic over the last 5 years. Our Street Maintenance budget doubled around 5 years ago from around \$800,000 annually to \$1.6 million. How much has the cost of street maintenance gone up since then?

Mr. Mangus noted in just one year, the inflation rate across the board was nearly 10%. Some of the street projects where we can do a mill and overlay for example

has probably tripled in price. Where we have seen really big hits is in regard to specialized equipment; it is hard to get, and the costs have skyrocketed. One example is that of a fire engine. The first fire engine I was part of purchasing 14 years ago cost around \$400,000. The latest one we purchased was about \$1.1 million, and it has about a 4-year wait for delivery. So, yes, inflation is definitely a factor. Luckily, Derby has experienced rather healthy sales tax growth, which has helped to balance out the impact of inflation a bit. However, over the last eighteen months or so, sales tax has flattened out a little.

Mr. Engle noted payroll continues to be our largest general fund expense. About 2/3 of payroll is represented by Police, Fire, and Public Works staff. These are all people we have to have in order for our city to continue to run safely. They could probably make more money in the private sector, so it isn't as if we are paying them an exorbitant amount. These are big numbers, but I believe it all is necessary, and we have done a good job of keeping the City's budget as sensibly lean as we can.

Nick Engle moved, seconded by Wayne Molt, Jr., to adopt a resolution of the City of Derby, Kansas to levy a property tax rate exceeding the Revenue Neutral Rate for the 2026 proposed budget.

Council Member Mike Neel thanked Mr. Coleman and Mr. Engle for sharing their thoughts. I agree we need to work to shave off mills, but it is important for other stakeholders to come to the table and work with us toward that goal. While we may not be the biggest portion of the local property taxes, we are collectively the City of Derby and impacting our shared residents with these taxes. I feel we are doing what we can, but we should strive to be able to tighten the belt a little. If you do what you always did, you'll get what you've always gotten. So, maybe next year we can look at it all a little differently and work to get the other stakeholders to share the goal of stabilizing property tax for our residents.

Mr. Coleman agreed stating our previous Mayor would make the point, we might cut 3 mills, but the school could just come in and raise theirs by 3 mills and our property owners end up paying the same or more. It is imperative we work with the school district and DRC, as well as those at the County and State for the benefit of our taxpayers. Things are getting tight for everyone. We have a growing senior community on fixed incomes, and I know the State has a few programs to assist them with property tax relief. I want to add a big thank you to Megan and the rest of staff who work so hard on the budget. You do a great job of being transparent with where our money is being spent.

Pat Carney, 1456 N. Rawhide, said I am on a fixed income, and I am fed up with my property taxes going higher year after year. I have lived in the same home for 50 years and nothing has changed on my home, but I keep paying more and more in property tax. It is ridiculous! You need to do something; you guys are the ones with the power to do something. You should help the elderly who cannot just pick up a couple extra hours at work to make up the difference from what they paid last year. Costs keep rising for everything; each trip to the store for the same items costs me more. Something has to change. People are losing their

homes. People are choosing not to fill their prescription medications just to keep up with costs. You have to figure something out. I don't know what it is, but things cannot continue as they are. We have a beautiful community and a few years ago built a beautiful new Fire Station at Madison and Woodlawn. Did we need to spend that much money for that building to be so fancy? It is gorgeous and looks like something out of a movie, but that is something you guys could have done something about. If money were no object, it would be a different story. You are the ones that are supposed to be looking out for us. Do something. My son told me in Texas, once you reach age 65, they can't raise your property tax. You need to figure something out like that. More people are coming to Derby; that brings more crime and requires you to hire more police. I don't know what the solution is, but somebody has to start doing something differently. We don't need the best of everything.

Mr. Mangus noted there are 3 State programs for seniors to offer some property tax relief, and the City has added our own supplemental property tax relief program to go along with those to add a little more relief. We've tried to get the word out about those programs and help people get the information about how to apply. Our website has information about both the State and the Derby programs. I encourage people to look into those for assistance.

Mr. Coleman asked could we also post about that on the City Facebook page to help people know more about those programs? Derby continues to be good stewards with our taxpayer dollars. We are transparent about where those dollars are spent. Again, we just need to continue to work with other taxing entities to find better solutions.

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

The Public Hearing closed at 7:21 p.m. with the above Roll Call vote.

9.2 2026 Budget and 2026-2030 Capital Improvement Plan

Kiel Mangus, City Manager, gave the agenda report.

