

July 6, 2021

The City Council of Scott City met in regular session on the above date at 7:30 p.m. in City Hall.

Present were Council President Josh Gooden, Council members Craig Richards, Jeff Allen, Bo Parkinson, Barb Wilkinson, Adam Winter, Armando Tarango, City Attorney Rebecca Faurot, City Administrator Brad Pendergast, and City Clerk Ruth Becker.

The Council and others recited the Pledge of Allegiance.

The minutes of the June 21, 2021 regular council meeting were presented.

Motion by Adam Winter seconded by Armando Tarango to approve the minutes of the June 21, 2021 regular council meeting. Vote – 5-yes, 1-Abstain, Jeff Allen.

Appropriation Ordinance #982A was presented.

Motion by Craig Richards seconded by Jeff Allen to approve Appropriation Ordinance #982A. Vote – Unam.

Included in the packet was Resolution #2021-02, a resolution **repealing** Resolution 2021-01 entitled “Setting out finding and determination of the governing body requesting a waiver of the generally accepted accounting principles for the fiscal year ended 2021 in accordance with the provisions of K.S.A. 75-1120A” and setting out finding and determination of the governing body requesting a waiver of the generally accepted accounting principles for the fiscal year ended 2021 in accordance with the provisions of K.S.A. 75-1120A. City Administrator Brad Pendergast explained that the resolution for the Kansas Public Water Supply Loan Fund (KPWSLF) application had inadvertently also used 2021-01 due to an oversight. Through consultation with City Attorney Rebecca Faurot, it was advised to rescind the original GAAP waiver resolution and re-issue the resolution under 2021-02, as the GAAP waiver resolution does not need to be published and the KPWSLF resolution required publication notifying the public of the City’s application for loan funds for water system improvements. The loan process is currently underway.

Motion by Barb Wilkinson seconded by Adam Winter to approve Resolution # 2021-02, which both rescinds the original 2021-01 resolution and sets out finding and determination of the governing body requesting a waiver of the generally accepted accounting principles for the fiscal year ended 2021 in accordance with the provisions of K.S.A. 75-1120A. Vote – Unam.

City Administrator Brad Pendergast provided the Council with an overview of the 2022 Budget. Mr. Pendergast began by discussing the addition of a Revenue Neutral Rate (RNR) component which requires Cities to hold a hearing to pass a resolution to exceed the RNR prior to the adoption of the budget if the City plans to exceed the RNR. He explained to the Council that the RNR that the County Clerk certified to the City in June 2021 was 71.092 and, as it currently stands, the 2022 Budget is at an RNR of 74.94, which will come down if the Fire Department is dropped from the City’s budget with the anticipated December 31, 2021 merger with the County Fire Department, becoming solely a County entity at that point. Mr. Pendergast indicated that the City’s auditors strongly advise the Council to notify the County Clerk of the intent to exceed the RNR and to hold

the hearing to pass said resolution. City Administrator Brad Pendergast then proceeded to discuss changes that had been made to the budget since the Budget Workshop. Mr. Pendergast recommended lowering the budget authority for the Transient Guest Tax fund due to the toll that Covid-19 has taken on revenues. He mentioned that best practice when preparing the budget is to error on the side of underestimating the revenues and overestimating the expenses.

When discussing the General Fund, he noted that the unencumbered cash for the proposed 2022 budget is down by over \$1 million due to the payoff of the Water Treatment Plant bonds coming up this fall. He noted a sizable increase in the Police Department budget due to increasing the budget for salaries and overtime pay. Mr. Pendergast also informed the Council that, of the \$500,000 budgeted for Special City Projects, \$402,000 was slated for Capital Outlay, providing a little extra cushion in the budget for unexpected expenditures. He indicated that this would be a good area to look at decreasing if the Council were wanting to trim the budget.

Concerning the Water Fund, the topics of discussion included the potential need to increase water rates, the process for the Water Fund to reimburse the General Fund and Sewer Funds for their contributions to the Water Treatment Plant bond payoff, and the expected revenues and expenditures associated with the new water tower.

