

RECORD OF PROCEEDINGS OF THE GOVERNING BODY CITY OF GARDNER, KANSAS

Page No. 2024 – 71

July 1, 2024

The City Council of the City of Gardner, Kansas met in regular session on July 1, 2024, at 7:00 p.m. in the Council Chambers at Gardner City Hall, 120 East Main Street, Gardner, Kansas, with Mayor Todd Winters presiding. Present were Councilmembers Mark Baldwin, Kacy Deaton, Mark Wiehn, Steve Shute and Steve McNeer. City staff present were City Administrator Jim Pruetting; Finance Director Matt Wolff; Police Chief Pam Waldeck; Utilities Director Gonz Garcia; Parks Director Jason Bruce; Community Development Director Dave Knopick; Public Works Director Kellen Headlee; City Attorney Ryan Denk; City Clerk Renee Rich. Others present included those listed on the sign-in sheet and others who did not sign in.

There being a quorum of Councilmembers present, Mayor Winters called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Mayor Winters led those present in the Pledge of Allegiance.

PRESENTATIONS

PUBLIC HEARING

PUBLIC COMMENTS

CONSENT AGENDA

1. **Standing approval of the minutes as written for the regular meeting on June 17, 2024.**
2. **Standing approval of City expenditures prepared June 13, 2024 in the amount of \$614,640.56; and June 21, 2024 in the amount of \$1,020,593.72.**
3. **Consider authorizing the execution of a contract with Kansas Heavy Construction, LLC to construct turf taxiway improvements at the Gardner Municipal Airport.**
4. **Consider authorizing the execution of the KDOT Airport Modernization Supplemental Grant Agreement for CIP project AP3011, Gardner Municipal Airport Turf Taxiway Construction.**
5. **Consider authorizing the execution of a contract with McAnany Construction, Inc. to construct the Center Street Rehabilitation, 167th Street to Warren Street Project.**

Councilmember Deaton made a motion to approve the Consent Agenda.

Councilmember McNeer Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

PLANNING & ZONING CONSENT AGENDA

COMMITTEE RECOMMENDATIONS

OLD BUSINESS

NEW BUSINESS

1. **Consider adopting a resolution regarding the Governing Body's intent to levy a property tax exceeding the revenue neutral rate.**

Finance Director Matt Wolff presented proposed mill levy scenarios. The new valuation estimate for the city has increased 8.9%. Keeping a flat mill rate and capturing the valuation increase would increase property taxes on the average Gardner single-family resident by \$3.51 per month using an average home price of \$325,000. A Revenue Neutral Rate would decrease the mill rate by 1.49 mills and would limit property taxes to the same dollar amount as a prior year and would also lower allocations of motor vehicle tax and county sales tax in future budgets. Several scenarios were shown to look at the general fund target fund balance and projected out five years. These also show the amount of our bond and interest fund fiscal capacity meaning the amount we could issue in principal amounts for G.O bonds and support the debt service from the bond and interest fund. The Governing Body has expressed interest in maintaining at least \$10M in bond interest capacity so we could invest in infrastructure to support development and leverage grant and private funding. A list of eight potential projects and programs was shared that are not currently included in the CIP but would be using this fiscal capacity and bonded

RECORD OF PROCEEDINGS OF THE GOVERNING BODY

CITY OF GARDNER, KANSAS

Page No. 2024 - 72

May 6, 2024

interest. These projects are not prioritized and will be driven mostly by development interest and opportunities to leverage outside funding. The estimated local match for the major road projects or interchange improvements is around \$4-\$6M and could be more depending on the level of funding available. Depending on how we structure debt and how much funding capacity we can obtain from outside sources, we can likely only have the capacity to do two or three of these projects in the near future. An additional scenario was created based upon council request from the last meeting looking at what it would look like if we adjusted our mill levy to keep our fund balance to 30% and keep it around that target range. This would involve a two mill decrease in 2025, then a 2 mill increase in 2026 and 1 mill increase in 2028. This scenario would likely increase risk towards our credit rating and future county sales tax and motor vehicle tax allocations. Generally, credit rating agencies want to see stable tax policies and financial plans. Having large swings and mill rates up and down probably wouldn't seem stable. The financial plan assumes future city councils will increase the mill rates multiple times in the future. Every year there's a lot of state legislation that's being talked about that may hinder or restrict your ability to do so in the future. Another scenario shows if we lower the mill rate by a ½ mill, we would need to increase the mill rate by 1.75 mills in 2029.