BACKGROUND:

- A Public Hearing will be held during the City Council meeting to hear comments of residents related to the proposed 2026 Budget.
- The Revised 2025 budget for all funds was increased by \$6,693 from the Manager's Recommended Budget mainly due to the following changes:
 - Some smaller Library personnel spreadsheet corrections
- The proposed 2026 Budget provides for maximum budgeted expenditures of \$80,161,048. The maximum budgeted expenditures amount includes cash reserves and transfers between all budgeted funds.

- After cash reserves, transfers and bond proceeds are excluded, expenditures planned for 2026 total \$76,686,048, which is a decrease of \$10,041,272 (-11.58%) from revised 2025 expenditures of \$86,727,320.
- The changes represent an \$8,360 deduction from the Manager's Recommended Budget in July mainly due to Special Parks and Recreation personnel spreadsheet corrections.
- The decrease in expenditures in 2026 is attributed primarily to spending of funds on capital improvement projects in 2025 from reserves and general obligation bonds and some 2024 projects being moved to 2025, including Wastewater Treatment Plant Master Plan Phase 1 & Phase 1A construction, Decarsky Park Phase II design, Webb Road Construction, and Water Treatment Facility Design.
- The percentage increase in the 2025 expenditures compared to the revised 2024 expenditures remains the same at 11.58%, which was presented on July 8 in the Manager's Recommended Budget.
 - The reason for the slight decrease is due to the same reasons the overall maximum budget went down as mentioned above.
 - This budget amount differs from the statutory budget maximum because it includes the El Paso Water Company yet is reduced by the amount of transfers between funds and cash reserves.
- The amount of ad valorem tax projected to be levied for 2026 is 44.998 mills, a reduction from 2024 at 45.498 mills. This equates to an ad valorem tax amount of \$16,311,326, which is an increase of \$921,418 over 2025.]
 - The proposed mill levy is a reduction to 0.5 mills from the Manager's Recommended Budget where the proposed mill levy reduction was 0.375 mills.
- The City of Derby has experienced healthy revenue growth. Total projected revenue, not including reserves, from all funds for 2025 is \$54,568,975 and for 2026 is \$58,393,358.
- The five-year financial plan is also attached for reference. All changes identified above were updated in the budget worksheets and the five-year plan from the Manager's Recommend Budget.
 - The inputted changes did not significantly impact the five-year plan.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- The City's current total direct debt as a percentage of assessed valuation is 15.96%. The state's statutory requirement is 30%, whereas Derby strives not to exceed 20%.
 - Derby is continuing to experience an uptick in demand for residential developments requiring temporary financing of streets and water/sewer lines to serve new subdivisions, as well as added phases of existing subdivisions, so we will monitor this ratio in the future.
 - Benefit district projects are not included in the budget since the Capital Projects Fund is not a budgeted fund. Budget law requires actual expenditures be reported in the state forms.
 - Derby has several projects where debt will be issued in the next few years. Most of that debt is associated with planned utility projects or Derby Difference Sales Tax projects.

- The 2025 budgets for the Derby Difference Sales Tax Fund, Water Fund, and Wastewater Fund require amendments due to the following:
 - Derby Difference Sales Tax Fund by \$974,293 due to High Park and Decarsky Park Phase II design costs being carried over from 2024.
 - Water Fund by \$3,248,973 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.
 - Wastewater Fund by \$19,221,809 due to WWTP Master Plan Phase 1 and Phase 1A construction costs.

LEGAL CONSIDERATIONS:

- State statutes govern the timetable for budget preparation, publication, public hearing, adoption and certification.
- The Notice of Hearing to Exceed Revenue Neutral Rate and Budget Hearing for the 2025 budget was published in The Derby Informer on August 6 in accordance with state statutes.
- A roll call vote is recommended on the budget item, similar to the RNR Resolution.

POLICY IMPLICATIONS:

- Policy priorities to be implemented in this budget include some of the following major projects:
 - 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
 - The new Derby Difference one percent sales tax went into effect January 1, 2025 and runs 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.

- Some of the larger Derby Difference projects in the near future include:
 - Decarsky Park Phase II, High Park Phase I, McIntosh Road, North Woodlawn Road, Derby Police and Courts remodel, and North Rock Road.