City Administrator Brad Pendergast steered the discussion to the Airport Sinking fund and inquired of the Council if they wished to resume the mill levy that had been suspended in 2020 so that more tax dollars could be levied into the General Fund for the bond payoff. Consensus of the Council was to resume the tax levy in the Airport Sinking fund.

The Employee Benefits fund was discussed by the Council. Mr. Pendergast noted that the unencumbered cash balance is expected to be significantly lower in 2022, and so he budgeted an additional \$20,000 in Miscellaneous to increase the mill levy for this fund. Council member Jeff Allen questioned if a change to the City's health insurance plan would affect the Employee Benefits fund budget. Mr. Pendergast indicated that the health plan is not tied to this fund. He also noted that he utilized recommendations from the League of Kansas Municipalities to help him set the budgeted figures for this fund.

City Administrator Pendergast explained that for budgeting purposes in the Fire Equipment fund, he budgeted the entire balance of the fund to be expended so that the Fire Department has the budget authority to spend down the balance as needed once the merger between the two departments has been finalized.

Mr. Pendergast noted that the unencumbered cash balance in the Sewer fund is consistently declining, indicating a need for a sewer rate increase. He recommended basing the rate on the water meter size and water usage, as is standard industry practice. Council President Josh Gooden questioned whether it would be more appropriate to base the rate on a 3-month winter usage average, since most of the additional summer water usage is attributed to the watering of lawns and gardens, in which that water does not end up in the sewer. Water and Sewer Superintendent Terence Appel confirmed that regardless of the season, 900,000 gallons of water run through the sewer system consistently each month. Discussions will continue in the future.

City Administrator Brad Pendergast noted on the Statement of Indebtedness that the Series 2013 Water Treatment Plant bond has been zeroed out in 2022 due to the payoff scheduled for this fall. Mr. Pendergast asked the Council for final approval to move forward with the payoff. Council member Armando Tarango reminded the Council that by paying off this bond 12 years ahead of schedule, the City would be saving just under \$1 million in interest payments. Consensus of the Council was to move forward with the bond payoff. The remaining debts are for the Series 2016 Public Building Commission bond for the City's portion of the Law Enforcement Center and the

Series 2014 Street Improvement bond, totaling \$123,706 in remaining debt before the commencement of the Kansas Public Water Supply Loan Fund (KPWSLF) bond.

In closing the budget overview discussion, City Administrator Brad Pendergast summarized that the RNR for the 2022 Budget, even if the Fire Department were excluded from the City's budget, would still come in above the RNR rate of 71.092 as established by the County Clerk. On the advice of Dirks, Anthony, & Duncan auditors, he recommended to set a date for the RNR Hearing and the Budget Hearing to be held in conjunction with the regularly scheduled Council meeting on Tuesday, September 7, 2021, since Monday, September 6, 2021 is Labor Day, and asked for authorization to notify the County Clerk, no later than July 20, 2021, of the City of Scott City's intent to exceed the RNR for the 2022 Budget. He stated that he would have the notice to the County Clerk available for review at the July 19, 2021, Council meeting for the Council's approval.

Motion by Barb Wilkinson seconded by Adam Winter to schedule the Revenue Neutral Rate Hearing and the Budget Hearing to be held in conjunction with the regularly scheduled Council meeting on September 7, 2021, beginning at 7:30 p.m. Vote – Unam.

Council President Josh Gooden initiated the conversation regarding the progress on the Right-of-Way agreement between the City of Scott City and Lonny & Colleen Dearden. City Attorney Rebecca Faurot indicated that the Deardens had not reached out to her lately and that she is still needing the plans to be provided to her before she can proceed. City Administrator Brad Pendergast informed the Council that to have special assessments apply, 51% of affected property owners must consent. There are 3 property owners affected, one of which still has not voiced their consent or dissent. Consensus of the Council is to move forward with hiring special assessment bond counsel and to start the process of constructing curb & gutter with a cul-de-sac while using millings for the surface of the street. City Administrator Brad Pendergast indicated that even though there is not a 51% consent rate at this time, it does not hurt to reach out to bond counsel to get an understanding of where the project might go. City Attorney Rebecca Faurot stated that she could meet with Mr. Pendergast, and they could work on the process together.

