

April 15, 2024

The City Council of Scott City met in regular session on the above date at 6:30 p.m. in City Hall.

Pastor Jeff Goetzinger was present to lead the Council and others present in prayer.

Present were Mayor Everett Green, Council members Craig Richards, Jeff Allen, Josh Gooden, Bo Parkinson, Barb Wilkinson, Adam Winter, Armando Tarango, City Attorney Jennifer Cunningham (by Zoom), City Administrator Brad Pendergast, and City Clerk Ruth Becker.

The Council and others recited the Pledge of Allegiance.

The minutes of the April 1, 2024, regular council meeting were presented.

Motion by Adam Winter seconded by Barb Wilkinson to approve the minutes of the April 1, 2024, regular council meeting. Vote – Unam.

Appropriation Ordinance # 1015B was presented.

Motion by Josh Gooden seconded by Jeff Allen to approve Appropriation Ordinance # 1015B. Vote – Unam.

Mayor Everett Green reminded those in attendance that the vacant Ward 3 Council seat left by Kelly Funk needs to be filled. Mayor Green informed the Council that there were three applicants for the position. Mayor Green appointed Greg Mills as Ward 3 Council member. He mentioned that Mr. Mills did not attend this meeting so that his presence would not sway the Council's decision to approve Mayor Green's appointment.

Motion by Josh Gooden seconded by Armando Tarango to approve Mayor Green's appointment of Greg Mills as Ward 3 Council member. Vote – Unam.

Provided in the Council packet was *Contract for Engineering Services for Waterline Improvements*, a contract between the City of Scott City, Kansas and Evans, Bierly, Hutchison, & Associates, P.A., Consulting Engineers (EBH) for EBH to perform engineering services for waterline improvements and appurtenances located on Jackson Street from Ninth Street to K-96 Highway, Kingsley Street from Ninth Street to K-96 Highway, Sixth Street from Kingsley Street to Church Street, and Eighth Street from Jackson Street to Kingsley Street. City Administrator Brad Pendergast explained that initially the Council had given their consensus for EBH to conduct the necessary engineering, but an agreement with EBH had not been signed.

Motion by Jeff Allen seconded by Adam Winter to approve *Contract for Engineering Services for Waterline Improvements* between the City of Scott City and EBH for EBH to perform engineering services for waterline improvements and appurtenances located on Jackson Street from Ninth Street to K-96 Highway, Kingsley Street from Ninth Street to K-96 Highway, Sixth Street from Kingsley Street to Church Street, and Eighth Street from Jackson Street to Kingsley Street. Vote – Unam.

Included in the packet was *Notice to Kansas Department of Revenue Irrevocable Election to Pay the Clean Drinking Water Fee, Kansas Department of Revenue Notices 01-02 & 05-08*, a

breakdown of the differences between the Water Protection Fees and Clean Drinking Water Fees, and an email from GMS Executive Assistant Lauri Edgar regarding estimated sales tax to be charged on each schedule of the water system improvements project. It was explained by City Administrator Brad Pendergast that, in the early 2000's, the City of Scott City had opted to pay sales tax on the purchase of water materials in lieu of paying a \$0.03/1,000 gallons Clean Drinking Water Fee (CDWF) on a quarterly basis. At that time, the City determined that that option would save the City money on sales tax paid to the Kansas Department of Revenue (KDOR). Mr. Pendergast explained that Scott City was one of only three cities to opt out of paying the CDWF, which, at that time, was an irrevocable decision. However, KDOR is now allowing cities who opted out to opt back in. Because of the recent (and future) increased number and size of water system improvement projects, Mr. Pendergast strongly encouraged the City to opt in to paying the CDWF because of the amount of sales tax that will need to be paid on water materials for those projects. An estimate, based on 2023 water consumption figures, indicated that the City would have paid in just under \$8,000 in CDWF in 2023. Estimated cost of the sales tax for materials for the Water System Improvements Project – 2023 are as follows:

