

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

Page No. 2024 – 76

July 15, 2024

The City Council of the City of Gardner, Kansas met in regular session on July 15, 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

1. Revised 2025 Budget Presentation

Finance Director Matt Wolff shared budget updates. The current direction from the governing body is to maintain at least \$10M in Bond and Interest capacity. That means next year we could go out and issue \$10M in principal amount GO Bonds on a 10-year term used to invest in infrastructure, support development and leverage grant or private funding opportunities. Our Target fund balance is 30% of annual expenditures in the General Fund and our Target fund balance for Utility Funds is 25% of annual expenditures. We now have estimates on what our animal shelter contract will be and it is proposed to go up to \$190,000, an increase of almost \$75,000 over the prior year. We included that in the revised 2025 budget and are currently looking at doing a RFP to see what other options there might be and try to find some way to control costs going forward. Another change is modifying the new position request for the police officer to be a Senior Commander. The additional impact is approximately \$29,500 in wages. At the last meeting, council approved Resolution 2144 showing its intent to exceed the Revenue Neutral Rate with a flat mill levy of 18.319. That is what all public notices will be based on. We have already submitted this to the county, so when they send out notifications next month to homeowners, that's the mill rate they will see. Council discussed wanting to look at more mill scenarios and continue that conversation about what the mill rate will be. Right now, the base scenario is a flat mill scenario which projects the fund balance at the end of 2025 at 34% and at the end of 2029, it drops to 24%. The flat mill levy scenario captures growth and valuation that would result in approximately \$3.51 per month on the average homeowner. That mill scenario would support a bond and interest fiscal capacity of \$10.5M. One of the scenarios discussed was $\frac{1}{4}$ mill reduction in the bond and interest fund. That reduces the bond and interest fiscal capacity from \$10.5M to \$10M. it doesn't have any impact on the general fund balances. The $\frac{1}{4}$ mill reduction would save approximately \$.78 per month for the average homeowner when compared to the flat mill scenario. A $\frac{1}{2}$ mill reduction in the bond and interest fund would reduce our fiscal capacity from \$10.5M to \$9M and would have an average savings of \$1.56 per month when compared to the flat mill scenario. A new scenario that was discussed at the last meeting is a $\frac{1}{4}$ mill reduction in B&I and $\frac{1}{4}$ mill reduction in general fund. This will still have the \$1.56 savings per month and the B&I capacity would go from \$10.5M down to \$10M, and the general fund would end in 2029 with a fund balance of 22%.

In April, when the CIP was presented, the capital projects were modeled out and an update on Enterprise funds were presented. Since then, the operating budget has been developed, so this highlights some of the major budget items and provides updated forecasts. Electric fund: in 2024, our wholesale electric purchases budget has increased by \$2.1M and another \$300K increase in meters and materials. For 2025, there is another \$600K increase in wholesale electric purchases; \$80K for diesel storage tank inspection; \$50K for dead weight tester and forklift; and \$250K for underground cable puller. We decreased residential electric rates, service fees and temporarily suspended the power cost adjustment in 2023 as a strategy to reduce the electric fund balance to the target fund balance over time and to provide relief to Gardner residents. This fund balance is projected to drop from 68% of expenses in 2023 to 33% by 2029. We recently updated the electric master plan which identified many new capital projects. The electric fund forecast past year five continues its downward trend and is projected to eventually go negative. The city has hired KMEA to conduct a rate study which will help guide our long-term financial plan for the electric utility. The Water fund revised 2024 budget includes \$120K for tower inspections; \$320K for clarifier repairs; and \$65K for pond cleanout. In 2025, there is \$400K for 183rd tower rehab; \$225K for clearwell; another \$135K for pond cleanout since we are going from one to two up to four times in 2025; and \$117K increase for meters and materials. This was also a line item in the electric fund and we are preparing for increased costs and anticipating more development so we are upping our budget. When we forecast that out, the fund balance drops below 25% in 2024 through 2028 but this is mainly due to capital projects inflating expenses like the water intake structure and