Provided in the packet was a draft of *Agreement for Fire Protection Services Between the City of Scott City, Kansas and Scott County, Kansas*. City Attorney Rebecca Faurot informed the Council that she is working on a petition to annex the City into the County's Fire District so that the City will be taxed for fire protection upon the commencement of an agreement between the City and the County. Discussion of the draft agreement provided began with City Administrator Brad Pendergast noting that there was an apparent omission in the "Costs and Contributions" section in not mentioning the usage of the basement for the Fire Department meeting room and office for the Fire Chief. Council President Josh Gooden indicated that he had discussed the building usage with Mayor Everett Green who believed that there should be no charge for the Fire Department to continue to use the building as they have been in return for providing fire protection to the City. There was no further discussion on building usage. Council President Josh Gooden inquired if the County intends to review this draft agreement and give their input as well. City Attorney Faurot indicated that they briefly reviewed the document at a meeting earlier in the day and that it was touched upon during their budget discussions. Mrs. Faurot indicated that the County's next meeting is the day after the City's next Council meeting, but that she could reach out to each of the commissioners and could pull together a final draft for the July 19, 2021, Council meeting for approval.

Council President Josh Gooden welcomed David Frisch, GMS Inc. Engineer, via Zoom. Mr. Frisch began his report by reminding the Council of their directive to allow GMS to put the Water System Improvements materials out for bid due to the rising cost of, and difficulty in obtaining, the construction materials necessary for the K-96 and Highway 83 portions of the project. Two bids were received back by the June 25, 2021, deadline – one from Municipal Supply, Inc. and one from Core & Main. Although Municipal Supply, Inc. was the low bidder, they did not meet the requirements set forth in the materials acquisition bid packet. Municipal Supply, Inc. was given a 24-hour period to comply with the terms of the bid packet, but instead, they withdrew their bid. Therefore, the bid of \$164,687.92 was awarded to Core & Main. Contract documents have been provided to Core & Main. Delivery of the materials is expected in late September. Payment for the materials is not to be remitted until delivery and offloading of the materials by City crew.

Plans for the K-96 portion of the project are anticipated to be submitted to KDOT by July 2, 2021. KDOT expects that it will be at least 8 weeks before the plans are approved, which puts final approval at the end of August. The timeline for bidding out and awarding the project could then coincide with receipt of materials both occurring at the end of September.

Mr. Frisch reported that the application and submittal to the railroad will be made in approximately 2 weeks with about a 6-month turnaround for approval. This timeline indicates that all permits and approvals will be obtained well ahead of the anticipated Spring start-up for the remainder of the Water System Improvements construction project. He also noted that Dudley Williams and Associates Structural Engineers out of Wichita will be completing the structural foundation design of the new water storage tank as soon as the soils report is delivered by Terracon Consultants. GMS will complete the design of the water storage tank above the foundation.

Mr. Frisch reported that GMS and the City are still waiting for contracts to be completed before work can begin on the 8<sup>th</sup> Street Extension.

Under the open agenda, Council member Barb Wilkinson noted that she asked the City crew to leave one American flag at DeGeer Corner as they were taking down the flags from the July 4<sup>th</sup> holiday weekend. She felt it was important to continue to draw people's attention to Maria DeGeer's statue.

Pool Manager Marci Patton was not in attendance.

City Building Inspector Lloyd Foster had nothing to report.

Interim Fire Chief Jeff Mayer was not in attendance.