- Schedule 1 (General Water System Improvements) ~ \$40,000
- Schedule 2 (500,000 Gallon Composite Water Tank) ~ \$52,500
- Schedule 3 (New PWS Well #12) ~ \$6,200

City Administrator Brad Pendergast explained to the Council that, if they were to approve opting into the CDWF, the earliest the sales tax exemption would be effective on water materials would be July 1, 2024, because KDOR only allows enrollment at the beginning of a quarter. GMS Engineer Tom McClernan, who joined the Council meeting by Zoom and who had been involved in discussions on this topic over the past week, indicated that he recommends that the City does not push back the scheduled start of the project. He noted that the City may have to pay the sales tax on materials purchased by contractors prior to July 1, 2024. He offered to visit with each of the contractors to see if any purchases on materials can be delayed until July 1, 2024. Council members thanked Mr. McClernan for reaching out to the contractors, but also expressed a consensus that they do not want to delay the start of the project, even if that means having to pay sales tax on materials purchased prior to July 1, 2024.

Motion by Bo Parkinson seconded by Jeff Allen to authorize the Mayor's signature on *Notice to Kansas Department of Revenue Irrevocable Election to Pay the Clean Drinking Water Fee* opting the City of Scott City into paying the clean drinking water fee in exchange for being exempt from all applicable Kansas Retailers' Sales or Compensating Use taxes on direct and indirect purchases of tangible personal property and services used in the construction activities, operation or maintenance of the City's water supply system. Vote – Unam.

Included in the packet was *Ordinance No. 1264*, an ordinance authorizing the execution of an amendment to the loan agreement between Scott City, Kansas and the State of Kansas, acting by and through the Kansas Department of Health and Environment for the purpose of obtaining a loan from the Kansas Public Water Supply Loan Fund for the purpose of financing a public water supply project, establishing a dedicated source of revenue for repayment of such loan, authorizing and approving certain documents in connection therewith, and authorizing certain other actions in connection with the loan agreement. There was some concern about whether the ordinance or the accompanying loan agreement needed to be voted on first. City Clerk Ruth Becker clarified that passing the attached ordinance gives the City Council the authority to execute the amendment agreement, so the ordinance must be addressed first.

Motion by Josh Gooden seconded by Adam Winter to pass *Ordinance No. 1264*, an ordinance authorizing the execution of an amendment to the loan agreement between Scott City, Kansas and the State of Kansas, acting by and through the Kansas Department of Health and Environment for the purpose of obtaining a loan from the Kansas Public Water Supply Loan Fund for the purpose of financing a public water supply project, establishing a dedicated source of revenue for repayment of such loan, authorizing and approving certain documents in connection therewith, and authorizing certain other actions in connection with the loan agreement. Vote – Unam.

Included in the Council packet was *Third Amendment to the Loan Agreement between the Kansas Department of Health and Environment and Scott City, Kansas – KPWSLF Project No. 2982, Effective as of March 8, 2024*. This amendment authorizes the increase in the loan amount from \$6.1 million to \$7.5 million.

Motion by Adam Winter seconded by Armando Tarango to authorize the Mayor’s signature on *Third Amendment to the Loan Agreement between the Kansas Department of Health and Environment and Scott City, Kansas – KPWSLF Project No. 2982, Effective as of March 8, 2024*, increasing the loan amount for the Scott City Water System Improvements – 2023 project from \$6.1 million to \$7.5 million. Vote – Unam.

Provided in the packet was *Exhibit F – Form of Municipality Ordinance* which will be recorded by City Clerk Ruth Becker after the conclusion of the meeting, providing an excerpt of the meeting minutes covering the actions taken by the Council regarding the increase of the KPWSLF loan from \$6.1 million to \$7.5 million.

Also provided in the packet was *Exhibit G – Form of Opinion of Municipality’s Counsel* which will be completed by City Attorney Jennifer Cunningham.