the new water transmission line. The forecast ends with the fund balance of 27% and remains around \$2M throughout the entire forecast so it is considered healthy but is at the bottom of the threshold. The Wastewater fund for 2024 has a \$70K increase for a variable frequency driver replacement and \$150K decrease in I&I program. In 2025, there is a \$40K increase for replacing two movers; \$201K increase for electricity, due to plan expansion project; \$100K for a new camera van; and \$60K increase in I&I program over the 2024 budget. There is money being moved around in the I&I program where staff is looking at ways to self-perform some of the work we currently hire out. Some of the equipment included in the budget is related to performing those tasks. The fund balance remains above 25% of expenses from 2025 through 2029. At the end of 2029, the projected fund balance is 33%. The Airport Fund goes bankrupt in 2026 and cannot afford to cash fund all planned CIP. Recommended solutions include adjusting hangar rates every 3 years, utilizing short-term loans from the electric fund for planned land acquisition and temporary financing of new terminal building. We could make the fund so it doesn't go negative. On the terminal building, the local match after grant funding is still going to be somewhere between \$300K and \$500K. We would still need to do bonds to long-term finance and stretch out the debt payment to the useful life of the asset. The entire forecast stays positive, but it does drop down to about \$40K in fund balance. Council direction is requested for the mill levy. Getting more firm direction would help us build budget documents that we can distribute to the public for the public hearing. The public hearings for RNR and 2025 budget are set for September 3. Councilmember Shute still feels we need to give relief to our residents. Baldwin reviews the scenarios and says if we drop ¼ mill in B&I, we are still going to have a problem in 2029 General Fund. We're already going to be looking at a mill rate increase at some point between now and 2029 unless growth comes in which is why we want B&I to be as high as possible for right now. I don't think we want to minimize what we can do with B&I for 78 cents. Mayor Winters agrees and says we are in a growth mode and we need to capitalize on that. Deaton reminds that 78 cents does not even calculate to a coffee a year and is not helpful if in two years we have to come back and ask them for an additional \$3. Shute says the upcoming increase on homes in Gardner will be around 5%. Matt said the last estimate he saw was about 8.9% increase. Shute says we are giving them 78 cents back on the increase which is going to be significant. Baldwin said there is no good way to calculate how to set the mill to make it a 0% net change to a home. Shute says the higher we make the taxes go, the less likely some people are able to stay in this community. If this does not come with at least a ¼ mill decrease, I'm not going to vote for this budget. Baldwin says he understands, but the fund balance in 2029 is at 24% and would require an increase. Baldwin does not feel this is the year to decrease when we would have to ask for a larger increase in the future. If we give them 78 cents next year and then have to come back and ask for \$3.50 three years from now, that doesn't help anyone. McNeer says that number would even be higher when you include the increase in property values. Baldwin says this is a cumulative effect and affects us going forward and this is not the year to decrease. Wiehn does not think we can decrease even ¼ because healthcare is still going forward. Baldwin says it will take a few years to see the growth do something. Deaton says she hears from citizens that they want: roads, park, community center, splash pad, etc and we can't do that and drop mills. If we don't capitalize, citizens won't want to live here because we won't have the infrastructure for them to enjoy it. Shute says he has heard from many citizens that they can barely afford their mortgages or to keep food in the refrigerator. The food bank has had lines around the church and onto the street, it has gotten worse. Consensus it to stay at flat rate.

The entire presentation can be viewed here: <https://www.youtube.com/watch?v=rfmSwO93Bhk>

2. Project Grad 2025

Christine Wilson, 32264 W 165th St, is part of the 2025 Project Graduation Committee for Gardner Edgerton High School. Project Graduation was started in Maine in about 1980. It allowed for a safe place for students to go after graduation that was chemical and alcohol free. In Maine, around that time, there had been several teen related deaths that started this and it has spread across the county. It has been done here for many years. It is a parent run organization and we start raising money for this on the day of this year's graduation. Our goal is to raise \$50K. The City of Edgerton has already donated \$6K to the program for this year and we are asking you to either exceed or match that contribution knowing that the majority of the students that go to GEHS are in Gardner city limits. With the rise of costs and services, we are looking to spend a large amount of money. Wiehn says he participated last year and got to enjoy the evening and thinks it is an excellent opportunity for us to provide a safe environment for these citizens and an opportunity for us to give back. Shute asks what was donated last year, which was \$3k. We have it budgeted for \$3k and have not increased it. McNeer says in light of the previous discussion and we know the future is going to cost us more money, it does not send the right message. Baldwin does not feel this is the proper use of taxpayer dollars. This is a wonderful organization and the project is great, but this goes to parents and businesses doing donations, but not taxpayer's dollars. The school district gets \$.48 out of every dollar and we only get \$.14. Mayor asks if they know the number of graduates. Christine says in 2025, they expect it to be one of