Councilmember Shute says he has been advocating for the ½ mill decrease. He says when he was in other seats on the governing body, he always felt strongly that we need to be good stewards of the taxpayers' money. He still thinks we need to look at the ½ mill reduction. Councilmember Baldwin says we still have two months to discuss. We can file the paperwork with the county and then come back and lower it. He says we have to look at all of the scenarios. He does not feel a ½ mill reduction can be taken from the general fund. If so, we would need to do an increase of 1.75% in 2029.

Councilmember Wiehn asked what assumptions for evaluation were used to come up with the numbers. Wolff said 5% per year was used because they can vary from year to year. Shute says our municipality looks to sales tax revenue to fill the gap in general fund and we have come up short. It has not been taken into consideration that we've got a lot more commercial that's going to be opening in the next year and a half so there will be more sales tax from more commercial development.

Administrator Pruetting said we can bring on commercial coming if we have the capacity to develop the roads and infrastructure. If council policy is to keep 30% fund balance and bonding at \$10M, we are going well below the threshold. If we go to a ½ mill, we're going to \$9M. We are going to have to pick and choose and scale back. So the discussion has to be the message of do you want us to continue to be aggressive to bring in development and growth or do you want us to slow down? If we are going to cut bonding or debt capacity, we will have to look at things in the context of whether or not we can afford it. \$10M is not a lot to do road projects, wastewater or other items we need to get in front of to facilitate growth.

Councilmember Baldwin says the only way to take care of current needs is to continue growing. We have to capitalize on growth and he does not want to reduce bond and interest. He does not feel like it's good to drop it now and then have to hit everybody hard five years from now. He says keep it flat or lower a ¼.

Councilmember Shute says we kept it flat last year and our biggest expense, staff, significantly increased. He says our citizens are suffering. We have a lower income than the rest of Johnson County. If we don't want to lower B&I, then we can lower ¼. Wiehn, Winters and Deaton feel like the most we could decrease would be ¼. Deaton would like to continue conversations about money. Things are increasing so we either have to reduce services or keep a general fund to pay for those services.

Councilmember McNeer says we either need to raise revenue or lower expenses. If we leave the mill levy where it's at, then we need to look at cutting expenses.

Consensus is to keep the mill rate flat. This will get published and hopefully we will hear from citizens during public hearing. Baldwin said at some point we may need to look at those items that we must have and others that could be evaluated. Pruetting said an example of things increasing is our animal control boarding contract that just increased by 50% and does not include everything our prior contract did. These expenses and increases are

RECORD OF PROCEEDINGS OF THE GOVERNING BODY

CITY OF GARDNER, KANSAS

Page No. 2024 - 73

May 6, 2024

beyond our control and there are no alternatives. Shute says these may be items that we take back to the citizens to get opinions on what people would like to see. Baldwin suggested a possible survey.

Councilmember Deaton made a motion to adopt Resolution No. 2144, a resolution for the City of Gardner, Kansas, regarding the Governing Body's intent to levy a property tax exceeding the revenue neutral rate with a proposed mill levy of 18.319 mills.

Councilmember Baldwin Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned number 2144.

McNeer: Yes
Baldwin: Yes
Deaton: Yes
Wiehn: Yes
Shute: Yes

2. Consider authorizing the City Administrator to execute an Amendment to the Professional Services Contract for George Butler Associates, Inc. (GBA) for the Design and Environmental Clearance of the Cedar Niles Lift Station Improvements Project, Project No. WW8013.

Utilities Manager Jeff LeMire discusses the Cedar Niles Lift Station Improvements Project. This is for an environmental clearance and some addition to the design contract to help with the HUD requirements on the federal allocation of \$3.8M. The scope amendment covers the HUD environmental process including: NEPA Coordination and documentation; biological and natural resources; cultural resources; air quality, climate change and greenhouse gases; noise and acoustic environment; hazardous materials; and Environmental Justice and Socioeconomics; and how it's going to affect development in the future in this area. There is a large effort of work we are foreseeing with the Osage Nation. This contract is in place with hours rather than a lump sum. Whatever is determined that is not needed, we would not pay for. We are adding another package to try to speed up the construction of this project. We originally started with two packages, one for the lines and another for the lift station. We thought it would be good to add the third package to see how our construction environment is. Once we get to the bidding process, it would be easier for one person to work on the forcemain, one to work on the gravity and one to work on the lift station. That would help speed up the process of construction. Another aspect of HUD which is new is development aggregation. We are projected to initially have approximately 105 acres of development within the first five years of this project being installed. The design consultants have experience in working with HUD software so they will help with this process which will hopefully make this process a little bit quicker.