RECOMMENDED MOTION

- Approve the 2026 Operating Budget as proposed to fund city services from January 1 to December 31, 2026; approve the 2026-2030 Capital Improvement Plan; and approve the 2025 Amended Budgets for the Derby Difference Sales Tax, Water, and Wastewater Funds.

Council Member Rick Coleman said most people don't realize that Johnson County has areas with 4% and 5% sales tax. I have a receipt from Legends that shows 11.9% tax; that's why they have much lower property taxes than we do. That was one of the discussions Council had when we asked voters to consider the new Derby Difference Sales Tax. The sales tax increase is a way for those who visit Derby and shop here to help pay for our infrastructure and amenities, rather than having those costs fall solely on property owners. We are moving in the right direction, and I hope future Councils will continue the work we've begun.

Council Member Wayne Molt, Jr. said I appreciate the positive comments from my fellow councilmembers this year as we have worked together through the long budget process. I agree that it is prudent for us to continue toward stabilizing property tax. It is something we need to do. Thank you, Mr. Mangus and staff for the time and effort put into helping us understand the budget and guiding us through the process. Great job, everyone. It is exciting to see the plans we have for the Senior Center, park upgrades, and other projects to enhance Derby for all who live here and visit.

Mayor Mark Staats opened the Public Hearing at 7:41 p.m. Having no one request to speak, the Public Hearing was closed at 7:42 p.m.

Council President Nick Engle said I have read through the full budget in detail, attended all the budget workshops as well as individual meetings with the City Manager and Finance team, and I cannot find anything in there I could in good conscience redline and cut out. All of the items we are spending money on make sense and are proper investments in our community. I wish we could spend less money, but where would we do so?

Nick Engle moved, seconded by Rick Coleman, to approve the 2026 Operating Budget as proposed to fund city services from January 1 to December 31, 2026; approve the 2026-2030 Capital Improvement Plan; and approve the 2025 Amended Budgets for the Derby Difference Sales Tax, Water, and Wastewater Funds.

Mayor Mark Staats commented budget is always a hard item to work through. I am glad to see we were able to again lower the mills, but with increased property valuations, it can still seem almost like a matter of smoke and mirrors. There are

other cities who have just maintained the same mills for several years, no matter the increased valuation of mills or properties. As Mr. Engle said earlier, costs continue to rise, so we have to adjust accordingly. Mr. Coleman commented we have a very transparent process, and I agree completely. I don't want to pay additional taxes any more than anyone else does, but what do we cut? I suppose we could maybe find \$10,000 here or there, but in the overall mill levy, that means nothing. We do have great quality-of-life in Derby. Mr. Mangus, can you bring back up the slide that shows each City's mills with fire included? I hear a lot of comments that Derby's taxes are so much higher than other places, but if you look at this chart, you can see that just isn't accurate. We can't compete with Wichita, but I also know most of us chose to live in Derby rather than Wichita for a reason. As far as our metro area, we are about the same as Andover but look at Haysville where when they are paying around 13 mills more than we are. I don't believe they have anywhere near the amenities we do in Derby. Even Mulvane, just a few miles down the road, is about the same as Haysville. Newton has over 72 mills just for the City portion, which is incredibly high. We try very hard from the staff who puts the budget together to those of us who sit up here on the bench to be responsible stewards of your tax dollars. What the general public does not see are the "no's" of the process. Departments did not get everything they asked for; some requests were denied. Thank you, staff, this is a daunting task that I have been through many, many times. Ms. Pater, you offer a lot more clarity throughout the process than I have ever experienced before, so I commend you and your staff for that.

Mr. Coleman said over the last 4 years of going through the budget process, this year was the best yet. Ms. Pater, keep up the great work; you are appreciated.

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

9.3 Public Hearing & Ordinance Levying Special Assessments

Megan Pater, Finance Director, gave the agenda report.