the larger classes and last year was around 420. There were a little over 250 kids that actually attended which is a little more than half. The goal is that each kid who stays the entire night leaves with \$100 cash and then there are other prizes throughout the night. The cost of goods and services are increasing and last year's budget was \$55k and this year they are hoping for a budget of \$50k. The parents are putting in a lot of time and effort. Mayor asks chief if we provide SROs for the event. Yes, but they pay for it. Shute does not feel like we should go over the budgeted amount. Mayor feels like it is something that the city should be behind it since it is a safety issue and is a community event. Deaton says she feels like the citizens should get to decide how they want to donate their money but is ok with the budgeted amount. Consensus is to stay with the budgeted amount.

PUBLIC HEARING

1. Hold a public hearing for the purpose of citizen input regarding the proposed 2025 Community Development Block Grant (CDBG) application.

Councilmember McNeer made a motion to open a public hearing for the purpose of receiving citizen input regarding the proposed 2025 Community Development Block Grant (CDBG) application.

Councilmember Shute Seconded.

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

No members of the public came forward.

Councilmember McNeer made a motion to close the public hearing.

Councilmember Deaton Seconded.

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

PUBLIC COMMENTS

Jennifer Smith, 648 S. Oak St, is here to follow up on an email to the council about the fireworks policy. The policies that have been established for fireworks are broken and not being followed. People set them off before and after the times the council set. Citizens do not follow the guidelines of not shooting in the middle of the street, sidewalks or on public property. The amount of debris leftover from said fireworks is unbelievable. I had to go out every hour during the high volume of fireworks to make sure debris was not falling in my yard that my ducks could ingest because it would have killed them. There were people behind me shooting them off and I was concerned their house would start on fire. As of tonight, there was someone still shooting off fireworks. It is very disrespectful to those that do follow the rules and for those citizens that cannot handle the fireworks. As a parent of autistic children, I had to start preparing them early, from the time firework sales started through July 5. I wondered where the police department was during this time as I did not see any officers patrol our street, but I know they were probably very busy. I would be happy to be part of a committee or task force that troubleshoots the situation to make it less frustrating for those that cannot handle the excessive amounts of fireworks and for citizens to follow the rules.

CONSENT AGENDA

1. **Standing approval of the minutes as written for the regular meeting on July 1, 2024.**
2. **Standing approval of City expenditures prepared June 24, 2024 in the amount of \$250.00; June 27, 2024 in the amount of \$853,441.71; June 28, 2024 in the amount of \$122,223.53; and July 3, 2024 in the amount of \$858,024.23.**
3. **Consider a recommendation to authorize the City Administrator to execute a contract with Coleman Equipment Inc for 2024 Compact Excavator in the amount of \$63,111.08 plus insurance and shipping charges. Final pricing and applicable programs will be established at delivery.**
4. **Consider authorizing the purchase of roadway deicing salt from Central Salt Company.**
5. **Consider authorizing the purchase of equipment under the City's Vehicle and Equipment Replacement Policy.**

6. Consider approval of the Airport Design & Planning Grant Agreement with KDOT for CIP project AP3012, Replace Fuel Facility.
7. Consider approval of the Aviation Facilities and/or Equipment Grant Agreement with KDOT for CIP project AP3012, Replace Fuel Facility.
8. Authorize the Mayor and City Administrator to execute a Quit Claim Deed.
9. Consider authorizing the Mayor to execute an Amended Agreement for continued participation in the Johnson County Urban County and Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs dated June 5, 2003.

Councilmember Shute 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

1. Consider adopting ordinance approving a rezoning from RP-4 (Planned Mixed-Density Neighborhood) District to RP-4 (Planned Mixed-Density Neighborhood) District; for potential residential development of 28.86 acres located on the northeast intersection of 167th St. and White Drive.