Councilmember Shute says this is a requirement of the HUD grant portion, so it's something we have to do.

Councilmember Deaton made a motion to authorize the City Administrator to execute Amendment No. 2 to the Professional Services contract with George Butler Associates, Inc. (GBA) in an amount not to exceed \$268,375.00 for the environmental clearance for the Cedar Niles Lift Station Improvements Project WW8013.

Councilmember Shute Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

3. Consider a resolution designating the Legal Record as the official city newspaper for the city of Gardner, Kansas.

City Administrator Jim Pruetting says state statute requires the governing body to designate by resolution a newspaper to be the official city newspaper. We were notified last week that the Gardner News was going out of business, so we need to designate an official newspaper. We have discussed the possibility of using our own website, but we would have to have a charter ordinance change and a 60-day protest period. There is also

RECORD OF PROCEEDINGS OF THE GOVERNING BODY

CITY OF GARDNER, KANSAS

Page No. 2024 - 74

May 6, 2024

concern that it would not be all inclusive and we would still have to publish some things in the paper of record. We will come back to council with a recommendation on that.

Councilmember Deaton made a motion to adopt Resolution 2145, a resolution of the City of Gardner, Kansas, designating the Legal Record as the official newspaper for the City of Gardner, Kansas.

Councilmember Baldwin Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned number 2145.

Baldwin: Yes

Deaton: Yes

Wiehn: Yes

Shute: Yes

McNeer: Yes

COUNCIL UPDATES

Chief Waldeck said they hosted the first Awards Ceremony last week and it went very well. The officers appreciated it and it was nice to hear all of the great things they do. We had 17 officers receive awards and were recognized with a packed house. We had a busy weekend, but not too many fireworks complaints.

Finance Director Wolff said the Fiscal Services Division and the Communication manager created the Popular Annual Financial Report which is a summarized report on our financial condition that takes information from the Annual Comprehensive Financial Report. It's a new outreach to help increase financial transparency and make it easier to understand.

Utilities Director Gonz said last Friday, Evergy requested to do maintenance on a CCVT which is used for relay protection. We told them they could work on the device, however, they opened the breaker that was feeding substation 1. The customers east of Moonlight were dropped, we had our operators back feed the circuit so we could restore power. It was a 15 minute outage. We are having a meeting with them to make sure next time they do any switching, we are involved and know exactly what they're planning to do.

Administrator Pruetting said there have been a few more hiccups with health insurance implementation. We will get more information as we go along, but we are having our first large group meeting next Thursday. We are going to evaluate, as well as Gravie and our consultant, to find out where some of the problems occurred and we'll be coming back and trying to improve the process. We have about three or four more months before we dive back into it. We will be ready to make changes if they need to be changed.

Councilmember Wiehn said Happy Independence Day. He thanked PD for the invite to the award ceremony. It was great to see what our officers are doing and to see their families.

Councilmember Shute echoes Wiehn's sentiments regarding the award ceremony. He is saddened about the decision to have to change our newspaper of record. It's sad that Cherry Road Media does not feel this is viable community. I will miss having Lynne Hermansen in this room chronicling our meetings.

Council Vice-President Deaton also echoes what Wiehn said about the awards ceremony. It was a really nice ceremony and was great to see the families get to see their loved ones get their award. Blazing Trails Martial Arts held a free women's self-defense class and is appreciative of the event. Happy Independence Day, be safe and follow the fireworks rules.

Council President Baldwin also thinks it's great we had the awards ceremony and officers got the recognition they don't usually get. Thanks to council for calling it Independence Day and enjoy the celebration on Thursday.

Mayor Winters reminds everyone to come out to the Independence Day Festival. He and Wiehn have received concerns of people sleeping on the greenway on the benches closest to Madison. Chief was not aware of anyone

RECORD OF PROCEEDINGS OF THE GOVERNING BODY

CITY OF GARDNER, KANSAS

Page No. 2024 - 75

May 6, 2024

sleeping in the parks but is aware of possibly one person living in their car and working in New Century. They will put a watch out in the area closest to Madison. There are assistance programs available to help. Shute has heard of some unhoused that are sleeping in their cars. If PD is notified, they can connect people with services.

EXECUTIVE SESSION

ADJOURNMENT

There being no further business to come before the Council, on a motion duly made by Councilmember McNeer and seconded by Councilmember Deaton the meeting adjourned at 7:53 pm.

City Clerk