Police Chief David Post reported that the City had received 3 bids to repair the damage to the dog pound. He noted that they did not advertise for bids due to the lack of time they have to complete the repairs. Police Chief Post announced the bids from the following contractors:

Forrest Gough – Raise the roofline and combine into a single roof

- \$23,262.97 Using all new materials
- \$27,962.21 Using materials torn down from old dog pound

C.J. Lee Contracting – Plans to repair dog pound to its original form

- \$12,323.73

Police Chief Post indicated that all 3 bids came in above the insurance adjuster's quote. He inquired of the Council if they wanted to accept a bid during this meeting or if he should visit with the insurance company again. Police Chief Post indicated that the insurance adjuster was wanting to see the quotes anyway. There was discussion on which type of repair made the most sense. Consensus of the Council was that it made more sense to raise a portion of the roof to combine into a single roof as opposed to more of a "lean-to" feel that it has now. Public Works Superintendent Terence Appel expressed his thought that this repair would be the most durable and long-term fix for the pound. Police Chief Post noted that there is room in the Public Service Officer (PSO) budget to cover the difference in the amount that the insurance will cover. Final consensus of the Council was to have Police Chief Post visit with each of the contractors to have them "rework" their bids to repair the dog pound with the raised, single roof and to address this issue again at the next Council meeting.

Police Chief Post informed the Council that he and City Administrator Brad Pendergast worked together to offer Luke Hayes a position as a Police Officer. He will assume the Public Service Officer (PSO) position. Police Chief Post mentioned that Mr. Hayes was born and raised in Scott City and has been working in a large jail in New Braunfels, TX, a suburb of San Antonio. He will attend the Kansas Law Enforcement Training Center (KLETC) soon after his anticipated start date of July 26, 2021. He will be compensated at Grade G, Step 2 on the Pay Plan and will be increased to Grade G, Step 3 after graduating from KLETC.

Parks Superintendent Terence Appel reported that they had cut down 4 trees in Patton Park, one of which had been dead for a few years. He plans to cut a few more down next year if there is enough money left in the budget.

Street, Water, & Sewer Superintendent Terence Appel reported that they have been working heavily on spraying weeds around town, but they are having difficulty keeping up. He also reported that a breaker in Well #3 blew up the night before. He is unsure of the cause, but indicated that it was a simple fix.

City Clerk Ruth Becker had nothing to report.

City Administrator Brad Pendergast indicated that he and Chamber of Commerce Director Lindsay Singley are ready to advertise for bids for the demolition of the current Patton Park Restroom building and construction of the new Patton Park Restroom building. He indicated that bid specifications are available at City Hall and that sealed bids will be accepted in City Hall until 5:00 p.m. on Monday, July 19, 2021.

Mr. Pendergast informed the Council that Site Lease Agreements and Donation Agreements for DeGeer Corner have been presented to First National Bank for their review and that the Council will have the opportunity to review them as well before discussion at the July 19, 2021 Council meeting.

The Council took a short break.

Council President Gooden called the meeting back to order.

City Attorney Faurot informed the Council that she had received some information back on the Opioid Class Action Lawsuit that the City opted into a few month back. She indicated that she needed to provide a response of the Council's wishes as it relates to the proposed plan in moving forward with the case. She indicated that the Council had 3 options: 1) to vote **for** the proposed plan (recommended), 2) to vote **against** the proposed plan, or 3) to not vote.

Motion by Adam Winter seconded by Jeff Allen for the Council to vote **for** the proposed plan. Vote – Unam.

Motion by Armando Tarango seconded by Barb Wilkinson for the City Council to recess into executive session to discuss an individual employee's performance pursuant to the non-elected personnel matter exception, K.S.A. 75-4319(b)(1) retaining the Council President, Council, City Attorney, City Administrator, and City Clerk with the open meeting resuming in the council room at 8:55 p.m. Vote – Unam.

Council President Josh Gooden called the meeting back to order.

Motion by Armando Tarango seconded by Jeff Allen for the City Council to recess into executive session to discuss an individual employee's performance pursuant to the non-elected personnel matter exception, K.S.A. 75-4319(b)(1) retaining the Council President, Council, City Attorney, City Administrator, and City Clerk with the open meeting resuming in the council room at 9:00 p.m. Vote – Unam.

Council President Josh Gooden called the meeting back to order.

Motion by Adam Winter seconded by Armando Tarango to give Patricia Barbosa an additional 40 hours of sick leave. Vote – Unam.

Motion by Adam Winter seconded by Armando Tarango to adjourn at 9:05 p.m. Vote – Unam.

Josh Gooden  
Council President

Ruth Becker  
City Clerk