Community Development Director David Knopick gave a brief overview of this item. It is a revised preliminary development plan. It was originally approved in 2022 and the proposal was for 106 duplexes, 212 units on this 28 plus acre parcel. During that time economic conditions changed, we had interest rate changes, supply chain issues and the original developer backed away from that development. A new developer has stepped forward with this proposal for 264 units on this parcel in a townhome configuration. They are in four- and six-unit configurations and will include an extensive trail system, a clubhouse and amenity center and open space as part of the development.

Thomas Lewis of Sallee Development gave a brief overview of their company and plan. This will include 4-plexes and 6-plexes with one and two car garages.

Shute says this development fills a need as we don't have two-story external access properties with two car garages. Deaton appreciates the two-car garages.

Councilmember Baldwin made a motion to accept the recommendation of the Planning Commission and approve Ordinance No. 2805, an ordinance changing the zoning classification or districts of certain lands located in the City of Gardner, Kansas, under the authority granted by Title 17 of the Municipal Code of the City of Gardner, Kansas; and acceptance of easements and right-of-ways as shown on the Final Plat.

Councilmember Deaton Seconded.

With all of the Councilmembers voting in favor of the motion, the Ordinance passed and was assigned number 2805.

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

2. Consider adopting ordinance approving a rezoning from CP-3 (Planned Heavy Commercial) District to CP-3 (Planned Heavy Commercial) District; for potential commercial development of 1.27 acres located on the south side of E. Santa Fe St approximately 750' west of Conestoga St.

Community Development Director David Knopick explained this is similar to the first item as it had a previous development associated with it as the Gardner Business Center that was approved in 2019. This property has been vacant since that time. This is a rezoning for a car lot. We have the final plat ready.

McNeer likes seeing a car dealership added to our community and is a welcome addition.

Councilmember Shute made a motion to accept the recommendation of the Planning Commission and approve Ordinance No. 2806, an ordinance changing the zoning classification or districts of certain lands located in the City of Gardner, Kansas, under the authority granted by Title 17 of the Municipal Code of the City of Gardner, Kansas; and acceptance of easements and right-of-ways as shown on the Final Plat.

Councilmember McNeer Seconded.

With all of the Councilmembers voting in favor of the motion, the Ordinance passed and was assigned number 2806.

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

OLD BUSINESS

NEW BUSINESS

1. Consider adopting a resolution authorizing the offer for public sale of certain General Obligation Bonds and Notes of the City of Gardner, Kansas.

Finance Director Matt Wolff said the city is planning to sell approximately \$1.545M of principal amount of General Obligation bonds series 2024A and approximately \$1.09M of principal amount General Obligation Temp Notes series 2024B on August 5. The bonds will be used to pay off 2023A General Obligation Temp Notes and provide permanent financing for the Hilltop Ridge Special Benefit Districts. The Temp Notes will be used to provide temporary financing for offsite sewer improvements and lift station improvements for Lone Star Prairie Special Benefit District. After the improvements have been levied for the projects and permanent financing has been secured, the city will up the special assessments on the properties to pay for the improvements. The cost of the improvements for the Hilltop Ridge Special Benefit Districts and the Lone Star Prairie Special Benefit District will be 100% against the improvement and 0% against the city at large.

Shute asked about the market, are bonds still in the 5% range? Tom Kaleko with Baker Tilly says they have fluctuated some and have come up a little but they are in the 4% range.

Councilmember Shute made a motion to adopt Resolution No. 2146, a resolution authorizing the offer for public sale of certain General Obligation Bonds and Notes of the City of Gardner, Kansas.

Councilmember McNeer Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned number 2146.

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

2. Consider a resolution declaring the intent of the City of Gardner, Kansas, to issue Industrial Revenue Bonds (taxable under federal law) in the principal amount not to exceed \$25,000,000 for the purpose of financing a portion of the acquisition, construction and equipping of a rental townhome project within the city (Flint Trails).