Provided in the Council packet was *Resolution 2024-03*, a resolution granting support of East Cambridge, LLC to apply for and participate in the Request for Proposal to the Kansas Housing Resources Corporation Investor Tax Credit (KHITC) program. City Administrator Brad Pendergast explained that East Cambridge, LLC is renewing their application for tax credits, as their initial application had been declined. Mr. Pendergast has higher hopes for success this year.

Motion by Jeff Allen seconded by Josh Gooden to approve *Resolution No. 2024-03* granting support of East Cambridge, LLC to apply for and participate in the Request for Proposal for the Kansas Housing Investor Tax Credit program with respect to the eight (8) homes yet to be built in the Moderate Income Housing district in the 500 block of Chestnut Street, Eastridge Subdivision, City of Scott City, Kansas. Vote – Unam.

Scott City Municipal Airport Fixed-Base Operator Warren Harkness, WTH Aviation Services, LLC (WTH) was present to update the Council. Trisha Harkness was also present. Mr. Harkness informed the Council that certifications had been conducted on the Jet A and Low Lead fuel pumps and that they all checked out well. He presented City Clerk Ruth Becker with the bill for those services for payment in the amount of \$426. Mr. Harkness noted that they have seen a significant increase in their fuel sales. He also mentioned that WTH now has an aircraft ready for rental or flight instruction. Mr. Harkness expressed his appreciation for the Council’s help in hosting the Electric Car Rally at the airport. He indicated that the rally went extremely well. Mayor Green thanked Mr. & Mrs. Harkness for the job that they are doing at the City’s increasingly busy airport.

The agenda indicated that GMS Engineer Jason Meyer would be present to update the Council, but he was unable to attend. As mentioned prior, GMS Engineer Tom McClernan filled in for Mr. Meyer. As a follow-up to the earlier sales tax discussion, Mr. McClernan noted that he will report back to City Administrator Brad Pendergast regarding discussions with contractors and their processes and strategies to avoid early purchases of materials.

The K & O Railroad (K & O) permit extension has expired; K & O requires a full resubmittal. On March 15, 2024, GMS notified K & O that they will be changing from 32" to 36" casing pipe because it is both less expensive and easier to acquire. Upon receiving this update, K & O informed GMS that 3 of the 5 tracks that will be crossed during construction belong to Union Pacific Railroad (UP), so GMS applied for a permit with UP on April 4, 2024. Mr. McClernan expects the permit to be issued within the next two months. Miller Pipeline, LLC. has indicated that they will be able to work with that. UP requires using their own flaggers and track monitors during construction, which can cost up to \$1,500 per day. Mr. McClernan took this opportunity to confirm that the Council does not want to delay the start of the project due to the July 1 effective date for the sales tax exemption. Mayor Green and Council members confirmed that they do not want to delay the project to save money on sales tax.

Mr. McClernan's final report was that input obtained from the March 29, 2024, meeting to discuss the Master Drainage Plan has been incorporated into the report. The report should be finalized within the next month.

During the open agenda, Council member Jeff Allen inquired about the progress on the implementation of an east to west crosswalk at 12<sup>th</sup> and Main Street. City Administrator Brad Pendergast indicated that he is still working with EBH Engineer Darin Neufeld to cut costs from the initial \$65,000 quote. He plans to meet with Mr. Neufeld later in the week to fine-tune some details.

Pool Manager Marci Patton was present to update the Council on the opening of the pool and to request approval of the items in the pool ad and the approval of the *City of Scott City Swimming Pool Staff Manual-2024* which were included in the packet. Mrs. Patton began by noting that all lifeguards have completed their certification (or re-certification) training and that she is excited to announce that three guards have enrolled in a May class to become Water Safety Instructor (WSI) certified. Certification is required by at least one member of the pool staff to be able to conduct Red Cross Swimming Lessons. She also noted that available pool staff will begin cleaning the pool the following Sunday in preparation for a May 27, 2024, opening date. Mrs. Patton and Assistant Pool Manager Jessica Berry will be sponsoring a booth on May 4, 2024, at the Go-Far/Safe-Kids event held in and around Palmer Park.