BACKGROUND:

- At the July 22 City Council meeting, the assessment roll was approved, calling for specific assessment amounts to be spread against properties in four subdivisions in the City.
- Tonight's public hearing presents the opportunity for affected property owners to appear before the Council to clarify any uncertainties regarding the assessments.
- All affected property owners have been notified by mail as to the nature and amounts of the assessments, per state law.
- Project costs to be assessed consist of the following infrastructure projects:

- Hendricks Addition - sanitary sewer, water line, streets and sidewalks
 - Meadowlark Landing Addition - water main, storm water drain, sanitary sewer ph1, paving ph1, water line ph1
 - Sterling East Addition - sanitary sewer main, Madison water main, sanitary sewer ph1, water line ph1, storm water drain ph1
- Oak Forest 2nd and 3rd Addition projects were removed from the 2025-B issuance due to the project not being completed in time and will be added to a 2026 issuance.
- Property owners have until noon on September 23 to pay the assessment in full with no interest and eliminate the need for the specials to go on the tax roll.
 - If property owners choose not to pay the assessment prior to the pay-in deadline, the special assessments will appear on tax statements mailed to property owners by the County in November 2026 and a portion will be due in the tax year 2026 (1/2 of that 2026 portion due on or before December 20, 2026; and the remaining half of that 2026 portion due on or before May 10, 2027).
 - Pursuant to the City's development policy (Resolution 32-2016), the assessments will be spread over 20 years.
- The source of permanent financing for these projects is General Obligation Bond Issue 2025-B, which is scheduled to sell October 22.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- Total special assessment project costs to be assessed to property owners in the 2025-B bond issue are approximately \$7.4 million.
- The City will be responsible for approximately \$260,000 of the project costs (a portion of the Sterling East paving and Madison water main projects).

LEGAL CONSIDERATIONS:

- The legal work for this process is being performed by City's bond counsel, Gilmore & Bell, who worked with City staff to determine the timeframes and is preparing the necessary legal paperwork in strict adherence to state laws that govern the special assessment process.
- The job of calculating the final costs, notifying and mailing notices to property owners, and spreading of specials is a combined effort of City staff and the City's financial advisor, Ben Hart of Baker Tilly Municipal Advisors, LLC.
- The various steps taken to complete the process of permanent financing of these projects are in compliance with existing city policy and state statutes.

RECOMMENDED MOTION

- Approve an ordinance levying special assessments on certain property to pay the costs of internal improvements as authorized by the resolutions noted in the ordinance and providing for collection of such special assessments.

Megan Pater, Finance Director, pointed out exhibit A-3 in the packet related to Hendricks Addition streets and sidewalks. The notices originally sent out for Lots 1 through 3 were incorrect, showing a higher amount than what is actually due to be assessed. We had that discussion today with them and also reached out to the owner of Tract E, the fourth property listed on this exhibit.

Mayor Mark Staats opened the Public Hearing at 7:50 p.m.

Jarrod Kieffer, Stinson Law Office, representing TWB Investment Group, said as Ms. Pater mentioned, the notice that went out for my client's properties, Lots 1 through 3, had each property listed as paying \$124,777.77 for the streets and sidewalks project authorized with Resolution 12-2018. This would be a total of nearly \$375,000. Half of that total amount was to be assessed to Lot E. Earlier today I spoke with Jacque Butler, who was very helpful in confirming this was an error that the Finance Department had already straightened out. As long as that discrepancy has been taken care of and the amounts shown in Exhibit A-3 are what will be assessed, we have no other comments.

Jacque Butler, City Attorney, confirmed I spoke with Mr. Kieffer today, and we agree the notice that went out had incorrect valuation. I have talked with our bond counsel as well, and they confirmed there is nothing that would invalidate the process. The property owners will receive corrected notices with correct assessment amounts. City staff also made a courtesy call to the owner of Tract E to confirm they are aware of the 50% and assessment so they will not be caught off guard. They indicated they are aware and had no concerns.

The Public Hearing closed at 7:52 p.m.

Rick Coleman moved, seconded by Wayne Molt, Jr., Approve an ordinance levying special assessments on certain property to pay the costs of internal improvements as authorized by the resolutions noted in the ordinance and providing for collection of such special assessments.

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

9.4 North Interceptor Force Main

Alex Lane, City Engineer, gave the agenda report.

BACKGROUND:

- A force main is needed in combination with the STAR bond lift station and North Interceptor Sewer to serve both STAR bond improvements and additional developments such as Skyridge and the proposed Greenwood Village development north of 55th St.

- Construction of the North Interceptor sewer north of Patriot Ave. was completed this spring.
- The force main will connect the STAR bond lift station to the Southeast Interceptor sewer at Madison Ave. near High Park.
- The proposed lift station as well as the portion of the north interceptor within the STAR Bond District boundary will be funded by STAR Bond financing.
 - Star bond revenue cannot be utilized to fund improvements outside of the STAR Bond District so the portion of the force main that is located outside the District requires city funding.
- With the construction of the new lift station there is also an opportunity to decommission the existing lift station located in the Tall Tree Addition neighborhood.
- Renaissance Infrastructure Consultants (RIC) completed the design, and the project was bid on July 22. One bid was received on the project.