Finance Director Matt Wolff said the developer of Flint Trails residential development has requested the use of IRBs to finance a portion of its rental townhome project. This financing approach would provide the developer with a sales tax exemption on construction materials which would enable the developer to include more amenities in the project. The list of amenities is attached to the resolution as Exhibit A which represents a significant private investment and adds additional value to the development project beyond the minimum development requirements. The IRBs will be payable solely out of the rentals, revenues and receipts derived from the lease of the project to the company from the city. The bonds shall not be General Obligations of the city nor constitute a pledge of Full Faith and Credit of the city and shall not be payable in any manner of taxation.

Councilmember Shute made a motion to adopt Resolution No. 2147, a resolution declaring the intent of the City of Gardner, Kansas, to issue Industrial Revenue Bonds (taxable under federal law) in the principal amount not to exceed \$25,000,000 for the purpose of financing a portion of the acquisition, construction and equipping of a rental townhome project within the City (Flint Trails).

Councilmember McNeer Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned number 2147.

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

COUNCIL UPDATES

Parks and Recreation Director Bruce thanks everyone involved in the Independence Day festival: Fire District 1; Johnson County Sheriff; Gardner Police Department; and other departments such as Public Works and Finance. This is a full team effort. It was a huge crowd since a lot of other shows were canceled. Now we are getting ready for Gardner Grind.

Community Development Director Knopick says Planning Commission is next Monday.

Chief Waldeck will add the calls for service we ran for fireworks in the Friday Memo.

Councilmember McNeer thanks all involved for making the July 4th celebration a success.

Councilmember Wiehn wants to address the concerns about fireworks. There seems to be a lack of understanding what the regulations are. We discussed the dates and times and announced them. There were people in the streets and everywhere and I realized that is not allowed according to our ordinances. This would be a time to discuss options and maybe increase the cost of stands. Knopick confirms signs are handed out by the inspectors when they inspect the tents. Pruetting said we have posted on social media and our traffic signs.

Mayor said maybe we should set up a task force or committee to come up with ideas and thoughts to work some of these issues and bring them back. Shute said we need a special event task force.

City Administrator Pruetting said people will participate in fireworks whether they are legal or not. It is very difficult to go out and try to find those that are shooting them and arrest those five people when a thousand are shooting them off, you will lose all credibility. We do not have the manpower to put this back on the police department to try and monitor.

Consensus is there may be a lack of awareness of the dates and times allowed even though we have blasted it and posted it everywhere. Shute says it took years to discuss stopping when there were people in the crosswalk and finally there are people stopping. This is the same thing, we will need to discuss and communicate it more. Wiehn said we need to discuss and propose ideas of how to get the information out to everyone.

Ms. Smith came back up because this is more about awareness for those with veterans with PTSD and those with autism and sensory issues. There have been prior campaigns with gummies and calming treats for dogs and that has seemed to help. We partnered up for noise cancelling headphones and even the county got on board. We know fireworks are going to happen and on those set days, but this is about the educational part of why we have

it on those days, what it does to those neighbors with PTSD and autism. We have to do something as this is getting out of hand in some areas. I would like this to be a place for those that have sensory issues can be here and enjoy it and not be prisoners in their own home. Baldwin says we can do all of these things, but there will still be people breaking the rules and some will have a tough time. McNeer asks if Jennifer would like to take a lead on a citizens group to work on educating.

Councilmember Deaton said Gardner Gold duck races exceeded all of their goals and the Parks & Rec staff was amazing.

EXECUTIVE SESSION

1. Consider entering into executive session to discuss personnel matters relating to non-elected personnel.

Councilmember McNeer made a motion to recess into executive session to discuss personnel matters relating to non-elected personnel pursuant to K.S.A. 75-4319 (b)(1), beginning at 8:20 pm; returning to regular session at 8:35 pm.

Councilmember Deaton Seconded.

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

Councilmember Deaton made a motion to resume regular session at 8:35 pm

Councilmember Shute Seconded.

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

Councilmember Deaton made a motion to reconvene executive session for the purpose previously stated beginning at 8:36 pm; returning to regular session at 8:42 pm.

Councilmember Shute Seconded.

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

Councilmember Deaton made a motion to resume regular session at 8:42 pm

Councilmember Shute Seconded.

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

ADJOURNMENT

There being no further business to come before the Council, on a motion duly made by Councilmember Deaton and seconded by Councilmember McNeer the meeting adjourned at 8:42 pm.

City Clerk