Regarding the pool ad, Mrs. Patton mentioned that the main change is that there will be no water aerobics classes offered this year. Attendance the past few years had declined to the point where it no longer seems feasible. It will be replaced by additional Fitness Swim sessions, formerly known as Lap Swim. In addition to the pool being open for those swimming laps, fitness equipment will be available for those who want to do their own workouts in the pool. Fitness Swim admission is covered by the regular daily admission fee or by pool passes. Consensus of the Council was to approve the pool ad and to allow it to be run in the Scott County Record.

*City of Scott City Swimming Pool Staff Manual-2024* was presented for approval. Mrs. Patton noted that there are no content changes to last year's manual; any changes were incidental grammar and punctuation edits.

Motion by Adam Winter seconded by Jeff Allen to approve *City of Scott City Swimming Pool Staff Manual-2024*. Vote – Unam.

Building Inspector Jerek Wasinger once again requested input from the Council regarding surfaces for buildings used specifically for vehicle storage. Because gravel is currently allowed as an “improved surface” material for parking vehicles outside of a building, Mr. Wasinger would like to know if gravel would also be allowed for use inside a building dedicated to vehicle storage. Discussion included the upcoming adoption of updated building codes, the need for an ordinance outlining the adoption of the new codes and any exemptions from the codes as approved by the governing body, the need for heavy plastic sheeting below any gravel used for improved surfaces to prevent contamination of groundwater from oil or gas spillage, that foundations would still be required to be constructed out of concrete, and a depth of at least 4 inches of gravel. Consensus of the Council is to delay voting on this exemption until an ordinance can be drafted adopting updated building codes and listing all applicable exemptions to said codes.

*Permit Report – April 15, 2024*, had been provided in the packet for Council’s review.

Police Chief Colton Schmitt passed around a letter of resignation from Officer Jared O’Dea indicating that his last day with the Scott City Police Department was expected to be April 28, 2024. Mayor Everett Green thanked Officer O’Dea for his service and wished him well in future endeavors.

Police Chief Schmitt announced that he would be attending the Kansas Association of Chiefs of Police (KACP) Leadership Conference in Mulvane, Kansas from April 29 to May 2, 2024.

Parks Superintendent Terence Appel stated that the parks have been sprayed for weeds, and watering and mowing for the season have begun. The crew has been addressing water leaks in the parks’ restrooms before opening them up for the season. Work will begin this upcoming weekend on readying the pool for the summer season.

Street, Water, and Sewer Superintendent Terence Appel announced that he has hired 6 seasonal employees.

Mr. Appel noted that work has begun on the 5<sup>th</sup> Street access road leading from Chelle’s Flowers to Chambless Roofing. Issues have arisen due to the limited access to the road on the west end off Ora Street. He noted that he, Police Chief Colton Schmitt, City Administrator Brad Pendergast, and KDOT personnel have been working together to find a solution. Included in the packet was a map of a proposed extension to the west end of the access road, which would allow larger trucks making deliveries to businesses along the access road to use an entrance directly off 5<sup>th</sup> Street (K-96 Highway). Rock, millings, and crushed asphalt will be used to pave the access road as these materials will produce less dust than dirt and are seen as more durable. The City also intends to open Kiva Street which is a platted street. Approximately \$5,000 worth of culverts have been ordered to be placed at the south end of Kiva Street. The culverts are expected to arrive in 2 – 3 weeks.

Mr. Appel informed the Council that he had received two quotes for waterline materials to be used between 8<sup>th</sup> & 9<sup>th</sup> Streets on Jackson Street. He placed a \$10,000 order from Municipal Supply, who had a lower quote than Core & Main.

An insurance adjuster will be visiting the City shop the following day to assess the damage to the roof during the September 10, 2023, hailstorm.