<u>Contractor</u>	<u>Amount</u>
Nowak Construction	\$2,289,913.86
<i>Engineer's Estimate*</i>	\$2,236,365.00

* Engineer's Estimate prepared by RIC

- Nowak construction was the only contractor to bid the project.
 - The nature of the work in existing developed areas requires much of the force main to be installed by directional drilling, which is a specialty of Nowak Construction.

FINANCIAL/SUSTAINABILITY CONSIDERATIONS:

- The construction of the North Interceptor force main will be financed by G.O. bonds paid with proceeds from the Sewer Fund.
 - In accordance with the City's policy for financing of municipal improvements 6.5% (\$148,844.40) of the project cost will be assessed to the Sky Ridge subdivision.
 - An additional 18.5% (\$423,634.06) can be assessed from future benefitting properties when they develop, including Greenwood Village.
- The low bid of \$2,289,913.86 exceeded the Engineer's Estimate by \$53,548.86 but is well within the value allowed by the authorizing resolution (\$2.7M).

LEGAL CONSIDERATIONS:

- One easement required to construct the project has not yet been received but negotiations are in process and a resolution is expected in the near future.

RECOMMENDED MOTION

- Authorize the City Manager to enter into a contract with Nowak Construction in an amount not to exceed \$2,289,913.86 for construction of the North Interceptor force main project.

Kiel Mangus, City Manager, pointed out in the area up near Skyridge and Greenwood Village there are about 500 acres that will be able to be served by this sewer. Skyridge is about 120 of those acres, Greenwood Village is around 160, and there are an additional approximately 250 outside those two developments. Skyridge is being assessed and noted right now because it has already been platted. Greenwood Village is part of the other 18.5%, but it has not yet been platted. That is why they are included as part of the other 18.5% to be assessed to a "future benefit area". You may recall this was a change Council made to our policy regarding public infrastructure improvements about two years ago. We knew we had areas only partially developed that would later have additional development that would benefit from the project. This allows us to capture revenue over time as those areas develop.

Alex Lane, City Engineer, noted the area circled in yellow on the map is where the City still has one final easement to obtain. The procurement of that property has been ongoing for quite a while. Earlier this year Council did take action to initiate eminent domain proceedings, although we continue to attempt to negotiate and come to agreeable terms for both parties. We had to begin that process in order to have a definite end date for acquiring the easement.

Mr. Mangus asked would the contractor begin down and work up, or start up and work their way down?

Mr. Lane clarified if you are talking about a gravity sewer, they would begin downstream and work their way up. This project, however, is a force main, so it is pressurized, and work could begin anywhere. That is likely what our contractor will do: just pick a spot and go from there.

Mr. Mangus emphasized although we took the initiating action for eminent domain, it is our goal to come to an agreement without needing to complete the full process. We'd like to be able to come to terms with the property owner early in September. If it appears we won't be able to make that timeline, we will need to take the next steps in the eminent domain process. We continue to negotiate with them in good faith, but we need them to come to the table so we can move forward with finishing this sewer. There are several pieces to tie into this, and it can't work until it is all there.

Mr. Lane added there is a section of this project that goes along the west edge of High Park, and when we first began talking about it, there was a bit of concern from residents regarding the tree row in that area. We will remove some brush and scrub trees toward the north end of that area, but we will not be touching the existing tree row.

Council Member Wayne Molt, Jr. thanked Mr. Lane for the update on the trees as well as where the eminent domain process stands. Unfortunately, it sounds like we are still having some difficulty connecting with the property owner and being able to reach an agreement. Hopefully we can see some progress soon on that matter.

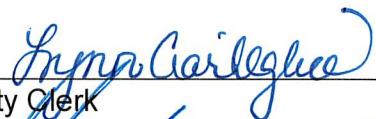
Wayne Molt, Jr. moved, seconded by Nick Engle, to authorize the City Manager to enter into a contract with Nowak Construction in an amount not to exceed \$2,289,913.86 for construction of the North Interceptor force main project.

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

10 ADJOURNMENT

Nick Engle moved, seconded by Mike Neel, to adjourn the meeting at 8:02 p.m.

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



Lynn Carlile
City Clerk



Mark A. Sank
Mayor