Mr. Appel noted that Well #9 has been down but is now back online. He noted that the well utilizes a 75-horsepower submersible pump; such pumps tend to be susceptible to lightning strikes, and Mr. Appel thinks that is what caused the well to go down. Repairs have been made to the existing pump since the estimated cost of a new pump is \$125,000. Since the repairs have been made, the controls have been set to auto-shutdown when a power surge is detected.

PUSH, the S&T Communications contractor that is laying fiber lines for internet, has hit another water line and some of Pioneer Communications' lines. Mayor Green noted that they have also damaged a sprinkler system line in the Prairie Avenue area. He noted that PUSH is responsible for repairs and suggested that any damage caused by PUSH be reported directly to S&T Communications.

Mr. Appel announced that KDOT is about to begin work on their Scott City area fiber line, as well.

City Clerk Ruth Becker informed the Council that Medill & Thooft, CPA (formerly Dirks, Anthony, and Duncan) accountants Mathew Medill and Rachael Thooft will be on site for the City's 2023 audit the week of May 6 – 10, 2024.

City Administrator Brad Pendergast reported that EBH has bid documents ready to be put out for the Building a Stronger Economy (BASE) grant for the dirt work and the sanitary sewer portions of the project. The City is awaiting approval for the Public Water Supply Permit application submitted to KDHE on March 1, 2024.

Mr. Pendergast has been contacted by Darin Neufeld with EBH regarding the wind cone at the airport, who indicated that EBH staff will be on site soon to survey the area. The Airport Commission agreed to construct a segmented circle utilizing large, orange cones surrounding the center point as determined by the survey. The cones will be less expensive than concrete markers and are expected to be very durable, with a long life span. Also regarding the airport, the Airport Layout Plan (ALP) has been approved by the FAA with a few minor revisions needed to the Airspace section.

Mr. Pendergast noted that he and department heads are working to put together their budget figures. At his last review, the figure that the Council uses to determine Cost of Living Adjustments (COLA) remains at 2.8%. He indicated that the figure has been stable over the past several months.

City Administrator Brad Pendergast informed the Council that he had hoped to have a discussion for the new t-hangar project and to open bids at this meeting, but the FAA has still not approved everything submitted thus far for the t-hangars. Mr. Pendergast indicated that the FAA has assured him that everything will be approved by April 29, 2024. All bid opening documents need to be submitted to the FAA by May 1, 2024, to use this round's entitlement funds toward the project. Therefore, Mr. Pendergast discussed the need to hold a special meeting after 5:00 p.m. on Monday, April 29, 2024, to open and award bids for the t-hangar project. Consensus of the Council was to meet on April 29, 2024, at 5:30 p.m. To ensure a quorum, Mr. Pendergast reminded Council members that if they are unable to attend in person, they can join by zoom. This special meeting will include the swearing in of newly appointed Council member Greg Mills as the first agenda item, followed by the bid opening.

City Attorney Jennifer Cunningham had nothing to report.

Included in the Council packet were financial, investment, and quarterly reports for the Council's review. Council member Craig Richards inquired if funds could be pulled from the City's MMIA at Security State Bank to be used to purchase a higher interest Certificate of Deposit (CD). City Clerk Ruth Becker indicated that she would need to check with City Treasurer Renee Cure and City Administrator Brad Pendergast before proceeding.

Motion by Josh Gooden seconded by Barb Wilkinson that the City Council recess into executive session to discuss personnel issues pursuant to the non-elected personnel matter exception, K.S.A. 75-4319(b)(1), retaining the Mayor, City Council, City Administrator, City Attorney, Chief of Police, and City Clerk, with the open meeting resuming in the Council room at 7:42 p.m. Vote – Unam.

The Council came out of executive session.  
Mayor Green called the meeting back to order.

Motion by Jeff Allen seconded by Armando Tarango to extend 10 days (80 hours) from the Sick Leave Bank to a City employee in need. Vote – Unam.

Mayor Green had no further comments.

Motion by Adam Winter seconded by Armando Tarango to adjourn at 7:42 p.m. Vote – Unam.

Everett M. Green  
Mayor

Ruth Becker  
City Clerk